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May 1, 2017

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

RE: *In the Matter of Great Plains Natural Gas Co.'s Gas Infrastructure Cost Adjustment Tariff, Docket No. G004/M-16-1066*

Reply Comments of Great Plains Natural Gas Co.

Dear Mr. Wolf:

Great Plains Natural Gas Co. (Great Plains), a Division of MDU Resources Group, Inc., herewith electronically submits its Reply Comments in response to the Department of Commerce's (Department) April 20, 2016 Comments submitted in the above referenced docket.

In the Reply Comments set forth below, Great Plains addresses the Department's recommendations that (1) Great Plain explain whether there are any offsetting revenues associated with the identified projects; (2) Great Plains explain how it allocated gas plant costs to the Minnesota Jurisdiction in its most recent rate case and how it allocated the gas plant costs in its current Petition; (3) Great Plains explain the timing of a large customer moving from the Large Interruptible Rate 82 to a flexible rate class and how it will recover gas utility infrastructure costs (GUIC) assuming both that flexible rate customers would, and would not, be included in the GUIC; (4) the Company provide a sample notification to customers regarding the GUIC; (5) the Commission not allow Great Plains to recover through the rider any increases above the projected costs included in its Petition; (6) the GUIC rider be approved to recover only 2017 expenditures; (7) the GUIC rate should be inclusive of flexible rate customers; and (8) the Commission require Great Plains to add tariff language that the tracker be reset to zero whenever Great Plains implements changes to base rates as the result of a Commission order in a general rate case.

(1) Offsetting revenues

In its Comments, the Department requested that Great Plains explain in Reply Comments whether there are any offsetting revenues associated with its GUIC projects, including any insurance payments, any provisions to offset costs in contracts, or any other sources of funds that offsets the cost of the projects.

Great Plains confirms that it will not receive any revenue offsets associated with the GUIC projects included in its Petition.

(2) Jurisdictional Allocators

In its Comments, the Department requested that the Company provide further discussion of its jurisdictional allocators, including how it allocated gas plant costs to the Minnesota Jurisdiction in its most recent rate case and how it allocated the gas plant costs in its Petition.

All of the projects included in Great Plains' Petition are distribution projects in communities located in Minnesota. Because distribution plant is directly assigned to the jurisdiction where it is physically located, the costs of the projects are all directly assigned to Minnesota. This is the same methodology as used in the most recent general rate case. If, in the future there are projects that are applicable to more than the Minnesota jurisdiction, the appropriate allocation factor will be used in conformance with the allocation of plant in the most recent general rate case.

(3) Timing of Large Customer move

The Department requested that Great Plains provide the timing of the large customer moving from the Large Interruptible Rate 82 to a flexible rate and explain how the Company will recover GUIC cost given the move, assuming flexible rate customers can be included in the GUIC and also assuming that flexible rate customers cannot be included in the GUIC.

Great Plains presented a flexible rate contract to the Large Interruptible Rate 82 customer and is awaiting a response from the customer. It is unclear when the customer intends to respond at this time. The calculation of the GUIC assuming the large interruptible customer remains on the standard Rate 82 is calculated using the authorized revenue allocation and projected volumes. This calculation is shown on Attachment A, pages 2-5 and reflects both the Company's proposed GUIC amount of \$456,286 and the Department's proposed GUIC amount of \$125,214.

Assuming the large interruptible customer moves to the flexible Rate 82, the GUIC is calculated using the authorized revenue allocation and moving the revenues and projected volumes associated with that customer from the South Large Interruptible transportation class to the South flexible rate, recalculating the revenue allocation percentages and GUIC allocation. The calculation is shown on Attachment A, pages 6-

9 and reflects both the Company's proposed GUIC amount of \$456,286 and the Department's proposed GUIC amount of \$125,214.

In either scenario, the GUIC amounts collected, whether with or without assessing the charge to the flexible contracts only affect the South District Large Interruptible Transportation class. Attachment A, page 1 summarizes each of the scenarios.

(4) Sample Notification

In its Comments, the Department recommended that Great Plains provide a sample notification to customers regarding the GUIC rider. Great Plains does not object to providing notice in its monthly bill when the GUIC is implemented.

