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April 15, 2020

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

**Re: Gas Utility Infrastructure Cost Adjustment Tariff
True-up Report for 2019 and Revised Adjustment Factors
Docket No. G004/M-20-____.**

Dear Mr. Seuffert:

Great Plains Natural Gas Co. (Great Plains), a Division of Montana-Dakota Utilities Co., herewith electronically submits its Annual Report and Petition for approval of recovery of the 2019 Gas Utility Infrastructure Costs (GUIC) under its GUIC Adjustment. Pursuant to the November 22, 2019 Minnesota Public Utilities Commission's Order in Docket No. G-004/M-19-273, this annual report presents the true-up of the 2019 revenue requirement with actual costs and recoveries for the period ending December 31, 2019.

GUIC Costs and Recoveries

Under Recovered Balance – December 31, 2018	\$605,049
2019 Actual Revenue Requirement	1,089,511
Less: Actual Recoveries: 1/1/2019 – 12/31/2019	<u>761,243</u>
Total Required Recovery - Oct 2020 to Sep 2021	\$933,138

On January 1, 2020, Great Plains suspended the GUIC adjustment factors approved on February 12, 2019 in Docket No. G-004/M-18-282 and effective March 1, 2019 in compliance with the Commission's Order issued on November 12, 2019 in Docket No. G-004/M-19-273 (November 12 Order) and deferred the true-up of the Company's 2019 revenue requirement to this filing. As noted in the November 12 Order this approach moved the GUIC costs into interim rates effective January 1, 2020 in the Company's natural gas rate case (Docket No. GR-19-511) which represents the start of the Company's test year in the rate case.

	<u>Proposed Rate</u>
<u>Sales:</u>	
Residential	\$0.3041
Firm General	\$0.1803
Small Interruptible	\$0.1788
Large Interruptible	\$0.0975
 <u>Transportation:</u>	
Small Interruptible	\$0.0350
Large Interruptible	\$0.0865

Great Plains respectfully requests this filing be accepted as being in full compliance with the filing requirements of this Commission and that the Commission approve the Annual Report and Petition as consistent with the public interest.

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

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

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STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

In the Matter of the Petition of Great Plains)
Natural Gas Co., a Division of Montana-)
Dakota Utilities Co., for Approval of a Gas) Docket No. G004/M-20-____
Utility Infrastructure Cost Adjustment True-)
up Report for 2019 and Adjustment Factors)

SUMMARY OF FILING

Great Plains Natural Gas Co., (Great Plains) a Division of Montana-Dakota Utilities Co., established a Gas Utility Infrastructure Cost (GUIC) adjustment tariff in 2017 pursuant to Minn. Stat. § 216B.1635. Great Plains now submits a Petition for approval of the True-Up Report for 2019 reflecting a net under-recovered balance of \$933,138 to be recovered effective with service rendered on and after October 1, 2020. This true-up report is filed in compliance with the Commission's Order issued on November 12, 2019 in Docket No. G004/M-19-273.

STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Katie J. Sieben	Chair
Valerie Means	Commissioner
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In the Matter of the Petition of Great Plains)
Natural Gas Co., a Division of Montana-)
Dakota Utilities Co., for Approval of a Gas) Docket No. G004/M-20-____
Utility Infrastructure Cost Adjustment True-)
up Report for 2019 and Adjustment Factors)

PETITION

I. INTRODUCTION AND SUMMARY

Great Plains Natural Gas Co., (Great Plains) a Division of Montana-Dakota Utilities Co., established a Gas Utility Infrastructure Cost (GUIC) adjustment tariff in 2017 pursuant to Minn. Stat. § 216B.1635. Great Plains hereby petitions the Minnesota Public Utilities Commission (Commission) for approval of the annual update to its Gas Utility Infrastructure Cost (GUIC) tariff adjustment to be effective with service rendered on and after October 1, 2020¹. This update reflects only the true-up to the 2019 costs approved in Docket No. G004-M-19-273. The 2020 GUIC projects typically included in this update filing are being recovered through interim rates effective January 1, 2020 in the Company's rate case (Docket No. GR-19-511). Exhibit A lists the matrix of information required by Minnesota Statute § 216B.1635 and identifies where the

¹ The effective date is consistent with the timing outlined in the GUIC tariff and the process changes as authorized in the Minnesota Public Utilities Commission Order issued March 21, 2018 in Docket No. G004/M-17-858.

required information is contained in the filing.

As discussed below, Great Plains' authorized GUIC tariff allows Great Plains to recover costs and expenses that will be incurred to comply with federal regulations, specifically costs associated with the Distribution Integrity Management Program (DIMP). Great Plains respectfully requests to recover an under-collected balance of \$933,138, which represents a true-up of the 2019 costs and expenses associated with the authorized 2019 PVC pipe mains and services replacement projects (Docket No. G004-M-19-273) and all recoveries under the authorized tariff rate. There are no operation and maintenance expenses associated with the projects.

II. BACKGROUND

Minnesota Statute § 216B.1635 allows utilities to seek rider recovery of gas utility infrastructure costs. Gas utility infrastructure costs are those that are not included in the gas utility's rate base in its most recent general rate case, and that are incurred in projects involving: (1) the replacement of natural gas facilities required by road construction or other public work by or on behalf of a government agency or (2) the replacement or modification of existing facilities required by a federal or state agency, including surveys, assessments, reassessment, and other work necessary to determine the need for replacement or modification of existing infrastructure.

In December of 2003, PHMSA published the Transmission Integrity Management Rule or the "TIMP Rule" (49 C.F.R. 192, Subpart O). The TIMP Rule specifies how operators must identify, prioritize, assess, evaluate, repair, and validate the safety and integrity of its transmission pipelines that could affect High Consequence Areas or

“HCAs”. HCAs are highly populated buildings or outdoor areas of population. As required by the rule, Great Plains implemented its TIMP program in December of 2004. Since its inception, several revisions have been made to the program. The latest revision (Rev. 4) was made in September of 2013. Great Plains’ TIMP program consists of Fifteen Sections along with three associated appendices.

In December 2006, the President signed into law the Pipeline Inspection, Protection, Enforcement and Safety Act or the “PIPES Act”. As a result of the PIPES Act, PHMSA’s regulatory and enforcement authority was strengthened. The PIPES Act also mandates PHMSA to prescribe minimum standards for pipeline safety and integrity management programs for distribution pipelines. As a result, the law requires operators of distribution pipelines to continually identify and assess risks on their distribution systems to remediate conditions that present a potential threat to the integrity of their pipeline system. Operators must also monitor the program’s effectiveness.

As prescribed in the PIPES Act, PHMSA published the Integrity Management Program for Gas Distribution Pipelines Rule or the “DIMP Rule” (49 CFR Part 192, Subpart P) in December of 2009. DIMP requires operators to know the make-up of their distribution system along with the written development of a distribution pipeline safety and integrity management program. The objective of the plan is to develop a model to assist in determining which areas of the gas distribution system to focus operation, maintenance and repair efforts and resources due to known or predicted threats to the distribution system. As required by the rule, Great Plains implemented their DIMP program and is currently operating under the latest revision effective in March of 2014.

