

705 West Fir Ave. Mailing Address: P.O. Box 176 Fergus Falls, MN 56538-0176 1-877-267-4764

January 12, 2024

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

Re: Petition for Approval of a New Rate Schedule "Renewable Natural Gas Producer Access and Interconnection Service Rate 87" Docket No. G004/M-24-____

Dear Mr. Seuffert:

Great Plains Natural Gas Co. ("Great Plains" or "Company"), a Division of Montana-Dakota Utilities Co., herewith electronically submits this Petition for Minnesota Public Utilities Commission ("Commission") approval of a proposed new rate schedule, Renewable Natural Gas Producer Access and Interconnection Service Rate 87, designated as Original Sheet Nos. 56 through 60 of Section 5 of the Company's natural gas tariff and attached hereto as Attachment A. Also included in Attachment A is the corresponding proposed change to the Table of Contents in Section 1 to reflect the insertion of the new rate schedule. The proposed new rate schedule is in response to inquiries from renewable natural gas (RNG) producers requesting to access and interconnect to Great Plains' distribution system for the purpose of delivering RNG.

Great Plains respectfully requests this filing be accepted as being in full compliance with the filing requirements of the Commission and that the Commission approve the tariff changes proposed in the Company's Petition.

If you have any questions regarding this filing, please contact me at (701) 222-7855 or Kristin Stastny at (612) 977-8656.

Sincerely,

|S| Travis R. Jacobson

Travis R. Jacobson Director of Regulatory Affairs

cc: Kristin Stastny

Attachments

STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Katie Sieben Joseph Sullivan Hwikwon Ham Valerie Means John Tuma Chair Vice Chair Commissioner Commissioner Commissioner

In the Matter of the Petition of Great Plains Natural Gas Co., a Division of Montana-Dakota Utilities Co., for Approval of a New Rate Schedule "Renewable Natural Gas Producer Access and Interconnection Service Rate 87"

Docket No. G004/M-24-____

SUMMARY OF FILING

Great Plains Natural Gas Co. ("Great Plains" or "Company"), a Division of

Montana-Dakota Utilities Co., respectfully requests Minnesota Public Utilities

Commission ("Commission") approval of a proposed new rate schedule "Renewable

Natural Gas Producer Access and Interconnection Service Rate 87" in response to

customer inquiries from renewable natural gas (RNG) producers requesting to access

and interconnect to Great Plains' distribution system for the purpose of delivering RNG.

The Company's Petition sets forth the proposed new tariffed service, including the rates

and terms and conditions of service applicable to the access and interconnection to

Great Plains' distribution system.

STATE OF MINNESOTA BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Katie Sieben Joseph Sullivan Hwikwon Ham Valerie Means John Tuma Chair Vice Chair Commissioner Commissioner

In the Matter of the Petition of Great Plains Natural Gas Co., a Division of Montana-Dakota Utilities Co., for Approval of a New Rate Schedule "Renewable Natural Gas Producer Access and Interconnection Service Rate 87"

Docket No. G004/M-24-____

PETITION FOR APPROVAL OF RENEWABLE NATURAL GAS PRODUCER ACCESS AND INTERCONNECTION RATE 87

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I. INTRODUCTION AND SUMMARY

Great Plains Natural Gas Co. ("Great Plains" or "Company") a Division of

Montana-Dakota Utilities Co., hereby petitions the Minnesota Public Utilities

Commission (Commission) for approval of a proposed new rate schedule "Renewable

Natural Gas Producer Access and Interconnection Service Rate 87" (Rate 87).

II. BACKGROUND

Renewable natural gas (RNG) is the term used to describe pipeline-quality biomethane-produced gas from biomass sources. Common sources of biomass used in the production of RNG are livestock operations, landfills, and wastewater treatment facilities. RNG can be interchangeable with natural gas, carbon neutral, and fully compatible with the U.S. pipeline infrastructure. It can be used in homes and businesses, in manufacturing and other heavy industries, for electricity production, and as an alternative fuel for transportation.

