

December 21, 2018

Via Electronic Filing

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

Re: *In the Matter of a Commission Investigation into the Effects on Electric and Natural Gas Utility Rates and Services of the 2017 Federal Tax Act*
Docket No.: E, G-999/CI-17-895

Request for Clarification of Great Plains Natural Gas Co.

Dear Mr. Wolf:

Pursuant to Minn. Stat. § 216B.27 and Minn. R. 7829.3000, Great Plains Natural Gas Co. (“Great Plains”), a Division of MDU Resources Group, Inc., respectfully files this Petition for Clarification (“Petition”) of the Minnesota Public Utilities Commission’s (“Commission”) December 5, 2018 *Order Responding to Changes in Federal Tax Law* issued in the above-referenced docket (“December 5 Order”). As discussed below, in an abundance of caution, Great Plains requests that the Commission clarify one discrete aspect of its Order related to the characterization of excess accumulated deferred income tax liability (“ADIT”).

On August 8, 2018, Great Plains filed slightly revised decision alternatives to account for unique aspects of Great Plains' tax and plant accounting for the Commission's consideration at its August 9 agenda meeting. The revised decision alternatives distinguished between Plant and Non-Plant assets – rather than Protected and Unprotected Assets in addressing excess ADIT. In particular, Great Plains proposed the following revisions to the decision alternatives set forth in Staff Briefing Papers:

Excess ADIT for ~~Protected~~ Plant Related Assets

44. Authorize Great Plains, using ARAM, to amortize, without refunding, ~~protected~~ plant-related excess ADIT. (GP)
45. Require Great Plains, using ARAM, to amortize ~~protected~~ plant-related excess ADIT and defer the refunding of excess ADIT until its next rate case. (DOC)

46. Require Great Plains, using ARAM, to amortize ~~protected~~ plant-related excess ADIT and refund ratepayers as early as IRS provisions allow. (OAG, MCC, MLIG)

Excess ADIT for ~~Unprotected~~ Non-Plant Assets

47. Authorize Great Plains to amortize, without refunding, ~~unprotected~~ non-plant related excess ADIT over a 10 year period. (GP)
48. Require Great Plains to amortize ~~unprotected~~ non-plant related excess ADIT into a regulatory liability to be addressed in its next rate case. (DOC)
49. Authorize Great Plains to amortize and refund ~~unprotected~~ non-plant related excess ADIT over a 10 year period. (GP — Modified)
50. Require Great Plains to amortize and refund ~~unprotected~~ non-plant related excess ADIT over a shorter period. (MCC - not to exceed 5 years; MLIG - not to exceed 2 years; OAG, SRA, ICI Group - as soon as possible)
51. If Great Plains has not filed a general rate case by December 31, 2020 then require that ~~unprotected~~ non-plant related excess ADIT be amortized and refunded over a 10-year period beginning January 1, 2021. (Staff contingent recommendation)

At the Commission's August 9 agenda meeting, Great Plains explained that while all of Great Plains' Non-Plant Assets are "unprotected assets," Great Plains' Plant Assets include a very small percentage (approximately 3.25%) of "unprotected assets." While the rate impact is immaterial, there are several reasons why Great Plains sought to treat all Plant Related Assets in the same fashion.

- (1). Great Plains is a division of MDU Resources, which is multi-jurisdictional Company with utility assets allocated among several jurisdictions.
- (2). MDU's regulators in other states address excess ADIT on a plant v. non-plant basis – rather than a protected and unprotected basis.
- (3). The Company's tax and plant accounting software (PowerPlan) is designed to treat all components of plant and tax in a consistent manner, which would require manual manipulation of the data to conform if treated differently in one jurisdiction.

Therefore, Great Plains requested that the Commission consider the revised decision alternatives to ensure consistent treatment of Excess ADIT among various jurisdictions.

At its August 9, 2018 meeting, the Commission accepted Great Plains' revised decision alternatives 46 and 49.¹ The December 5 Order, however, does not appear to reflect this

¹ The Commission's oral acceptance of revised decision alternatives can be viewed on the webcast of the August 9 agenda meeting at approximately 3:25 (three hours and twenty-five minutes into the meeting). See http://minnesotapuc.granicus.com/MediaPlayer.php?view_id=2&clip_id=759

decision. In particular, the December 5 Order at Ordering Paragraph 8 directs Great Plains to "reduce its base rates" to reflect savings related to "**Protected** excess accumulated deferred income tax liability, amortized using ARAM as early as IRS provisions allow" plus "**Unprotected** excess ADIT liability, amortized over ten years." In an abundance of caution, Great Plains respectfully requests that the Commission confirm that notwithstanding the Order's references to protected and unprotected excess ADIT with respect to Great Plains, the Company may continue to account for excess ADIT by categorizing as "plant-related" or "non-Plant-related." As explained above, while the rate impact associated with this distinction is immaterial, such a distinction is necessary from a tax accounting perspective.