On December 21, 2016, Great Plains proposed a GUIC rider to recover costs incurred to comply with federal regulations that set standards governing the safety, reliability, and integrity of natural gas distribution assets and infrastructure. Great Plains' DIMP program identified two capital projects for replacing polyvinyl chloride (PVC) pipe mains and services throughout the Company's service territory. In that filing, Great Plains proposed to recover the costs following the rate design approved by the Commission in the Company's most recent general rate case, excluding flexible rate customers. These customers are subject to competition and are therefore price-sensitive, meaning that changes in rates could persuade them to leave the system and obtain service elsewhere.

On October 6, 2017, the Commission issued an Order in Docket No. G004/M-16-1066 approving Great Plains' tracker and true-up mechanism as filed. On December 8, 2017, Great Plains' filed an Informational Update to request a change in the filing date from December 1 to April 15, to include a true-up calculation covering the twelve months ending December 31 of each year and rates to be effective 150 days following the date of filing. The Commission issued an Order approving the process changes on March 21, 2018. On April 13, 2018, Great Plains filed the update to the GUIC rider to true up costs through 2017, project 2018 costs, and apply revenues collected and projected through September 2018. The Commission issued an Order approving the update to the GUIC on February 12, 2019.

On April 15, 2019, Great Plains filed an update to the GUIC rider to true up costs through 2018, project 2019 costs and apply revenues collected and projected through September 2019. On September 6, 2019, Great Plains filed a Request to Modify the

update to the GUIC rider and suspend the GUIC rates effective January 1, 2020 to reflect the pending general rate case filing. Great Plains also proposed to true-up the 2019 revenue requirement and to defer the true-up balance to the current annual filing. The Commission issued an Order approving the request to suspend Great Plains' GUIC rider on November 22, 2019 and recognizing the 2019 true-up would be proposed in this annual filing.

Exhibit B provides an overview of the replacement projects along with details of each capital project.

III. General Filing Information

Pursuant to Minn. Rules Part 7825.1300, 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:	Brian M. Meloy Stinson Leonard Street LLP 50 South Sixth Street, Suite 2600 Minneapolis, MN 55402 Telephone: 612-335-1451
Date of Filing	April 15, 2020
Proposed Effective Date	October 1, 2020
Controlling Statute for Time in Processing the Filing	Minnesota Statute §216B.1635 does not establish a time for processing.
Utility personnel authorizing the filing and to whom copies of correspondence, pleadings and notices should be sent:	Travis R. Jacobson Director of Regulatory Affairs Great Plains Natural Gas Co. 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 and operates as a Division of Montana-Dakota Utilities Co. Great Plains is engaged in business as a natural gas local distribution company serving 18 communities in Minnesota and one in North Dakota. Great Plains currently provides natural gas utility service to approximately 22,000 customers in Minnesota and approximately 2,300 customers in North Dakota.

B. The GUIC Adjustment Tariff and True-Up Mechanism

Great Plains is proposing to update its gas utility infrastructure cost (GUIC) adjustment tariff and implement a GUIC adjustment to be effective with service rendered on and after October 1, 2020 in accordance with the terms of the Gas Utility Infrastructure Cost Adjustment tariff. The updated tariff is provided in Exhibit C.

The calculation of the true-up of the projects approved in Docket No. G004-M-19-273 to be recovered through the GUIC is shown on Exhibit D and includes the authorized return on investment, depreciation, ad valorem taxes and income taxes related to the projects. The rate of return is that authorized in Docket No. G004/GR-15-879 effective January 1, 2017.

The Company's filing does not include an adjustment related to the infrastructure being replaced under its replacement program nor does it include the associated cost of removal. The mains and services are accounted for as mass assets which

does not maintain the accumulated reserve for individual sections of pipe. Therefore, upon retirement of mains and service, the original cost of plant in service is removed and applied to the accumulated reserve balance with no resulting change in rate base. The Company's experience has indicated that there is no salvage value associated with PVC mains and services which have been removed.

With respect to the 2017 Tax Cuts and Jobs Act (TCJA), Great Plains recalculated Accumulated Deferred Income Taxes (ADIT) for its existing GUIC assets as of December 31, 2019, but since accelerated tax depreciation still exceeds book depreciation for those assets, the Company concluded that no ADIT refund was warranted at this time. Great Plains will amortize and return excess ADIT in any future period in which the book depreciation exceeds tax depreciation in a manner consistent with the Commission's decision in Docket No. E,G-999/CI-17-895.

In order to maintain compliance with the Internal Revenue Service normalization rules for rates based on forecasted costs, Great Plains continues to apply the proration methodology for deferred income taxes in a manner consistent with the methodology underlying the rates approved by the Commission in Docket No. G004/M-18-282.

Exhibit E is the proposed GUIC adjustment proposed to be effective with service rendered on and after October 1, 2020. The total GUIC adjustment amount of \$933,138 was allocated to the rate classes (residential, firm general, small interruptible and large interruptible sales and transportation excluding the flexed transportation service agreements) based on the non-gas revenues authorized in Docket No. G004/GR-15-879.

The allocated revenue requirement was then divided by projected dk volumes for the period October 2020 – September 2021 to arrive at the adjustment per dk, with the proposed GUIC adjustment shown in the table below.

	<u>Proposed Rate</u>
<u>Sales:</u>	
Residential	\$0.3041
Firm General	\$0.1803
Small Interruptible	\$0.1788
Large Interruptible	\$0.0975
 <u>Transportation:</u>	
Small Interruptible	\$0.0350
Large Interruptible	\$0.0865

A copy of the customer notice bill insert has been provided in Exhibit G.

V. THE GUIC ADJUSTMENT IS IN THE PUBLIC INTEREST

The GUIC adjustment is in the public interest as it fully complies with the requirements of Minn. Stat. § 216B.1635 in reflecting prudently incurred costs. The replacement of facilities for safety and reliability purposes benefits customers, as does the avoidance of a general rate case and the adjustment is consistent with the revenue allocation authorized in the last rate case (Docket No. G004/GR-15-879).

VI. FILING COMPLIANCE

The list of requirements set forth in Minn. Stat. §216B.1635 and Great Plains compliance with the requirements is contained in Exhibit A.

VII. CONCLUSION

Based on all of the information provided in this Petition, Great Plains respectfully requests that the Commission approve the Gas Utility Infrastructure Cost adjustment tariff and authorize the GUIC adjustment as set forth on Exhibit C effective with service rendered on and after October 1, 2020.

Respectfully submitted,

Great Plains Natural Gas Co.,
A Division of Montana-Dakota Utilities Co.