RNG has the potential to provide environmental benefits as RNG production captures methane from animal waste and other biomass sources that otherwise would have directly entered the Earth's atmosphere. When it is eventually combusted, the RNG releases significantly fewer greenhouse gas emissions than the total that otherwise would have entered the atmosphere.

RNG also has the potential to provide a new revenue stream to owners of such biomass facilities as it allows these operations to convert the waste into a beneficial supplementary revenue source. To transport and deliver RNG, producers often seek access to a gas utility's distribution system.

In recognition of the agricultural presence throughout the Company's Minnesota service territory and in response to inquiries for access to the Company's distribution system, Great Plains is proactively requesting to establish a new rate schedule that will provide these RNG producers the rates and terms of service to access the Company's facilities as well as assurances that the Company's other customers will not be affected by the presence of these customers on Great Plains' distribution system.

III. General Filing Information

Pursuant to Minn. Rules Part 7829.1300, Subpart 3, Great Plains provides the following general information:

Utility:	Great Plains Natural Gas Co. A Division of Montana-Dakota Utilities Co.
Company's Attorneys:	Kristin Stastny Taft Stettinius & Hollister LLP

	2200 IDS Center
	80 South 8 th Street
	Minneapolis, MN 55402
	Telephone: (612) 997-8656
Date of Filing	January 12, 2024
Proposed Effective Date	Upon Commission Approval
Controlling Statute for Time in	Great Plains is unaware of any statute or
Processing the Filing	rule controlling the timeframe for
	processing this filing.
Utility personnel authorizing the	Travis R. Jacobson
filing and to whom copies of	Director of Regulatory Affairs
correspondence, pleadings and	Great Plains Natural Gas Co.
notices should be sent:	400 North 4 th Street
	Bismarck, ND 58501

IV. Description of Filing

A. Petitioner

Great Plains is a Minnesota public utility as defined in Minn. Stat. §216B.02,

Subd. 4 that operates as a Division of Montana-Dakota Utilities Co. Great Plains is

engaged in business as a natural gas local distribution company serving eighteen

communities in Minnesota and one in North Dakota. Great Plains currently provides

natural gas utility service to approximately 22,400 customers in Minnesota and

approximately 2,400 customers in North Dakota.

B. Proposed Renewable Natural Gas Producer Access and Interconnection Service Rate 87.

For the above-mentioned reasons, Great Plains finds value in proactively establishing a new rate schedule that outlines the availability, rates, and general terms and conditions required for this new, developing type of service in the Company's service territory. Great Plains herewith proposes Renewable Natural Gas Producer Access and Interconnection Service Rate 87, attached hereto as Attachment A. Each section of this new rate schedule is further defined below.

<u>Availability</u>

Great Plains is proposing the new rate schedule be available to a RNG producer whose RNG meets or exceeds the Company's quality specifications and who has entered into both a RNG Facilities Interconnect Agreement (Interconnect Agreement) and a RNG Producer Access and Maintenance Agreement (Access and Maintenance Agreement) to interconnect to the Company's distribution system for the delivery of RNG.

Once approved as a customer under Rate 87, the acceptance of the RNG by Great Plains is contingent upon the RNG meeting the testing and quality requirements defined in the Interconnect Agreement. The gas standards defined in the Interconnect Agreement will ensure that the RNG transported gas is of the same quality as the natural gas the Company purchases for its customers.

Rate and Billing Provisions

Qualifying customers who enter into agreements with the Company for service under Rate 87 will be billed three charges each month. Two of the charges will be the same charges as that for service billed under the Company's Large Interruptible Transportation Service Rate 82 (Rate 82), excluding the Conservation Improvement Program Charges from the volumetric charge. As Great Plains is simply transporting the RNG, the Company believes it appropriate to use similar charges as authorized under Rate 82 for this comparable type of service.

