March 8, 2024

Will Seuffert
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101-2147

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. G004/M-24-73

Dear Mr. Seuffert:

Attached are the comments of the Minnesota Department of Commerce, Division of Energy Resources (Department) in the following matter:

> Great Plains Natural Gas Company Petition for Approval of a New Rate Schedule "Renewable Natural Gas Producer Access and Interconnection Service Rate 87".

Travis R. Jacobson, Director of Regulatory Affairs at Great Plains Natural Gas Co., filed the petition on January 12, 2024.

The Department requests additional analysis from Great Plains and will provide a final recommendation after reviewing Great Plains' reply comments. The Department is available to answer any questions the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ Louise Miltich
Assistant Commissioner of Energy Regulatory Analysis

LM/MS/AB
Attachment

COMMERCE DEPARTMENT

Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce
Division of Energy Resources

Docket No. G004/M-24-73

I. INTRODUCTION

On January 12, 2024, Great Plains Natural Gas Co. (Great Plains, GP, or the Company) filed a Petition for Approval of a New Rate Schedule "Renewable Natural Gas Producer Access and Interconnection Service Rate 87" (Petition) with the Minnesota Public Utilities Commission (Commission) "in response to customer inquiries from renewable natural gas (RNG) producers requesting to access and interconnect to Great Plains' distribution system for the purpose of delivering RNG."[1]

Great Plains states that this filling "sets forth the proposed new tariffed service, including the rates and terms and conditions of service applicable to the access and interconnection to Great Plains distribution system."[2]

Great Plains indicated that its proposal would not impact its customers, aside from potential environmental benefits and potential economic benefits received from this service, as a result of the cost responsibility and gas quality and safety provisions included in the proposed tariff.[3]

On January 31, 2024, the Commission issued a Notice of Comment Period requesting comments on GP's petition, with the following Topics Open for Comment:

- Should the Commission approve, modify, or reject Great Plains' new rate schedule, "Renewable Natural Gas Producer Access and Interconnection Service Rate 87"?
- How should the Commission consider Great Plains' proposal within the context of other renewable natural gas (RNG)-related dockets?
- How should the Commission consider Great Plains' proposal within the context of statewide greenhouse gas reduction goals, as stated in Minn. Stat. §216H.02 Subd. 1?
- How should the Commission consider lessons learned from other dockets, such as Docket No. G999/CI-21-566 regarding Lifecycle Greenhouse Gas Emissions Accounting for natural gas innovation plans under Minn. Stat. §216B.2427, to assess Great Plains' petition?
- How should the Commission consider Great Plains' proposal in the context of the evolving RNG market nationally?
- Has Great Plains appropriately discussed its plans to maximize the benefits of the Inflation Reduction Act (IRA) and the IRA's impact on the utility's planning assumptions pursuant to Order Point 1 of the Commission's September 12, 2023 Order in Docket No. E,G-999/CI-22-624?
- Are there other issues or concerns related to this matter?

[1] Petition, page 2.
[2] Id.
[3] Petition, page 10.

The Minnesota Department of Commerce, Division of Energy Resources (Department) reviews these topics below, prefaced with some background information.

II. BACKGROUND

A. RENEWABLE NATURAL GAS

Renewable natural gas is a term used to describe biogas[4] that has been upgraded (or refined) to be interchangeable with, and that has a lower lifecycle greenhouse gas (GhG) intensity than, natural gas produced from conventional geological gas.[5] The biogas used to produce RNG comes from a variety of sources, including municipal solid waste landfills, digesters at water resource recovery facilities (wastewater treatment plants), livestock farms, food production facilities and organic waste management operations.

According to Great Plains, the potential environmental benefits of RNG results from its production capturing methane from biogas, while its combustion releases fewer GHG than the total that otherwise would have entered the atmosphere. Another benefit presented by Great Plains is the potential to provide a new revenue stream to owners of biomass facilities as they seek access to transport and deliver RNG through a gas utility's distribution system. [6]

In the last years, low carbon fuel standard programs have created incentives for low-carbon and renewable alternatives, including RNG. On a national level, the Renewable Fuel Standard (RFS) requires a certain volume of renewable fuel to replace or reduce the quantity of petroleum-based transportation fuel, heating oil or jet fuel. Meanwhile, some states[7] have adopted programs that rely on some measure of carbon intensity (CI) to quantify "life cycle" GHG emissions of different fuels. Relying on a CI metric a standard level of emissions is developed, and fuels below the standard generate credits, while fuels above it generate deficits. By requiring providers of transportation fuels to meet emission targets, these programs create markets for GHG emission credits as net deficit generators may meet their compliance obligation by acquiring credits from net credit generators. To the extent that RNG is used to replace conventional transportation fuel, it qualifies for credits, while RNG suppliers in Minnesota can benefit from these markets since the RNG need not be produced in the states that adopt these standards.[8] The Department notes that Great Plains makes no comment regarding the environmental attributes associated with the produced RNG.

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[4] Gas resulting from the decomposition of organic matter under anaerobic conditions.

[5] See, for instance, Minn. Stat. § 216B.2427, subd. 1, and the Commission's January 26, 2021, order approving Center Point's RNG interconnection framework and tariff issued in Docket No. G-008/M-20-434, pages 3-4, and the Environmental Protection Agency report "An Overview of Renewable Natural Gas from Biogas" (EPA 456-R-24-001), page 1.

[6] Petition, page 3.

[7] California, Oregon, and Washington are jurisdiction that adopt some version of fuel standards aimed at reducing carbon intensity of transportation fuels.

[8] See also the discussion on page 4 of the Commission's January 26, 2021, order approving CenterPoint's RNG interconnection tariff issued in Docket No. G008/M-20-434.

B. OTHER RNG INTERCONNECTION TARIFFS

To the Department's knowledge, the only Commission-regulated gas utility with an RNG interconnection tariff is CenterPoint Energy (CenterPoint). The Commission approved CenterPoint's RNG tariff through an Order issued January 26, 2021, in Docket No. G008/M-20-434. CenterPoint submitted a compliance filing with the approved tariff interconnection feasibility study agreement, and RNG interconnection agreement on February 25, 2021, in the same docket.

According to CenterPoint's most recent compliance filing in Docket No. G008/M-20-434, filed on January 31, 2023, CenterPoint had not yet completed an RNG interconnection, stating on page 2:

> CenterPoint Energy has not yet interconnected a producer of RNG to its system. ... CenterPoint Energy has engaged in discussions with several RNG producers and completed two RNG interconnection studies, previously filed in this docket on August 19, 2021. Since the February 1, 2022, compliance filing, CenterPoint Energy has completed three additional RNG interconnection studies for interested producers, with an additional three potential projects in the early development stages. The lead time for RNG projects is long, often due to taking one or two years for producers to secure necessary permits, land, feedstock supply agreements, gas offtake agreements, and digestate offtake agreements. While ability to interconnect with a utility is helpful to the development of RNG projects, interconnection is only one of several challenges projects must overcome. We are hopeful that we will interconnect one or more RNG producers in the next one to two years and are exploring options to facilitate the development of RNG projects in Minnesota as part of our Innovation Plan for the Natural Gas Innovation Act [NGIA].

For information on CenterPoint's proposed NGIA plan, see Docket No. G008/M-23-215. CenterPoint also stated that it has not identified any reason to modify its gas quality standards.

The Department also acknowledges Minnesota Energy Resources Corporation's (MERC) filed a petition on November 28, 2023, Docket No. G011/M-23-489, requesting the Commission for approval to establish a RNG interconnection service and for authorization to recover costs to purchase the natural gas commodity (not including the associated environmental attributes).[9] While the Commission has not yet issued an Order concerning MERC's petition, the Department notes MERC requests the Commission to take action on the petition by June 30, 2024, to allow MERC proceed with a requested customer interconnection.

[9] In the Matter of the Petition of Minnesota Energy Resources Corporation for Approval of a Renewable Natural Gas Interconnection Tariff, Docket No. G011/M-23-489, page 1.

On January 26, 2026, the Department filed initial comments on MERC's proposal. Overall, the Department is supportive of MERC's proposal, highlighting it is structured "so that existing customers are not harmed and can only benefit from the interconnection of RNG", and the rigorous quality standards proposed, and concluding "the petition generally seems to be in the public interest."[10] However, the Department requested MERC provides additional information in reply comments before providing any final recommendation.

On February 16, 2024, MERC filed Reply Comments addressing the points raised by the Department on its initial comments. The Department has not yet commented on it.

While MERC's proposal is different in essence to Great Plains, as MERC "proposes to enter into a natural gas purchase agreement with the RNG interconnection customer to purchase the natural gas commodity", the Department recognizes MERC's effort and will continue to track developments on the Docket as valuable lessons can be learned.

III. SUMMARY OF THE PETITION

A. OVERVIEW

Great Plains petition requests approval for a new rate schedule – Rate 87. This new tariffed service would allow RNG suppliers to interconnect to Great Plains' distribution system so the producers can transport and sell RNG.

The tariff[11] would be available to any seller of RNG (a "customer" for the purpose of the tariff) whose RNG meets or exceeds the Company's quality specifications and who has entered into both a RNG Facilities Interconnect Agreement (Interconnect Agreement) and a RNG Producer Access and Maintenance Agreement (Access and Maintenance Agreement) to interconnect to the Company's distribution system for the delivery of RNG. [12] Any seller would have to enter into specific agreements for each point of interconnection as each agreement is dependent on the specific point of interconnection. Both agreements should be entered for a minimum of twelve months, as specified in the Petition under General Provisions 2(c).[13]

Under the proposed tariff, eligible customers would pay for all equipment necessary to effectuate deliveries at the point of interconnection to Great Plains' distribution system. The customer would pay the total estimated cost of construction[14] through an up-front contribution in aid of construction

[10] Department of Commerce, Division of Energy Resources Comments filed on January 26, 2024, page 6.
[11] Petition, Attachment A.
[12] Attachment A and Attachment B, the Interconnect Agreement and the Access and Maintenance Agreement, respectively, in the Company's response to Department Information Request 1 (included as Department Attachment 1).
[13] The Department was not able to locate the term of the Interconnect Agreement, while the Access and Maintenance Agreement has a term of at least five years, according to point 2, page 1.
[14] The total cost includes adjustments to reflect any applicable federal and state income taxes.

(CIAC) subject to true-up based on the actual costs. According to Great Plains, the equipment necessary includes, but is not limited to, valves, meters, telemetry equipment capable of monitoring daily use, gas quality measurement, odorant, and other equipment necessary to regulate and safely deliver pipeline quality RNG. The description of the necessary equipment, and the maintenance thereof, shall be identified in the Interconnect Agreement.

The total estimated cost, which can be paid in two installments, fifteen and thirty days after the agreement is executed, is in the Interconnect Agreement. In the same agreement is the information about the true-up, which has to be concluded within forty-five days after the actual and documented project costs have been calculated.

The Company notes that any natural gas delivered to a producer under the tariff for the operation of their facilities will be billed at, and under the terms and conditions of service of, the Company's applicable rate schedule. Depending on the class of service provided, a separate service agreement may be necessary prior to the commencement of any service.[15]

B. THE PROPOSED INTERCONNECTION PROCESS

The first step to qualify for service under Rate 87, is for a RNG supplier to request service. After receiving a request from a potential RNG, the Company will determine initial eligibility based on whether there exists pipeline capacity available on its distribution system at the interconnection location, and any other factors identified factors that apply. If a RNG supplier's eligibility is confirmed to receive service under Rate 87, the RNG supplier would have to enter into two agreements with the Company, the Interconnect Agreement and the Access and Maintenance Agreement.

The Interconnect Agreement provides the physical construction and operational requirements to receive service under the tariff, including gas quality and safety requirements. This agreement incorporates only the construction of the interconnection facilities and related activities but does not grant the RNG supplier the right to inject RNG into the Company distribution system for delivery. The Access and Maintenance Agreement effectuates service under Rate 87 and provides conditions of service required for injection of RNG into the Company's distribution system.

Qualifying customers who enter into both agreements with the Company for service under Rate 87 will be billed three charges each month. Two of these charges, the Access Fee[16] and the Access Commodity Charge, are similar to the charges billed to customers under the Company's Interruptible Gas Transportation Service Rate 82 (Rate 82). These charges are identical to every customer under the tariff and are specified in the terms of the tariff.

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[15] Petition, pages 9-10.

[16] The Department points out the Access Fee is set at $260.00 per month at the Petition, following the same Access Fee charge as that for service billed under the Company's Large Interruptible Transportation Service Rate 82, while it has an undetermined value in the Access and Maintenance Agreement provided by the Company.

The third charge, the Maintenance Fee, is specific to each point of interconnection once the Company "will incur additional costs for the ongoing maintenance of the interconnection facilities and the measurement and monitoring of the RNG" and subject to annual review. The Company presents an illustrative example of how the Maintenance Fee would be calculated (Petition, Attachment B), which includes Operations and Maintenance (O&M) costs such as equipment and material, labor, subcontractor charges, mileage, meals and lodging, and engineering support.

Once the Interconnect Agreement is signed and the estimated costs received, Great Plains would then proceed with construction of the Interconnect Facilities.[17] The RNG supplier is responsible for "design, purchase, construct, install, own, maintain and operate any and all piping, equipment, and facilities upstream of the CTP [Custody Transfer Point]".[18]

After all equipment is installed and operational, the RNG supplier will be able to receive service under the tariff. Nomination and balancing requirements are identified in both the tariff and the Access and Maintenance Agreement. In particular, nomination requirements "shall be performed in accordance with the RNG Producer Access and Maintenance Agreement", as stated in the Petition.[19] The RNG supplier would be charged an Access Commodity Charge of $0.8189 per dekatherm (dk).[20]

The customer is subject to daily and monthly imbalance mechanisms. If daily imbalances from interconnecting pipeline(s) causes the Company to incur any additional costs, each customer – under rate 87 – that contributed to these additional costs will be responsible for a portion[21] of them. Monthly imbalances are subject to over- and under-nomination purchase payment mechanisms, similar to mechanisms already in use in other Great Plains' transportation rate schedules. The former burdening the RNG supplier to pay the Company and the latter burdening the Company to pay the RNG supplier, according to the value of the imbalance.

