GREAT PLAINS
NATURAL GAS CO.
A Division of Montana-Dakota Utilities Co.
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July 25, 2025

Mike Bull
Interim Executive Secretary
Minnesota Public Utilities Commission
121 Seventh Place East, 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-25-200**

Dear Mr. Bull:

Great Plains Natural Gas Co. (Great Plains), a Division of Montana-Dakota Utilities Co., herewith electronically submits its Reply Comments in response to the Comments of the Department of Commerce, Division of Energy Resources (Department) submitted on July 15, 2025 in the above referenced docket. The Comments are related to Great Plains' Petition for Approval of Recovery of the 2025 Gas Utility Infrastructure Cost (GUIC) Revenue Requirement and Revised Adjustment Factors.

Great Plains appreciates the Department's thorough review and agrees with its recommendation that the Company's proposals are consistent with the applicable Minnesota statutes, past Commission Orders, and Great Plains' tariff. The Department has requested that Great Plains provide additional information in reply comments and will make its final recommendation upon review. The following paragraphs specifically address the additional information requested by the Department.

Great Plains has attached recalculations of the 2025 revenue requirement using the updated capital costs of $821,330 for Mains and $772,921 for Services, which Great Plains provided in response to DOC IR 7. The recalculated revenue requirement is $1,610,523 as shown in Exhibit D - Revised, pages 1, 2, 5 and 6.

Great Plains has also attached an updated calculation of the 2025 Proposed Recovery Factors using the updated capital costs provided in response to DOC IR 7, shown in Exhibit E - Revised, page 1. The table below shows the comparison of the revised proposed rates with the as filed proposed rates along with the current rates by customer class.

	Revised Proposed Rates	As Filed Proposed Rates	Current Rate
Sales:			
Residential	$0.5466	$0.5772	$0.4642
Firm General	$0.3915	$0.4144	$0.3366
Grain Drying	$0.3438	$0.3690	$0.1607
Small Interruptible	$0.2917	$0.3091	$0.2723
Large Interruptible	$0.1590	$0.1687	$0.1484
Transportation:			
Small Interruptible	$0.3807	$0.4053	$0.3621
Large Interruptible 1/	$0.0701	$0.0746	$0.0660

1/ Includes Margin Sharing Customer.

Great Plains is also providing an update of Exhibit G of the Petition (Customer Notification) to reflect the revised rates following the recalculation, shown in Exhibit G - Revised, page 1.

Great Plains respectfully requests that the Commission consider the Department's Comments as well as Great Plains' Reply Comments. If the revised rates are approved by the Commission, the Company will update the tariff in a compliance filing.

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
Vice President of Regulatory Affairs

cc: Kristin Stastny

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

GUIC Costs and Recoveries

Under Recovery - December 2023	$625,534	1/
Revenue Requirement - 2024	1,336,111	2/
Actual Recoveries: January - December 2024	(829,389)	3/
Total Under Recovery as of December 31, 2024	$1,132,256	
Projected 2025 Revenue Requirement	1,610,523	2/
Estimated Recoveries: January - September 2025	(1,013,699)	3/
Total Required Recovery - October 2025 - September 2026	$1,729,080	

1/ Docket No. G004/M-24-170, Exhibit D, page 1.
2/ Exhibit D, page 2.
3/ Exhibit E, page 1.

GREAT PLAINS NATURAL GAS CO.
GUIC SUMMARY REVENUE REQUIREMENT
MAINS AND SERVICES

	ACTUAL 2024		
	Total	**Mains** 1/	**Services** 2/
Depreciation Expense	$301,397	$162,205	$139,192
Ad Valorem Taxes	212,820	126,805	86,015
Return	644,940	381,297	263,643
Income Taxes	(207,046)	(118,097)	(88,949)
Gross up for Taxes	384,000	222,714	161,286
Total	$1,336,111	$774,924	$561,187
Total Plant Investment	$11,382,539	$6,782,112	$4,600,427

	PROJECTED 2025		
	Total	**Mains 3/**	**Services 4/**
Depreciation Expense	$377,291	$206,948	$170,343
Ad Valorem Taxes	242,627	142,161	100,466
Return	777,328	465,224	312,104
Income Taxes	(249,588)	(143,081)	(106,507)
Gross up for Taxes	462,865	270,724	192,141
Total	$1,610,523	$941,976	$668,547
2025 Plant Additions	$1,594,251	$821,330	$772,921
Total Plant Investment	$12,976,790	$7,603,442	$5,373,348

1/ Exhibit D, page 3.
2/ Exhibit D, page 4.
3/ Exhibit D, page 5.
4/ Exhibit D, page 6.

GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - MAINS
2025 REVENUE REQUIREMENT

		2025 PROJECTED											
Mains		January	February	March	April	May	June	July	August	September	October	November	December
Plant in Service		$6,782,112	$6,782,112	$6,782,112	$6,821,454	$6,916,153	$7,102,184	$7,209,696	$7,334,127	$7,442,050	$7,528,372	$7,562,868	$7,603,442
Accumulated Reserve		348,814	365,318	381,822	398,326	414,926	431,756	449,039	466,583	484,430	502,540	520,860	539,258
ADIT		158,816	164,208	169,056	173,378	177,153	180,404	183,108	185,269	186,903	187,991	188,553	188,569
Rate Base		$6,274,482	$6,252,586	$6,231,234	$6,249,750	$6,324,074	$6,490,024	$6,577,549	$6,682,275	$6,770,717	$6,837,841	$6,853,455	$6,875,615
	Total												
Return @ 7.119% 1/	$465,224	$37,223	$37,093	$36,967	$37,077	$37,518	$38,502	$39,021	$39,643	$40,167	$40,565	$40,658	$40,790
Expenses													
Depreciation	$206,948	$16,504	$16,504	$16,504	$16,504	$16,600	$16,830	$17,283	$17,544	$17,847	$18,110	$18,320	$18,398
Ad Valorem Taxes	142,161	10,567	10,567	10,567	10,628	10,776	11,066	11,233	11,427	11,595	11,730	11,783	20,222
Total Expenses	$349,109	$27,071	$27,071	$27,071	$27,132	$27,376	$27,896	$28,516	$28,971	$29,442	$29,840	$30,103	$38,620
Income before taxes	($349,109)	($27,071)	($27,071)	($27,071)	($27,132)	($27,376)	($27,896)	($28,516)	($28,971)	($29,442)	($29,840)	($30,103)	($38,620)
Interest expense	$148,737	$11,901	$11,859	$11,819	$11,854	$11,995	$12,309	$12,475	$12,674	$12,842	$12,969	$12,999	$13,041
Taxable Income	($497,846)	($38,972)	($38,930)	($38,890)	($38,986)	($39,371)	($40,205)	($40,991)	($41,645)	($42,284)	($42,809)	($43,102)	($51,661)
Income Taxes	$143,081	$11,201	$11,188	$11,177	$11,205	$11,315	$11,555	$11,781	$11,969	$12,152	$12,303	$12,388	$14,847
Operating Income	($206,028)	($15,870)	($15,883)	($15,894)	($15,927)	($16,061)	($16,341)	($16,735)	($17,002)	($17,290)	($17,537)	($17,715)	($23,773)
Revenue Requirement	$941,976	$74,506	$74,342	$74,180	$74,381	$75,188	$76,962	$78,243	$79,491	$80,630	$81,535	$81,916	$90,602

1/ Authorized in Docket No. G004/GR-19-511.

GREAT PLAINS NATURAL GAS CO.
GUIC PLANT ADDITIONS - SERVICES
2025 REVENUE REQUIREMENT

		2025 PROJECTED											
Services		January	February	March	April	May	June	July	August	September	October	November	December
Plant in Service		$4,600,427	$4,600,427	$4,600,427	$4,615,499	$4,691,477	$4,766,991	$4,900,861	$5,031,175	$5,151,751	$5,310,586	$5,366,778	$5,373,348
Accumulated Reserve		333,877	347,332	360,787	374,242	387,741	401,462	415,404	429,738	444,453	459,521	475,053	490,765
ADIT		112,191	115,238	117,976	120,418	122,552	124,388	125,915	127,136	128,060	128,675	128,993	129,002
Rate Base		$4,154,359	$4,137,857	$4,121,664	$4,120,839	$4,181,184	$4,241,141	$4,359,542	$4,474,301	$4,579,238	$4,722,390	$4,762,732	$4,753,581
	Total												
Return @ 7.119% 1/	$312,104	$24,646	$24,548	$24,452	$24,447	$24,805	$25,161	$25,863	$26,544	$27,166	$28,016	$28,255	$28,201
Expenses													
Depreciation	$170,343	$13,455	$13,455	$13,455	$13,455	$13,499	$13,721	$13,942	$14,334	$14,715	$15,068	$15,532	$15,712
Ad Valorem Taxes	100,466	7,168	7,168	7,168	7,191	7,310	7,428	7,636	7,839	8,027	8,274	8,362	16,895
Total Expenses	$270,809	$20,623	$20,623	$20,623	$20,646	$20,809	$21,149	$21,578	$22,173	$22,742	$23,342	$23,894	$32,607
Income before taxes	($270,809)	($20,623)	($20,623)	($20,623)	($20,646)	($20,809)	($21,149)	($21,578)	($22,173)	($22,742)	($23,342)	($23,894)	($32,607)
Interest expense	$99,780	$7,879	$7,848	$7,817	$7,816	$7,930	$8,044	$8,269	$8,486	$8,685	$8,957	$9,033	$9,016
Taxable Income	($370,589)	($28,502)	($28,471)	($28,440)	($28,462)	($28,739)	($29,193)	($29,847)	($30,659)	($31,427)	($32,299)	($32,927)	($41,623)
Income Taxes	$106,507	$8,191	$8,183	$8,174	$8,180	$8,260	$8,390	$8,578	$8,811	$9,032	$9,283	$9,463	$11,962
Operating Income	($164,302)	($12,432)	($12,440)	($12,449)	($12,466)	($12,549)	($12,759)	($13,000)	($13,362)	($13,710)	($14,059)	($14,431)	($20,645)
Revenue Requirement	$668,547	$52,032	$51,906	$51,784	$51,800	$52,419	$53,214	$54,537	$56,001	$57,362	$59,044	$59,902	$68,546

