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June 10, 2020

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

RE: Docket No. E, G-999/M-20-427
In the Matter of the Request of Minnesota Regulated Gas and Electric Utilities for
Authorization to Track Expenses Resulting From the Effects of COVID-19 and
Record and Defer Such Expenses Into a Regulatory Asset

Dear Mr. Seuffert:

Great Plains Natural Gas Co. (Great Plains), a Division of Montana-Dakota Utilities Co., respectfully submits the attached Comments in response to the Minnesota Public Utilities Commission's ("Commission") May 20, 2020 Notice of Comment Period ("Notice") in the above-captioned matter.

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

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

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

In the Matter of the Request of Minnesota
Regulated Gas and Electric Utilities for
Authorization to Track Expenses
Resulting From the Effects of COVID-19
and Record and Defer Such Expenses
Into a Regulatory Asset

Docket No. E, G-999/M-20-427

GREAT PLAINS' COMMENTS

Great Plains Natural Gas Co., a Division of Montana-Dakota Utilities Co. (“Great Plains”), respectfully file these comments in response to the Minnesota Public Utilities Commission’s (“Commission”) May 20, 2020 Notice of Comment Period (“Notice”) in the above-captioned matter. As noted in the Joint Petitioners’ comments¹, in which Great Plains participated, Great Plains appreciates the Commission’s proactive approach to the ongoing COVID-19 pandemic and its prompt action granting the request for deferred accounting in the May 22, 2020 Order Approving Accounting Request and Taking Other Action Related to COVID-19 Pandemic (“Order”).

By allowing utilities to use deferred accounting and create regulatory assets, the Order supports Great Plains’ efforts to maintain its financial strength during and after the

¹ The Joint Petitioners consist of the rate-regulated electric and natural gas service providers in Minnesota, alphabetically: CenterPoint Energy Resources Corp., d/b/a CenterPoint Energy Minnesota Gas, Dakota Electric Association, Great Plains, Greater Minnesota Gas, Inc., Minnesota Energy Resources Corporation, Minnesota Power, Northern States Power Company d/b/a Xcel Energy and Otter Tail Power.

pandemic, while continuing to provide safe and reliable service to its customers. As recognized by the Order and reflected in the Joint Petitioners' comments, the magnitude of the COVID-19 related expenditures and financial impacts are not known at time and this is certainly true with respect to Great Plains. As a result, Great Plains recognizes that the Commission will review any deferred costs and financial impacts at a later date to determine the significance, prudence, reasonableness and incremental nature of these costs once identified.

In this respect, the Notice asked that the rate-regulated utilities provide “an explanation of their proposed accounting methodology for tracking costs and revenues or grants incurred or received as a result of the COVID-19 Pandemic as well as any known and estimated costs and revenues, clearly identified within the specific categories.” Initially, Great Plains agrees with the Joint Petitioners that a “one size fits all” approach is not appropriate given the differences between the utilities (e.g., electric and gas) and the customers they serve. In addition, Great Plains shares the Joint Petitioners' view that it is still too early in the response to the pandemic for utilities to provide a comprehensive list of potential costs and other financial impacts directly related to COVID-19 or to provide any significant information regarding known or estimated cost or revenue impacts to date. Great Plains, however, commits to providing such information as it becomes known.

In the interim, the Commission's Order provides Great Plains with the appropriate vehicle in which to track or otherwise document COVID-19 related costs or other financial impacts, defer them, account for them as a regulatory asset on the balance sheet, and consider filing a request for recovery which the Commission and other stakeholders would scrutinize. As reflected in the Joint Petitioners' comments, in considering which items to track or otherwise document and defer, Great Plains will evaluate the standard questions

the Commission analyzes with respect to deferred accounting matters and rate recovery in general to ensure proper support for and allocation of any costs. Great Plains also intends to analyze its COVID-19 related expenditures or other financial impacts considered for deferral as reflected in the brief responses to the Commission's questions below.

1. Is the cost or other financial impact directly related to the COVID-19 pandemic or governmental actions stemming from the pandemic?

Great Plains joined with the Petitioners initiating this docket due to the unique and extraordinary situation faced by Great Plains and its customers caused by the COVID-19 pandemic. Great Plains understands that any request for recovery must fully explain how the particular item for which it requests recovery relates directly to the COVID-19 pandemic (including costs or impacts incurred due to governmental actions related to the pandemic). Great Plains intends to track and defer items only directly related to the pandemic.

2. Is the cost or other financial impact incremental to an established baseline?

Great Plains also understands that the Company must demonstrate the incremental nature of any cost or financial impact. Great Plains will demonstrate in its separate filing seeking recovery that it has not already otherwise recovered the cost in question. Great Plains has a pending natural gas rate case where a Commission decision is anticipated on or before September 18, 2020 in Docket No. G-004/GR-19-511. This decision will provide a sound basis for determining COVID-19 related costs not otherwise reflected in rates.

3. Is it practicable to identify and either document or track the particular incremental cost or other financial impact?

Great Plains agrees with the comments filed by the Joint Petitioners regarding the lack of specific FERC accounts to track costs or revenue impacts resulting from a situation such as the pandemic. Therefore, Great Plains will track the major categories of incremental expenses for a determination at a later time regarding whether such incremental expenses are appropriately recovered upon demonstration and support to be submitted in a subsequent filing by Great Plains.

Proposed Framework

Great Plains agrees with the preliminary list of cost and revenue categories for tracking as provided in the Joint Petitioners' comments as Attachment A.

As noted in the Joint Petitioners' comments, Great Plains has agreed to extend the protections of Minnesota's cold weather rule and has ceased the application of late payment charges for the duration of the peacetime emergency. These actions have kept customers connected but have and will continue to impose costs on the utilities, including likely increasing the Great Plains' bad debt expenses.

In addition to the uncollectible accounts expenses, Great Plains may see other incremental operating expense impacts in both labor and non-labor operating expenses, such as: labor expense for overtime or premium time necessitated due to portions of the work force quarantining or physical distancing requirements, information technology expenses to enable employees to work from home, increased sick time benefits due to prolonged illness, and outside vendor expenses for items such as pandemic response planning and increased cleaning or installation of additional sanitization facilities.

Great Plains will not be seeking an adjustment for sales or transportation revenues as Great Plains revenues are currently subject to a decoupling mechanism – though Great Plains may seek relief from the cap on surcharges under the decoupling mechanism to

the extent gas usage is significantly lower due to the pandemic and such under-recovery jeopardizes Great Plains' ability to recover its cost of providing service. In addition, the loss of late payment charges is a concern and is proposed to be an item to be deferred at this time.

Great Plains believes the general approach, framework and tracking or other documentation of the specific items listed in Attachment A to the Joint Petitioners' comments can provide a sound basis for any later regulatory review by the Commission. To the extent that Great Plains identifies other categories or costs that should be included in addition to those set forth on Attachment A that are discovered or are unique to Great Plains, the Company will bring those items to the Commission's attention.

Dated: June 10, 2020

By: /s/ Travis Jacobson

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