C. PROPOSED QUALITY AND TESTING REQUIREMENTS

Great Plains is not requesting approval of its proposed RNG quality and testing requirements.[22] The Company states in its Petition the necessity to monitor the quality of the RNG supplied by this new source to ensure safe and reliable natural gas service. Great Plains cites the Federal Energy Regulatory Commission (FERC) and its role in regulating interstate pipeline companies, as a reference to its role in identifying any physical requirements or safety and quality standards necessary to accept and monitor

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[17] A high-level description of the materials and/or equipment that are part of the Interconnect Facilities can be found in the Interconnect Agreement, page 4, under "Engineering, Construction and Operation."
[18] Id.
[19] The Department was not able to locate daily and monthly notification timeframe in the RNG Producer Access and Maintenance Agreement.
[20] Petition, Attachment A, sheet 5-56.
[21] Prorated according to the customer's over- or under-delivery as a percentage of the total.
[22] This is consistent with MERC's petition in Docket No. G011/M-23-489. This is also consistent with the Commission's decision in Docket No. G008/M-30-434 as it "finds it prudent to leave CenterPoint with both the responsibility and discretion to manage its gas quality standards …"

the RNG quality supplied to its distribution system. The petition states that Great Plains reserves the right to refuse or interrupt deliveries at the point of interconnection whenever in its judgement it may be necessary to do so to protect the interests of the Company's customers.

As part of the interconnection facilities, the Company will construct quality monitoring systems, which will be paid by the RNG supplier. The supply of RNG will be subject to analytical testing prior to the initial interconnection, periodic testing during operation, and special testing after the supply is interrupted. The RNG supplier will be responsible for the cost of all tests.

The Company proposed gas quality requirements and specifications for the RNG entering its distribution system. Attachment A of the response to Information Request 1 (included as Department Attachment 1) contains the gas quality standards the RNG supply needs to meet in order to be introduced into the Company's distribution system. In the same document, the Company states the RNG received may be "subject to interchangeability testing per American Gas Association (AGA) Research Bulletin 36. While the Company does not mention whether the specifications and tests proposed are tailored to a particular type of source, Great Plains requires the RNG supplier to certify the RNG supplied does not originate from a Hazardous Waste Landfill or associated system.

Great Plains require the RNG supplier to notify Great Plains before making any changes – including feedstock changes – to their RNG production and delivery system. Great Plains would then have the right to require injection be stopped and startup testing similar to initial interconnection testing be performed. Interrupted RNG flow can be restarted after successfully providing compliance with monitoring limits.

Great Plains reserves itself the right to waive supplier's obligation to conform with certain gas quality specifications, although the Company stresses this would only be done it such waiver does not interfere with the Company's ability to fulfill its obligations to other parties.

IV. DEPARTMENT ANALYSIS

The Department appreciates Great Plains proposal to establish an interconnection tariff as it provides an opportunity for RNG producers and/or developers who are concerned about reducing greenhouse gas emissions and/or encouraging domestic energy use. The Department reviews Great Plains proposal balancing the public interest considerations with potential environmental benefits. It is key in the Department's analysis to guarantee the petition does not harm existing customers, while providing a reasonable tariff for prospective RNG suppliers.

A. PUBLIC INTEREST CONSIDERATIONS

Great Plains states that Rate 87 is in the public interest as it will contribute to the further development of RNG projects in the Company's service territory, assisting the state in achieving its environmental goals as well as being a potential source of revenue stream for potential RNG suppliers. While the additional margin received from this service, including the possibility of RNG suppliers consuming natural gas under another tariffed service, Great Plains states there will be no impact on rate payers due to the cost responsibility and gas quality and safety provisions included in Rate 87 and its respective agreements.

The Department agrees with Great Plains general analysis. Overall, the petition is structured so that existing customers should not be harmed, which includes a combination of fixed and tailored charges, and costs of construction paid upfront by RNG suppliers, and subject to true-up. The Department notes Great Plains responsibility to ensure integrity, safety, and reliability of its system, hence being of extreme relevance the process to ensure the RNG supplied meets rigorous quality standards before being injected into the distribution system, which Great Plains delineates in the Interconnection Agreement.

In what follows, the Department examines individual components of the petition, on its merits of being in the public interest.

B. GREAT PLAINS INTERCONNECTION RATE

1. Renewable Natural Gas Producer Access and Interconnection Service Rate 87

Rate 87 sets standard terms for a RNG supplier (customer) who would like to connect to the Company's system for the purpose of delivering RNG. The supplier would supply RNG according to nominations and balancing requirements defined in the tariff. To qualify to inject RNG into the Company's system, the prospective supplier needs to provide test results confirming the RNG satisfies all the quality requirements set on the Interconnect Agreement.[23]

Sellers would be required to enter the Interconnect Agreement – for each point of interconnection – that provides the technical requirements to build the interconnection facilities and the operational requirements. Also, as determined on the Interconnect Agreement,[24] during active flow Great Plains would be responsible for measuring gas and testing gas quality and the supplier would be responsible for testing raw biogas and RNG upstream from the interconnection point.

In addition, sellers would be required to enter an Access and Maintenance Agreement for each point of interconnection. This agreement would have further details about nomination requirements, including outline the daily and monthly notification timeframe for estimated RNG injections.

Rate 87 specifies the three charges a customer under the tariff service would be subject. The Access Fee of $260.00 per month and the Access Commodity Charge of $0.8189 per dk for RNG delivered into the Company's system.

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[23] Appendix I, RNG Quality Requirements, Section 11.1
[24] Appendix I, RNG Quality Requirements, Section 12.1

The Department sent Great Plains Information Requests 2 and 3 (included as Department Attachment 1) wherein the Company states the following:

> The Company used the Basic Service Charge and Distribution Charge authorized under its current Large Interruptible Transportation Service Rate 82 (Rate 82) schedule as the basis for both the monthly Access Fee and Access Commodity Charge under proposed Renewable Natural Gas Producer Access and Interconnection Service Rate 87 (Rate 87) as the Company believes the RNG service provided is comparable to that provided under Rate 82.[25]

In Information Request 2, the Department requested the Company clarify why Rate 87's Access Commodity Charge is $0.8189 per dk while the approved Distribution Charge for Rate 82 is $0.9007 per dk. In response to this Information Request the Company states:

> The Access Commodity Charge excludes the Conservation Cost Recovery Charge – Base (CCRC Base) of $0.0818 from the Rate 82 Distribution Charge of $0.9007.
>
> Great Plains believes the exclusion of the CCRC Base is appropriate when determining the Rate 87 Access Commodity Charge as the objective of a conservation program is to reduce ones' consumption. This is opposite of a RNG producer's objective which is to increase the production of their RNG project which in turn, can lead to increases environmental benefits.

In Docket No. G008/M-20-434, CenterPoint requested approval for a new interconnection tariff and proposed a RNG Producer per Therm Receipt Rate. In its June 25, 2020 comments the Department recommended CenterPoint charge "the same non-gas rate as charged to interruptible transportation customers, less the Conservation Cost Recovery Charge (CCRC)", which was agreed by CenterPoint, and approved by the Commission in order issued on January 26, 2021. Notably, the Department argued to increase CenterPoint's proposed rate based on actual costs may vary from the estimated costs proposed by CenterPoint and since "actual costs will not be known until the full detailed engineering review is done when the Interconnection Agreement is completed."

The Department notes that, differently to CenterPoint's proposal, Great Plains' Access Commodity Charge does not include any construction costs or O&M costs. As stated by the Company on Information Request 2:

> Pursuant to proposed Rate 7's General Provisions paragraphs 2.b, 3, and 4, any costs incurred specific to the RNG producer are recovered through the Maintenance Fee and/or paid by the Rate 87 customer prior to the commencement of any construction and/or service.

[25] Rate 82's charges were authorized in the Company's last general rate case, Docket No. G004/GR-19-511.

The third charge specified in Rate 87 is the Maintenance Fee. As discussed above, it is specified in the Access and Maintenance Agreement and is specific to each interconnection point. In response to the Department's Information Request 4 (included as Department Attachment 1), Great Plains presents an example calculation of the Maintenance Fee and states:

> The example was modeled from the actual costs incurred over the course of a year for the maintenance of the interconnection facilities with a renewable natural gas producer/customer at one of Great Plains' sister utilities. Each maintenance fee will be dependent on the actual costs incurred to provide service to a particular location and will be subject to an annual review.

The Department notes a fourth fee is specified in the Access and Maintenance Agreement, Information Request 2, Attachment B, the Extraordinary Maintenance Costs. According to the agreement, this charge is complementary to the Routine Maintenance Fee and accounts for "any and all extraordinary operations and maintenance activities."

The Department requires Great Plains to clarify, in response comments, if the Maintenance Fee as specified in Rate 87 is the same as the Routine Maintenance Fee, or if it includes the Extraordinary Maintenance Costs

The tariff also specifies the minimum bill paid by a customer under Rate 87 would be the Access Fee and the Maintenance Fee, so all additional costs incurred as a result of the interconnection would be covered even if the customer does not inject any RNG. The Department believes that the three charges are reasonable as they are structured in a way to protect existing customers while not imposing unnecessary burden on RNG suppliers.

The tariff specifies the seller would be responsible to pay – prior to construction – the estimated costs of construction, treated as CIAC and subject to true-up after actual costs of construction are determined. The details are presented in the Interconnect Agreement.

The Department notes that MERC's interconnection petition proposes "an interconnecting RNG producer would pay for the capital costs of the interconnection through an upfront contribution in aid of construction." Similarly, the Department's position[26] to CenterPoint's interconnection petition was to recommend CenterPoint require the RNG producers and/or developers to pay all the costs upfront. The Commission's order for approval of CenterPoint's interconnection service specified CenterPoint establish an exit fee if customers leave CenterPoint's system before repaying the costs attributable to them.[27]

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[26] Comments filed on June 25, 2020 Docket G008/M-20-434.

[27] In Reply Comments, submitted on July 10, 2020, CenterPoint states:

> The Company does not support the recommendation that the Company charge a CIAC upfront for the full costs of interconnection because the Company is concerned that an

The Department agrees with Great Plains that requiring RNG suppliers to pay construction costs upfront, subject to true-up, and treat them as CIAC is reasonable and protects existing customers.

Rate 87 establishes balancing requirements for RNG suppliers. Two types of balancing are proposed, daily and monthly. Daily balancing of volumes, to the extent practicable, would be on a thermal basis. Monthly balancing would be done based on gas nominations and actual metered injections, plus the lost and unaccounted factor, and is not carried to the next calendar month.

The tariff contains clauses aimed at protecting Great Plains (and thus ratepayers) from costs resulting from imbalances. Costs from interconnecting pipeline(s) resulting from daily imbalances are responsibility of the RNG suppliers involved. When more than one RNG supplier is involved, costs are prorated to each customer based on their contribution to the imbalances.

Monthly imbalances are subject to an Over- or Under-nomination Purchase Payment.[28] If the monthly imbalance is due to less delivered gas than nominated – over-nomination, the RNG supplier is responsible to pay Great Plains according to the following schedule:

Monthly Imbalance	Over-nomination Purchase Rate
0%-5%	100% Cash-in Mechanism
>5%-10%	115% Cash-in Mechanism
>10%-15%	130% Cash-in Mechanism
>15%-20%	140% Cash-in Mechanism
>20%	150% Cash-in Mechanism

If the monthly imbalance is due to more delivered gas than nominated, the Company is responsible to pay the RNG supplier according to the following schedule:

Monthly Imbalance	Under-nomination Purchase Rate
0%-5%	100% Cash-out Mechanism
>5%-10%	85% Cash-out Mechanism
>10%-15%	70% Cash-out Mechanism
>15%-20%	60% Cash-out Mechanism
>20%	50% Cash-out Mechanism

Where the two payment mechanisms are defined as:

- Cash-in Mechanism is equal to the greater of the Company's WACOG or the Index Price
- Cash-out Mechanism is equal to the lesser of the Company's WACOG or the Index Price

upfront CIAC would discourage smaller RNG Interconnect Customers who may struggle to raise enough capital upfront to pay the full cost of interconnection.

[28] Rate 87, sheet 5-58 and 5-59.

- Index Price shall be the arithmetic average of the "Weekly Weighted Average Prices" published by Gas Daily for Emerson, Viking FL; Northern, Ventura; and Northern, demark during the given month.
- Company's WACOG (Weighted Average Cost of Gas) includes the commodity cost of gas and applicable transportation charges including the fuel cost of transportation.

In response to Department's Information Request 6 (included as Department Attachment 1), the Company states:

> The Cash-in and Cash-out mechanisms similarly follows the currently employed cash in and out mechanisms for other Great Plains' transportation rate schedules. The mechanisms are intended to incentivize transportation customers to limit their variance between scheduled and actual quantities. The effect is that a customer is buying back their supply shortage at higher price than core customers would have paid or selling their excess gas at a lower price than core customer would have paid; ultimately protecting the weighted average cost borne by core customers.

The Department agrees with the Company that these mechanisms create incentives for RNG suppliers to reduce variability of the differences between actual and nominated quantities. Particularly, increases in over-nomination increase the percentual RNG suppliers will have to pay of Cash-in, while increases in under-nomination reduce the percentual RNG suppliers will receive of Cash-out.