Great Plains proposes the following notice to customers, which would be inserted with the customer's bill the month the GUIC is implemented:

On December 21, 2016 Great Plains Natural Gas Co. (Great Plains) requested the Minnesota Public Service Commission (MNPUC) for approval of a Gas Utility Infrastructure Cost (GUIC) tariff. The establishment of the GUIC adjustment tariff will allow Great Plains to recover out-of-test-year 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. The GUIC was approved by the MNPUC on _____, 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 _____, 2017.

	<u>Per Dk</u>
<u>Sales</u>	
Residential	\$x.xxxx
Firm	
General	x.xxxx
Small Int.	x.xxxx
Large Int.	x.xxxx
<u>Transportation (excluding flexible contracts)</u>	
Small Int.	x.xxxx
Large Int.	x.xxxx

Questions? Contact us at 1-800-638-3278

(5) Recovery of Costs above filed amount

In its Comments, the Department concludes that the projected 2017 costs included for recovery through the GUIC Rider appear reasonable and supported by the Company's budgeting process. However, to help ensure that the costs are prudent, the Department recommends that the Commission not allow Great Plains to recover through the rider any increases in costs above the Company's projected costs. The Department further states that Great Plains should be put on notice that any increase in costs would need to be justified in a rate case before recovery would be allowed.

Great Plains disagrees with the Department's recommendation that the Commission effectively approve an asymmetrical tracker, where Great Plains will only track costs if below the estimated cost of projects. Under the Department's proposal, the estimated costs included in Great Plains' forecast would be a cap and any cost incurred over that estimate not be allowed recovery through the GUIC, even if prudent and reasonable. In effect, the Department's position is that while the estimated expenditures of \$1,829,226 are reasonable, if the Company ends up with expenditures of \$1,829,326, that the additional \$100 of costs by definition are not reasonable and not recoverable until the next general rate case.

Great Plains certainly understands that it has the responsibility to show that the costs recovered through the GUIC from customers are prudent. However, The Commission and Department have the opportunity each year in the true-up filing to determine if there are any costs included in the true-up that are not reasonable, thereby ensuring that the costs incurred, whether above or below the estimate, are reasonable. The Department's proposal prematurely presumes that any cost above the estimate is unreasonable. If accepted, such a regime undermines the purpose of the GUIC Statute, which is to facilitate reasonable cost recovery for certain needed project outside of a general rate case.

Furthermore, the Department's proposal may result in a disincentive for the Company to operate more efficiently and in the best interests of its customers. For example, if during the year, after the projected expenditures are approved, the Company has the opportunity to incur an expense that is not in the existing forecast but if done in the current year will be much more cost effective than waiting until a future year. Under the Department's proposal, it would not be recoverable through the GUIC and customers may end up paying more in the long term. In addition, the Department has not set any parameters on what amounts or percentage of budget are not recoverable but has determined that anything over the original estimate is not reasonable.

(6) Recovery of 2017 costs only

In its Comments, the Department recommends that the Commission authorize recovery of the revenue requirement on only the 2017 projects, but not allow recovery of costs associated with the projects completed in 2016. According to the Department:

Great Plains' GUIC Filing requests recovery of \$456,286 in DIMP costs through the Rider. These costs include expenses from both 2016 projected expenditures that the Company stated were not included in its 2015 Rate Case, which had a calendar year 2016 test year, and 2017 projected expenditures. The Department does not support Great Plains' request to recover 2016 DIMP costs in its GUIC Rider. Since PVC replacement projects under DIMP have been ongoing since 2013, the Company should have included these costs in its 2015 Rate Case. In fact, recovery of any 2016 expenditures in the GUIC Rider would appear to constitute retroactive ratemaking. As a result, the Department concludes that the GUIC Rider should only be used to recover prospective expenses that occur after the 2016 test year in the recently completed rate case. [Department Comments at Page 6]

Great Plains does not believe there is any legitimate basis to exclude 2016 projects from the GUIC Rider.

