GREAT PLAINS
NATURAL GAS CO.
A Division of MDU Resources Group, Inc.

105 West Fir Avenue
Mailing Address:
P.O. Box 176
Fergus Falls, MN 56538-0176
(218) 736-6935

December 3, 2018

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 East Seventh Place, Suite 350
St. Paul, MN 55101-2147

RE: Docket No. G004/D-18-369
Reply Comments to the Response Comments of the Minnesota Department of Commerce, Division of Energy Resources

Dear Mr. Wolf:

Great Plains Natural Gas Co. (Great Plains), a Division of MDU Resources Group, Inc., herewith electronically files its reply comments to the Response Comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) filed on November 13, 2018.

Great Plains appreciates the Department's review of the Company's annual depreciation study and agrees with its recommendation of approval of the depreciation parameters and the resulting depreciation rates. The Company requests that the Commission approve the depreciation rates filed by Great Plains.

Great Plains agrees with the Department's recommendation to change its plant-in-service reporting basis in all future Jurisdictional Annual Reports to reflect Minnesota jurisdictional amounts for the gas plant-in-service accounts. The Company will include appropriate footnotes to explain the reasoning for the difference in 2017 year-end balances reported in Docket No. E,G999-PR-18-04 and 2018 beginning-of-year gas plant-in-service balances reported in the 2018 JAR (filed May 2019).

Great Plains does have concerns with the request of the Department regarding the reporting of all buildings, individually, used for regulatory utility operations in its next depreciation filing. Each of Great Plains buildings is used for regulatory utility operations and is accounted for in Account No. 390 – General Structures and Improvements. Buildings are accounted for as group assets and a single average remaining life depreciation rate is developed based on the parameters of the total group assets in Account No. 390. For that reason, while the Company does have the original cost for each building placed in service, the accumulated reserve is not maintained on an individual asset basis. Finally, upon disposition of an individual building, the retirement cost (whether a gain or loss) is closed to the accumulated reserve account further complicating an allocation of the accumulated reserve to each individual building.

If you have any questions regarding this filing, please contact me at (701) 222-7856, or Brian Meloy, at (612) 335-1451.

Sincerely,

/s/ Tamie A. Aberle

Tamie A. Aberle
Director of Regulatory Affairs