Great Plains appreciates the Commission's consideration of its Petition. Please do not hesitate to contact me with any questions or concerns.

Respectfully submitted,

/s/ Brian M. Meloy

Brian M. Meloy

**STATE OF MINNESOTA
BEFORE THE
MINNESOTA PUBLIC UTILITIES COMMISSION**

*In the Matter of a Commission Investigation
into the Effects on Electric and Natural Gas
Utility Rates and Services of the 2017 Federal
Tax Act*

MPUC Docket No. E, G-999/CI-17-895

CERTIFICATE OF SERVICE

The undersigned hereby certifies that true and correct copies of **Great Plains Natural Gas Co.'s Request for Clarification** have been served on this day by e-filing/e-serving or mailing to the following:

NAME	EMAIL/ADDRESS	SERVICE
David Aafedt	daafedt@winthrop.com	Electronic
Tamie A. Aberle	tamie.aberle@mdu.com	Electronic
Michael Ahern	ahern.michael@dorsey.com	Electronic
Christopher Anderson	canderson@allete.com	Electronic
Kristine Anderson	kanderson@greatermngas.com	Electronic
Michael Auger	605 Hwy 169 N, Minneapolis, MN 55441	Paper
Gail Baranko	gail.baranko@xcelenergy.com	Electronic
Ryan Barlow	Ryan.Barlow@ag.state.mn.us	Electronic
Peter Beithon	pbeithon@otpc.com	Electronic
James J. Bertrand	james.bertrand@stinson.com	Electronic
Brenda A. Bjorklund	brenda.bjorklund@centerpointenergy.com	Electronic
Elizabeth Brama	ebrama@briggs.com	Electronic
Jon Brekke	jbrekke@greenergy.com	Electronic
Christina Brusven	cbrusven@fredlaw.com	Electronic
Michael J. Bull	mbull@mncee.org	Electronic
David Cartella	David.Cartella@cliffsnr.com	Electronic
Greg Chandler	115 SW First St, Grand Rapids, MN 55744	Paper
Ray Choquette	rchoquette@agp.com	Electronic
Steve W. Chriss	Stephen.chriss@walmart.com	Electronic

NAME	EMAIL/ADDRESS	SERVICE
John Coffman	john@johncoffman.net	Electronic
Generic Notice/Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Electronic
Riley Conlin	riley.conlin@stoel.com	Electronic
Corey Conover	corey.conover@minneapolismn.gov	Electronic
Joseph Dammel	joseph.dammel@ag.state.mn.us	Electronic
Lisa Daniels	lisdaniels@windustry.org	Electronic
Seth Demerritt	ssdemerritt@integrysgroup.com	Electronic
James Denniston	james.r.denniston@xcelenergy.com	Electronic
Ian Dobson	residential.utilities@ag.state.mn.us	Electronic
Ron Elwood	relwood@mnlsap.org	Electronic
James C. Erickson	jericksonkbc@gmail.com	Electronic
Darcy Fabrizio	Darcy.fabrizius@constellation.com	Electronic
John Farrell	jfarrell@ilsr.org	Electronic
Sharon Ferguson	sharon.ferguson@state.mn.us	Electronic
Daryll Fuentes	dfuentes@usg.com	Electronic
Edward Garvey	garveyed@aol.com	Electronic
John R. Gasele	jgasele@fryberger.com	Electronic
Bruce Gerhardson	bgerhardson@otpc.com	Electronic
Allen Gleckner	gleckner@fresh-energy.org	Electronic
J Drake Hamilton	hamilton@fresh-energy.org	Electronic
Annete Henkel	mui@mutilityinvestors.org	Electronic
Shane Henriksen	shane.henriksen@enbridge.com	Electronic
Katherine Hinderlie	katherine.hinderlie@ag.state.mn.us	Electronic
Corey Hintz	chintz@dakotaelectric.com	Electronic
Bruce L. Hoffarber	bhoffarber@usenergyservices.com	Electronic
Geoffrey Inge	gbinge@KTMInc.com	Electronic
Alan Jenkins	aj@jenkinsatlaw.com	Electronic
Linda Jensen	linda.s.jensen@ag.state.mn.us	Electronic