Additionally, over-nominations result in the RNG supplier paying the greater between the Index Price and the Company's WACOG, while under-nomination result in the RNG supplier being paid the lesser of these two prices. The Department agrees with the Company that the cost incurred by the company, Cash-out, or the value received by the Company, Cash-in, are lower and greater than the "weighted average cost borne by core customers", respectively.

The Department requests Great Plains clarify, in reply comments, how rate payers are protected from RNG suppliers' incentives to under-nominate and be paid through the Cash-out mechanism. Specifically, does the Company obtain ownership of the volume of gas in excess of the amount nominated through Cash-out payments?

Overall, the Department concludes Great Plains' tariff reasonably protects other customers and is not unreasonable to potential RNG suppliers. However, the Department will provide a final recommendation on Great Plains' tariff after reviewing Great Plains' reply comments.

2. *Interconnect Agreement*

The Interconnect Agreement stipulates that Great Plains will design, construct, own, operate, repair, and maintain the interconnection facilities, and that it is the RNG supplier's responsibility to design, purchase, construct, install, own, maintain, and operate any piping, equipment, and facilities upstream of the custody transfer point (CTP).[29] Exhibit A and Exhibit B in the Interconnect Agreement would include further details regarding the interconnect facilities, including a location description and its estimated cost description. The estimated cost of construction is depicted in this agreement, as well as the payment schedule, with the first installment 15 after the agreement is executed and the second within 30 days of the completion of all conditions described under "Conditions Precedent" Section 1 in the agreement. Estimated cost is subject to true-up, to be paid within forty-five days after actual costs are computed.

The Department recommends Great Plains to include a "Term and Termination" section on the Interconnect Agreement since the tariff specifies the agreements must be signed for a minimum of twelve months, but there is no such information in the former.

Section 2 of the Interconnect Agreement states:

> The Parties agree that Company will order long lead time equipment after receiving the Initial Payment as described in Section 26 without the necessity of the condition's precedent being met. If this Agreement is terminated pursuant to this Paragraph 2, Company will transfer the long-lead equipment ordered at no cost to Supplier upon said termination. The Initial Payment, should any balance remain after deducting the cost of the long lead equipment, shall also be refunded to Supplier. Long lead time equipment to be order is shown in Exhibit C.

The Department recommends the Company include in this section a paragraph to clarify that if any negative balance remains after deducting the cost of the long lead equipment or as a result of transferring the equipment to the RNG supplier, then the RNG supplier shall be responsible for such balance.

The Department requests the Company explain, in reply comments, the contents of Section 14,[30] since initial eligibility is based on determining whether there is pipeline capacity available on the interconnection location. Furthermore, this section affects nomination and balancing requirements.

The Company should track and identify all of the costs associated with operation, maintenance and repair or the interconnect facility using the Federal Energy Regulatory Commission (FERC) accounts, sub accounts and/or FERC account equivalents and CPE charted accounts and/or sub-accounts from its

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[29] The Company defines the CTP as "the connection located at the outlet of the Supplier's Off-load Facilities and the inlet of the Interconnect Facilities for the purpose to delivery gas to Company's system."

[30] Interconnect Agreement, Section 14 states:

> Company represents and Supplier agrees that Company may not have adequate capacity in its System at any given time to receive all or any of the RNG capable of being delivered by Supplier.

internal accounting system, to guarantee that costs borne by the Company, such as those resulting from material interference (Section 17), damages (Section 21), are not transferred to rate payers.

Appendix I to Great Plains' proposed Interconnect Agreement includes RNG quality requirements and testing procedures for RNG. The Department notes that Great Plains does not specify whether the requirements presented are specific to any particular source of RNG. The Department recommends Great Plains to include, if applicable, the RNG sources to which the proposed tests apply.[31]

As noted above, Great Plains is not requesting approval of these specifications and testing procedures, which is consistent with the Commission's January 26, 2021, Order approving CenterPoint's RNG Interconnection, in which the Commission ordered:

> In lieu of approving CenterPoint's proposed RNG Quality Standards (RNG Interconnection Petition, Exhibit C), the Commission directs CenterPoint to do the following:
>
> A. Ensure that any biogas interconnection or service is consistent with its obligations to provide safe and reliable service.
> B. Maintain on CenterPoint's website the most up-to-date biogas quality standards and testing requirements for those injecting biogas into the distribution system under CenterPoint's RNG interconnection program.
> C. Periodically update its gas quality standards according to the best available science, after consulting with stakeholders, the Minnesota Department of Commerce, and the Minnesota Office of Pipeline Safety.
> D. Notify the Commission when it changes its service quality standards.
> E. Starting with its annual report in 2022, report on its discussions with stakeholders on its gas quality standards.

The Department agrees with the Commission's action in CenterPoint's RNG interconnection docket, that it is reasonable for ensuring the gas quality of RNG.[32] The Department recommends the Commission direct Great Plains as it did with CenterPoint, and order the following:

- Ensure that any RNG interconnection or service is consistent with its obligations to provide safe and reliable service.
- Maintain on Great Plains website the most up to date RNG quality standards and testing requirements for those injecting RNG into the distribution system under Great Plains' RNG interconnection program.

[31] For instance, MERC proposes quality specifications applicable to dairy/animal waste derived RNG, petition, page 8, Docket No. G011/M-23-489.
[32] This is the same position taken by the Department on MERC's interconnection docket.

- Periodically update its gas quality standards according to the best available science, after consulting with stakeholders, the Minnesota Department of Commerce, and the Minnesota Office of Pipeline Safety.
- Notify the Commission when it changes its service quality standards.
- In its annual reports, report on any discussions with stakeholders on its gas quality standards.

Overall, the Department concludes Great Plains' proposed RNG Facilities Interconnect Agreement, including the RNG Quality Requirements (Appendix I), reasonably protects other customers. However, the Department waits the Company's reply to the comments raised before providing a final recommendation.

3. Access and Maintenance Agreement

The Access and Maintenance Agreement provides the RNG supplier access to Great Plains' distribution system for delivery of RNG and sets forth terms and conditions for this service to both Great Plains and the RNG supplier. This agreement would remain in effect for five years prior to the expiration of the Primary Term or any year-to-year term thereafter. The Access and Maintenance Agreement supplements the Interconnect Agreement by setting billing and payment terms regarding the Access Fee, the Maintenance Fee, and Extraordinary Maintenance Costs charges.

The Department requests the Company explain, in reply comments, if the Access Fee of $260.00 as defined in Rate 87 is the actual value, or if the value is specific to each interconnection point, hence having an indetermined value as depicted in the Access and Maintenance Agreement.

The Petition on page 6-7 states:

> The nomination requirements will be further defined in the RNG Producer Access and Maintenance Agreement and outline the daily and monthly notification timeframe for estimated RNG injections.

The Department requests the Company explain, in reply comments, whether the Company has a process detailing nomination notification and, if applicable, present it since the Department could not identify it in the Access and Maintenance Agreement.

Overall, the Department concludes Great Plains proposed RNG Producer Access and Maintenance Agreement reasonably protects other customers. However, the Department waits the Company's reply to the comments raised before providing a final recommendation.

C. QUALITY STANDARDS

As noted above, Great Plains is not requesting approval of its proposed RNG quality and testing requirements. However, Great Plains has not specified whether the standards proposed are specific to a source of RNG or not. While the Commission's Order approving CenterPoint's interconnection service included maintaining the most up to date quality standards and testing requirements for those injecting RNG into CenterPoint's distribution system, and MERC's petition for approval of an interconnection service included a proposal "to publish its gas quality standards on its website and to update the standards as necessary and to update the Commission as the standards evolve"[33], Great Plains makes no comments about making its quality standards public through its website or to maintain the Commission updated.

The Department requests Great Plains state, in reply comments, whether the Company would be amenable to including in its quality requirements proposal, the points set forth in Order Point 4 of the Commission's January 26, 2021, Order in Docket No. G008/M-20-434.

D. REPORTING

The Department agrees with the Commission's Order Points 10 and 11 of the January 26, 2020, CenterPoint Order as reasonable reporting requirements. Order Point 10 required:

> Each time CenterPoint accepts another producer's renewable natural gas into its system, CenterPoint shall make a compliance filing within 30 days with the following information:
> A. The producer's feedstock or feedstocks.
> B. The total amount of RNG expected to be provided by the producer.
> C. The mix of end-uses of the digestate.
> D. If known, the state(s) in which the entity or entities purchasing the RNG from the producer are located and the end-use for which the RNG is being purchased.
> E. Methane leakage control and mitigation measures employed by the producer at the production and upgrade facility.
> F. Estimated amount of methane leakage for the producer and a description of the methodology used to develop that estimate.
> G. Analysis of the lifecycle greenhouse gas emissions, including emissions associated with the upgrade facility, of RNG volumes provided by the producer— and a description of the methodology used to develop the lifecycle analysis.

The Commission's Order Point 11 required:

> By each February 1, beginning in 2022, CenterPoint shall file the following information:
> A. The total number of interconnected RNG producers supplying RNG to the CenterPoint system in the previous calendar year.
> B. The amount of RNG volumes taken onto the CenterPoint system each year in total and from each of those producers.

[33] MERC's petition, page 8.

C. The mix of feedstock used by RNG producers connected to CenterPoint's system and volumes provided to the system broken out by primary feedstock for the previous calendar year.
D. The mix of end-uses of the digestate for each producer interconnected to CenterPoint's system.
E. The estimated methane emissions associated with the total amount of RNG received on Center's system in the previous calendar year and by primary feedstock, and a description of the methodology for estimating methane emissions.
F. Estimated lifecycle greenhouse gas emissions, including emissions associated with the upgrade facilities, of the RNG received on CenterPoint's system in the previous calendar year in total and by primary feedstock compared to lifecycle emissions of geological natural gas on CenterPoint's system, along with a description of the methodology for determining those lifecycle greenhouse gas emissions.
G. Updated information for each interconnected RNG producer using the same data points as included in the per-producer compliance filing described in Ordering Paragraph 10.

The Department notes that MERC submits compliance reporting for new interconnection services and annual reports, and the Department concluded MERC's proposed reporting process was generally reasonable. MERC's reporting process proposed:

1. Submit a filing each time MERC accepts a producer's RNG into its system providing information on the producer feedstock and expected amount of RNG to be produced, within 30 days of any new interconnection.
2. Separately track the costs MERC incurs for each RNG producer or developer that interconnects with MERC's distribution system, and the total RNG received from each RNG producer or developer.
3. Track and identify all customers added to lines built to accommodate interconnecting RNG developers, along with associated costs and revenues, and provide an analysis and discussion of these matters in MERC's next rate case.
4. Continuously evaluate its gas quality standards in accordance with the best available science and to propose future updates, as appropriate, after consultation with the Minnesota Department of Commerce and Minnesota Office of Pipeline Safety.
5. Annually, by February 1 each year, file information on the total number of interconnected RNG producers, amount of RNG, and feedstocks, and to provide updates regarding any changes proposed to MERC's gas quality standards.

The Department was not able to identify Great Plains proposal to make a compliance filing with the Commission for new interconnections or a proposal to make regular filings to keep the Commission fully appraised to state of the effective interconnection agreements. Therefore, the Department requests Great Plains state, in reply comments, whether the Company would be amenable to include on its proposal:

- One-time compliance filings for each RNG interconnection reporting on items aforementioned.
- Yearly compliance filings reporting on items aforementioned.

The Department will provide a final recommendation on Great Plains' proposed reporting after reviewing Great Plains' proposal in reply comments.

E. GREENHOUSE GAS EMISSION ACCOUNTING

Order Point 12 of the January 26, 2021, Order stated as follows:

> Within 90 days and before filing any revised tariff for marketing RNG to its retail customers, CenterPoint shall file in a new docket a proposal based on consultation Center for Energy and the Environment, Fresh Energy, Minnesota Center for Environmental Advocacy, the Sierra Club, and other interested stakeholders for –
>
> A. an accounting framework to evaluate and verify the carbon intensity of different RNG sources and validate its effectiveness in reducing carbon emissions; and
> B. a threshold of carbon intensity that should be required for RNG interconnection producers.

On May 7, 2021, CenterPoint filed a proposed framework, in Docket No. G008/M-21-324.

On August 5, 2021, the Commission suspended the comment period in Docket No. G008/M-21-324, referring to Docket No. G999/CI-21-566, *In the Matter of Establishing Frameworks to Compare Lifecycle Greenhouse Gas Emission Intensities of Various Resources, and to Measure Cost Effectiveness of Individual Resources and of Overall Innovation Plans*, as an alternative docket for establishing a GhG accounting framework for RNG.

On January 27, 2022, the Commission issued an Order in Docket No. G999/CI-21-566, setting forth as follows:

> - The Commission encourages CenterPoint to work with their consultant, ICF, and independent neutral facilitator, the Great Plains Institute, to engage stakeholders in developing and proposing a lifecycle greenhouse gas accounting framework and cost-benefit analysis framework for the Natural Gas Innovation Act in this docket.

- CenterPoint Energy and any interested entity or regulated utility shall file proposed lifecycle greenhouse gas accounting frameworks and cost-benefit analysis frameworks for the Natural Gas Innovation Act in this docket no later than January 30, 2022.

On June 1, 2022, in the same docket, the Commission issued an Order Establishing Frameworks for Implementing Minnesota's Natural Gas Innovation Act, including parameters regarding calculating greenhouse gas intensity. Among other items, the Commission ordered as follows:

- For purposes of the NGIA, the lifecycle greenhouse gas emissions per dekatherm of geologic natural gas shall be calculated using the Argonne GREET (Argonne National Laboratory's Greenhouse Gases, Regulated Emissions, and Energy Use in Technologies) model, using GREET's most up-to-date default assumptions for fugitive methane leakage associated with geologic natural gas. Currently, the greenhouse gas intensity of geologic natural gas delivered to end use customers via the natural gas distribution system is calculated as 66.16 kilograms per dekatherm using the Argonne GREET model. As reliable data becomes available, utilities may submit utility-specific methane leakage data to estimate the lifecycle greenhouse gas emissions intensity of geologic gas in innovation plans.