Initially, there is no dispute that the 2016 costs included among the projects in Great Plains' GUIC Petition were not included in Great Plains recent rate case in Docket No. G-004/GR-15-879. Such costs are, therefore, per se eligible for recovery under the GUIC Rider. This is made clear in the GUIC Statute. In particular, Minn. Stat. § 216B.1635, Subd. 1(b)(2) defines eligible costs to include gas utility projects that “are ***in service*** but were not included in the gas utility's rate base in its most recent general rate case.” Whether Great Plains “should have included these costs in its 2015 Rate Case,” is not relevant under the plain language of the statute. Further, the Department does not challenge the prudence or eligibility of such costs under any other criteria set forth in Minn. Stat. § 216B.1635.

Similarly, the Department's suggestion that “recovery of any 2016 expenditures in the GUIC Rider would appear to constitute retroactive ratemaking” evidences a fundamental misunderstanding of the general prohibition against retroactive ratemaking. Retroactive ratemaking prohibits the Commission from adjusting current rates to make up for a utility's over- or under-collection in prior periods. In the present case, Great Plains is requesting *prospective* recovery of costs associated with infrastructure investment that is not reflected in current rates. It is no different than what occurs in every single rate case. If the Department was correct that any investment in plant between rate cases is not recoverable even on a prospective basis, utilities would be forced to file rate cases annually and still run the risk of significant under-recovery in violation of the ratemaking principles set forth in Minn. Stat. § 216B.16, Subd. 6. Minn. Stat. § 216B.16, Subd. 6 provides that the Commission shall set rates considering the ability of a utility to (1) meet its cost of furnishing service; and (2) earn a return on its investment.

The Department's assertion that “the GUIC Rider should only be used to recover prospective expenses” is also inconsistent with the GUIC statute. As noted above, Minn. Stat. § 216B.1635, Subd. 1 (b)(2) specifically provides for recovery of plant that is already “in-

service,” but not included in rates. The 2016 costs at issue are not included in rates and Great Plains is not requesting retroactive recovery of any costs or expenses associated with such investment. As such, Great Plains respectfully requests that the Commission permit recovery of the revenue requirement for both 2016 and 2017 projects consistent with the plain language of the GUIC statute and fundamental ratemaking principles.

(7) Inclusion of flexible rate customer volumes

The Department proposes that the GUIC be applied to all customers, including customers on flexible rates. In support of its position, the Department argues that (1) flexible rate customers have a negotiated base rate and until the GUIC can be reflected in base rates, recovery of GUIC projects should be assessed to all customers; (2) Great Plains failed to provide evidence that it is precluded from including flexible rate customers in the GUIC recovery and that with the proposed GUIC rider the charged rate remains within the flexible rate band; and (3) Xcel Energy’s Negotiated Transportation Service customers are subject to the GUIC adjustment. Great Plains respectfully disagrees with the Department reasoning.

Initially, the statute governing the recovery of gas infrastructure costs, Minn. Stat. § 216B.1635, specifically provides that “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.” Great Plains’ proposal to exclude flexible rate customers from the GUIC cost recovery is consistent with its existing rate design and cost allocation, including the Commission’s recent decision to exclude flexible rate customers from apportionment of the rate increase authorized in Great Plains’ recent general rate case in Docket No. G-004/GR-15-879.

In excluding such customers from any portion of the authorized rate increase, the Commission recognized that the flexible rate customers are highly price sensitive and subject to effective competition. If such large customers exit the system because rates are increased, costs increase for remaining customers. Because of this price sensitivity, allocating GUIC costs to these customers is not in the public interest because it could ultimately result in higher costs for all customers.

Furthermore, the Department’s arguments overlook the fact that the transportation rate paid by each customer is individually negotiated based on the circumstances of each customer. In this respect, the Department’s conclusion that even with the proposed increase, none of the flexible rate customers will be at the ceiling rate, ignores the fact that if these customers could not demonstrate that a flexible rate was needed, they would be at the ceiling rate. Great Plains already has every incentive to maximize the rate received from such customer in setting a flex rate.