By: */s/ Travis R. Jacobson*

Travis R. Jacobson
Director of Regulatory Affairs

INFORMATION REQUIRED BY MINNESOTA PUBLIC UTILITIES
MINNESOTA STATUTE §216B.1635

Minnesota Statute

Information Requested

Section and page of Application

<p>216B.1635 Subp. 2</p>	<p>Gas Infrastructure Filing A public utility submitting a petition to recover gas infrastructure costs under this section must submit to the commission, the department, and interested parties a gas infrastructure project plan report and a petition for rate recovery of only incremental costs associated with projects under subdivision 1, paragraph (c). The report and petition must be made at least 150 days in advance of implementation of the rate schedule, provided that the rate schedule will not be implemented until the petition is approved by the commission pursuant to subdivision 5. The report must be for a forecast period of one year.</p>	<p>Application</p>
<p>Subp. 3</p>	<p>Gas infrastructure project plan report The gas infrastructure project plan report required to be filed under subdivision 2 shall include all pertinent information and supporting data on each proposed project including, but not limited to, project description and scope, estimated project costs, and project in-service date.</p>	<p>Exhibit B</p>
<p>Subp. 4</p>	<p>Cost recovery petition for utility's facilities Notwithstanding any other provision of this chapter, the commission may approve a rate schedule for the automatic annual adjustment of charges for gas utility infrastructure costs net of revenues under this section, including a rate of return, income taxes on the rate of return, incremental property taxes, incremental depreciation expense, and any incremental operation and maintenance costs. A gas utility's petition for approval of a rate schedule to recover gas utility infrastructure costs outside of a general rate case under section <u>216B.16</u> is subject to the following:</p>	

**INFORMATION REQUIRED BY MINNESOTA PUBLIC UTILITIES
MINNESOTA STATUTE §216B.1635**

**Minnesota
Statute**

Information Requested

Section and page of Application

(1)	a gas utility may submit a filing under this section no more than once per year; and	
(2)	a gas utility must file sufficient information to satisfy the commission regarding the proposed GUIC. The information includes, but is not limited to:	
(i)	the information required to be included in the gas infrastructure project plan report under subdivision 3;	Exhibit B
(ii)	the government entity ordering or requiring the gas utility project and the purpose for which the project is undertaken;	Exhibit B
(iii)	a description of the estimated costs and salvage value, if any, associated with the existing infrastructure replaced or modified as a result of the project;	Exhibit B
(iv)	a comparison of the utility's estimated costs included in the gas infrastructure project plan and the actual costs incurred, including a description of the utility's efforts to ensure the costs of the facilities are reasonable and prudently incurred;	Exhibit B
(v)	calculations to establish that the rate adjustment is consistent with the terms of the rate schedule, including the proposed rate design and an explanation of why the proposed rate design is in the public interest;	Exhibit E and Exhibit F
(vi)	the magnitude and timing of any known future gas utility projects that the utility may seek to recover under this section;	Exhibit B
(vii)	the magnitude of GUIC in relation to the gas utility's base revenue as approved by the commission in the gas utility's most recent general rate case, exclusive of gas purchase costs and transportation charges;	Exhibit F

INFORMATION REQUIRED BY MINNESOTA PUBLIC UTILITIES
MINNESOTA STATUTE §216B.1635

Minnesota Statute

Information Requested

Section and page of Application

(viii)	the magnitude of GUIC in relation to the gas utility's capital expenditures since its most recent general rate case; and	Exhibit F
(ix)	the amount of time since the utility last filed a general rate case and the utility's reasons for seeking recovery outside of a general rate case.	Exhibit F
Subp. 6	Rate of return The return on investment for the rate adjustment shall be at the level approved by the commission in the public utility's last general rate case, unless the commission determines that a different rate of return is in the public interest.	Exhibit D

**GREAT PLAINS NATURAL GAS CO.
GAS UTILITY INFRASTRUCTURE COST ADJUSTMENT
PROJECT DETAIL**

TIMP Overview

Great Plains' TIMP plan assesses the integrity of transmission pipelines by the following criteria: High Consequence Areas (HCAs), threat and risk assessment. The integrity plan encompasses this information into three plans; the baseline assessment plan, direct assessment plan and remediation plan.

Once the pipeline has a baseline, there needs to be continuing evaluation of the pipeline integrity based on existing threats and new threats to the pipeline. The performance of the pipeline and assessment is updated periodically.

Great Plains TIMP plan requires the Company to conduct a direct assessment of its transmission line located in high consequence areas. Due to location of the transmission line and results of the Company's assessment, a remediation action is necessary to relocate the pipeline and eliminate the high consequence area.

TIMP Projects

Great Plains has no TIMP projects forecasted for 2019. Two projects were included in Great Plains most recent rate case, Docket No. G004/GR-15-879. The projects reflected in the filing were to replace the 6" transmission line in Fergus Falls, which is a HCA and to install pig launchers/receivers at both ends of the replaced line section.

DIMP Overview

Great Plains' DIMP model assesses nine different threat categories: Corrosion,

Natural Forces, Equipment Failure, Excavation, Incorrect Operation, Joint Failure, Outside Force, Missing Values, and Other, all equally weighted.

A detailed geographical information system (GIS) map, with every piece or component that makes up the gas distribution system, both above and below ground, and with as much information about each piece as is available is used as the basis of the model. Scores for various factors were determined by a group of subject matter experts including office engineers, field engineers and field technicians.

The model sets a 50 foot by 50 foot grid to analyze all components. Each grid is then analyzed by nine individual sub-models with up to 150 calculations in each sub-model. This in turn produces a very comprehensive look at the entire system. In Minnesota, 4.49 million feet of pipe was analyzed with approximately 870,000 calculations to support the risk model.

The results obtained from the DIMP modeling are consistent with what was expected by the Company's subject matter experts. The top three risks identified by the DIMP model for Great Plains were:

1. Excavation Damage (driven by PVC)
2. Material Failure (driven by PVC)
3. Corrosion (driven by older vintage steel systems)

The DIMP results are used as an operational tool to aid in directing resources to reduce pipeline risks. The results are consistently analyzed to determine accelerated actions to the pipeline so that changes to resource planning and budgeting can be made to carry out the reduction in risks from pipeline threats.

DIMP Projects

Great Plains previously included in its GUIC the actual cost of 2016, 2017 and 2018 projects and projected costs of 2019 projects, submitted in Docket No. G004/M-19-273. Great Plains has two capital budget projects that are includable in the GUIC; replacing PVC pipe mains and services in its Minnesota communities. The two funding projects and associated amounts for 2016 through 2019 costs are shown below. The costs include the capital costs of replacing the mains and services as there is no salvage associated with the PVC mains and services.

	Actual 2016	Actual 2017	Actual 2018	Actual 2019
Replace PVC mains	\$956,526	\$1,710,848	\$1,276,861	\$1,464,900
Replace PVC services	883,018	1,166,692	810,197	1,373,761
Total capital expenditure	\$1,839,544	\$2,877,540	\$2,087,058	\$2,838,661

Great Plains ensures that the costs of the projects are reasonable through 1) using a competitive bidding process with multiple contractors on larger projects and 2) closely watching costs to stay within the budgeted amounts or determine why expenditures were different from the budget. Overall, the projected expenditures are relatively stable over time.

In 2019, mains and services were replaced in Fergus Falls, Pelican Rapids, Montevideo, Redwood Falls and Marshall. At the end of 2019, approximately 45% of total mains and 54% of total services planned to be replaced has been completed. A comparison of year end costs for the work completed in 2019, as included in this update filing, is compared to the 2019 estimated costs from the costs projected in Docket No. G004/M-19-273 below.