The Commission also delegated authority to the Executive Secretary to resume Docket No. G008/M-21-324 and request comment on CenterPoint's proposed Minnesota-GREET framework for determining the lifecycle greenhouse gas intensity of renewable natural gas producers interconnecting to CenterPoint's distribution system. However, no further filings in that docket have been made.

On January 26, 2024, the Department filed comments, Docket No. G011/M-23-489, requesting MERC to state whether MERC has a reasonable greenhouse gas accounting framework in place, and whether MERC has any specific proposals for a threshold of carbon intensity based on conventional gas emissions.

On February 16, 2024, MERC filed reply comments, Docket No. G011/M-23-489, stating that "Given the structure of the Company's RNG interconnection, the establishment of a GHG accounting framework and threshold of carbon intensity is unnecessary for the approval of MERC's Petition."[34]

Once the service proposed by Great Plains is the delivery of RNG that would be produced by leveraging the "agricultural presence throughout the Company's Minnesota service territory", produced by owners of such biomass facilities", and once the Company supports the production of RNG stating the potential environmental benefits[35], the Department maintains its position on the importance of the Company having proper frameworks concerning GhG emissions.

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[34] Reply Comments, page 6.
[35] For instance, in response to the Department's Information Request 2, the Company states "… a RNG Producer's objective which is to increase the production of their RNG project which in turn, can lead to increased environmental benefits."

The Department requests that Great Plains state, in reply comments, whether it has a greenhouse gas accounting framework in place, consistent with the June 1, 2022, Order in Docket No. G999/CI-21-566, for calculating greenhouse gas emissions from RNG, and whether Great Plains has any specific proposals for a threshold of carbon intensity based on conventional gas emissions.

Consistent with the Department's position on Comments filed on January 26, 2024, regarding MERC's interconnection service, on the question in the Notice of Comment Period regarding how the Commission should consider MERC's proposal within the context of Minnesota's GhG reduction goals as set forth in Minn. Stat §216H.02, subd. 1, the Department believes establishing a reasonable GhG framework will ensure RNG interconnections on Great Plains' system are at a minimum carbon-neutral (relative to conventional natural gas) and therefore contributing to these goals.

The Department will provide final recommendations on Great Plains' proposed GhG reporting, including any specific proposal for a threshold of carbon intensity, considering statewide greenhouse gas reduction goals, after reviewing Great Plains' reply comments.

F. INFLATION REDUCTION ACT

As noted in the Notice of Comment Period, on September 12, 2023, in Docket No. E,G999/CI-22-624, *In the Matter of a Joint Investigation into the Impacts of the Federal Inflation Reduction Act*, the Commission issued an Order Setting Requirements related to the Inflation Reduction Act (IRA), with the first Order Point requiring utilities to maximize the benefits of the IRA in future dockets.

The Department requests Great Plains explain, in reply comments, how the Company is maximizing IRA benefits in its proposed RNG interconnection process, to the extent applicable. The Department will provide final recommendations after reviewing Great Plains' reply comments.

G. OTHER ISSUES OR CONCERNS

1. Affiliated Interest

On January 26, 2021, the Commission issued an Order in Docket No. G011/M-20-434, setting Order 8 as follows:

> 8. If any CenterPoint affiliates are or become involved in any RNG interconnection project, CenterPoint shall do the following:
>   A. Inform the Commission and Department.
>   B. Explain whether any proposed interconnection project implicates Minn. Stat. §216B.48 and Minn. R. 7825.1900–7825.2300; the relevance of the affiliated interest laws to all applicable projects; and how any transactions with its affiliates would comply.
>   C. Seek Commission approval of transactions governed by the affiliated interest laws.

On November 28, 2023, MERC filed a petition for an interconnection service and, under interconnection reporting, stated:

> 6. If any affiliates of MERC are or become involved in any RNG interconnection project, MERC will:
>   a. Inform the Commission and Department,
>   b. Explain whether any proposed interconnection project implicates Minn. Stat. § 216B.48 and Minn. R. 7825.1900–7825.2300; the relevance of the affiliated interest laws to all applicable projects; and how any transactions with its affiliates would comply, and
>   c. Seek Commission

On January 26, 2024, the Department filed comments and concluded that MERC's proposal regarding affiliated interests is consistent with the Commission Order Point 8 and requires no action by the Commission.

The Department requests Great Plains state, in reply comments, whether the Company is amenable to include a proposal on how to communicate to the Commission if affiliates of Great Plains could potentially become involved in any RNG interconnection project. The Department will provide final recommendations after reviewing Great Plains' reply comments.

2. Title to the Ring

The Department notes that the proposed service under Rate 87 is to access and interconnect to Great Plains' distribution system for the purpose of delivering RNG.

On April 23, 2020, CenterPoint filed a petition for interconnection services, and under Section 9. Title, tariff, page 12.c, states "At no time under this Agreement shall CenterPoint Energy take or hold title to the RNG delivered at the Interconnect Point by the Customer."

On November 28, 2023, MERC filed a petition for interconnection services, and under Section 1.c., Attachment C, page 1, states "… Producer shall supply NG, per the specifications described in Section 1.a. of this Agreement, to company at the Interconnection Point, as defined in Appendix 1 of the Interconnection Agreement, and Company shall purchase said NG."

The Department requests Great Plains state, in reply comments, whether the Company has the interest now, or in the future, to purchase RNG through interconnect agreements and, if so, whether Great Plains has any specific proposals for how to recover the costs to purchase the RNG. The Department will provide final recommendations after reviewing Great Plains' reply comments.

V. PRELIMINARY RECOMMENDATIONS AND REQUEST FOR ADDITIONAL ANALYSIS

The Department has reviewed Great Plains' proposal and the information in the record. The Department believes the Company's proposal outlines the interconnection service to prospective RNG suppliers without appearing to be overly burdensome, while providing a robust structure of mechanisms to protect current rate payers. However, before providing any final recommendations, the Department requests Great Plains provide the following:

- Explain if the Company obtain ownership of the volume of gas in excess of the amount nominated through Cash-out payments.
- Explain whether the Company has already a process detailing nomination notification and, if applicable, present it.
- Whether Great Plains would be amendable to include the following items in its quality requirements proposal:
    - Ensure that any biogas interconnection or service is consistent with its obligations to provide safe and reliable service.
    - Maintain on Great Plains' website the most up-to-date biogas quality standards and testing requirements for those injecting biogas into the distribution system under Great Plains' RNG interconnection program.
    - Periodically update its gas quality standards according to the best available science, after consulting with stakeholders, the Minnesota Department of Commerce, and the Minnesota Office of Pipeline Safety.
    - Notify the Commission when it changes its service quality standards.
    - In its annual reports, report on its discussions with stakeholders on its gas quality standards.
- Whether Great Plains would be amendable to reporting on the following items in its proposed onetime compliance filings for each RNG interconnection:
    - The producer's feedstock or feedstocks.
    - The total amount of RNG expected to be provided by the producer.
    - The mix of end-uses of the digestate.
    - If known, the state(s) in which the entity or entities purchasing the RNG from the producer are located and the end-use for which the RNG is being purchased.
    - Methane leakage control and mitigation measures employed by the producer at the production and upgrade facility.
    - Estimated amount of methane leakage for the producer and a description of the methodology used to develop that estimate.
    - Analysis of the lifecycle greenhouse gas emissions, including emissions associated with the upgrade facility, of RNG volumes provided by the producer— and a description of the methodology used to develop the lifecycle analysis.

- Whether Great Plains would be amenable to filing annual reports containing all the information below, similar to that required for CenterPoint as listed above, to keep the Commission fully appraised on not only the quantities sold and sellers of RNG, but also the GhG gas characteristics:
    - The total number of interconnected RNG producers supplying RNG to the Great Plains' system in the previous calendar year.
    - The amount of RNG volumes taken onto the Great Plains' system each year in total and from each of those producers.
    - The mix of feedstock used by RNG producers connected to Great Plains' system and volumes provided to the system broken out by primary feedstock for the previous calendar year.
    - The mix of end-uses of the digestate for each producer interconnected to Great Plains' system.
    - The estimated methane emissions associated with the total amount of RNG received on Great Plains' system in the previous calendar year and by primary feedstock, and a description of the methodology for estimating methane emissions.
    - Estimated lifecycle greenhouse gas emissions, including emissions associated with the upgrade facilities, of the RNG received on Great Plains' system in the previous calendar year in total and by primary feedstock compared to lifecycle emissions of geological natural gas on Great Plains' system, along with a description of the methodology for determining those lifecycle greenhouse gas emissions.
    - Updated information for each interconnected RNG producer using the same data points as included in the per-producer compliance filing.
- State whether it has a greenhouse gas accounting framework in place, consistent with the June 1, 2022, Order in Docket No. G999/CI-21-566, for calculating greenhouse gas emissions from RNG, and whether Great Plains has any specific proposals for a threshold of carbon intensity based on conventional gas emissions.
- Explain how the Company is maximizing IRA benefits in its proposed RNG interconnection process, to the extent applicable.
- State whether the Company is amenable to include a proposal on how to communicate to the Commission if affiliates of MERC could potentially become involved in any RNG interconnection project.
- State whether the Company has the interest now, or in the future, to purchase RNG and, if so, whether Great Plains has any specific proposals for how to recover the costs to purchase the RNG.

The Department will provide final recommendations after reviewing Great Plains' reply comments.

Minnesota Department of Commerce
85 7th Place East | Suite 280 | St. Paul, MN 55101
Information Request

Docket Number: G004/M-24-73
Requested From: Travis R. Jacobson, Great Plains Natural Gas Co.
Type of Inquiry: General

☐Nonpublic ☒Public
Date of Request: 2/8/2024
Response Due: 2/20/2024

SEND RESPONSE VIA EMAIL TO: Utility.Discovery@state.mn.us as well as the assigned analyst(s).
Assigned Analyst(s): Mateus Santos, Andrew Bahn
Email Address(es): mateus.santos@state.mn.us, andrew.p.bahn@state.mn.us
Phone Number(s): 651-539-1029

ADDITIONAL INSTRUCTIONS:
Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.

Request Number:	**1**
Topic:	Click or tap here to enter text.
Reference(s):	Click or tap here to enter text.

Request:

Please, provide a template copy of following documents:

(1) RNG Facilities Interconnect Agreement
(2) RNG Producer Access and Maintenance Agreement

Response:

Please see Response No. DOC-1 Attachment A for a copy of the RNG Facilities Interconnect Agreement and Response No. DOC-1 Attachment B for a copy of the RNG Producer Access and Maintenance Agreement.

To be completed by responder

Response Date: February 20, 2024
Response by: Travis Jacobson
Email Address: Travis. jacobson@mdu.com
Phone Number: (701) 222-7855

RNG FACILITIES INTERCONNECT AGREEMENT

This Facilities Interconnect Agreement, ("Agreement"), made and entered into this ___ day of ___________, 20xx, by and between Great Plains Natural Gas Co., ("Company"), located at 400 N Fourth Street Bismarck, ND 58501 and ___________ ("Supplier"), located at _____________. Company and Supplier may hereinafter be referred to separately as "Party" or jointly as "Parties".

WITNESSETH:

WHEREAS, Company owns and operates a local natural gas distribution system ("System") located in the State of Minnesota.

WHEREAS, Company is subject to the jurisdiction of the Minnesota Public Utilities Commission ("MPUC").

WHEREAS, Supplier desires to design, construct, install, commission, and operate _____________________________at______________________ near Company's System, with the purpose of Supplier, or its designated RNG purchaser, injecting the purified biogas ("RNG") into Company's System located at _______________________________under the terms and conditions set forth herein; and

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and promises herein contained, the Parties, each for itself and for its successors and permitted assigns, hereby agree as follows:

Definitions

For the purposes of this Agreement, the following items shall have the meanings set forth below:

a) "**Biogas**" means a gas mixture of methane, carbon dioxide and other non-hydrocarbon gases and trace compounds that is produced by an anaerobic digestion process.

b) "**RNG**" means purified Biogas that meets the pipeline quality specifications as set forth in the Appendix I attached hereto.

c) "**Dekatherm**" means ten (10) Therms or 1 million BTU.

d) "**Interconnect Facilities**" refers to all Company owned equipment, more particularly described in Section 8, that is located between the CTP, and Suppliers off-load Facilities.

e) **"Project Costs"** shall have the meaning set forth in Section 25 hereto.

f) **"Custody Transfer Point"** or "**CTP**" is the flanged connection located at the outlet of the Supplier's Off-load Facilities and the inlet of the Interconnect Facilities for the purpose to delivering gas to Company's system.

g) "**Supplier Off-load Facilities**" refers to all Supplier owned equipment related to CNG Truck off-loading.

h) **"System"** means Company's natural gas distribution system, including any main, service line and/or related appurtenances installed by Company that are not associated with the Interconnect Facilities as defined herein.

i) "**Dekatherm**" means the heat energy unit equal to one hundred thousand (1,000,000) British thermal units (BTU).

Conditions Precedent

1. Until all the following conditions have been met, Company shall have no obligation to procure or commence construction of the Interconnect Facilities or Pipeline Facilities:

    a. Supplier executes and returns to Company an original counterpart of this Agreement.

    b. Supplier submits to Company the required Initial Payment for the Interconnect Facilities;

    c. Company receives all necessary MPUC approvals for the new Renewable Natural Gas Producer Access and Interconnection Service Tariff and any other governmental approvals, including Federal Energy Regulatory Commission (FERC) approvals that may be required to construct or modify its facilities, including the Interconnect Facilities, and the terms of such approvals are acceptable to Company in its sole discretion.

    d. Company receives from Supplier all necessary permits, easements, and other property rights for construction of the Interconnect Facilities, on terms acceptable to Company and recorded in the name of Company.