Access Fee	\$260.00 per month
Access Commodity Charge	\$0.8189 per dekatherm

However, unlike Rate 82, the Company will incur additional costs for the ongoing

maintenance of the interconnection facilities and the measurement and monitoring of the RNG. These additional costs may include, but are not limited to, labor for the inspection of meters, regulators, reliefs, and valves, odorant, gas chromatographs, including calibration, and telephone or other monitoring equipment. As these additional costs will help ensure that only pipeline quality gas is being safely injected into Great Plains' distribution system and are specific to and caused by each customer, the Company is proposing a second monthly charge be billed to customers under Rate 87:

Maintenance Fee Specified in RNG Producer Access and Maintenance Agreement

As the maintenance fee will be dependent on the actual costs incurred to provide service to a particular location, Great Plains proposes that the maintenance fee be identified in each RNG Producer Access and Maintenance Agreement and subject to annual review. Please see Attachment B for an example of an initial Maintenance Fee for a Rate 87 customer.

Customers under Rate 87 will not be subject to charges billed under the Conservation Improvement Program Adjustment Clause, the Revenue Decoupling Mechanism, the Gas Affordability Program, or the Gas Utility Infrastructure Cost Adjustment.

Nomination and Balancing Requirement

Similar to the Company's transportation rate schedules, Rate 87 includes provisions related to the RNG producer's nominations and balancing requirements. The nomination requirements will be further defined in the RNG Producer Access and Maintenance Agreement and outline the daily and monthly notification

timeframe for estimated RNG injections.

Rate 87 then further defines the charges applicable when a producer's nominations differ from their actual metered injections. The stepped imbalance mechanism parallels that included in the Company's Rate 82 schedule and where the payment corresponds to the degree of the imbalance.

General Terms and Conditions

A number of terms and conditions are being proposed that will further identify the actions and/or responsibilities that all RNG producers must meet or adhere to, in order to initiate, and continue, service under the proposed new rate schedule. Under the proposed General Terms and Conditions provision:

- To qualify for service under Rate 87, a RNG producer must first request service. The Company will determine a producer's initial eligibility based on whether there is existing pipeline capacity available on Great Plains' distribution system at the interconnection location and any other factors the Company has identified that may be applicable.
- 2. Once a producer's request has been determined feasible, a producer will be required to enter into two agreements with the Company prior to the commencement of any service under Rate 87. The first agreement is the Interconnect Agreement. This agreement provides the physical construction and operational requirements necessary for a producer to interconnect to Great Plains' distribution system, including any gas quality and safety requirements.

Today, the quality of gas being received by Great Plains using interstate

pipeline companies is regulated by the Federal Energy Regulatory Commission. Similarly, it is necessary for Great Plains to monitor the quality of this new source of gas to ensure safe and reliable natural gas service. The new gas being injected into Great Plains' distribution system should not affect the Company's ability to continue that delivery of safe natural gas to the Company's other customers. The Company, therefore, believes it important to identify any additional physical requirements or safety and quality standards necessary to accept and monitor the gas quality of RNG being injected into the Company's distribution system.

The second agreement is the Access and Maintenance Agreement. This agreement effectuates service under Rate 87 and provides conditions of service required for a producer to inject RNG into Great Plains' distribution system.

Interconnect Agreements and Access and Maintenance Agreements must be entered into for each point of interconnection as each agreement is dependent on the specific point of interconnection. The agreements must be for a minimum period of twelve months.

3. Eligible producers shall pay for all equipment necessary to effectuate deliveries at the point of interconnection to Great Plains' distribution system, including but not limited to valves, meters, telemetry equipment capable of monitoring daily use, gas quality measurement, odorant, and other equipment necessary to regulate and safely deliver pipeline quality RNG. Equipment must be installed and operational prior to the commencement of any service

under this rate schedule. Any such equipment, and the maintenance thereof, shall be identified in the Interconnect Agreement.

4. Consistent with the Company's extension policy regarding interruptible gas main and service line extensions, Great Plains will require a producer to contribute an amount equal to the total estimated cost of construction prior to the start of construction, as adjusted for any applicable federal and state income taxes. Upon completion of the construction, the contribution amount will be adjusted to reflect the actual cost and an additional charge may be levied or a refund made.

The Company, in turn, will treat the amount paid by the producer as a Contribution in Aid of Construction (CIAC). Such a treatment ensures the Company's other customers will not bear the cost of such extensions should the Rate 87 customer leave as the Company's rate base will remain unchanged as a result of the treatment of these contributions.