	2019 Actual	2019 Estimated As Filed	Variance	% Capital Variance
Replace PVC mains	\$1,464,900	\$1,412,140	\$52,760	3.74%
Replace PVC services	1,373,761	1,176,785	196,976	16.74%
Total capital expenditure	\$2,838,661	\$2,588,925	\$249,736	9.65%
Mains (feet)	61,302 1/	50,706	10,596	20.90%
Number of Services	698 1/	439	259	59.00%

1/ 2019 Actual Mains and Services by location:

Pelican Rapids	12,354	134
Montevideo	40,759	549
Fergus Falls	7,072	4
Redwood Falls	745	6
Marshall	372	5

Great Plains is requesting an update to the GUIC rates to recover the net under collected balance of the revenue requirement associated with the 2016 – 2019 GUIC projects less recoveries through the suspension of the GUIC rate effective with service rendered on and after January 1, 2020.

Exhibit C



GREAT PLAINS NATURAL GAS CO.

A Division of Montana-Dakota Utilities Co.

State of Minnesota Gas Rate Schedule – MNPUC Volume 2

Section No. 5

3rd Revised Sheet No. 5-131

Canceling 2nd Revised Sheet No. 5-131

GAS UTILITY INFRASTRUCTURE COST ADJUSTMENT

twelve months ending December 31. The amount may be an under recovery or (over) recovery.

- b. The resulting balance is divided by the projected annual dk sales and transportation volumes.
3. When the Company files its next general rate case, all project costs shall be removed from the GUIC tracker and included in base rates. Only the true-up component (remaining GUIC tracker balance) shall remain in the GUIC Rider to be either collected or refunded to customers over a subsequent period.
4. The current GUIC adjustment for each rate class is (excluding flexible rate contracts):

	Adjustment Per Dk
<u>Sales</u>	
Residential	\$0.3041
Firm General	\$0.1803
Small Interruptible	\$0.1788
Large Interruptible	\$0.0975
 <u>Transportation</u>	
Small Interruptible	\$0.0350
Large Interruptible	\$0.0865

Date Filed: April 15, 2020

Effective Date:

Issued By: Travis R. Jacobson
Director – Regulatory Affairs

Docket No.:



GREAT PLAINS NATURAL GAS CO.

A Division of Montana-Dakota Utilities Co.

State of Minnesota Gas Rate Schedule – MNPUC Volume 2

Section No. 5

~~2nd~~^{3rd} Revised Sheet No. 5-131

Canceling ~~4th~~^{2nd} Revised Sheet No. 5-131

GAS UTILITY INFRASTRUCTURE COST ADJUSTMENT

twelve months ending December 31. The amount may be an under recovery or (over) recovery.

- b. The resulting balance is divided by the projected annual dk sales and transportation volumes.
- 3. When the Company files its next general rate case, all project costs shall be removed from the GUIC tracker and included in base rates. Only the true-up component (remaining GUIC tracker balance) shall remain in the GUIC Rider to be either collected or refunded to customers over a subsequent period.
- 4. The current GUIC adjustment for each rate class is (excluding flexible rate contracts):

	Adjustment Per Dk
<u>Sales</u>	
Residential	\$0.0000 <u>\$0.3041</u>
Firm General	-0.0000 <u>\$0.1803</u>
Small Interruptible	-0.0000 <u>\$0.1788</u>
Large Interruptible	-0.0000 <u>\$0.0975</u>
<u>Transportation</u>	
Small Interruptible	-0.0000 <u>\$0.0350</u>
Large Interruptible	0.0000 <u>\$0.0865</u>

Date Filed: ~~December 2, 2019~~April 15, 2020

Effective Date: ~~Service rendered on and after January 1, 2020~~

Issued By: ~~Tamie A. Aberle~~Travis R. Jacobson
Director – Regulatory Affairs

Docket No.: G004/M-19-273

**GREAT PLAINS NATURAL GAS CO.
GUIC REVENUE REQUIREMENT
OVERALL REVENUE REQUIREMENT**

GUIC Costs and Recoveries

Under/(Over) Recovery - December 2018	\$605,049	1/
Actual 2019 Revenue Requirement	1,089,332	2/
Actual Recoveries: January 1 - December 31, 2019	<u>(761,243)</u>	
Total Under Recovery as of December 31, 2019	<u><u>\$933,138</u></u>	

1/ Docket No. G004/M-19-273, Exhibit D, page 1.

2/ Exhibit D, page 2.

GREAT PLAINS NATURAL GAS CO.
GUIC REVENUE REQUIREMENT
ACTUAL 2019
FOR TRUE UP

	<u>Total</u>	<u>Mains 1/</u>	<u>Services 2/</u>
Depreciation Expense	\$268,272	\$140,628	\$127,644
Ad Valorem Taxes	171,642	96,282	75,360
Return	513,024	296,250	216,774
Income Taxes	(176,703)	(97,118)	(79,585)
Gross up for Taxes	313,097	175,878	137,219
Total	<u>\$1,089,332</u>	<u>\$611,920</u>	<u>\$477,412</u>
Total Plant Dec 2018	\$6,804,142	\$3,944,235	\$2,859,907
Plant Investment	<u>2,838,661</u>	<u>1,464,900</u> 3/	<u>1,373,761</u> 3/
Total Plant Dec 2019	\$9,642,803	\$5,409,135	\$4,233,668

1/ Page 3.

2/ Page 4.

3/ Page 8.

**GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - MAINS
2019 REVENUE REQUIREMENT**

	2019 TRUE UP												
Mains	January	February	March	April	May	June	July	August	September	October	November	December	
Plant in Service	3,944,235	3,946,068	3,946,659	3,949,907	3,963,869	4,367,108	4,537,828	4,815,966	4,975,681	5,222,043	5,287,748	5,409,135	
Accumulated Reserve	144,959	155,444	165,934	176,425	186,925	197,462	209,071	221,134	233,936	247,163	261,045	275,102	
ADIT	98,132	101,753	105,010	107,912	110,449	112,631	114,448	115,900	116,997	117,728	118,105	118,117	
Rate Base	3,701,144	3,688,871	3,675,715	3,665,570	3,666,495	4,057,015	4,214,309	4,478,932	4,624,748	4,857,152	4,908,598	5,015,916	
	Total												
Return @ 7.032% 1/	296,250	21,689	21,617	21,540	21,480	21,486	23,774	24,696	26,247	27,101	28,463	28,764	29,393
Expenses													
O&M	\$0												
Depreciation	140,628	10,485	10,485	10,490	10,491	10,500	10,537	11,609	12,063	12,802	13,227	13,882	14,057
Ad Valorem Taxes	96,282	5,851	5,854	5,855	5,859	5,880	6,478	6,731	7,144	7,381	7,746	7,844	23,659
Total Expenses	236,910	16,336	16,339	16,345	16,350	16,380	17,015	18,340	19,207	20,183	20,973	21,726	37,716
Income before taxes	(236,910)	(16,336)	(16,339)	(16,345)	(16,350)	(16,380)	(17,015)	(18,340)	(19,207)	(20,183)	(20,973)	(21,726)	(37,716)
Interest expense	100,983	7,393	7,369	7,342	7,322	7,324	8,104	8,418	8,947	9,238	9,702	9,805	10,019
	(337,893)	(23,729)	(23,708)	(23,687)	(23,672)	(23,704)	(25,119)	(26,758)	(28,154)	(29,421)	(30,675)	(31,531)	(47,735)
Income Taxes	97,118	6,820	6,814	6,808	6,804	6,813	7,220	7,691	8,092	8,456	8,817	9,063	13,720
Operating Income	(139,792)	(9,516)	(9,525)	(9,537)	(9,546)	(9,567)	(9,795)	(10,649)	(11,115)	(11,727)	(12,156)	(12,663)	(23,996)
Revenue Requirement	\$611,920	\$43,792	\$43,703	\$43,612	\$43,540	\$43,578	\$47,109	\$49,601	\$52,432	\$54,489	\$57,003	\$58,137	\$74,924