    If these Conditions Precedent are not satisfied before ______, 20XX ("CP Deadline"), this Agreement shall terminate, and all payments shall be refunded in accordance with the terms herein. The Parties may extend the CP Deadline by mutual written agreement. Notwithstanding the foregoing.

2. The Parties agree that Company will order long lead time equipment after receiving the Initial Payment as described in Section 26 without the necessity of the condition's precedent being met. If this Agreement is terminated pursuant to this Paragraph 2, Company will transfer the long-lead equipment ordered at no cost to Supplier upon said termination. The Initial Payment, should any balance remain after deducting the cost of the long lead equipment, shall also be refunded to Supplier. Long lead time equipment to be order is shown in Exhibit C.

Facility Location, Easements and Proposed In-Service Date

3. The Interconnect Facilities are to be located in ______________________________ as depicted/described on Exhibit A attached hereto.

4. Supplier shall be responsible for acquiring all necessary land purchases or easements for the Interconnect Facilities, as specified by Company. All land purchases or easements for Interconnect Facilities shall be granted to Company on terms acceptable to Company and recorded in the name of Company. Each Party will cooperate with the other Party to secure property rights necessary for the Interconnect Facilities. Each Party grants to the other the right of reasonable ingress and egress upon and across the property of the other to effectuate the purposes of this Agreement. All rights hereunder shall, pursuant to the terms and provisions hereof, be assignable in accordance with Section 37.

5. The proposed in-service date of the Interconnect Facilities is estimated to be on or about __________________, provided the last of the conditions set forth in Section 1 are met subject to delays beyond Company's control including, but not limited to, the inability to acquire easements on terms acceptable to Company, inclement weather, the unavailability of materials and equipment, or completion of any permits for the Interconnect Facilities, if required.

Engineering, Construction and Operation

6. The Interconnect Facilities will be engineered and constructed to comply with the following requirements, specifications and conditions:

   a. United States Department of Transportation Minimum Federal Safety Standards for Pipelines, 49 CFR Part 192, and all other applicable federal, state and local safety codes;

   b. API 1104 - Welding of Pipelines and Related Facilities, latest edition;

   c. Company's Construction and Measurement Standards, a copy of which shall be provided by Company to Supplier;

   d. Standards and practices common to the natural gas pipeline industry; and,

   e. All applicable tariffs, laws, rules, regulations, certificates, decisions, orders and directives of all federal, state, and local authorities having jurisdiction over the Interconnect Facilities as deemed applicable.

7. The Interconnect Facilities located at the CTP shall be designed and constructed to operate up to a pressure of 720 psig and shall be designed and constructed to receive a maximum hourly flow of 80 Dekatherms per hour or an average hourly flow of 80 Dekatherms. Supplier shall provide a minimum delivery pressure of 820 psig and a maximum delivery pressure of 900-980 (based on ANSI 600 Equipment) psig at the CTP to allow proper operation of the Interconnect Facilities. The Interconnect Facilities located at the CTP shall be designed and constructed to operate up to a pressure of 720 psig and shall be

designed and constructed to receive a maximum flow of 80 Dekatherms per hour or an average hourly flow of 80 Dekatherms. Nothing in this Agreement shall prevent Company from altering operating pressures of the Pipeline Facilities provided however, that Company shall provide Supplier with not less than twelve (12) months' notice of any increase or decrease in the operating pressure above the maximum delivery pressure stated herein.

8. Company will design, construct and install the following materials and/or equipment as part of the Interconnect Facilities:

    a. Metering equipment adequate to receive the quantity of RNG described in Section 7:

    b. Communication and SCADA equipment;

    c. Regulation, odorization, pressure relief, and control valve equipment;

    d. A gas chromatograph system, other instrument sensors and ancillary control system as deemed appropriate by Company;

    e. Interconnect Facilities capable of receiving the quantity of RNG described in Section 7. Company reserves the right to increase the size of the Pipeline Facilities provided however, that Supplier will only be obligated to pay the cost of facilities sized to meet only Supplier's projected throughput;

    f. Such other facilities as are required to complete the necessary interconnections, all to be determined by Company in its reasonable discretion.

9. Company shall own, operate, repair and maintain the Interconnect Facilities in accordance with Company's operating procedures and generally accepted natural gas industry standards and practices.

10. Supplier shall provide two (2) 4-inch, ANSI 600 class flanges at locations acceptable to both Parties to allow connection of Supplier's Off-load facilities at the Interconnect Facilities. One 4-inch flange will be the CTP for any RNG received by Company into the Interconnect Facilities for transportation. The second 4-inch flange will be the transfer point for RNG returned to Supplier when it is determined that RNG does not meet the Company's quality specifications. Facility ownership and operation transition shall occur at the CTP.

11. Company shall provide a 4-inch, ANSI 300 class flange at a location acceptable to both Parties to allow connection of the Pipeline Facilities to Supplier's compression facilities. Such 4-inch flange will be the CTP for any RNG received by Company into the Interconnect Facilities for transportation and ultimate delivery into Supplier's compression facilities. Facility ownership and operation transition shall occur at the CTP.

12. Supplier shall design, purchase, construct, install, own, maintain and operate any and all piping, equipment, and facilities upstream of the CTP (herein referred to as the "Supplier

Off-load Facilities") necessary in Supplier's sole discretion for delivery of RNG into Company's System and/or receipt of RNG into Supplier's compression facilities.

13. In the event Supplier elects to install any compression to effect delivery of its RNG hereunder, Supplier shall be obligated to install pulsation-dampening equipment to protect the Interconnect Facilities to the reasonable satisfaction of Company, and in accordance with generally accepted natural gas industry standards and practices.

    Producer shall submit to Great Plains, a pulsation study or vibration analysis, that will model the Producers equipment and pipeline systems, to demonstrate that expected pulsations / vibrations shall be limited to 0.7 ips (inches per second) at the outlet of the compressor. This pulsation / vibration study shall be submitted to Great Plains for evaluation and concurrence, so that the results can be independently verified.

14. Subject to any additional agreements required by Company for operation, maintenance, or transportation, Company shall receive RNG from Supplier or its designated RNG purchaser at the CTP pursuant to the terms of this Agreement and operate the Interconnect Facilities in accordance with Company's operating procedures and generally accepted natural gas industry standards and practices. Company represents and Supplier agrees that Company may not have adequate capacity in its System at any given time to receive all or any of the RNG capable of being delivered by Supplier.

    All Interconnect Facilities shall be fenced in a manner and with access protocols as agreed upon by Supplier and Company. Company shall design and construct the fence around the Interconnect Facilities.

15. If, in Company's reasonable discretion, it should appear that any of the construction work on the Supplier Off-load Facilities is endangering Company's facilities, then Company may, without liability to Supplier, stop the work until Supplier makes corrections and the corrections are approved by Company. Company shall give Supplier prompt written notice of any such work stoppage and the reasons related thereto.

16. Meters and associated instruments at the Interconnect Facilities shall be inspected, tested, and calibrated in accordance with Company's operating procedures. Supplier will have the right to witness and accept or reject such inspection, testing and calibration and Company may provide Supplier with reasonable prior notice of any such inspection, testing and/or calibration procedures. Supplier will also have the right to audit the records of the measurement equipment at the metering facilities. The records from such measuring equipment shall remain the property of Company and upon request by Supplier, Company will submit records, charts, and data together with calculations therefrom, for Supplier's inspection and verification, subject to return within ten (10) days after receipt.

17. The Parties agree to control the operation of their respective facilities such that there will be no material interference with the Interconnect Facilities. If operation of a Party's facilities materially interferes with the Interconnect Facilities, such interfering Party agrees to remedy the operational problem at its own expense.

18. If for any reason Company's meter is out of service or not properly operating, the volume of RNG delivered during the affected period shall be estimated and agreed upon based on the best data available, including Supplier's meter data.

19. Company may at any time institute a new method or technique of RNG measurement; provided that such new method is consistent with generally accepted industry practices and Company shall promptly inform Supplier of any such new technique adopted and the date of its implementation.

20. Company shall be responsible for placing the Interconnect Facilities into service and shall coordinate with Supplier during the testing, startup, and commissioning of the Interconnect Facilities. Testing, startup, and commissioning requirements are further described in Appendix I.

21. If either Party's operations, activities or RNG cause damage to the Interconnect Facilities or the System (other than normal wear and tear), the Party responsible for such damage shall reimburse the other Party for any costs and expenses, including parts, materials, labor and any third-party services required to repair the Interconnect Facilities or the System and resume receipt of RNG from Supplier or Supplier's designated RNG purchaser. Supplier further agrees Company may discontinue receipt of Supplier's RNG until Supplier's operations or activities are modified to prevent continued or future damage to the Interconnect Facilities or the System.

22. Company shall have the right, without liability to Supplier, to temporarily cease receipt or delivery of RNG from or to Supplier or Supplier's designated RNG purchaser, from time to time, as necessary to complete repairs, to perform normal, routine, or unscheduled maintenance, to conduct tests, and/or to alter, modify, expand, or reconfigure its facilities. Company shall coordinate such activities with Supplier to minimize disruption to Supplier's (or Supplier's designated RNG purchaser's) delivery of RNG into the Interconnect Facilities.

23. Company shall not be obligated to add to or modify the System or any other facilities, to expand the capacity of the System in any manner, or to operate the System in any particular manner or at any particular pressure to provide additional capacity to allow Supplier to maintain or increase RNG deliveries to Company. In addition, Company shall be under no obligation to provide compression, processing, treatment or other services or associated facilities to receive RNG at the DCTP other than as specified in this Agreement.

24. Should Supplier cease use of the Interconnect Facilities Company shall have the option in its sole discretion to decommission the Interconnect Facilities. Supplier shall be responsible for the decommission costs net of salvage value.

25. Company shall purchase, own, install, and maintain a gas chromatograph with appropriate controls via a SCADA system pursuant to <u>Section 8</u> above to close control valves should Supplier's RNG fail to meet the minimum quality specifications. Supplier shall have the right to be represented during the testing, calibration, inspection, or adjustment done in connection with the gas chromatograph and Company may give Supplier reasonable prior

notice of any such testing, calibration, inspection, or adjustment procedures. The records from such gas chromatograph shall remain the property of Company and upon request by Supplier, Company shall submit all relevant records and data for Supplier's inspection and verification subject to return within ten (10) days after receipt.

Expenses and Reimbursement

26. Supplier agrees to pay Company in the amount of $______________ (the "Payment") for the estimated cost of the Interconnect Facilities generally described in Section 8 and Exhibit B hereof including, but not limited to, all costs incurred by Company for the environmental permitting, design, engineering, materials, equipment, construction, installation, inspection, startup, testing, commissioning, and placing into service the Interconnect Facilities (the "Project Costs"). The Project Costs shall include all Company administrative and general charges for internal labor as well as any taxes and tax gross up charges, if applicable. The Payment shall be made according to the following schedule:

    a. Initial Payment of $___________ is due within 15 days of the date on which this Agreement is executed

    b. Second Payment of $_________ is due within 30 days after the date on which all of the Conditions Precedent listed in Section 1 are satisfied

    Company shall perform a cost "True Up" of costs related to the project described herein and, if the actual and documented Project Costs exceed the Payment, Company shall invoice Supplier for the difference. Supplier shall pay said invoice within 45 days of the invoice date and upon receipt of reasonable supporting documentation provided however, Supplier may, within forty-five (45) days from the date of any invoice, take written exception to the invoice, billing or statement rendered by Company for Project Costs. Supplier shall nevertheless pay in full when due all invoices, billings or statements submitted by Company for any Project Costs. If, however, the amount as to which such written exception is taken or any part thereof is ultimately determined by the Parties not to have been incurred in accordance with this Agreement or not to have been a proper expense or expenditure incurred in good faith when made, such amount or portion thereof (as the case may be) shall be refunded by Company to Supplier.

    If the Payment exceeds the Project Costs, Company will refund to Supplier the difference between the Payment and the Project Costs within forty-five (45) days of such determination.

27. Supplier shall have the right to terminate this Agreement at any time; provided that, Supplier will reimburse Company for all Project Costs incurred by Company prior to termination including, but not limited to, all environmental permitting and engineering costs, costs related to seeking governmental approvals, equipment and materials that have not been paid pursuant to Section 27 prior to the date of such termination, and all costs incurred by Company after termination related to winding up the project. Upon termination of this Agreement, Company shall retain all ownership of the Interconnection Facilities

Governing Law and Forum

28. This Agreement and the rights and duties of the Parties arising out of this Agreement shall be governed by and construed in accordance with the laws of the State of North Dakota.

29. This Agreement and the respective rights and obligations of the Parties hereto are subject to, all existing and future laws, statutes, rules, regulations, orders or directives, promulgated by any duly constituted state or federal governmental authority, regulatory body or commission having jurisdiction or control over the Parties, their respective facilities, the RNG supply, this Agreement, or the transportation of the RNG.

General

30. Each Party shall be in compliance with all federal, state, and local laws and regulations that govern the operation of its respective facilities.

31. This Agreement does not constitute a natural gas purchase agreement, a gas transportation agreement or an access and balancing agreement between the Supplier and Company. It is the responsibility of Supplier and/or its designated RNG purchaser to arrange and secure all necessary gas purchase, transportation, or access and balancing agreements with Company or others. If any such agreements are determined to be necessary, the Parties agree to negotiate and execute such agreements in good faith and without delay.