NAME	EMAIL/ADDRESS	SERVICE
Kelsey Johnson	kjohnson@taconite.org	Electronic
Richard Johnson	Rick.Johnson@lawmoss.com	Electronic
Sarah Johnson Phillips	sarah.phillips@stoel.com	Electronic
Travis Kolari	PO Box 217, Keewatin, MN 55753	Paper
Michael Krikava	mkrikava@briggs.com	Electronic
Allen Krug	allen.krug@xcelenergy.com	Electronic
David Langmo	david.langmo@sappi.com	Electronic
Peder Larson	plarson@larkinhoffman.com	Electronic
James D. Larson	james.larson@avantenergy.com	Electronic
Douglas Larson	dlarson@dakotaelectric.com	Electronic
Roger Leider	roger@mnpropane.org	Electronic
Annie Levenson Falk	annielf@cubminnesota.org	Electronic
Michael Loeffler	mike.loeffler@nngco.com	Electronic
Susan Ludwig	sludwig@mnpower.com	Electronic
Peter Madsen	peter.madsen@ag.state.mn.us	Electronic
Kavita Maini	kmaini@wi.rr.com	Electronic
Sarah Manchester	sarah.manchester@sappi.com	Electronic
Tony Mancuso	mancusot@stlouiscountymn.gov	Electronic
Pam Marshall	pam@energycents.org	Electronic
Natalie McIntire	natalie.mcintire@gmail.com	Electronic
Brian Meloy	brian.meloy@stinson.com	Electronic
Joseph Meyer	joseph.meyer@ag.state.mn.us	Electronic
Herbert Minke	hminke@allete.com	Electronic
David Moeller	dmoeller@allete.com	Electronic
Andrew Moratzka	andrew.moratzka@stoel.com	Electronic
David Niles	david.niles@avantenergy.com	Electronic
Michael Noble	noble@fresh-energy.org	Electronic
Rolf Nordstrom	rnordstrom@gpisd.net	Electronic

NAME	EMAIL/ADDRESS	SERVICE
Kate O'Connell	kate.oconnell@state.mn.us	Electronic
Christopher J. Oppitz	110-1/2 1 st St E, Park Rapids, MN 56470	Paper
Carol A. Overland	overland@legalectric.org	Electronic
Greg Palmer	gpalmer@greatermngas.com	Electronic
Ben Passer	Passer@fresh-energy.org	Electronic
Catherine Phillips	catherine.phillips@we-energies.com	Electronic
William Phillips	wphillips@aarp.org	Electronic
Marcia Podratz	mpodratz@mnpower.com	Electronic
Rate Case Inbox	mnratecase@otpc.com	Electronic
Kevin Reuther	kreuther@mncenter.org	Electronic
Buddy Robinson	buddy@citizensfed.org	Electronic
Amanda Rome	amanda.rome@xcelenergy.com	Electronic
Richard Savelkoul	rsavelkoul@martinsquires.com	Electronic
Thomas Scharff	thomas.scharff@versoco.com	Electronic
Larry L. Schedin	Larry@LLSResources.com	Electronic
Janet Shaddix Elling	jshaddix@janetshaddix.com	Electronic
Peggy Sorum	peggy.sorum@centerpointenergy.com	Electronic
Richard Staffon	rcstaffon@msn.com	Electronic
Byron E. Starns	byron.starns@stinson.com	Electronic
Kristin Stastny	kstastny@briggs.com	Electronic
James M. Strommen	jstrommen@kennedy-graven.com	Electronic
Eric Swanson	eswanson@winthrop.com	Electronic
Lynnette Sweet	Regulatory.records@xcelenergy.com	Electronic
Stuart Tommerdahl	stommerdahl@otpc.com	Electronic
Pat Treseler	pat.icplaw@comcast.net	Electronic
Jessica Tritsch	jessica.tritsch@sierraclub.org	Electronic
Scott M. Wilensky	scott.wilensky@xcelenergy.com	Electronic
Samantha Williams	swilliams@nrdc.org	Electronic

NAME	EMAIL/ADDRESS	SERVICE
Joseph Windler	jwindler@winthrop.com	Electronic
Cam Winton	cwinton@mnchamber.com	Electronic
Daniel P. Wolf	dan.wolf@state.mn.us	Electronic
Mary Wolter	mary.wolter@wecenergygroup.com	Electronic
Patrick Zomer	Patrick.Zomer@lawmoss.com	Electronic

Dated 21st day of December, 2018

/s/ Joshua M. Feit _____
 Joshua M. Feit