- 5. Great Plains will have the right to refuse or interrupt deliveries at the point of interconnection, without prior notice, whenever in the Company's judgement it may be necessary to do so to protect the interests of the Company's customers.
- 6. The producer warrants that the gas being injected into the Company's distribution system will be free and clear of all liens and adverse claims.
- 7. Any natural gas delivered to the producer for the operation of their facilities will be billed at, and under the terms and conditions of service of, the Company's applicable rate schedule. Depending on the class of service

provided, a separate service agreement may be necessary prior to the commencement of any service.

V. IMPACT ON COMPANY'S CUSTOMERS

Proposed Rate 87 is in the public interest and enables the development of renewable natural gas projects in the Company's service territory. Expanding on, and providing for, the further development of this innovative process may assist the state in advancing its environmental goals currently being pursued in avenues such as the Natural Gas Innovation Act as well as aide in the development of a new revenue stream for potential producers, such as those in the state's agricultural sector. Aside from the potential environmental benefits achieved and the additional margin received from this service, that are both benefits to Great Plains' Minnesota customers, there will be no impact on the Company's other customer due to the cost responsibility and gas quality and safety provisions included in Rate 87 and its respective agreements.

VI. CONCLUSION

Based on the information provided in this Petition, Great Plains respectfully requests that the Commission approve Renewable Natural Gas Producer Access and Interconnection Service Rate 87.

Dated: January 12, 2024

Respectfully submitted,

/s/ Travis R. Jacobson

Travis R. Jacobson Director of Regulatory Affairs

Attachment A

Attachment A



A Division of Montana-Dakota Utilities Co.

State of Minnesota Gas Rate Schedule – MNPUC Volume 3

Section No. 1 2 nd Revised Sheet No. 1-1 Canceling 1 st Revised Sheet No. 1-1 TABLE OF CONTENTS		
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Date Filed: January 12, 2024

Effective Date:

Travis R. Jacobson Director - Regulatory Affairs



A Division of Montana-Dakota Utilities Co.

State of Minnesota Gas Rate Schedule – MNPUC Volume 3

Section No. 5 Original Sheet No. 5-56

RENEWABLE NATURAL GAS PRODUCER ACCESS AND INTERCONNECTION SERVICE Rate 87

Availability:

Service under this rate schedule is available to producers of renewable natural gas (RNG) whose RNG meets or exceeds the Company's Quality Specifications and who has entered into both a (1) RNG Facilities Interconnect Agreement and (2) RNG Producer Access and Maintenance Agreement for the purpose of delivering RNG utilizing Great Plains' distribution system.

Once approved as a customer under the rate schedule, the acceptance of a producer's RNG is contingent on the RNG meeting the testing and quality requirements set forth in the Interconnect Agreement on an ongoing basis.

Rate:

Access Fee Access Commodity Charge Maintenance Fee \$260.00 per month \$0.8189 per dk Specified in RNG Producer Access and Maintenance Agreement and updated annually

Renewable Natural Gas Producer Access and Interconnection Service is not subject to charges billed under the Conservation Improvement Program, Revenue Decoupling Mechanism, Gas Affordability Program, or the Gas Utility Infrastructure Adjustment.

Minimum Bill:

Access Fee and Maintenance Fee.

Late Payment Charge:

If the unpaid balanced is in excess of \$10.00, a late payment charge of 1.5% of the unpaid balance or \$1.00, whichever is greater, shall be added to the unpaid balance if the bill is not paid within 22 days of the current billing period. No late payment charge will be assessed if the unpaid balance is \$10.00 or less.

Nomination and Balancing Requirements:

1. Nomination requirements shall be performed in accordance with the RNG Producer Access and Maintenance Agreement entered into by, and between, the Company and the producer.

Date Filed: January 12, 2024

Effective Date:

Issued By: Travis R. Jacobson Director – Regulatory Affairs



A Division of Montana-Dakota Utilities Co.