32. Supplier acknowledges that this Agreement incorporates only the construction of the Interconnect Facilities and related activities to make said facilities capable of its intended purpose. This Agreement does it grant Supplier the right to inject RNG into Company's distribution system. Supplier agrees that in order to inject RNG into Company's distribution system, Supplier will be required to execute a separate agreement RNG Producer Access Agreement and Maintenance Agreement which establishes the rates and terms for RNG injected into Company's distribution system.

33. Each Party agrees to protect, defend, indemnify and hold harmless the other Party, its affiliates, and agents, and their respective directors, officers and employees from and against any and all losses, claims, liens, expenses, damages and demands arising out of, or in connection with, any personal injuries, death to persons or damage to property (including without limitation, claims for pollution and environmental damage) to the extent caused by the willful misconduct or negligent act by, or the wantonness or intentional act or omission of, such Party or its employees, agents, contractors, subcontractors, and/or any other person for whom such Party is responsible at law, in performing its obligations under this Agreement.

34. Neither Party shall be liable to the other Party for any indirect, consequential, incidental, special, exemplary or punitive damages of any nature whatsoever arising out of or related to the acts or omissions of such Party in connection with this Agreement. Indirect, consequential, incidental or special damages shall include, but not be limited to, loss of profit, loss of product, loss of use or business interruption.

35. If requested, prior to commencement of construction of the Interconnect Facilities, each Party shall supply to the other Party a Certificate of Insurance evidencing the form, limits and issuing companies for Worker's Compensation (statutory), Commercial General Liability Insurance (minimum of $5,000,000) and Commercial Automobile Liability Insurance (minimum of $1,000,000). The Parties will require their subcontractors to carry insurance coverages in the same amount or greater.

36. In the event of Supplier or Company being rendered unable, wholly or in part, by force majeure, to carry out its obligations under this Agreement, except either party's obligation for the payment of money, it is agreed that upon reasonable notice, including reasonably full particulars of the circumstances of the force majeure, given within a reasonable time after the occurrence of the force majeure, the obligations of the Party giving such notice, so far as the same are affected by such force majeure, shall be suspended during the continuance of the force majeure, but for no longer period than such Party is so affected, and such cause shall, so far as possible, be mitigated and/or remedied with all reasonable dispatch.

    The term "force majeure" shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, present and future valid orders, decisions or rulings of any governmental authority having jurisdiction, civil disturbances, electronic or communications failure, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe and any other cause, whether of the kind herein enumerated or otherwise, not within the control of the Party claiming suspension and which by the exercise of due diligence such Party is unable to prevent or overcome. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Party relying on the same for suspension, and that the above requirement that any inability to carry out obligations hereunder due to force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of a party when such course is inadvisable in the sole and exclusive discretion of the Party claiming suspension. General economic hardship shall not constitute an event of force majeure.

37. Except for indemnity of third-party claims or claims covered by a policy of insurance, any claims against Company or Supplier arising from and out of the terms of this Agreement will be limited to the amounts to be paid to Company hereunder.

38. This Agreement shall not be assigned or transferred by either Party in any manner, by operation of law or otherwise, without the written consent of the other Party, which consent shall not be unreasonably withheld or delayed; provided however, either Party may without the need for consent from the other Party (and without relieving the assigning Party from liability hereunder) transfer or assign its rights and obligations hereunder to any parent, affiliate or subsidiary of such Party, or any of Supplier's lenders, or any third-party that acquires an ownership interest in Supplier's Biorefinery; provided, however, that in each such case any such assignee shall agree in writing to be bound by the terms and conditions

hereof. Subject thereto, this Agreement shall inure to the benefit of, and be binding upon, the successors, assigns, and legal representatives of the respective Parties.

39. This Agreement constitutes the entire agreement between the Parties, and supersedes any prior understandings, agreements, arrangements, and representations between the Parties, written or oral, relating to the subject matter hereof.

40. The duties, obligations, and liabilities of Company and Supplier are intended to be separate and not joint or collective and nothing herein contained shall be construed to create a joint venture, association or partnership, duty, obligation, or liability with respect to the Parties. The Parties shall not have the right, power, or authority to contract debts or obligations in the name of the other Party or to make any representations or warranties concerning services offered by the other Party, except as expressly authorized by the other Party in writing. In performing the duties hereunder, the Parties shall operate as and have the status of an independent contractor.

41. The descriptive headings of the provisions of this Agreement are formulated and used for convenience only and shall not be deemed to affect the meaning or construction of any provision.

41. Any drawings, documentation, specifications, prints, designs, ideas or other information (collectively, the Proprietary Information) provided by either Party, or its designees, to the other Party, pertaining to the Interconnect Facilities or Supplier Facilities, or services to be performed hereunder, are strictly confidential and proprietary to the Party providing the information. Neither Party will, without the prior written consent of the other Party, disclose such Proprietary Information to any third party, or use any such information for its own benefit; except to its employees, agents, partners, affiliates, and shareholders, potential purchasers, and lenders to the extent reasonably required for the purposes of implementing this Agreement and provided that such parties agree to be bound by the confidentiality provisions hereof with respect to the Proprietary Information. The restrictions of this <u>Section 41</u> shall not apply to information: (a) that is or becomes part of the public domain through no fault of a Party or its representatives, (b) that a Party can document was in its possession prior to its receipt from the other Party, (c) that a Party can document was received by it from a third party not prohibited from disclosing the information, or (d) that was developed independently by a Party, without the use of Proprietary Information. If disclosure of Proprietary Information is required or requested by subpoena or a governmental authority, a Party may make such disclosure provided the other Party is notified in writing prior to the disclosure, if such notice is legally permissible.

42. Each provision of this Agreement shall be considered separable, and if for any reason, any provision or provisions are herein determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of, or affect those portions of this Agreement which are valid, unless a primary purpose of this Agreement is thereby defeated.

43. Any failure by any party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement, or to exercise any right or remedy consequent

upon a breach thereof, shall not constitute a waiver of any such breach of any other covenant, agreement, term or condition.

44. In the event either party brings suit to enforce the terms of this Agreement, the substantially prevailing party in such action shall be entitled to an award of reasonable attorney fees and costs from the non-prevailing party, whether at trial, on appeal or in bankruptcy proceedings. Any and all proceedings will fall under the jurisdiction of the courts of the State of North Dakota.

45. This Agreement is for the sole and exclusive benefit of the Parties hereto. Except as expressly provided herein to the contrary, nothing herein is intended to benefit any other Person not a Party hereto, and no such Person shall have any legal or equitable right, remedy, or claim under this Agreement.

46. This Agreement may be executed in counterparts, any of which shall constitute an original and be fully binding on the Party who executes same and all of which shall constitute a single Agreement.

Notices

47. Any notice, request, statement, or other communication provided for in this Agreement shall be in writing and shall be given by personal delivery or by United States mail, postage prepaid, and addressed as follows:

If to Company:

400 N Fourth Street
Bismarck, ND 58503
Attn: Director of Business Development and Energy Services

If to Supplier:

For purposes of this Agreement, the date on which any notice, request, statement, bill, payment, or other communication is given shall be deemed to be the date on which it is received by the recipient, provided any such notice, request, statement, payment, or other communication is transmitted by registered or certified mail, return receipt requested, postage prepaid, or otherwise it shall have deemed to have been given on the third day following the date on which same was deposited in the United States mail, addressed in accordance with this Article. Either Party hereto may designate in writing a further or different address to which subsequent notices, requests, statements, payments, or other communication shall be sent.

[Signature Page to Follow]

IN WITNESS WHEREOF, Company and Supplier have executed this Agreement effective as of the date first written above.

Great Plain Natural Gas Co.	**XXXXX**
By:____________________________	By:____________________________________
Name:_________________________	Name:_________________________________
Title:__________________________	Title:__________________________________
Date:__________________________	Date: _________________________________

EXHIBIT A

Interconnect Facilities

EXHIBIT B

Estimated Interconnection Facilites Cost

Exhibit C

Long Lead Time Equipment

APPENDIX I

RNG QUALITY REQUIREMENTS

1. RNG is defined as biogas which has been conditioned to meet quality specifications similar to pipeline quality natural gas. Additional definitions of terms appear below.
2. Definitions:
   - 2.1. *Biogas*: Gas resulting from the anaerobic digestion of various sources of organic matter.
   - 2.2. *RNG*: Methane purified from biogas.
   - 2.3. *Constituent*: A chemical, compound, or material contained in a gas volume.
   - 2.4. *Hazardous Waste Landfill*: All contiguous land and structures, and other appurtenances and improvements, on the land used for treatment, transfer, storage, resource recovery, disposal, or recycling of hazardous waste. The facility may consist of one or more treatment, transfer, storage, resource recovery, disposal, or recycling hazardous waste management units, or combinations of these units. This includes facilities permitted by the Department of Toxic Substance Control.
   - 2.5. *Pipeline quality gas*: Natural gas which has been processed to assure that the hydrocarbon content is nearly all methane and to reduce fractions of other constituents to small percentage or trace quantities
   - 2.6. *Supplier*: Provider proposing to inject biogas / RNG into transporter's pipeline.
   - 2.7. *Transporter*: Pipeline owner (Great Plains Natural Gas)
3. RNG delivered to the utility receipt point must meet quality specifications of this document section and the Quality specifications are described in Table 1.
4. In addition to specifications contained in this document, RNG received by Transporter may be subject to interchangeability testing per American Gas Association (AGA) Research Bulletin 36 in order to satisfy requests of Transporter or Transporter's customers.
5. RNG received by Transporter (Great Plains Natural Gas Co.) may be supplied to end users as a discreet gas supply or as a mixed gas supply blended with natural gas or different RNG provided by others.
   - 5.1. RNG received by Transporter must not contain constituents which might restrict the Transporter's inventory, blended or otherwise, to be marketed as a natural gas supply.
6. RNG from Hazardous Waste Landfills and associated systems cannot be injected into Transporter's pipeline. Supplier must certify that RNG was not derived from a Hazardous Waste Landfill or associated systems.

7. The gas shall be commercially free from objectionable odors (excluding odorant), solid matter, dust, gums, and gum forming constituents, or any other substance which interferes with the intended purpose of merchantability of the gas or causes interference with the proper and safe operation of the lines, meters, regulators, or other appliances through which it may flow. Inline filtering to achieve a max particle level of no more than 3 microns is required.

8. The gas shall not contain any toxic or hazardous substance in concentrations which, in the normal use of the gas, may be hazardous to health, injurious to pipeline facilities, or be a limit to merchantability or be contrary to applicable government standards.

9. RNG must be free from bacteria, pathogens, and any other substances injurious to utility facilities or that would cause the gas to be unmarketable

Table 1: Natural Gas Properties for RNG

SPECIFICATION or CONSTITUENT	LIMIT	TESTING [10]
Min. Heat Content (dry, HHV) [1]	950 BTU/scf	Continuous real-time monitoring
Max. Heat Content (dry, HHV) [1]	1,100 BTU/scf	
Min. Wobbe Number	1,250	Continuous real-time monitoring
Max. Wobbe Number	1,400	
Min. Temperature	40 °F	Continuous real-time monitoring
Max. Temperature	120 °F	
Max. Hydrocarbon Dew Point (HDP)	15 °F [2]	Continuous real-time monitoring
Max. Water Vapor Content	7.0 lb/MMscf [4]	Continuous real-time monitoring
Max. Total Sulfur [5]	4.0 grains per 100 scf	Continuous real-time monitoring
Max. Hydrogen Sulfide (H_2S)	0.25 grain per 100 scf	
Max. Mercaptan Sulfur [7]	0.2 grain Sulfur per 100 scf	Continuous real-time monitoring
Max. Total Diluent Gases [6]	5% vol	Continuous real-time monitoring
Carbon Dioxide (CO_2)	2% vol	Continuous real-time monitoring
Nitrogen (N_2)	NA	Continuous real-time monitoring
Oxygen (O_2)	0.4% vol	Continuous real-time monitoring

<u>Notes to Table 1</u>
[1] Dry, High Heating Value at 14.73 psia, 60 °F
[2] At any pressure between 100 psia and 1000 psia as calculated from the gas composition and shall be free from hydrocarbons in the liquid state
[3] Not used
[4] Gas shall be free from liquid water
[5] Excluding odorants
[6] Sometimes referred to as “inerts”. Nonhydrocarbons including but not limited to carbon dioxide, nitrogen, and oxygen.
[7] Grains per 100 cu ft. and mg per cu meter are both reported as Sulfur. ppmv value is for mercaptan assuming mercaptan is methyl mercaptan.
[8] Not used
[9] Not used
[10] An independent laboratory certified to analyze pipeline natural gas should be consulted to determine the appropriate test methods.

10. COSTS RELATED TO QUALITY MONITORING

10.1. As part of the Facilities Agreement, the Supplier will pay Great Plains Natural Gas Co.'s costs for all engineering, procurement, and construction of quality monitoring systems. Such expenses will include, but not be limited to, sample fittings, piping, analyzers, equipment enclosures, related permits, land rights, odorizing equipment, communication equipment, software, programming costs, design costs, and other expenses. Montana-Dakota will own and operate all related facilities on Montana-Dakota's side of the interconnection.

10.2. Supplier will be responsible for the cost of analytical testing prior to the initial interconnection, periodic testing during operation, and special testing after RNG supply is interrupted.

10.3. Unless otherwise agreed upon, Transporter will continuously monitor selected RNG quality specifications to detect general RNG generation process conditions. Specifications monitored will commonly include those listed in the "Natural Gas Properties for RNG" in Table 1. If Transporter senses that specifications being monitored may indicate changes in RNG quality, the Transporter may request that the Supplier provide additional testing on an accelerated schedule. The Supplier will be responsible for such testing.

