



A Division of Montana-Dakota Utilities Co.

705 West Fir Avenue

Mailing Address: PO Box 176

Fergus Falls, MN 56538-0176

1-877-267-4764

www.gpng.com

November 6, 2024

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

**RE: Reply Comments to the Comments of the Minnesota Department of Commerce,
Division of Energy Resources
Docket No. G004/M-24-234**

Dear Mr. Seuffert:

Great Plains Natural Gas Co. (Great Plains), a Division of Montana-Dakota Utilities Co., herewith electronically files its Reply Comments to the Comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) filed on October 18, 2024 in the above referenced docket.

The Department raised questions regarding prospective Firm General Service Rate Schedule 70 customers. The Company utilizes General Terms and Conditions (Section 3) if a customer has a higher requirement than 2,000 cubic feet per hour. With respect to Customer #4, the Company's decision to forego a customer commitment to receiving firm service was made because of the following:

- High probability of customer load being realized.
- Near-term plans for customer in-service (less than 16 months at time of Firm Transportation Service Agreement).
- No capital investment was required.
- Low-cost generally available capacity was secured (\$3.806/Dk/Month).
- Incremental pipeline capacity was scarce (currently unavailable).
- Immediate security of this capacity is/was less expensive long-term than supporting incremental capacity in the future (to support growth).
- High-value capacity in release market.

In response to the Department's recommendation for Great Plains' 2025-2026, and future demand entitlement filings, Great Plains will provide the following requested information for the 5,000 Dk/day contract, which was included as part of the Company's capacity release efforts for the 2024-2025 heating season:

- whether the Company can turn this VGT-FT-A 5,000 Dk/day capacity back with no penalty, or whether it will incur penalties from Viking;
- whether the Company cannot rollover and not renew some of the expiring 2027 FT-A capacity; and,
- whether the Company can decrease its excess capacity.

Great Plains will include the required information for Order Point 9 from the February 17, 2023 Order. If there are no changes to pipeline capacity that impacts supply diversity, the Company will confirm in the filings.

As stated in the Reply Comments for Docket Nos. G004/M-22-310 and G004/M-23-262 filed on November 5, 2024, Great Plains will provide:

- updates on Customer #4;
- whether the Company can turn this VGT-FT-A 3,291 Dk/day capacity back with no penalty, or whether it will incur penalties from Viking; whether the Company cannot rollover and not renew some of the expiring 2027 FT-A capacity;
- whether the Company can decrease its excess capacity;
- how much of the capacity has been utilized to take advantage of the price differentials between Emerson and Ventura between November 1, 2022 and demand entitlement filings for the 2025-2026 heating season; and
- how much delivery capacity on NNG has been reallocated to NNG-connected communities because of using the new VGT FT-A contract, between November 1, 2022 to the demand entitlement filings for the 2025-2026 heating season.

The Department recommends the Minnesota Public Utilities Commission accept Great Plain's design day estimate for the 2024-2025 heating season and approve the Company's proposal to release 8,291 Dk via capacity release on VGT for the 2024-2025 heating season. Great Plains agrees with the Department's assessment and recommendations. Great Plains has provided the requested information and submitted a compliance filing in this docket on October 31, 2024.

Please contact me at (701) 222-7855 or travis.jacobson@mdu.com, or Kristin Stastny at (612) 977-8656 with any questions regarding this filing.

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

cc: Kristin Stastny