Finally, the fact that Xcel Energy’s tariff includes a GUIC factor for all Transportation customers without an exclusion for customers on a negotiated or flexible rate does not mean that such treatment is appropriate for Great Plains. In the present

case, none of the flexible rate customers will benefit from the GUIC projects at issue. This is because the flex rate customers (1) are located in areas where there is no PVC pipe, (2) are connected directly to the transmission line, (3) are on a separate distribution system that has no PVC pipe, (4) or, in the case of one customer, is in an area where the PVC pipe was replaced in 2013.

For these reasons, Great Plains' proposal to exclude these customers is consistent with the GUIC Statute, the Commission's determination in Great Plains' last rate case, and is in the public interest and should be accepted.

(8) Tracker Reset

In its Comments, the Department recommends that the Commission require Great Plains to add tariff language that the tracker be reset to zero whenever Great Plains implements changes to base rates as the result of a Commission order in a general rate case.

Great Plains agrees with the Department's recommendation and agrees with the principle that the GUIC adjustment be reset to zero after a general rate case when those projects are reflected in base rates. Great Plains notes that there will still be a true-up component of the GUIC adjustment when the base component is reset to zero.

Great Plains appreciates the Commission's consideration of these comments and requests that the Commission approve Great Plains GUIC Rider.

If you have any questions regarding this filing, please contact Tamie A. Aberle at (701) 222-7856, or Brian Meloy, at (612) 335-1451.

Sincerely,

/s/ Tamie. A. Aberle

Tamie A. Aberle
Director of Regulatory Affairs

cc: Brian Meloy
Service List

GREAT PLAINS NATURAL GAS CO.
ALLOCATION OF GUIC BASED ON
AUTHORIZED REVENUE ALLOCATION
ADJUSTMENT PER DK

	No move excluding Flex - per dk		No move including Flex - per dk	
	\$456,286	\$125,214	\$456,285	\$125,214
Residential	\$0.1485	\$0.0408	\$0.1355	\$0.0372
Firm General	0.1117	0.0307	0.1019	0.0280
Small IT Sales	0.0861	0.0236	0.0786	0.0216
Large IT Sales	0.0632	0.0173	0.0577	0.0158
Small IT Transportation	0.0657	0.0180	0.0600	0.0165
Large IT Transportation				
North Flex			0.0166	0.0046
South	0.0136	0.0037	0.0124	0.0034
South Flex			0.0105	0.0029
	With move excluding Flex - per dk		With move including Flex - per dk	
	\$456,286	\$125,214	\$456,285	\$125,214
Residential	\$0.1504	\$0.0413	\$0.1355	\$0.0372
Firm General	0.1131	0.0310	0.1019	0.0280
Small IT Sales	0.0872	0.0239	0.0786	0.0216
Large IT Sales	0.0640	0.0176	0.0577	0.0158
Small IT Transportation	0.0666	0.0183	0.0600	0.0165
Large IT Transportation				
North Flex			0.0166	0.0046
South	0.0234	0.0064	0.0211	0.0058
South Flex			0.0075	0.0021

Customer remains on Rate 82, no allocation to Flex customers

**GREAT PLAINS NATURAL GAS CO.
ALLOCATION OF GUIC BASED ON
AUTHORIZED REVENUE ALLOCATION EXCLUDING FLEX VOLUMES
PROJECTED 2017**