State of Minnesota Gas Rate Schedule – MNPUC Volume 3

Section No. 5 Original Sheet No. 5-57

RENEWABLE NATURAL GAS PRODUCER ACCESS AND INTERCONNECTION SERVICE Rate 87

- 2. Balancing Requirements:
 - (a) Daily Imbalance To the extent practicable, producer and the Company agree to the daily balancing of volumes of gas received and delivered on a thermal basis. Such balancing is subject to the producer's request and the Company's discretion to vary scheduled receipts and deliveries within existing Company operating limitations.
 - i. In the event that the deviation between scheduled daily volumes and actual daily volumes of gas used by customer causes the Company to incur any additional costs from interconnecting pipeline(s), customer shall be solely responsible for all such penalties, fines, fees or costs incurred. If more than one customer has caused the Company to incur these additional costs, all costs will be prorated to each customer based on the customer's overor under-delivery as a percentage of the total.
 - (b) Monthly Imbalance The producer's monthly imbalance is the difference between the amount of gas nominated by producer and the producer's actual metered injections, plus the lost and unaccounted for factor. Monthly imbalances will not be carried forward to the next calendar month.
 - i. Over-nomination Purchase Payment If the monthly imbalance is due to less gas delivered from producer than nominated, the producer shall pay the Company an Over-nomination Purchase Payment in accordance with the following schedule:

% Monthly	
Imbalance	Over-nomination Purchase Rate
0 – 5%	100% Cash-in Mechanism
> 5 – 10%	115% Cash-in Mechanism
> 10 – 15%	130% Cash-in Mechanism
> 15 – 20%	140% Cash-in Mechanism
> 20%	150% Cash-in Mechanism

Where the Cash-in Mechanism is equal to the greater of the Company's WACOG or the Index Price, as defined in Paragraph 2(b)(iii).

Date Filed: January 12, 2024

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Issued By: Travis R. Jacobson Director – Regulatory Affairs



A Division of Montana-Dakota Utilities Co.

State of Minnesota Gas Rate Schedule – MNPUC Volume 3

Section No. 5 Original Sheet No. 5-58

RENEWABLE NATURAL GAS PRODUCER ACCESS AND INTERCONNECTION SERVICE Rate 87

ii. Under-nomination Purchase Payment – If the monthly imbalance is due to more gas delivered from producer than nominated, the Company shall pay the producer an Under-nomination Purchase Payment in accordance with the following schedule:

% Monthly	
Imbalance	Under-nomination Purchase Rate
0 – 5%	100% Cash-out Mechanism
> 5 – 10%	85% Cash-out Mechanism
> 10 – 15%	70% Cash-out Mechanism
> 15 – 20%	60% Cash-out Mechanism
> 20%	50% Cash-out Mechanism

Where Cash-out Mechanism is equal to the lesser of the Company's WACOG or the Index Price, as defined in Paragraph 2(b)(iii).

 The Index Price shall be the arithmetic average of the "Weekly Weighted Average Prices" published by Gas Daily for Emerson, Viking GL; Northern, Ventura; and Northern, demark during the given month. The Company's WACOG (Weighted Average Cost of Gas) includes the commodity cost of gas and applicable transportation charges including the fuel cost of transportation.

General Provisions:

- 1. In order to qualify for service under this rate schedule, a producer must first request service pursuant to the provisions set forth herein. The service shall be provided only to the extent that the Company's existing operating capacity, interconnection location and capacity, and other factors are met in the Company's sole discretion.
- 2. Eligible producers shall enter into two separate agreements prior to the commencement of service under this rate schedule:
 - (a) RNG Facilities Interconnect Agreement The Interconnect Agreement shall provide the construction and operational requirements necessary for a producer to interconnect to Great Plains' distribution system. The agreement will further provide the operational, gas quality and safety

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Effective Date:

Issued By: Travis R. Jacobson Director – Regulatory Affairs



A Division of Montana-Dakota Utilities Co.

State of Minnesota Gas Rate Schedule – MNPUC Volume 3

Section No. 5 Original Sheet No. 5-59

RENEWABLE NATURAL GAS PRODUCER ACCESS AND INTERCONNECTION SERVICE Rate 87

requirements necessary for ongoing interconnection access once the producer's facilities are in service.

