COMMERCE DEPARTMENT

August 4, 2025

Mike Bull
Interim Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: Response Comments of the Minnesota Department of Commerce
Docket No. G004/M-25-200

Dear Mr. Bull:

Attached are the Response Comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) regarding the April 15, 2025 Petition and July 25, 2025 Reply Comments by Great Plains Natural Gas Co. (Great Plains or the Company) in Docket No. G004/M-25-200, requesting approval of its Gas Utility Infrastructure Cost Adjustment Tariff, 2025 Revenue Requirement and Revised Adjustment Factors.

The Department recommends the Minnesota Public Utilities Commission (Commission) **approve** Great Plains' Petition as updated in Great Plains' Reply Comments. The Department is available to answer any questions the Commission may have.

Sincerely,

/s/ Dr. SYDNIE LIEB
Assistant Commissioner of Regulatory Analysis

CN/MJ/ad
Attachment

Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce

Docket No. G004/M-25-200

I. INTRODUCTION

On April 15, 2025, Great Plains filed a Petition requesting the Commission approve its annual update to its Gas Utility Infrastructure Cost (GUIC) tariff adjustment, including projected 2025 revenue requirements for January through September 2025, and true-up for 2024. In the Petition, Great Plains proposes to recover $1,830,334 in net revenue requirements through its GUIC rider, effective October 1, 2025.

On July 15, 2025, the Department filed comments on Great Plains' Petition. The Department's initial comments preliminarily recommended the Commission:

- Find that Great Plains' project expenses meet the eligibility requirements for recovery through the GUIC Rider.
- Find that Great Plains' Petition complies with previous Commission Orders.
- Approve Great Plains' proposal to use the rate of return from its most recent 2019 Rate Case.
- Approve Great Plains' 2024 GUIC true-up.

In addition, the Department requests that Great Plains provide the following in reply comments:

- Recalculations of 2025 revenue requirement using the updated capital costs provided in response to DOC IR 7.
- An updated calculation of the 2025 Proposed Recovery Factors using the updated capital costs provided in response to DOC IR 7.
- An update of Exhibit G of the Petition (Customer Notification) to reflect revised Proposed Adjustment Rates following recalculation.

The Department stated that it would provide final recommendations after reviewing Great Plains' Reply Comments, which included the additional information.

On July 25, 2025, Great Plains filed Reply Comments, in which the Company provided additional information, updated several inputs to its 2025 forecast, and requested the Commission approve the updated 2025 GUIC Revenue Requirement and Revised Adjustment Factors.[1]

[1] In the Matter of the Petition of Great Plains Natural Gas Company's Gas Utility Infrastructure Cost Adjustment Tariff 2025 Revenue Requirement and Revised Adjustment Factors, Reply Comments, Great Plains, July 25, 2025, Docket No. G004/M-25-200, (eDocket) 20257-221386-01

Below, the Department responds to Great Plains' Reply Comments with additional analysis and provides its final recommendations.

II. REVIEW OF GREAT PLAINS' REPLY COMMENTS

A. GREAT PLAINS' 2025 GUIC CAPITAL COSTS

As discussed in the initial comments regarding Great Plains' 2025 GUIC project capital costs, the Department found the capital costs for Mains and Services updated by Great Plains in response to DOC IR 7 to be reasonable since the Company provided cost documentation, estimates, and current costs-to-date to support these projected figures. Therefore, the Department supports Great Plains' use of these revised lower capital costs to recalculate its 2025 GUIC Revenue Requirement and Revised Adjustment Factors.

Projected capital costs for Great Plains' 2025 GUIC projects are now $821,330 for Mains and $772,921 for Services, compared to the initial filings of $1,671,560 for Mains and $1,392,964 for Services.[2] The Department recommends the Commission approve Great Plains' 2025 GUIC capital costs as updated.

B. GREAT PLAINS' 2025 GUIC REVENUE REQUIREMENT

In the Reply Comments, the Company provided recalculations of the 2025 revenue requirement using the updated capital costs. The recalculated revenue requirement is $1,610,523 as shown in Exhibit D - Revised, pages 1, 2, 5, and 6. **Table 1** below compares the initial projected 2025 revenue requirement to the revised projected 2025 revenue requirement for Great Plains' 2025 GUIC projects.