10.4. Retesting shall be permitted to validate test results. The party requesting the retest will pay for retesting.

11. RNG MONITORING REQUIREMENT PRIOR TO INITIAL RNG INTERCONNECTION TO PIPELINE:

11.1. Testing prior to interconnection to the pipeline will be the responsibility of the Supplier using independent certified testing facilities. Results are to be shared with the Transporter within five calendar days of the time results are received by the Supplier.

11.2. RNG should be analyzed at two different times over a 2 – 4 week period prior to interconnection in order to detect parameters or components listed in Table 1. Tests should occur with RNG production operating at steady state and at the anticipated normal production capacity. The two tests should be performed at least five days apart. Testing should be conducted using analytical methods and techniques considered acceptable in the natural gas industry.

11.3. RNG cannot be injected into the natural gas pipeline if:

11.3.1. any parameter fails to comply with quality limits listed in the "Natural Gas Properties for RNG" in Table 1; or

11.4. RNG can be injected into the natural gas pipeline if:

11.4.1. all conditions specifically described in the Supplier – Transporter contract have been satisfied; and

11.4.2. all parameters comply with quality limits listed in the "Basic Natural Gas Properties" section of Table 1;

12. RNG MONITORING REQUIREMENT DURING OPERATION + SHUTOFF CRITERIA

12.1. Testing at the interconnection during active flow into the pipeline at the interconnection will be the responsibility of the Transporter using independent certified testing facilities. Results are to be shared with the Supplier in a timely manner. Testing of raw biogas and RNG upstream from the interconnection during this period will be the responsibility of the Supplier.

12.2. NATURAL GAS PROPERTIES OF RNG:

12.2.1. Transporter shall provide continuous real-time or near-real time monitoring for selected natural gas properties of RNG listed in Table 1. Compliance shall be assessed using a 4- to 8-minute monitoring interval. Unless transporter specifically agrees to other conditions, injected gas must meet all quality specifications. The transporter may refuse to accept any gas which does not meet specifications listed in this document or listed in a separate agreement between the transporter and supplier.

RNG DELIVERY PROCESS CHANGES

12.2.2. Supplier must notify Transporter prior to changing the RNG production and delivery system. Prospective changes may include, but not be limited to, feedstock changes, biogas conditioning equipment changes, biogas process condition changes, system control changes, addition or deletion of process equipment or operating parameters, and other modifications.

12.2.3. If Transporter deems that proposed changes to RNG production and delivery system will potentially increase the level of any constituent of concern above previous levels, Transporter can require that RNG injection be stopped and startup testing similar to initial interconnection testing be performed.

RNG MONITORING REQUIREMENT PRIOR TO REINTRODUCING RNG TO PIPELINE INTERCONNECTION AFTER RNG SUPPLY SHUTOFF

12.2.4. If agreed upon by carrier, interrupted RNG flow can be restarted after successfully proving compliance with monitoring limits with a single test. Testing requirements should be identical to testing required prior to initial interconnection to the pipeline. Frequencies of testing would revert to baseline periods. The supplier will need to re-establish the permission to extend time between tests based on consecutive results showing low concentrations of constituents.

Testing prior to resuming flow at the interconnection to the pipeline will be the responsibility of the Supplier using independent certified testing facilities. Results are to be shared with the Transporter within five calendar days of the time results are received by the Supplier.

13. WAIVER PROVISION

13.1. Great Plaint Natural Gas Co., at its sole discretion, may elect, but is not obligated to, on a non-discriminatory basis to waive supplier's obligation to conform with certain gas quality specifications, provided that such waiver does not interfere with Great Plain's ability to fulfill its obligations to other parties. Any such waiver is temporary and is without prejudice to Great Plains right hereunder or any other rights which it may have, including without limitation, Montana-Dakota's right to reject other non-conforming gas.

GREAT PLAINS NATURAL GAS CO.
RNG Producer Access and Maintenance Agreement

This RNG Producer Access and Maintenance Agreement ("Agreement"), made and entered into this ___ day of [Month] [Day] 2022, by and between Great Plains Natural Gas Co. ("Company"), located at 400 N Fourth Street, Bismarck, ND 58501 and ____________ ("Producer"), located at ____________ Company and Producer may hereinafter be referred to separately as "Party" or jointly as "Parties".

WITNESSETH:

WHEREAS, Company operates a local natural gas distribution system ("System") located in the State of Minnesota and is subject to the jurisdiction of the Minnesota Public Utilities Commission ("MPUC"); and

WHEREAS, the Parties have previously entered into an RNG Facilities Interconnect Agreement dated TBD (the “Interconnect Agreement”), for Company to construct, put into service, own, and operate certain facilities located at (location of facility), to receive Producer’s RNG at an established custody transfer point (“CTP”) into Company’s distribution system; and

WHEREAS, the Parties desire to enter into an agreement whereby Company will operate said facilities during the Term of this Agreement pursuant to the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the premises and of the mutual covenants and promises herein contained, the Parties, each for itself and for its successors and permitted assigns, hereby agree as follows:

1. **Purpose.** This Agreement provides Producer with access to deliver its Renewable Natural Gas (RNG) into Company’s distribution system and provides the terms and conditions whereby Company will continue to maintain and operate its facilities required to receive Producer’s RNG.
2. **Term.** This Agreement is effective for five (5) years prior to the expiration of the Primary Term or any year-to-year term thereafter. from [Month] 1, 20xx (the “Effective Date”) through and including [Month] ___, 20xx (the “Primary Term”), and shall continue year-to-year thereafter unless terminated by either party upon at least sixty (60) days prior written notice to the non-terminating party Company may terminate this Agreement upon thirty (30) days prior notice at any time if Producer is in breach of this Agreement or the Interconnect Agreement.
3. **Tariffs and Related Interconnect Agreement.** This Agreement is entered into pursuant to and subject to, where applicable, Company's effective Gas Tariff as it may be amended by Company with the approval of the MPUC, to any applicable Rules or Orders of the MPUC. The facilities shall remain subject to all operation, maintenance, and other requirements set forth in the Interconnect Agreement.
4. **Receipt and Measurement of Natural Gas.** The point of receipt and measurement of natural gas receipts from Producer’s facilities under this Agreement shall be Company’s receipt meter that interconnects with Producer’s RNG facilities. Company shall have no obligation to accept Producer’s RNG until the Effective Date.
5. **Billing and Payment**
    a. **Access Fee**. For the right to inject RNG into Company’s system, Producer agrees to pay Company $xxxxx per month during the Term of this Agreement.
    b. **Routine Maintenance Fee**. Producer shall pay Company’s a monthly Routine Maintenance Fee of $XXXX, which covers only routine operations and maintenance, as defined by Company’s internal procedures as they may be amended from time to time. The Routine Maintenance Fee recovers the cost of performing normal operations and maintenance activities required to comply with governmental and

regulatory requirements or other routine activities required to ensure Company's facilities remain safe, operable, and reliable.

c. **Extraordinary Maintenance Costs**. In addition to the Routine Maintenance Fee, Company shall direct bill Producer for any and all extraordinary operations and maintenance activities.

d. **Invoice**. Company will invoice Producer for the Access Fee, Routine Maintenance Fee, and any Extraordinary Maintenance Costs at the end of each month that this Agreement is effective. Each invoice will be due and payable within twenty (20) days of receipt.

6. **Additional Agreements.** In addition to the terms and conditions herein, if applicable, Producer will need additional agreements in the following situations:

   a. In the event Producer elects to receive natural gas service from Company, Producer will either need to receive service under Company's general tariff or will need to have in effect a separate service contract to receive gas supplies into its digester.

   b. In the event Producer's RNG is to be injected in the interstate pipeline system, Producer will need a separate off system transportation agreement with Company.

7. **Company's Obligation.** Company shall receive Producer's gas at the point of measurement and agrees to provide all scheduling and balancing necessary to allow Producer's volumes to be received into and transported within Company's system. Company will provide Producer with all monthly meter reads and SCADA telemetry reads data where available. Producer acknowledges that Company is required by statute, rule and/or regulatory jurisdiction to add odorant to Producer's RNG. Nothing herein shall be interpreted as Company committing to System availability.

8. **Operation of Facilities.** Pursuant to the Interconnect Agreement, Company has put into service facilities capable of receiving RNG from Producer or its designated RNG purchaser and agrees to operate the facilities in accordance with Company's operating procedures and generally accepted natural gas industry standards and practices. Company represents and Producer agrees that Company may not have adequate capacity in its System at any given time to receive all or any of the RNG capable of being delivered by Producer.

9. **Force Majeure**. In the event of Producer or Company being rendered unable, wholly or in part, by force majeure, to carry out its obligations under this Agreement, except either party's obligation for the payment of money, it is agreed that upon reasonable notice, including reasonably full particulars of the circumstances of the force majeure, given within a reasonable time after the occurrence of the force majeure, the obligations of the Party giving such notice, so far as the same are affected by such force majeure, shall be suspended during the continuance of the force majeure, but for no longer period than such Party is so affected, and such cause shall, so far as possible, be mitigated and/or remedied with all reasonable dispatch.

   The term "force majeure" shall mean acts of God, strikes, lockouts, or other industrial disturbances, acts of the public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, fires, storms, floods, washouts, arrests and restraints of governments and people, present and future valid orders, decisions or rulings of any governmental authority having jurisdiction, civil disturbances, electronic or communications failure, explosions, breakage or accident to machinery or lines of pipe, freezing of wells or lines of pipe and any other cause, whether of the kind herein enumerated or otherwise, not within the control of the Party claiming suspension and which by the exercise of due diligence such Party is unable to prevent or overcome. It is understood and agreed that the settlement of strikes or lockouts shall be entirely within the discretion of the Party relying on the same for suspension, and that the above requirement that any inability to carry out obligations hereunder due to force majeure shall be remedied with all reasonable dispatch shall not require the settlement of strikes or lockouts by acceding to the demands of a party when such course is inadvisable in the sole and exclusive discretion of the Party claiming suspension. General economic hardship shall not constitute an event of force majeure.

10. **Assignment.** This Agreement extends to and is binding upon the parties and their respective successors and assigns. Either Party may assign this Agreement to a third-party that acquires substantially all of its ownership interest, as well as to affiliates, partners, or financing parties. Assignments to an unaffiliated party must be approved by both parties in writing. Such approval shall not be unreasonably withheld.

11. **Entire Agreement.** This Agreement constitutes the entire Agreement between the parties hereto pertaining to the subject matter hereof. The terms of this Agreement may not be changed unless the parties agree to such changes in writing.

12. **Independent Contractors.** The duties, obligations, and liabilities of Company and Producer are intended to be separate and not joint or collective and nothing herein contained shall be construed to create a joint venture, association or partnership, duty, obligation, or liability with respect to the Parties. The Parties shall not have the right, power, or authority to contract debts or obligations in the name of the other Party or to make any representations or warranties concerning services offered by the other Party, except as expressly authorized by the other Party in writing, or as authorized by this Agreement. In performing the duties hereunder, the Parties shall operate as and have the status of independent contractors.

8. **No Waiver.** Any failure by either party to insist upon the strict performance of any covenant, duty, agreement or condition of this Agreement or to exercise any right or remedy consequent upon a breach thereof shall not constitute a waiver of any such breach or any other covenant, agreement, term or condition.

9. **Severability.** Each provision of this Agreement shall be considered separable and if for any reason any provision or provisions herein are determined to be invalid and contrary to any existing or future law, such invalidity shall not impair the operation of or affect those portions of this Agreement which are valid.

10. **Applicable Law.** This Agreement shall be construed in accordance with and governed by the laws of the State of North Dakota.

In witness whereof, the parties have caused this Agreement to be executed, to be effective on the day and year first hereinabove written.

XXXXXX	**GREAT PLAINS NATURAL GAS CO.**
By: ______________________________	By: ______________________________
Print Name: ______________________	Larry Oswald
Title: ____________________________	Director, Business Development and Energy Svcs
Date: ____________________________	Date: ____________________________

Minnesota Department of Commerce
85 7th Place East | Suite 280 | St. Paul, MN 55101
Information Request

Docket Number: G004/M-24-73
Requested From: Travis R. Jacobson, Great Plains Natural Gas Co.
Type of Inquiry: General

☐Nonpublic ☒Public
Date of Request: 2/8/2024
Response Due: 2/20/2024

SEND RESPONSE VIA EMAIL TO: Utility.Discovery@state.mn.us as well as the assigned analyst(s).
Assigned Analyst(s): Mateus Santos, Andrew Bahn
Email Address(es): mateus.santos@state.mn.us, andrew.p.bahn@state.mn.us
Phone Number(s): 651-539-1029

ADDITIONAL INSTRUCTIONS:
Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.

Request Number:	**2**
Topic:	Click or tap here to enter text.
Reference(s):	Click or tap here to enter text.

Request:

At page 82 the Petition states, "the Company believes it appropriate to use similar charges as authorized under Rate 82 for this comparable type of service" and sets the "Access Commodity Charge" at $0.8189 per dekatherm. At Original Sheet № 5-41 of "INTERRUPTIBLE GAS TRANSPORTATION SERVICE Rates 81 and 82", "Gas Rate Schedule – MNPUC Volume 3", the "Distribution Charge" for Rate 82 is $0.9007 per dekatherm.

A. Please provide the detailed calculation of the "Access Commodity Charge".
B. Identify and explain in sufficient detail (for replicating the Company's information) each component used in the calculation performed above.
C. Please explain the difference between the "Access Commodity Charge" and the "Distribution Charge" for rate 82, and why it is reasonable.

Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulate intact. If any of these links target an outside file, please provide all such additional files.

In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used and also provide a brief but complete explanation of the source of each data series that is provided.

If this information has already been provided in the application or in response to an earlier Department information request (IR), please identify the specific cite(s) or Department IR number(s).