1/ Authorized in Docket No. G004/GR-15-879.

**GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - SERVICES
2019 REVENUE REQUIREMENT**

	2019 TRUE UP											
Services	January	February	March	April	May	June	July	August	September	October	November	December
Plant in Service	2,859,907	2,861,926	2,864,272	2,865,907	2,870,547	3,062,423	3,194,871	3,499,956	3,734,690	4,015,530	4,186,697	4,233,668
Accumulated Reserve	140,679	150,069	159,466	168,870	178,280	187,705	197,760	208,250	219,741	232,003	245,187	258,933
ADIT	67,458	69,771	71,850	73,704	75,325	76,719	77,880	78,806	79,507	79,974	80,215	80,222
Rate Base	2,651,770	2,642,086	2,632,956	2,623,333	2,616,942	2,797,999	2,919,231	3,212,900	3,435,442	3,703,553	3,861,295	3,894,513
	Total											
Return @ 7.032% 1/	216,774	15,539	15,483	15,429	15,373	15,335	16,396	17,107	18,828	20,132	21,703	22,822
Expenses												
O&M	\$0											
Depreciation	127,644	9,390	9,390	9,397	9,404	9,410	9,425	10,055	10,490	11,491	12,262	13,184
Ad Valorem Taxes	75,360	4,243	4,246	4,249	4,252	4,259	4,543	4,740	5,192	5,541	5,957	6,211
Total Expenses	203,004	13,633	13,636	13,646	13,656	13,669	13,968	14,795	15,682	17,032	18,219	19,395
Income before taxes	(203,004)	(13,633)	(13,636)	(13,646)	(13,656)	(13,669)	(13,968)	(14,795)	(15,682)	(17,032)	(18,219)	(19,395)
Interest expense	73,891	5,297	5,278	5,259	5,240	5,227	5,589	5,831	6,418	6,862	7,398	7,713
	(276,895)	(18,930)	(18,914)	(18,905)	(18,896)	(18,896)	(19,557)	(20,626)	(22,100)	(23,894)	(25,617)	(27,108)
Income Taxes	79,585	5,441	5,436	5,434	5,431	5,431	5,621	5,928	6,352	6,868	7,363	7,791
Operating Income	(123,419)	(8,192)	(8,200)	(8,212)	(8,225)	(8,238)	(8,347)	(8,867)	(9,330)	(10,164)	(10,856)	(11,604)
Revenue Requirement	\$477,412	\$33,303	\$33,236	\$33,177	\$33,116	\$33,081	\$34,723	\$36,451	\$39,516	\$42,516	\$45,692	\$48,038
												\$64,563

1/ Authorized in Docket No. G004/GR-15-879.

**GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - MAINS
2016 ADDITIONS - 2019 GUIC TRUE UP**

	2019												
	Total	January	February	March	April	May	June	July	August	September	October	November	December
Replace PVC Main													
Expenditures	\$0												
Close to Plant (cumulative)	956,526	956,526	956,526	956,526	956,526	956,526	956,526	956,526	956,526	956,526	956,526	956,526	956,526
Depreciation	30,516	2,543	2,543	2,543	2,543	2,543	2,543	2,543	2,543	2,543	2,543	2,543	2,543
Accumulated Reserve	91,634	63,661	66,204	68,747	71,290	73,833	76,376	78,919	81,462	84,005	86,548	89,091	91,634
ADIT - see page 9 1/	44,038	40,863	41,438	41,955	42,416	42,819	43,166	43,455	43,686	43,860	43,976	44,036	44,038
Net Plant	\$820,854	\$852,002	\$848,884	\$845,824	\$842,820	\$839,874	\$836,984	\$834,152	\$831,378	\$828,661	\$826,002	\$823,399	\$820,854
Ad Valorem Taxes	\$17,026	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,419	1,417

**GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - SERVICES
2016 ADDITIONS - 2019 GUIC TRUE UP**

	2019												
	Total	January	February	March	April	May	June	July	August	September	October	November	December
Replace PVC Services													
Expenditures	\$0												
Close to Plant (cumulative)	883,018	883,018	883,018	883,018	883,018	883,018	883,018	883,018	883,018	883,018	883,018	883,018	883,018
Depreciation	34,788	2,899	2,899	2,899	2,899	2,899	2,899	2,899	2,899	2,899	2,899	2,899	2,899
Accumulated Reserve	105,978	74,089	76,988	79,887	82,786	85,685	88,584	91,483	94,382	97,281	100,180	103,079	105,978
ADIT - see page 9 1/	34,455	32,259	32,657	33,015	33,334	33,613	33,853	34,053	34,212	34,333	34,413	34,454	34,455
Net Plant	\$742,585	\$776,670	\$773,373	\$770,116	\$766,898	\$763,720	\$760,581	\$757,482	\$754,424	\$751,404	\$748,425	\$745,485	\$742,585
Ad Valorem Taxes	\$15,718	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,310	1,308

1/ Balances based on monthly proration methodology.

**GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - MAINS
2017 ADDITIONS - GUIC 2019 TRUE UP**

	2019												
	Total	January	February	March	April	May	June	July	August	September	October	November	December
Replace PVC Main													
Expenditures	\$0												
Close to Plant (cumulative)	\$1,710,848	1,710,848	1,710,848	1,710,848	1,710,848	1,710,848	1,710,848	1,710,848	1,710,848	1,710,848	1,710,848	1,710,848	1,710,848
Depreciation	54,576	4,548	4,548	4,548	4,548	4,548	4,548	4,548	4,548	4,548	4,548	4,548	4,548
Accumulated Reserve	113,916	63,888	68,436	72,984	77,532	82,080	86,628	91,176	95,724	100,272	104,820	109,368	113,916
ADIT - see page 10 1/	\$52,155	45,522	46,724	47,805	48,768	49,610	50,334	50,937	51,419	51,783	52,026	52,151	52,155
Net Plant	<u>\$1,544,777</u>	<u>1,601,438</u>	<u>1,595,688</u>	<u>1,590,059</u>	<u>1,584,548</u>	<u>1,579,158</u>	<u>1,573,886</u>	<u>1,568,735</u>	<u>1,563,705</u>	<u>1,558,793</u>	<u>1,554,002</u>	<u>1,549,329</u>	<u>1,544,777</u>
Ad Valorem Taxes	\$30,453	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,538	2,535

**GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - SERVICES
2017 ADDITIONS - GUIC 2019 TRUE UP**

	2019												
	Total	January	February	March	April	May	June	July	August	September	October	November	December
Replace PVC Services													
Expenditures	\$0												
Close to Plant (cumulative)	\$1,166,692	1,166,692	1,166,692	1,166,692	1,166,692	1,166,692	1,166,692	1,166,692	1,166,692	1,166,692	1,166,692	1,166,692	1,166,692
Depreciation	45,972	3,831	3,831	3,831	3,831	3,831	3,831	3,831	3,831	3,831	3,831	3,831	3,831
Accumulated Reserve	95,738	53,597	57,428	61,259	65,090	68,921	72,752	76,583	80,414	84,245	88,076	91,907	95,738
ADIT - see page 10 1/	\$31,600	28,049	28,692	29,270	29,786	30,237	30,625	30,948	31,206	31,401	31,531	31,598	31,600
Net Plant	<u>\$1,039,354</u>	<u>1,085,046</u>	<u>1,080,572</u>	<u>1,076,163</u>	<u>1,071,816</u>	<u>1,067,534</u>	<u>1,063,315</u>	<u>1,059,161</u>	<u>1,055,072</u>	<u>1,051,046</u>	<u>1,047,085</u>	<u>1,043,187</u>	<u>1,039,354</u>
Ad Valorem Taxes	\$20,767	1,731	1,731	1,731	1,731	1,731	1,731	1,731	1,731	1,731	1,731	1,731	1,726

1/ Balances based on monthly proration methodology.

**GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - MAINS
2018 ADDITIONS - 2019 GUIC TRUE UP**

	2019												
	Total	January	February	March	April	May	June	July	August	September	October	November	December
Replace PVC Main													
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Close to Plant (cumulative)	1,276,861	1,276,861	1,276,861	1,276,861	1,276,861	1,276,861	1,276,861	1,276,861	1,276,861	1,276,861	1,276,861	1,276,861	1,276,861
Depreciation	40,728	3,394	3,394	3,394	3,394	3,394	3,394	3,394	3,394	3,394	3,394	3,394	3,394
Accumulated Reserve	54,744	17,410	20,804	24,198	27,592	30,986	34,380	37,774	41,168	44,562	47,956	51,350	54,744
ADIT- see page 11 1/	\$16,582	10,865	11,901	12,833	13,663	14,389	15,013	15,533	15,948	16,262	16,471	16,579	16,582
Net Plant	\$1,205,535	\$1,248,586	\$1,244,156	\$1,239,830	\$1,235,606	\$1,231,486	\$1,227,468	\$1,223,554	\$1,219,745	\$1,216,037	\$1,212,434	\$1,208,932	\$1,205,535
Ad Valorem Taxes	\$22,728	\$1,894	\$1,894	\$1,894	\$1,894	\$1,894	\$1,894	\$1,894	\$1,894	\$1,894	\$1,894	\$1,894	\$1,894

**GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - SERVICES
2018 ADDITIONS - 2019 GUIC TRUE UP**

	2019												
	Total	January	February	March	April	May	June	July	August	September	October	November	December
Replace PVC Services													
Expenditures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Close to Plant (cumulative)	810,197	810,197	810,197	810,197	810,197	810,197	810,197	810,197	810,197	810,197	810,197	810,197	810,197
Depreciation	31,920	2,660	2,660	2,660	2,660	2,660	2,660	2,660	2,660	2,660	2,660	2,660	2,660
Accumulated Reserve	42,253	12,993	15,653	18,313	20,973	23,633	26,293	28,953	31,613	34,273	36,933	39,593	42,253
ADIT- see page 11 1/	\$9,298	6,346	6,881	7,362	7,791	8,166	8,488	8,756	8,970	9,132	9,240	9,296	9,298
Net Plant	\$758,646	\$790,858	\$787,663	\$784,522	\$781,433	\$778,398	\$775,416	\$772,488	\$769,614	\$766,792	\$764,024	\$761,308	\$758,646
Ad Valorem Taxes	\$14,422	\$1,202	\$1,202	\$1,202	\$1,202	\$1,202	\$1,202	\$1,202	\$1,202	\$1,202	\$1,202	\$1,202	\$1,202

1/ Balances based on monthly proration methodology.

**GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - MAINS
2019 ADDITIONS - 2019 ACTUAL TRUE UP**

	2019												
	Total	January	February	March	April	May	June	July	August	September	October	November	December
Replace PVC Main													
Expenditures	\$1,464,900	\$0	\$1,833	\$591	\$3,248	\$20,778	\$403,238	\$164,008	\$285,537	\$153,325	\$258,454	\$234,252	(\$60,364)
Close to Plant (cumulative)	1,464,900	0	1,833	2,424	5,672	19,634	422,873	593,593	871,731	1,031,446	1,277,808	1,343,513	1,464,900
Depreciation	14,808	0	0	5	6	15	52	1,124	1,578	2,317	2,742	3,397	3,572
Accumulated Reserve	14,808	0	0	5	11	26	78	1,202	2,780	5,097	7,839	11,236	14,808
ADIT- see page 12 1/	\$5,342	882	1,690	2,417	3,065	3,631	4,118	4,523	4,847	5,092	5,255	5,339	5,342
Net Plant	<u>\$1,444,750</u>	<u>(\$882)</u>	<u>\$143</u>	<u>\$2</u>	<u>\$2,596</u>	<u>\$15,977</u>	<u>\$418,677</u>	<u>\$587,868</u>	<u>\$864,104</u>	<u>\$1,021,257</u>	<u>\$1,264,714</u>	<u>\$1,326,938</u>	<u>\$1,444,750</u>
Ad Valorem Taxes	\$26,075	\$0	\$3	\$4	\$8	\$29	\$627	\$880	\$1,293	\$1,530	\$1,895	\$1,993	\$17,813

**GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - SERVICES
2019 ADDITIONS - 2019 ACTUAL TRUE UP**

	2019												
	Total	January	February	March	April	May	June	July	August	September	October	November	December
Replace PVC Services													
Expenditures	\$1,373,761	\$0	\$2,019	\$2,346	\$1,635	\$4,640	\$191,876	\$132,551	\$307,271	\$232,445	\$280,840	\$171,168	\$46,970
Close to Plant (cumulative)	1,373,761	0	2,019	4,365	6,000	10,640	202,516	334,964	640,049	874,783	1,155,623	1,326,790	1,373,761
Depreciation	14,964	0	0	7	14	20	35	665	1,100	2,101	2,872	3,794	4,356
Accumulated Reserve	14,964	0	0	7	21	41	76	741	1,841	3,942	6,814	10,608	14,964
ADIT- see page 12 1/	\$4,869	804	1,541	2,203	2,793	3,309	3,753	4,123	4,418	4,641	4,790	4,867	4,869
Net Plant	<u>\$1,353,928</u>	<u>(\$804)</u>	<u>\$478</u>	<u>\$2,155</u>	<u>\$3,186</u>	<u>\$7,290</u>	<u>\$198,687</u>	<u>\$330,100</u>	<u>\$633,790</u>	<u>\$866,200</u>	<u>\$1,144,019</u>	<u>\$1,311,315</u>	<u>\$1,353,928</u>
Ad Valorem Taxes	\$24,453	\$0	\$3	\$6	\$9	\$16	\$300	\$497	\$949	\$1,298	\$1,714	\$1,968	\$17,693

1/ Balances based on monthly proration methodology.

**GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - MAINS AND SERVICE
DEFERRED TAXES CALCULATION
GAS UTILITY - MINNESOTA
2016 ADDITIONS**

2016 Plant additions - 2019 GUIC

Month	Weighting for Projection	Mains			Service		
		Monthly Increments	Balance/ Increments	Balance	Monthly Increments	Balance/ Increments	Balance
December 2018	100.00%			\$40,235			\$31,825
January 2019	91.78%	\$684	\$628	40,863	\$473	\$434	32,259
February	84.11%	684	575	41,438	473	398	32,657
March	75.62%	684	517	41,955	473	358	33,015
April	67.40%	684	461	42,416	473	319	33,334
May	58.90%	684	403	42,819	473	279	33,613
June	50.68%	684	347	43,166	473	240	33,853
July	42.19%	684	289	43,455	473	200	34,053
August	33.70%	684	231	43,686	473	159	34,212
September	25.48%	684	174	43,860	473	121	34,333
October	16.99%	684	116	43,976	473	80	34,413
November	8.77%	684	60	44,036	473	41	34,454
December	0.27%	687	2	44,038	475	1	34,455
Total		8,211	3,803		5,678	2,630	

	Mains
	<u>2019 GUIC</u>
Year end Plant Bal.:	\$956,526
Tax Depreciation Rate:	6.1770%
	59,085
Book Depreciation:	30,516
Remainder:	28,569
Income Tax Rate:	28.7420%
Deferred Income Tax:	\$8,211
Monthly Increment:	\$684

	Services
	<u>2019 GUIC</u>
Year end Plant Bal.:	\$883,018
Tax Depreciation Rate:	6.1770%
	54,544
Book Depreciation:	34,788
Remainder:	19,756
Income Tax Rate:	28.7420%
Deferred Income Tax:	\$5,678
Monthly Increment:	\$473

**GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - MAINS AND SERVICE
DEFERRED TAXES CALCULATION
GAS UTILITY - MINNESOTA
2017 ADDITIONS**

2017 Plant additions - 2019 GUIC

Month	Weighting for Projection	Mains			Service		
		Monthly Increments	Balance/ Increments	Balance	Monthly Increments	Balance/ Increments	Balance
December 2017	100.00%			44,210			27,347
January 2018	91.78%	1,429	1,312	45,522	765	702	28,049
February	84.11%	1,429	1,202	46,724	765	643	28,692
March	75.62%	1,429	1,081	47,805	765	578	29,270
April	67.40%	1,429	963	48,768	765	516	29,786
May	58.90%	1,429	842	49,610	765	451	30,237
June	50.68%	1,429	724	50,334	765	388	30,625
July	42.19%	1,429	603	50,937	765	323	30,948
August	33.70%	1,429	482	51,419	765	258	31,206
September	25.48%	1,429	364	51,783	765	195	31,401
October	16.99%	1,429	243	52,026	765	130	31,531
November	8.77%	1,429	125	52,151	765	67	31,598
December	0.27%	1,428	4	52,155	762	2	31,600
Total		17,147	7,945		9,177	4,253	

Mains		Service	
<u>2019 GUIC</u>		<u>2019 GUIC</u>	
Year end Plant Bal.:	\$1,710,848	Year end Plant Bal.:	\$1,166,692
Tax Depreciation Rate:	6.6770%	Tax Depreciation Rate:	6.6770%
	114,233		77,900
Book Depreciation:	54,576	Book Depreciation:	45,972
Remainder:	59,657	Remainder:	31,928
Income Tax Rate:	28.7420%	Income Tax Rate:	28.7420%
Deferred Income Tax:	17,147	Deferred Income Tax:	9,177
Monthly Increment:	1,429	Monthly Increment:	765

**GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - MAINS AND SERVICE
DEFERRED TAXES CALCULATION
GAS UTILITY - MINNESOTA
2018 ADDITIONS**

2018 Plant additions - 2019 GUIC

Month	Weighting for Projection	Mains			Service		
		Monthly Increments	Balance/ Increments	Balance	Monthly Increments	Balance/ Increments	Balance
December 2017	100.00%			\$9,734			\$5,762
January 2018	91.78%	\$1,232	\$1,131	10,865	\$636	\$584	6,346
February	84.11%	1,232	1,036	11,901	636	535	6,881
March	75.62%	1,232	932	12,833	636	481	7,362
April	67.40%	1,232	830	13,663	636	429	7,791
May	58.90%	1,232	726	14,389	636	375	8,166
June	50.68%	1,232	624	15,013	636	322	8,488
July	42.19%	1,232	520	15,533	636	268	8,756
August	33.70%	1,232	415	15,948	636	214	8,970
September	25.48%	1,232	314	16,262	636	162	9,132
October	16.99%	1,232	209	16,471	636	108	9,240
November	8.77%	1,232	108	16,579	636	56	9,296
December	0.27%	1,235	3	16,582	640	2	9,298
Total		14,787	6,848		7,636	3,536	

	<u>Mains</u>	<u>Service</u>
	<u>2019 GUIC</u>	<u>2019 GUIC</u>
Year end Plant Bal.:	\$1,276,861	\$810,197
Tax Depreciation Rate:	7.2190%	7.2190%
	92,177	58,488
Book Depreciation:	40,728	31,920
Remainder:	51,449	26,568
Income Tax Rate:	28.7420%	28.7420%
Deferred Income Tax:	\$14,787	\$7,636
Monthly Increment:	\$1,232	\$636

**GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - MAINS AND SERVICE
DEFERRED TAXES CALCULATION
GAS UTILITY - MINNESOTA
2019 ADDITIONS**

2019 Plant additions - 2019 GUIC

Month	Weighting for Projection	Mains			Service		
		Monthly Increments	Balance/ Increments	Balance	Monthly Increments	Balance/ Increments	Balance
December 2018	100.00%			\$0			\$0
January 2019	91.78%	\$961	\$882	882	\$876	\$804	804
February	84.11%	961	808	1,690	876	737	1,541
March	75.62%	961	727	2,417	876	662	2,203
April	67.40%	961	648	3,065	876	590	2,793
May	58.90%	961	566	3,631	876	516	3,309
June	50.68%	961	487	4,118	876	444	3,753
July	42.19%	961	405	4,523	876	370	4,123
August	33.70%	961	324	4,847	876	295	4,418
September	25.48%	961	245	5,092	876	223	4,641
October	16.99%	961	163	5,255	876	149	4,790
November	8.77%	961	84	5,339	876	77	4,867
December	0.27%	962	3	5,342	870	2	4,869
Total		\$11,533	\$5,342		\$10,506	\$4,869	