Table 1: Great Plains' Proposed Annual Revenue Requirements (*in USD*)

	Initial Filing	Revised	Increase (Decrease)
Total Under Recovery as of December 31, 2024	$1,132,256	$1,132,256	-
Projected 2025 Revenue Requirement	**$1,711,777**	**$1,610,523**[3]	**($101,254)**
Estimated Recoveries: January – September 2025	($1,013,699)	($1,013,699)	-
Total Required Recovery – October 2025 – September 2026	**$1,830,334**	**$1,729,080**	**($101,254)**

The Department reviewed the calculations for the revised projected 2025 revenue requirement of Great Plains' 2025 GUIC projects, as shown in Exhibit D – Revised in Great Plains' Reply comments. Based on our review, the Department concludes that Great Plains' calculations appear reasonable. As a result, the Department recommends the Commission approve the Company's 2025 GUIC revenue

[2] Great Plains' Reply Comments, Page 1.
[3] Great Plains' Reply Comments, Exhibit D – Revised, Page 1.

requirement as updated in response to DOC IR 7 and as shown in Great Plains' Reply Comments in Exhibit D – Revised.

C. GREAT PLAINS' 2025 GUIC PROPOSED RECOVERY FACTORS

Great Plains provided an updated calculation of the 2025 Proposed Recovery Factors using the updated capital costs provided in response to DOC IR 7 in Exhibit E – Revised. **Table 2** below compares the initial Proposed Recovery Factors to the revised ones for Great Plains' 2025 GUIC projects.

Table 4: Great Plains' Proposed GUIC Rates (*$/dekatherm*)[4]

	Initial Filing Proposed Rate	Revised Proposed Rate	Increase (Decrease)
Sales:			
Residential	0.5772	0.5466	(0.0306)
Firm General	0.4144	0.3915	(0.0229)
Grain Drying	0.3690	0.3438	(0.0252)
Small Interruptible	0.3090	0.2917	(0.0173)
Large Interruptible	0.1687	0.1590	(0.0097)
Transportation:			
Small Interruptible	0.4051	0.3807	(0.0244)
Large Interruptible	0.0746	0.0701	(0.0045)

Based on our review of Exhibit E - Revised, the Department finds the adjustment rate calculations are mathematically accurate, and the allocation factors and dekatherm sales assumptions underlying the proposed GUIC adjustment rates are reasonable. As a result, the Department recommends the Commission approve the Company's 2025 GUIC Proposed Recovery Factors as updated and shown in Exhibit E – Revised in Great Plains' Reply Comments.

D. CUSTOMER NOTIFICATION

Great Plains proposes to include, as a bill insert, the customer notification shown in Exhibit G - Revised of the Reply Comments. The proposed language in this notice is consistent with previous customer bill notices, but includes the revised rates. The Department finds the language in the Company's proposed customer notice, as outlined in Exhibit G - revised, is reasonable. The Department recommends the Commission approve Great Plains' proposed language for the relevant customer bill insert as updated to include the revised rates.

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[4] Great Plains' Reply Comments, Page 2.

III. DEPARTMENT RECOMMENDATIONS

Based on our review and analysis, the Department provides the following recommendations, which are the same as those in the Department's initial comments, updated to incorporate information provided by Great Plains in its Reply Comments.

- Find Great Plains' project expenses meet the eligibility requirements for recovery through the GUIC Rider.
- Find Great Plains' Petition complies with previous Commission orders.
- Approve Great Plains' proposal to use the rate of return from its most recent 2019 Rate Case.
- Approve Great Plains' 2024 GUIC true-up.
- Approve Great Plains' proposed 2025 GUIC capital costs of **$1,594,251.**
- Approve Great Plains' proposed 2025 GUIC revenue requirement of **$1,610,523 and resulting total required recovery of $1,729,080**.
- Approve Great Plains' 2025 GUIC Proposed Recovery Factors as revised in **Table 4**, effective October 1, 2025.
- Within 10 days of the Commission's order in the current docket, require Great Plains to submit a compliance filing that includes (1) the GUIC tariff sheet, updated with the newly authorized adjustment rates and their approved effective date and (2) the final version of the GUIC customer notice which Great Plains plans to include as a bill insert following Commission approval of new GUIC adjustment rates.