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July 30, 2020

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

RE: In the Matter of the Request of Minnesota Regulated Gas and Electric Utilities for
Authorization to Track Expenses Resulting From the Effects of COVID-19 and
Record and Defer Such Expenses Into a Regulatory Asset

Docket No. E,G-999/M-20-427
Compliance Filing

Dear Mr. Seuffert:

Great Plains Natural Gas Co. (Great Plains), a Division of Montana-Dakota Utilities Co.,
herewith electronically files its Compliance Filing pursuant to the Minnesota Public
Utilities Commission's May 22, 2020 Order in the above referenced Docket and the
Notice of Clarification of Quarterly Reporting Requirement issued on June 25, 2020.

If you have any questions regarding this study, please contact me at (701) 222-7855, or
Brian M. Meloy, at (612) 335-1451.

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

cc: Brian M. Meloy

STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Valerie Means	Commissioner
Matthew Schuenger	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

In the Matter of the Request of Minnesota
Regulated Gas and Electric Utilities for
Authorization to Track Expenses
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and Record and Defer Such Expenses
Into a Regulatory Asset

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Great Plains' 2nd Quarter 2020 Report

Great Plains Natural Gas Co., a Division of Montana-Dakota Utilities Co. ("Great Plains") respectfully files this report in compliance with the Minnesota Public Utilities Commission's ("Commission") May 22, 2020 Order Approving Accounting Request and Taking Other Action Related to COVID-19 Pandemic ("May 22 Order") in the above-captioned matter.

The Commission's June 25, 2020 Notice of Clarification of Reporting Requirements provided the following clarification to the Commission's Order:

1. For the duration of this proceeding, quarterly compliance filings for the quarters ending in March, June, September and December will be due 30 days after the end of each respective quarter.
2. The first quarterly report will be due on or before July 30, 2020.
3. Compliance filings will include estimates of any COVID-related costs or offsets that are known at that time.
4. All quarterly reports must include an accounts receivable aging, by class, using a format similar to the one below:

Class	Current	1-30 days past due	31-60 days past due	61-90 days past due	91+ days past due	Total
Residential						
Commercial						
Industrial						
Total						

As noted in previous comments in this docket, Great Plains appreciates the Commission’s proactive approach to the ongoing COVID-19 pandemic and its prompt action granting the request for deferred accounting in the May 22 Order. The magnitude of the COVID-19 related expenditures and financial impacts remain unknown with certainty at this time, however as recognized by the May 22 Order, the Commission will review any deferred costs and financial impacts to determine the significance, prudence, reasonableness and incremental nature of these costs upon the Company’s request to recover such costs.

Great Plains is experiencing cost increases in the following categories identified as being directly related to the COVID pandemic. In addition to the cost increases, Great Plains has experienced the loss of late payment revenues.

- PPE costs (masks, gloves, hand sanitizer, wipes, etc.)
- Additional computers including software and network related costs
- Issuance costs related to incremental short-term borrowings
- Incremental interest expense associated with the incremental short-term borrowings
- Vehicles

In addition to the above denoted increased costs, Great Plains is seeing a decrease in travel and training costs. It is unknown, at this time, to what extent the cost savings are short term in nature and represent a shift in the timing of the expenses. As of June 30, the net impact of the cost increases offset by savings was approximately \$54,000. This does not reflect an increase in bad debt expense as it is unknown at this time the amounts that will ultimately be written off leading to higher bad debt expense. As shown below, the accounts receivable balances are on the rise and an increase in bad debts expense is expected.

Accounts Receivable Balances

Following is a report of the account receivable balances for the period April 2020 through June 2020:

April 2020

Class	Current	1-30 days	31-60 days past due	61-90 days past due	91+ days past due
Residential	\$996,425	\$663,007	\$129,775	\$97,992	\$105,651
Commercial	724,982	603,822	73,554	22,322	25,284
Industrial	117,807	117,807	0	0	0
Total	\$1,839,214	\$1,384,636	\$203,329	\$120,314	\$130,935

May 2020

Class	Current	1-30 days	31-60 days past due	61-90 days past due	91+ days past due
Residential	\$650,106	\$306,645	\$106,076	\$84,387	\$152,998
Commercial	366,390	275,349	28,651	22,603	39,787
Industrial	31,410	31,410	0	0	0
Total	\$1,047,906	\$613,404	\$134,727	\$106,990	\$192,785

June 2020

Class	Current	1-30 days	31-60 days past due	61-90 days past due	91+ days past due
Residential	\$379,387	\$31,508	\$73,124	\$73,913	\$200,842
Commercial	271,327	195,852	14,546	13,770	47,159
Industrial	22,993	22,993	0	0	0
Total	\$673,707	\$250,353	\$87,670	\$87,683	\$248,001

The nearly doubling of the 91 plus days past due balances between April and June is alarming as customers fall further behind as we approach the next heating season. This trend is an indication of a likely increase in bad debts expense.

Great Plains appreciates the opportunity to provide this quarterly update. The Company will continue to monitor cost impacts and identify offsetting cost savings. As this progresses additional information will be available and provided in the quarterly updates.

Dated: July 30, 2020

By: /s/ Travis Jacobson
Director of Regulatory Affairs