	Authorized 1/ Rev. Alloc	%	GUIC	Projected Dk 3/	Per Dk
Residential					
North	\$2,184,051	24.2038%	\$110,439		
South	2,126,981	23.5714%	107,553		
Total	<u>4,311,032</u>	<u>47.7752%</u>	<u>\$217,992</u>	1,467,867	\$0.1485
Firm General					
North	1,245,547	13.8032%	\$62,982		
South	1,494,511	16.5623%	75,571		
Total	<u>2,740,058</u>	<u>30.3655%</u>	<u>\$138,553</u>	1,240,494	0.1117
Small IT Sales					
North	540,099	5.9854%	\$27,310		
South	549,521	6.0898%	27,787		
Total	<u>1,089,620</u>	<u>12.0752%</u>	<u>\$55,097</u>	639,937	0.0861
Large IT Sales					
North	344,558	3.8184%	\$17,423		
South	27,707	0.3071%	1,401		
Total	<u>372,265</u>	<u>4.1255%</u>	<u>\$18,824</u>	297,907	0.0632
Small IT Transportation					
North	49,538	0.5490%	\$2,505		
South	32,152	0.3563%	1,626		
Total	<u>81,690</u>	<u>0.9053%</u>	<u>\$4,131</u>	62,836	0.0657
Large IT Transportation					
North Flex	745,730		0	2,072,398	
South	428,919	4.7533%	21,689	1,594,323	0.0136
South Flex	118,913		0	521,486	
Total	<u>1,293,562</u>	<u>4.7533%</u>	<u>21,689</u>	<u>4,188,207</u>	<u>0.0052</u>
Total	<u><u>\$9,888,227</u></u>	<u><u>100.0000%</u></u>	<u><u>\$456,286</u></u>	<u><u>7,897,248</u></u>	<u><u>\$0.0578</u></u>

9,023,584

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

2/ Projected dk for the period May 2017-April 2018.

Customer remains on Rate 82, no allocation to Flex customers and 2017 projects only

**GREAT PLAINS NATURAL GAS CO.
ALLOCATION OF GUIC BASED ON
AUTHORIZED REVENUE ALLOCATION EXCLUDING FLEX VOLUMES
PROJECTED 2017**

	Authorized 1/ Rev. Alloc	%	GUIC	Projected Dk 3/	Per Dk
Residential					
North	\$2,184,051	24.2038%	\$30,306		
South	2,126,981	23.5714%	29,515		
Total	<u>4,311,032</u>	<u>47.7752%</u>	<u>\$59,821</u>	1,467,867	\$0.0408
Firm General					
North	1,245,547	13.8032%	\$17,284		
South	1,494,511	16.5623%	20,738		
Total	<u>2,740,058</u>	<u>30.3655%</u>	<u>\$38,022</u>	1,240,494	0.0307
Small IT Sales					
North	540,099	5.9854%	\$7,495		
South	549,521	6.0898%	7,625		
Total	<u>1,089,620</u>	<u>12.0752%</u>	<u>\$15,120</u>	639,937	0.0236
Large IT Sales					
North	344,558	3.8184%	\$4,781		
South	27,707	0.3071%	385		
Total	<u>372,265</u>	<u>4.1255%</u>	<u>\$5,166</u>	297,907	0.0173
Small IT Transportation					
North	49,538	0.5490%	\$687		
South	32,152	0.3563%	446		
Total	<u>81,690</u>	<u>0.9053%</u>	<u>\$1,133</u>	62,836	0.0180
Large IT Transportation					
North Flex	745,730		0	2,072,398	
South	428,919	4.7533%	5,952	1,594,323	0.0037
South Flex	118,913		0	521,486	
Total	<u>1,293,562</u>	<u>4.7533%</u>	<u>5,952</u>	<u>4,188,207</u>	<u>0.0014</u>
Total	<u>\$9,888,227</u>	<u>100.0000%</u>	<u>\$125,214</u>	<u>7,897,248</u>	<u>\$0.0159</u>
Excl. 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 May 2017-April 2018.

Customer remains on Rate 82, allocation to Flex customers

**GREAT PLAINS NATURAL GAS CO.
ALLOCATION OF GUIC BASED ON
AUTHORIZED REVENUE ALLOCATION INCLUDING FLEX VOLUMES
PROJECTED 2017**