- (b) RNG Producer Access and Maintenance Agreement The Access and Maintenance Agreement shall provide the rates and conditions of service required for a producer to access and inject RNG into Great Plains' distribution system.
- (c) Separate Interconnect Agreements and Access and Maintenance Agreements must be signed for each point of interconnection and be for a minimum period of twelve months.
- 3. Eligible producers shall pay for all equipment necessary to effectuate deliveries at the point of interconnection to Great Plains' distribution system, including but not limited to valves, meters, telemetry equipment, gas quality measurement, odorant, and other equipment necessary to regulate and deliver pipeline quality RNG at the point of interconnection. Equipment must be installed and operational prior to the commencement of any service under this rate schedule.
- 4. Prior to construction, the producer shall contribute an amount equal to the total estimated cost of construction, including all equipment identified in the Interconnect Agreement, and as adjusted for applicable federal and state income taxes. The amount paid by the producer shall be considered a contribution in aid of construction (CIAC).
 - (a) Upon completion of construction, the contribution amount will be adjusted to reflect actual costs and an additional charge may be levied or a refund made.
- 5. The Company shall have the right to refuse or interrupt deliveries at the point of interconnection, without being required to give previous notice of intention, whenever, in its judgement, it may be necessary to do so to protect the interests of the Company's customers.
- 6. The producer warrants that it will have title to all gas it tenders or causes to be tendered to the Company, and such gas shall be free and clear of all liens and adverse claims and the producer shall indemnify the Company against all damages, costs, and expenses of any nature whatsoever arising from every claim against said gas.

Date Filed: January 12, 2024

Effective Date:

Issued By: Travis R. Jacobson Director – Regulatory Affairs



A Division of Montana-Dakota Utilities Co.

State of Minnesota Gas Rate Schedule – MNPUC Volume 3

Section No. 5 Original Sheet No. 5-60

RENEWABLE NATURAL GAS PRODUCER ACCESS AND INTERCONNECTION SERVICE Rate 87

- Natural gas delivered to a producer for the operation of the producer's facilities shall be billed at the Company's otherwise applicable rate schedule. A separate service agreement may be necessary for the provision of that service, dependent on the service being taken.
- 8. The General Terms and Conditions contained in this tariff shall apply to this rate schedule.

Date Filed: January 12, 2024

Effective Date:

Issued By: Travis R. Jacobson Director – Regulatory Affairs

Tariffs Reflecting Proposed Changes



A Division of Montana-Dakota Utilities Co.

State of Minnesota Gas Rate Schedule – MNPUC Volume 3

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Date Filed:	August 16, 2021 January 12, 2024

Effective Date:

Service rendered on and after September 1, 2021

Issued By:	Travis R. Jacobson
	Director - Regulatory Affairs

Docket No.:

G999/CI-21-135 G004/M-21-235



A Division of Montana-Dakota Utilities Co.

State of Minnesota Gas Rate Schedule – MNPUC Volume 3

Section No. 5 Original Sheet No. 5-56

RENEWABLE NATURAL GAS PRODUCER ACCESS AND INTERCONNECTION SERVICE Rate 87

Availability:

Service under this rate schedule is available to producers of renewable natural gas (RNG) whose RNG meets or exceeds the Company's Quality Specifications and who has entered into both a (1) RNG Facilities Interconnect Agreement and (2) RNG Producer Access and Maintenance Agreement for the purpose of delivering RNG utilizing Great Plains' distribution system.

Once approved as a customer under the rate schedule, the acceptance of a producer's RNG is contingent on the RNG meeting the testing and quality requirements set forth in the Interconnect Agreement on an ongoing basis.

Rate:

Access Fee	\$260.00 per month
Access Commodity Charge	\$0.8189 per dk
Maintenance Fee	Specified in RNG Producer Access and
	Maintenance Agreement and updated
	annually

Renewable Natural Gas Producer Access and Interconnection Service is not subject to charges billed under the Conservation Improvement Program, Revenue Decoupling Mechanism, Gas Affordability Program, or the Gas Utility Infrastructure Adjustment.

Minimum Bill:

Access Fee and Maintenance Fee.