	<u>Mains</u>	<u>Service</u>
Year end Plant Bal.:	\$1,464,900	\$1,373,761
Tax Depreciation Rate:	3.7500%	3.7500%
	<u>54,934</u>	<u>51,516</u>
Book Depreciation:	14,808	14,964
Remainder:	40,126	36,552
Income Tax Rate:	28.7420%	28.7420%
Deferred Income Tax:	<u>\$11,533</u>	<u>\$10,506</u>
Monthly Increment:	\$961	\$876

**GREAT PLAINS NATURAL GAS CO.
AVERAGE UTILITY CAPITAL STRUCTURE
AUTHORIZED - MINNESOTA**

	Balance	Ratio	Cost	Required Return	
<u>Authorized 2016 1/</u>					
Long Term Debt	\$555,451,153	41.712%	5.492%	2.291%	
Short Term Debt	87,302,622	6.556%	1.610%	0.106%	2.397%
Preferred Stock	15,258,600	1.146%	4.562%	0.052%	
Common Equity	673,616,423	50.586%	9.060%	4.583%	
Total	<u>\$1,331,628,798</u>	<u>100.000%</u>		<u>7.032%</u>	

1/ Authorized in Docket No. G004/GR-15-879.

**GREAT PLAINS NATURAL GAS CO.
ALLOCATION OF GUIC BASED ON
AUTHORIZED REVENUE ALLOCATION
YEAR END 2019**

	Authorized 1/ Rev. Alloc	%	GUIC Net Under-Recovery	2019 GUIC Rev. Req.	2019 GUIC Recovery	GUIC Necessary Recovery	Projected Dk 2/	Proposed Per Dk
Residential								
North	\$2,184,051	24.2038%		\$263,660				
South	2,126,981	23.5714%		256,771				
Total	<u>4,311,032</u>	<u>47.7752%</u>	<u>\$291,950</u>	<u>\$520,431</u>	<u>(\$367,858)</u>	<u>\$444,523</u>	1,461,965	\$0.3041
Firm General								
North	1,245,547	13.8032%		\$150,363				
South	1,494,511	16.5623%		180,418				
Total	<u>2,740,058</u>	<u>30.3655%</u>	<u>\$186,881</u>	<u>\$330,781</u>	<u>(\$230,719)</u>	<u>\$286,943</u>	1,591,657	0.1803
Small IT Sales								
North	540,099	5.9854%		\$65,201				
South	549,521	6.0898%		66,338				
Total	<u>1,089,620</u>	<u>12.0752%</u>	<u>\$69,452</u>	<u>\$131,539</u>	<u>(\$95,216)</u>	<u>\$105,775</u>	591,623	0.1788
Large IT Sales								
North	344,558	3.8184%		\$41,595				
South	27,707	0.3071%		3,345				
Total	<u>372,265</u>	<u>4.1255%</u>	<u>\$27,808</u>	<u>\$44,940</u>	<u>(\$45,049)</u>	<u>\$27,699</u>	284,088	0.0975
Small IT Transportation								
North	49,538	0.5490%		\$5,981				
South	32,152	0.3563%		3,881				
Total	<u>81,690</u>	<u>0.9053%</u>	<u>\$3,583</u>	<u>\$9,862</u>	<u>(\$9,357)</u>	<u>\$4,088</u>	116,710	0.0350
Large IT Transportation								
North Flex	745,730			\$0				
North & South	428,919	4.7533%		51,779			741,448	0.0865
South Flex	118,913			0				
Total	<u>1,293,562</u>	<u>4.7533%</u>	<u>\$25,375</u>	<u>51,779</u>	<u>(13,044)</u>	<u>\$64,110</u>	<u>741,448</u>	
Total	<u>\$9,888,227</u>	<u>100.0000%</u>	<u>\$605,049</u>	<u>\$1,089,332</u>	<u>(\$761,243)</u>	<u>\$933,138</u>	<u>4,787,491</u>	
			3/	3/	3/	3/		
Excluding Flex	\$9,023,584							

1/ Docket No. G004/GR-15-879, Final Order Compliance Filing, Exhibit 3b, p. 1.

2/ Projected dk for the period October 2020-September 2021 for non-flex classes.

3/ Exhibit D, page 1.

**GREAT PLAINS NATURAL GAS CO.
GAS UTILITY INFRASTRUCTURE COST ADJUSTMENT
INFORMATION REQUIRED PURSUANT TO
MINN. STAT. §216b.1635 SUBP. 4**

(2)(vii) The magnitude of GUIC in relation to the gas utility's base revenue as approved by the commission in the gas utility's most recent general rate case, exclusive of gas purchase costs and transportation charges

Authorized margin - Docket no. G004/GR-15-879	\$9,888,227
GUIC Revenue Requirement	\$933,138
% of margin	9.4%

(2)(viii) The magnitude of GUIC in relation to the gas utility's capital expenditures since its most recent general rate case

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
Capital Expenditures	1,839,544	2,877,540	2,087,058	2,838,661
Capital expenditures - rate case 1/	3,844,559			
% of rate case expenditures	47.8%	74.8%	54.3%	73.8%

1/ Docket No. G004/GR-15-879.

(2)(ix) The amount of time since the utility last filed a general rate case and the utility's reasons for seeking recovery outside of a general rate case.

The last general rate case was filed September 30, 2015 in Docket No. G004/GR-15-879 using a projected 2016 test period. The final order was issued September 6, 2016 with final rates effective January 1, 2017.

The capital investments included in this filing were not reflected in the most recent rate case and therefore are eligible for recovery under the statute. Great Plains will delay filing a rate case and the costs associated with filing a general rate case through the use of a GUIC tariff and adjustment, especially when the amount sought, while critical to Great Plains, is not a significant increase to customers.

**Gas Utility Infrastructure Cost Adjustment
Rate Effective October 1, 2020**

On April 15, 2020, Great Plains Natural Gas Co. (Great Plains) filed with the Minnesota Public Utilities Commission (MNPUC) to update its Gas Utility Infrastructure Cost (GUIC) tariff, which allows Great Plains to recover the cost of infrastructure investments mandated by federal and state agencies associated with Great Plains' pipeline integrity and safety programs such as the cost of assessments, modifications and replacement of natural gas facilities that are not included in the base rate. The GUIC was initially approved by the MNPUC on October 6, 2017.

The per dekatherm adjustment charge approved in the GUIC filing is shown by customer class in the table below. The GUIC is reflected as a separate line item on your monthly gas service statement and will be effective with service rendered on or after October 1, 2020.

	<u>Rate per Dekatherm (Dk)</u>
<u>Sales</u>	
Residential	\$0.3041
Firm General	\$0.1803
Small Interruptible	\$0.1788
Large Interruptible	\$0.0975
 <u>Transportation (excluding flexible rate contracts)</u>	
Small Interruptible	\$0.0350
Large Interruptible	\$0.0865

Questions? Contact us at 1-877-267-4764.