	Authorized 1/ Rev. Alloc	%	GUIC	Projected Dk 3/	Per Dk
Residential					
North	\$2,184,051	22.0874%	\$100,782		
South	2,126,981	21.5102%	98,148		
Total	<u>4,311,032</u>	<u>43.5976%</u>	<u>\$198,930</u>	1,467,867	\$0.1355
Firm General					
North	1,245,547	12.5963%	\$57,475		
South	1,494,511	15.1140%	68,963		
Total	<u>2,740,058</u>	<u>27.7103%</u>	<u>\$126,438</u>	1,240,494	0.1019
Small IT Sales					
North	540,099	5.4620%	\$24,922		
South	549,521	5.5573%	25,357		
Total	<u>1,089,620</u>	<u>11.0193%</u>	<u>\$50,279</u>	639,937	0.0786
Large IT Sales					
North	344,558	3.4845%	\$15,899		
South	27,707	0.2802%	1,279		
Total	<u>372,265</u>	<u>3.7647%</u>	<u>\$17,178</u>	297,907	0.0577
Small IT Transportation					
North	49,538	0.5010%	\$2,286		
South	32,152	0.3252%	1,484		
Total	<u>81,690</u>	<u>0.8262%</u>	<u>\$3,770</u>	62,836	0.0600
Large IT Transportation					
North Flex	745,730	7.5416%	34,411	2,072,398	0.0166
South	428,919	4.3377%	19,793	1,594,323	0.0124
South Flex	118,913	1.2026%	5,487	521,486	0.0105
Total	<u>1,293,562</u>	<u>13.0819%</u>	<u>59,691</u>	<u>4,188,207</u>	<u>0.0143</u>
Total	<u><u>\$9,888,227</u></u>	<u><u>100.0000%</u></u>	<u><u>\$456,286</u></u>	<u><u>7,897,248</u></u>	<u><u>\$0.0578</u></u>

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

2/ Projected dk for the period May 2017-April 2018.

Customer remains on Rate 82, allocation to Flex customers and 2017 projects only

**GREAT PLAINS NATURAL GAS CO.
ALLOCATION OF GUIC BASED ON
AUTHORIZED REVENUE ALLOCATION INCLUDING FLEX VOLUMES
PROJECTED 2017**

	Authorized 1/ Rev. Alloc	%	GUIC	Projected Dk 3/	Per Dk
Residential					
North	\$2,184,051	22.0874%	\$27,657		
South	2,126,981	21.5102%	26,934		
Total	<u>4,311,032</u>	<u>43.5976%</u>	<u>\$54,591</u>	1,467,867	\$0.0372
Firm General					
North	1,245,547	12.5963%	\$15,772		
South	1,494,511	15.1140%	18,925		
Total	<u>2,740,058</u>	<u>27.7103%</u>	<u>\$34,697</u>	1,240,494	0.0280
Small IT Sales					
North	540,099	5.4620%	\$6,839		
South	549,521	5.5573%	6,959		
Total	<u>1,089,620</u>	<u>11.0193%</u>	<u>\$13,798</u>	639,937	0.0216
Large IT Sales					
North	344,558	3.4845%	\$4,363		
South	27,707	0.2802%	351		
Total	<u>372,265</u>	<u>3.7647%</u>	<u>\$4,714</u>	297,907	0.0158
Small IT Transportation					
North	49,538	0.5010%	\$627		
South	32,152	0.3252%	407		
Total	<u>81,690</u>	<u>0.8262%</u>	<u>\$1,034</u>	62,836	0.0165
Large IT Transportation					
North Flex	745,730	7.5416%	9,443	2,072,398	0.0046
South	428,919	4.3377%	5,431	1,594,323	0.0034
South Flex	118,913	1.2026%	1,506	521,486	0.0029
Total	<u>1,293,562</u>	<u>13.0819%</u>	<u>16,380</u>	<u>4,188,207</u>	<u>0.0039</u>
Total	<u><u>\$9,888,227</u></u>	<u><u>100.0000%</u></u>	<u><u>\$125,214</u></u>	<u><u>7,897,248</u></u>	<u><u>\$0.0159</u></u>

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

2/ Projected dk for the period May 2017-April 2018.