1/ Authorized in Docket No. G004/GR-19-511.

GREAT PLAINS NATURAL GAS CO.
ALLOCATION OF GUIC BASED ON
AUTHORIZED REVENUE ALLOCATION
PROJECTED 2025

	Authorized Rev. Alloc 1/	Allocation Percentage	GUIC Balance - Dec. 2023	GUIC 2024 Rev. Require	GUIC Recovery - 2024	GUIC Balance - Dec. 2024	GUIC Projected 2025 Rev. Require	GUIC Recover - 2025 2/	GUIC Necessary Recovery	Projected Dk 3/	Proposed Per Dk
Residential	$5,767,518	44.5628%	$274,536	$595,408	$332,028	$537,916	$717,694	$449,945	$805,665	1,473,884	$0.5466
Firm General	3,894,949	30.0943%	182,301	402,093	245,054	339,340	484,676	302,701	521,315	1,331,664	0.3915
Grain Drying	355,147	2.7441%	(15,117)	36,664	16,133	5,414	44,194	11,692	37,916	110,284	0.3438
Small IT Sales	841,369	6.5008%	43,319	86,858	54,476	75,701	104,697	69,846	110,552	379,027	0.2917
Large IT Sales	317,212	2.4509%	16,537	32,747	20,333	28,951	39,472	27,816	40,607	255,377	0.1590
Small IT Transport	161,987	1.2516%	11,272	16,723	14,002	13,993	20,157	14,398	19,752	51,888	0.3807
Large IT Transport 4/	1,604,280	12.3955%	112,686	165,618	147,363	130,941	199,633	137,301	193,273	2,757,561	0.0701
Flex Contracts	495,755										
Total	$2,100,035	12.3955%	$112,686	$165,618	$147,363	$130,941	$199,633	$137,301	$193,273	2,757,561	
Total	$13,438,217	100.0000%	$625,534	$1,336,111	$829,389	$1,132,256	$1,610,523	$1,013,699	$1,729,080	6,359,685	
Excluding Flex	$12,942,462										

1/ Docket No. G004/GR-19-511, November 10, 2020 Final Order Compliance Filing, Exhibit 3, p. 2.
2/ Estimated recoveries January - September 2025.
3/ Projected dk for the period October 2025 - September 2026 for non-flex classes.
4/ Includes the Margin Sharing Customer authorized in Docket No. G004/GR-19-511.

Gas Utility Infrastructure Cost Adjustment
Rate Effective October 1, 2025

On April 15, 2025, Great Plains Natural Gas Co. (Great Plains) requested approval from the Minnesota Public Utilities Commission (MPUC) to update its Gas Utility Infrastructure Cost (GUIC) tariff. The GUIC allows Great Plains to recover the cost of infrastructure investments mandated by federal and state agencies that are associated with Great Plains' pipeline integrity and safety programs. This covers the expenses such as the cost of assessments, and modifications and replacement of natural gas facilities that are not included in the base rate. On (date approved), the MPUC issued an order in (docket number) approving the rates below.

The per dekatherm adjustment charge 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, 2025.

	Rate per Dekatherm (Dk)
Sales	
Residential	$0.5466
Firm General	$0.3915
Grain Drying	$0.3438
Small Interruptible	$0.2917
Large Interruptible	$0.1590
Transportation (excluding flexible rate contracts)	
Small Interruptible	$0.3807
Large Interruptible (including Margin Sharing Customer)	$0.0701

Questions? For more information regarding the charges on your natural gas bill, please visit our website at www.gpng.com and click on "Understanding Your Bill" or contact us at 1-877-267-4764.