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July 7, 2015

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

RE: Docket Nos. G004/AA-14-749 and G999/AA-14-580  
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 June 24, 2015 and the Comments of the Office of Attorney General (OAG) dated June 26, 2015.

**Response to the Department's Comments and Recommendations**

In its response comments regarding the 2013-2014 AAA/True-up filing submitted by Great Plains, the Department now recommends that the Commission:

- accept Great Plains' FYE14 true-ups as filed in Docket No. G004/AA-14-749;
- allow Great Plains to implement its true-ups, as shown in DOC Attachments G6a and G6b of the *AAA Report*; and
- describe and report each of the FYE14 corrections as a separate line item to the beginning balance of the demand cost of gas in its September 1, 2015 true-up.

Great Plains agrees with the recommendations of the Department and requests that the Commission issue an Order accepting Great Plains' Annual Gas Cost Reconciliation (GCR) filing.

The Department recommended that all of the utilities total the gas costs in their Contractor Main Strikes Report and provide the allocation of gas costs credited to each class in its true-up of commodity costs and noted that Great Plains failed to mention Contractor Main Strikes in its reply. Great Plains agrees with the Department and notes that the total cost of lost gas of \$899 reported in its AAA report was credited to the cost of gas prior to the determination of the cost of gas charged to the customer classes. Therefore, there is not an amount allocated to firm and interruptible customers. Great Plains apologizes for the omission.

The Department also recommended that all Minnesota regulated gas utilities provide information on unauthorized gas usage for the next three AAA Reports (2014-2015, 2015-2016, and 2016-2017 reports). For each customer that did not comply with a called interruption(s) during the heating season, the Department requests that the utility provide:

- the volume of gas consumed by the non-compliant customer during the curtailment period;
- the specific commodity rate charged for the unauthorized gas used and how that rate is determined;
- the financial penalty, if any, assessed by the company on the customer. Please include calculations in determining the penalty or penalties; and
- a discussion about the utility communication with each customer regarding noncompliance with interruptions (excluding invoices).

Great Plains appreciates the Department's review and agrees with the Department's recommendations to provide the data requested by the Department.

#### **Response to the OAG's Comments and Recommendations**

The OAG submitted Comments highlighting the concern that interruptible customers' unauthorized usage during curtailment period compromises system reliability and will lead to increased future demand entitlement costs for firm customer classes. Great Plains does agree that compliance with interruption requests is important from a fairness and reliability standpoint. However, Great Plains will disconnect service in order to maintain system reliability if necessary. Great Plains also does not agree that interruptible customers' failure to interrupt could inflate demand forecasts. Great Plains design day forecast is based on historical firm customer usage only and does not include interruptible customer usage.

Additionally, the OAG would like utilities to discuss how they measure their own curtailment performance internally and additional metrics that could be used to ensure customer outreach and fees are effective at increasing curtailment compliance. Great Plains supports the Department's recommendation to monitor and evaluate the interruptible customers' unauthorized use for the next three AAA reports.

Great Plains appreciates the opportunity to provide these brief comments and requests that the Commission accept Great Plains' GCR filing. If you have any questions regarding this filing, please contact Tamie A. Aberle at (701) 222-7856, or Brian Meloy, at (612) 335-1451.

Sincerely,

*/s/ Tamie A. Aberle*

Tamie A. Aberle  
Director of Regulatory Affairs