**GREAT PLAINS NATURAL GAS CO.
ALLOCATION OF GUIC BASED ON
AUTHORIZED REVENUE ALLOCATION EXCLUDING FLEX VOLUMES
AND CUSTOMER MOVE
PROJECTED 2017**

	Authorized 1/ Rev. Alloc	%	GUIC	Projected Dk 3/	Per Dk
Residential					
North	\$2,184,051	24.5141%	\$111,854		
South	2,126,981	23.8736%	108,932		
Total	<u>4,311,032</u>	<u>48.3877%</u>	<u>\$220,786</u>	1,467,867	\$0.1504
Firm General					
North	1,245,547	13.9802%	\$63,790		
South	1,494,511	16.7746%	76,540		
Total	<u>2,740,058</u>	<u>30.7548%</u>	<u>\$140,330</u>	1,240,494	0.1131
Small IT Sales					
North	540,099	6.0622%	\$27,661		
South	549,521	6.1679%	28,143		
Total	<u>1,089,620</u>	<u>12.2301%</u>	<u>\$55,804</u>	639,937	0.0872
Large IT Sales					
North	344,558	3.8674%	\$17,646		
South	27,707	0.3110%	1,419		
Total	<u>372,265</u>	<u>4.1784%</u>	<u>\$19,065</u>	297,907	0.0640
Small IT Transportation					
North	49,538	0.5560%	\$2,537		
South	32,152	0.3609%	1,647		
Total	<u>81,690</u>	<u>0.9169%</u>	<u>\$4,184</u>	62,836	0.0666
Large IT Transportation 3/					
North Flex	745,730		0	2,072,398	
South	314,685	3.5321%	16,117	687,838	0.0234
South Flex	233,147		0	1,427,971	
Total	<u>1,293,562</u>	<u>3.5321%</u>	<u>16,117</u>	<u>4,188,207</u>	<u>0.0038</u>
Total	<u>\$9,888,227</u>	<u>100.0000%</u>	<u>\$456,286</u>	<u>7,897,248</u>	<u>\$0.0578</u>
Excl. Flex	\$8,909,350				

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

2/ Projected dk for the period May 2017-April 2018.

3/ Reflects move of customer revenue and projected volumes from South to South Flex.

Customer moves to Flex rate, no allocation to Flex customers, and 2017 projects only

**GREAT PLAINS NATURAL GAS CO.
ALLOCATION OF GUIC BASED ON
AUTHORIZED REVENUE ALLOCATION EXCLUDING FLEX VOLUMES
AND CUSTOMER MOVE
PROJECTED 2017**

	Authorized 1/ Rev. Alloc	%	GUIC	Projected Dk 3/	Per Dk
Residential					
North	\$2,184,051	24.5141%	\$30,695		
South	2,126,981	23.8736%	29,893		
Total	<u>4,311,032</u>	<u>48.3877%</u>	<u>\$60,588</u>	1,467,867	\$0.0413
Firm General					
North	1,245,547	13.9802%	\$17,505		
South	1,494,511	16.7746%	21,004		
Total	<u>2,740,058</u>	<u>30.7548%</u>	<u>\$38,509</u>	1,240,494	0.0310
Small IT Sales					
North	540,099	6.0622%	\$7,591		
South	549,521	6.1679%	7,723		
Total	<u>1,089,620</u>	<u>12.2301%</u>	<u>\$15,314</u>	639,937	0.0239
Large IT Sales					
North	344,558	3.8674%	\$4,843		
South	27,707	0.3110%	389		
Total	<u>372,265</u>	<u>4.1784%</u>	<u>\$5,232</u>	297,907	0.0176
Small IT Transportation					
North	49,538	0.5560%	\$696		
South	32,152	0.3609%	452		
Total	<u>81,690</u>	<u>0.9169%</u>	<u>\$1,148</u>	62,836	0.0183
Large IT Transportation 3/					
North Flex	745,730		0	2,072,398	
South	314,685	3.5321%	4,423	687,838	0.0064
South Flex	233,147		0	1,427,971	
Total	<u>1,293,562</u>	<u>3.5321%</u>	<u>4,423</u>	<u>4,188,207</u>	<u>0.0011</u>
Total	<u>\$9,888,227</u>	<u>100.0000%</u>	<u>\$125,214</u>	<u>7,897,248</u>	<u>\$0.0159</u>
Excl. Flex	\$8,909,350				

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**GREAT PLAINS NATURAL GAS CO.
ALLOCATION OF GUIC BASED ON
AUTHORIZED REVENUE ALLOCATION INCLUDING FLEX VOLUMES
AND CUSTOMER MOVE
PROJECTED 2017**