Late Payment Charge:

If the unpaid balanced is in excess of \$10.00, a late payment charge of 1.5% of the unpaid balance or \$1.00, whichever is greater, shall be added to the unpaid balance if the bill is not paid within 22 days of the current billing period. No late payment charge will be assessed if the unpaid balance is \$10.00 or less.

Nomination and Balancing Requirements:

1. <u>Nomination requirements shall be performed in accordance with the RNG</u> <u>Producer Access and Maintenance Agreement entered into by, and between,</u> <u>the Company and the producer.</u>

Date Filed: January 12, 2024

Effective Date:

Issued By: <u>Travis R. Jacobson</u> Director – Regulatory Affairs



A Division of Montana-Dakota Utilities Co.

State of Minnesota Gas Rate Schedule – MNPUC Volume 3

Section No. 5 Original Sheet No. 5-57

RENEWABLE NATURAL GAS PRODUCER ACCESS AND INTERCONNECTION SERVICE Rate 87

- 2. Balancing Requirements:
 - (a) <u>Daily Imbalance To the extent practicable, producer and the Company</u> agree to the daily balancing of volumes of gas received and delivered on a thermal basis. Such balancing is subject to the producer's request and the Company's discretion to vary scheduled receipts and deliveries within existing Company operating limitations.
 - i. In the event that the deviation between scheduled daily volumes and actual daily volumes of gas used by customer causes the Company to incur any additional costs from interconnecting pipeline(s), customer shall be solely responsible for all such penalties, fines, fees or costs incurred. If more than one customer has caused the Company to incur these additional costs, all costs will be prorated to each customer based on the customer's overor under-delivery as a percentage of the total.
 - (b) <u>Monthly Imbalance The producer's monthly imbalance is the</u> <u>difference between the amount of gas nominated by producer and the</u> <u>producer's actual metered injections, plus the lost and unaccounted for</u> <u>factor. Monthly imbalances will not be carried forward to the next</u> <u>calendar month.</u>
 - i. Over-nomination Purchase Payment If the monthly imbalance is due to less gas delivered from producer than nominated, the producer shall pay the Company an Over-nomination Purchase Payment in accordance with the following schedule:

<u>% Monthly</u>	
Imbalance	Over-nomination Purchase Rate
<u>0 – 5%</u>	100% Cash-in Mechanism
<u>> 5 – 10%</u>	<u>115% Cash-in Mechanism</u>
<u>> 10 – 15%</u>	130% Cash-in Mechanism
<u>> 15 – 20%</u>	<u>140% Cash-in Mechanism</u>
<u>> 20%</u>	150% Cash-in Mechanism

Where the Cash-in Mechanism is equal to the greater of the Company's WACOG or the Index Price, as defined in Paragraph 2(b)(iii).

Date Filed: January 12, 2024

Effective Date:

Issued By: <u>Travis R. Jacobson</u> Director – Regulatory Affairs



A Division of Montana-Dakota Utilities Co.

State of Minnesota Gas Rate Schedule – MNPUC Volume 3

Section No. 5 Original Sheet No. 5-58

RENEWABLE NATURAL GAS PRODUCER ACCESS AND INTERCONNECTION SERVICE Rate 87

ii. <u>Under-nomination Purchase Payment – If the monthly imbalance is</u> <u>due to more gas delivered from producer than nominated, the</u> <u>Company shall pay the producer an Under-nomination Purchase</u> <u>Payment in accordance with the following schedule:</u>

<u>% Monthly</u> Imbalance	Under-nomination Purchase Rate
<u>0 – 5%</u>	100% Cash-out Mechanism
<u>> 5 – 10%</u>	85% Cash-out Mechanism
<u>> 10 – 15%</u>	70% Cash-out Mechanism
<u>> 15 – 20%</u>	60% Cash-out Mechanism
<u>> 20%</u>	50% Cash-out Mechanism

Where Cash-out Mechanism is equal to the lesser of the Company's WACOG or the Index Price, as defined in Paragraph 2(b)(iii).