	Authorized 1/ Rev. Alloc	%	GUIC	Projected Dk 3/	Per Dk
Residential					
North	\$2,184,051	22.0874%	\$100,782		
South	2,126,981	21.5102%	98,148		
Total	<u>4,311,032</u>	<u>43.5976%</u>	<u>\$198,930</u>	1,467,867	\$0.1355
Firm General					
North	1,245,547	12.5963%	\$57,475		
South	1,494,511	15.1140%	68,963		
Total	<u>2,740,058</u>	<u>27.7103%</u>	<u>\$126,438</u>	1,240,494	0.1019
Small IT Sales					
North	540,099	5.4620%	\$24,921		
South	549,521	5.5573%	25,357		
Total	<u>1,089,620</u>	<u>11.0193%</u>	<u>\$50,278</u>	639,937	0.0786
Large IT Sales					
North	344,558	3.4845%	\$15,899		
South	27,707	0.2802%	1,279		
Total	<u>372,265</u>	<u>3.7647%</u>	<u>\$17,178</u>	297,907	0.0577
Small IT Transportation					
North	49,538	0.5010%	\$2,286		
South	32,152	0.3252%	1,484		
Total	<u>81,690</u>	<u>0.8262%</u>	<u>\$3,770</u>	62,836	0.0600
Large IT Transportation 3/					
North Flex	745,730	7.5416%	34,411	2,072,398	0.0166
South	314,685	3.1824%	14,521	687,838	0.0211
South Flex	233,147	2.3579%	10,759	1,427,971	0.0075
Total	<u>1,293,562</u>	<u>13.0819%</u>	<u>59,691</u>	4,188,207	0.0143
Total	<u><u>\$9,888,227</u></u>	<u><u>100.0000%</u></u>	<u><u>\$456,285</u></u>	<u><u>7,897,248</u></u>	<u><u>\$0.0578</u></u>

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Customer moves to Flex rate, allocation to Flex customers, and 2017 revenue requirement only

**GREAT PLAINS NATURAL GAS CO.
ALLOCATION OF GUIC BASED ON
AUTHORIZED REVENUE ALLOCATION INCLUDING FLEX VOLUMES
AND CUSTOMER MOVE
PROJECTED 2017**

	<u>Authorized 1/ Rev. Alloc</u>	<u>%</u>	<u>GUIC</u>	<u>Projected Dk 3/</u>	<u>Per Dk</u>
Residential					
North	\$2,184,051	22.0874%	\$27,657		
South	2,126,981	21.5102%	26,934		
Total	<u>4,311,032</u>	<u>43.5976%</u>	<u>\$54,591</u>	1,467,867	\$0.0372
Firm General					
North	1,245,547	12.5963%	\$15,772		
South	1,494,511	15.1140%	18,925		
Total	<u>2,740,058</u>	<u>27.7103%</u>	<u>\$34,697</u>	1,240,494	0.0280
Small IT Sales					
North	540,099	5.4620%	\$6,839		
South	549,521	5.5573%	6,959		
Total	<u>1,089,620</u>	<u>11.0193%</u>	<u>\$13,798</u>	639,937	0.0216
Large IT Sales					
North	344,558	3.4845%	\$4,363		
South	27,707	0.2802%	351		
Total	<u>372,265</u>	<u>3.7647%</u>	<u>\$4,714</u>	297,907	0.0158
Small IT Transportation					
North	49,538	0.5010%	\$627		
South	32,152	0.3252%	407		
Total	<u>81,690</u>	<u>0.8262%</u>	<u>\$1,034</u>	62,836	0.0165
Large IT Transportation 3/					
North Flex	745,730	7.5416%	9,443	2,072,398	0.0046
South	314,685	3.1824%	3,985	687,838	0.0058
South Flex	233,147	2.3579%	2,952	1,427,971	0.0021
Total	<u>1,293,562</u>	<u>13.0819%</u>	<u>16,380</u>	<u>4,188,207</u>	<u>0.0039</u>
Total	<u>\$9,888,227</u>	<u>100.0000%</u>	<u>\$125,214</u>	<u>7,897,248</u>	<u>\$0.0159</u>

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