iii. <u>The Index Price shall be the arithmetic average of the "Weekly</u> <u>Weighted Average Prices" published by Gas Daily for Emerson,</u> <u>Viking GL; Northern, Ventura; and Northern, demark during the given</u> <u>month. The Company's WACOG (Weighted Average Cost of Gas)</u> <u>includes the commodity cost of gas and applicable transportation</u> <u>charges including the fuel cost of transportation.</u>

General Provisions:

- 1. In order to qualify for service under this rate schedule, a producer must first request service pursuant to the provisions set forth herein. The service shall be provided only to the extent that the Company's existing operating capacity, interconnection location and capacity, and other factors are met in the Company's sole discretion.
- 2. <u>Eligible producers shall enter into two separate agreements prior to the</u> <u>commencement of service under this rate schedule:</u>
 - (a) <u>RNG Facilities Interconnect Agreement The Interconnect Agreement</u> <u>shall provide the construction and operational requirements necessary</u> for a producer to interconnect to Great Plains' distribution system. The <u>agreement will further provide the operational, gas quality and safety</u>

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requirements necessary for ongoing interconnection access once the producer's facilities are in service.

- (b) <u>RNG Producer Access and Maintenance Agreement The Access and Maintenance Agreement shall provide the rates and conditions of service required for a producer to access and inject RNG into Great Plains' distribution system.</u>
- (c) <u>Separate Interconnect Agreements and Access and Maintenance</u> <u>Agreements must be signed for each point of interconnection and be for</u> <u>a minimum period of twelve months.</u>
- 3. Eligible producers shall pay for all equipment necessary to effectuate deliveries at the point of interconnection to Great Plains' distribution system, including but not limited to valves, meters, telemetry equipment, gas quality measurement, odorant, and other equipment necessary to regulate and deliver pipeline quality RNG at the point of interconnection. Equipment must be installed and operational prior to the commencement of any service under this rate schedule.
- 4. Prior to construction, the producer shall contribute an amount equal to the total estimated cost of construction, including all equipment identified in the Interconnect Agreement, and as adjusted for applicable federal and state income taxes. The amount paid by the producer shall be considered a contribution in aid of construction (CIAC).
 - (a) <u>Upon completion of construction, the contribution amount will be</u> <u>adjusted to reflect actual costs and an additional charge may be levied</u> <u>or a refund made.</u>
- 5. <u>The Company shall have the right to refuse or interrupt deliveries at the point</u> of interconnection, without being required to give previous notice of intention, whenever, in its judgement, it may be necessary to do so to protect the interests of the Company's customers.
- 6. <u>The producer warrants that it will have title to all gas it tenders or causes to</u> be tendered to the Company, and such gas shall be free and clear of all liens and adverse claims and the producer shall indemnify the Company against all damages, costs, and expenses of any nature whatsoever arising from every claim against said gas.

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- 7. <u>Natural gas delivered to a producer for the operation of the producer's</u> <u>facilities shall be billed at the Company's otherwise applicable rate schedule.</u> <u>A separate service agreement may be necessary for the provision of that</u> <u>service, dependent on the service being taken.</u>
- 8. <u>The General Terms and Conditions contained in this tariff shall apply to this rate schedule.</u>

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Attachment B

Attachment B

Great Plains Natural Gas Co. Gas Utility - Minnesota Maintenance Fee under Rate 87 *Illustrative Example*

Annual Estimate O&M Costs RNG	<u>Annual</u>	Monthly
Equipment & Material	\$ 12,000.00	\$ 1,000.00
Labor	\$ 18,000.00	\$ 1,500.00
Subcontractor Charges	\$ 8,700.00	\$ 725.00
Mileage	\$ 6,000.00	\$ 500.00
Meals and Lodging	\$ 1,500.00	\$ 125.00
Engineering Support (FTE Allocation .10)	\$ 15,000.00	\$ 1,250.00
Total	\$ 61,200.00	\$ 5,100.00

Initial Monthly Maintenance Charge

\$ 5,100.00

Normal annual maintenance activities will include:

Chromatograph Maintenance Helium (Cylinders) RTU Maintenance Telemetry - DSK and Cell Service Gas Quality Compliance (Lab Tests) Meter and Regulator Maintenance Odorant Engineering Support Costs