To be completed by responder

Response Date: February 20, 2024
Response by: Travis Jacobson
Email Address: Travis. jacobson@mdu.com
Phone Number: (701) 222-7855

Minnesota Department of Commerce
85 7th Place East | Suite 280 | St. Paul, MN 55101
Information Request

Docket Number: G004/M-24-73 ☐Nonpublic ☒Public
Requested From: Travis R. Jacobson, Great Plains Natural Gas Co. Date of Request: 2/8/2024
Type of Inquiry: General Response Due: 2/20/2024

Response to Request No. 2 (continued):

A. As noted in the information request, the Company used the Basic Service Charge and Distribution Charge authorized under its current Large Interruptible Transportation Service Rate 82 (Rate 82) schedule as the basis for both the monthly Access Fee and Access Commodity Charge under proposed Renewable Natural Gas Producer Access and Interconnection Service Rate 87 (Rate 87) as the Company believes the RNG service provided is comparable to that provided under Rate 82. Rate 82's charges were authorized in the Company's last general rate case, Docket No. G004/GR-19-511, effective April 1, 2021. Attached as Response No. DOC-2 Attachment A are select pages of the Company's November 10, 2020 Compliance Filing from that rate case reflecting the Commission's October 26, 2020 Order. The Company later filed a subsequent Compliance Filing to reflect the April 1, 2021 effective date on the tariff sheets with no other change to the tariff sheets from that first submitted in the Company's November 10, 2021 Compliance Filing. Attachment A includes the rate design authorized in Docket No. G004/GR-19-511, specifically those reflecting the calculations and/or resulting rates as they relate to Rate 82.

   Pursuant to proposed Rate 87's General Provisions paragraphs 2.b, 3, and 4, any costs incurred specific to the RNG producer are recovered through the Maintenance Fee and/or paid by the Rate 87 customer prior to the commencement of any construction and/or service.

   A correction is necessary to the Rates section of proposed Rate 87. As proposed, the Company's Revenue Decoupling Mechanism (RDM) would not be applicable to Rate 87. Due to the inter-relationship between the Margin Sharing Credit (MSC) component of the Company's RDM rates and the Company's Distribution Charges, both authorized in Docket No. G004/GR-19-511, the RDM should be applicable to Rate 87. Absent the inclusion of RDM, Rate 87 customers would not be billed on a consistent basis as those billed under Rate 82 and therefore the correction is necessary to the proposed Rate 87 schedule. In the Company's 2019 rate case, the distribution charges under each rate schedule were increased to assume the loss of one large customer. This increase was then offset by the MSC component of the Company's RDM which reflects the actual margin collected from the large customer.

B. Please see Response No. DOC-2A.

C. The Access Commodity Charge excludes the Conservation Cost Recovery Charge – Base (CCRC Base) of $0.0818 from the Rate 82 Distribution Charge of $0.9007. The derivation of the Rate 82 Distribution Charge of $0.8189 per dk is shown on page 9 of Response No. DOC-2 Attachment A. Great Plains believes the exclusion of the CCRC Base is appropriate when determining the Rate 87 Access Commodity Charge as the objective of a conservation program is to reduce one's consumption. This is opposite of a RNG producer's objective which is to increase the production of their RNG project which in turn, can lead to increased environmental benefits.

To be completed by responder

Response Date: February 20, 2024
Response by: Travis Jacobson
Email Address: Travis. jacobson@mdu.com
Phone Number: (701) 222-7855

GREAT PLAINS NATURAL GAS CO.
REVENUES UNDER CURRENT AND PROPOSED RATES
GAS UTILITY - MINNESOTA
Final Order - Projected 2020 - Docket No. G004/GR-19-511

Customer Class/Rate	Revenues Before Increase 1/ Bills	Dk	Revenue	Total Proposed Revenue 2/	Proposed Revenue Increase	Percent Increase	GUIC 3/	Effective Rate Case Increase 4/	Net Percent Increase
Residential - Rate 60	18,808.0	1,527,457	$9,896,997	$11,404,598	$1,507,601	15.2%	$380,948	$1,126,653	11.4%
Firm General - Rate 70	3,078.0	1,342,053	7,678,331	8,847,796	1,169,465	15.2%	240,496	928,969	12.1%
Interruptible - Grain Drying Rate 73	23.9	191,639	745,377	858,908	113,531	15.2%	27,181	86,350	11.6%
Small Interruptible									
Sales - Rate 71	92.5	392,421	1,651,875	1,872,926	221,051	13.4%	59,609	161,442	9.8%
Transport - Rate 81	6.0	85,118	114,039	161,987	47,948	42.0%	6,733	41,215	36.1%
Total Small Interruptible	98.5	477,539	1,765,914	2,034,913	268,999	15.2%	66,342	202,657	11.5%
Large Interruptible									
Sales - Rate 85	7.0	359,600	1,181,260	1,262,493	81,233	6.9%	39,664	41,569	3.5%
Transport - Rate 82	8.0	763,905	485,212	657,779	172,567	35.6%	24,448	148,119	30.5%
Margin Sharing Customer	2.0	1,564,495	820,873	946,501	125,628	15.3%	0	125,628	15.3%
Transport - Flex	3.0	2,261,482	495,755	495,755	0	0.0%	0	0	0.0%
Total Large Interruptible	20.0	4,949,482	2,983,100	3,362,528	379,428	12.7%	64,112	315,316	10.6%
Total Minnesota	22,028.4	8,488,170	$23,069,719	$26,508,743	$3,439,024	14.9%	$779,079	$2,659,945	11.5%

1/ As reported in Exhibit 2, page 2 of 19 of the Company's July 8, 2020 Compliance Filing reflecting the ALJ's Report Recommendations.
2/ Includes margin sharing credit.
3/ GUIC revenue at rates approved in Docket No. G-004/M-18-282.
4/ GUIC revenue was excluded in the revenue analysis and was therefore built into the revenue requirement as part of the rate case. However, the dollars do not represent an increase to retail rates as part of the rate case as customers would pay this amount if no rate case had been filed. The Company is separating the dollars here to show the effective increase resulting from the rate case.

GREAT PLAINS NATURAL GAS CO.
GAS UTILITY - MINNESOTA
ALLOCATION OF REVENUES
Final Order - Projected 2020 - Docket No. G004/GR-19-511

	Cost of Gas			Distribution Including CIP		Increase		Total Revenue		Increase	
	Demand	Commodity	Total	Present	Proposed 1/	(Decrease)	%	Present	Proposed 1/	(Decrease)	%
Sales											
Residential	$2,225,199	$3,411,881	$5,637,080	$4,259,917	$5,767,518	$1,507,601	35.4%	$9,896,997	$11,404,598	$1,507,601	15.2%
Firm General	1,955,103	2,997,744	4,952,847	2,725,484	3,894,949	1,169,465	42.9%	7,678,331	8,847,796	1,169,465	15.2%
Interruptible - Grain Drying	75,697	428,064	503,761	241,616	355,147	113,531	47.0%	745,377	858,908	113,531	15.2%
Small Interruptible	155,006	876,551	1,031,557	620,318	841,369	221,051	35.6%	1,651,875	1,872,926	221,051	13.4%
Large Interruptible	142,042	803,239	945,281	235,979	317,212	81,233	34.4%	1,181,260	1,262,493	81,233	6.9%
Total Sales	$4,553,047	$8,517,479	$13,070,526	$8,083,314	$11,176,195	$3,092,881	38.3%	$21,153,840	$24,246,721	$3,092,881	14.6%
Transportation											
Small Interruptible				$114,039	$161,987	$47,948	42.0%	$114,039	$161,987	$47,948	42.0%
Large Interruptible				485,212	657,779	172,567	35.6%	485,212	657,779	172,567	35.6%
Margin Sharing Customer				820,873	946,501	125,628	15.3%	820,873	946,501	125,628	15.3%
Flex Contracts				495,755	495,755	0	0.0%	495,755	495,755	0	0.0%
Total Transportation				$1,915,879	$2,262,022	$346,143	18.1%	$1,915,879	$2,262,022	$346,143	18.1%
Total	$4,553,047	$8,517,479	$13,070,526	$9,999,193	$13,438,217	$3,439,024	34.4%	$23,069,719	$26,508,743	$3,439,024	14.9%

1/ Includes margin sharing credit.

GREAT PLAINS NATURAL GAS CO.
GAS UTILITY - MINNESOTA
Comparison of Revenues - Current & Projected
Final Order - Projected 2020 - Docket No. G004/GR-19-511

	Projected 2020		Current Rates						Current Revenues						
			Basic	Distribution	Margin		Cost of Gas		Basic	Distribution	Margin		Cost of Gas		
Current	**Bills**	**Dk**	**Service Chg**	**Delivery 1/**	**Sharing**	**Demand**	**Commodity**	**Total**	**Service Chg**	**Delivery**	**Sharing**	**Demand**	**Commodity**	**Total**	**Total**
Residential	18,808.0	1,527,457	$7.50	$1.6807	$0.0000	$1.4568	$2.2337	$3.6905	$1,692,720	$2,567,197	$0	$2,225,199	$3,411,881	$5,637,080	$9,896,997
Firm General Gas < 500	2,014.0	286,401	23.00	1.3455	0.0000	1.4568	2.2337	3.6905	555,864	385,353	0	417,229	639,734	1,056,963	1,998,180
Firm General Gas > 500	1,064.0	1,055,652	28.50	1.3455	0.0000	1.4568	2.2337	3.6905	363,888	1,420,379	0	1,537,874	2,358,010	3,895,884	5,680,151
Interruptible Grain Drying 2/	21.9	145,269	145.00	1.1706	0.0000	0.3950	2.2337	2.6287	38,106	170,052	0	57,381	324,487	381,868	590,026
Interruptible Grain Drying 3/	2.0	46,370	230.00	0.6025	0.0000	0.3950	2.2337	2.6287	5,520	27,938	0	18,316	103,577	121,893	155,351
Small Int. Gas Sales	92.5	392,421	145.00	1.1706	0.0000	0.3950	2.2337	2.6287	160,950	459,368	0	155,006	876,551	1,031,557	1,651,875
Small Int. General Gas Trans.	6.0	85,118	200.00	1.1706	0.0000				14,400	99,639	0	0	0	0	114,039
Large Int. General Gas Trans.	8.0	763,905	260.00	0.6025	0.0000				24,960	460,252	0	0	0	0	485,212
Margin Sharing Customer	2.0	1,564,495	260.00	0.5207	0.0000				6,240	814,633	0	0	0	0	820,873
Large Int. Gas Sales	7.0	359,600	230.00	0.6025	0.0000	0.3950	2.2337	2.6287	19,320	216,659	0	142,042	803,239	945,281	1,181,260
Large Int. Flex Trans.	3.0	2,261,482	260.00		0.0000				9,360	486,395	0	0	0	0	495,755
Total - Current Rates	22,028.4	8,488,170							$2,891,328	$7,107,865	$0	$4,553,047	$8,517,479	$13,070,526	$23,069,719

	Projected 2020		Proposed Rates						Proposed Revenues						
			Basic	Distribution	Margin		Cost of Gas		Basic	Distribution	Margin		Cost of Gas		
Proposed	**Bills**	**Dk**	**Service Chg**	**Delivery 1/**	**Sharing**	**Demand**	**Commodity**	**Total**	**Service Chg**	**Delivery**	**Sharing**	**Demand**	**Commodity**	**Total**	**Total**
Residential	18,808.0	1,527,457	$7.500	$3.0171	($0.3494)	$1.4568	$2.2337	$3.6905	$1,692,720	$4,608,491	($533,693)	$2,225,199	$3,411,881	$5,637,080	$11,404,598
Firm General Gas < 500	2,014.0	286,401	23.000	2.4685	(0.2516)	1.4568	2.2337	3.6905	555,864	706,981	(72,059)	417,229	639,734	1,056,963	2,247,749
Firm General Gas > 500	1,064.0	1,055,652	28.500	2.4685	(0.2516)	1.4568	2.2337	3.6905	363,888	2,605,877	(265,602)	1,537,874	2,358,010	3,895,884	6,600,047
Interruptible Grain Drying	23.9	191,639.0	230.00	1.6611	(0.1521)	0.3950	2.2337	2.6287	65,964	318,331	(29,148)	75,697	428,064	503,761	858,908
Small Int. Gas Sales	92.5	392,421	145.00	1.9219	(0.1880)	0.3950	2.2337	2.6287	160,950	754,194	(73,775)	155,006	876,551	1,031,557	1,872,926
Small Int. General Gas Trans.	6.0	85,118	200.00	1.9219	(0.1880)				14,400	163,589	(16,002)	0	0	0	161,987
Large Int. General Gas Trans.	8.0	763,905	260.00	0.9007	(0.0723)				24,960	688,049	(55,230)	0	0	0	657,779
Margin Sharing Customer	2.0	1,564,495	260.00	0.6010	0.0000				6,240	940,261	0	0	0	0	946,501
Large Int. Gas Sales	7.0	359,600	230.00	0.9007	(0.0723)	0.3950	2.2337	2.6287	19,320	323,891	(25,999)	142,042	803,239	945,281	1,262,493
Large Int. Flex Trans.	3.0	2,261,482	260.00	0	0.0000				9,360	486,395	0	0	0	0	495,755
Total - Proposed Rates	22,028.4	8,488,170							$2,913,666	$11,596,059	($1,071,508)	$4,553,047	$8,517,479	$13,070,526	$26,508,743
								Increase	$22,338	$4,488,194	($1,071,508)	$0	$0	$0	$3,439,024

1/ Includes CIP.
2/ Grain drying customers currently served under Rate 71.
3/ Grain drying customers currently served under Rate 85.

GREAT PLAINS NATURAL GAS CO.
GAS UTILITY - MINNESOTA
SUMMARY OF REVENUES BEFORE INCREASE
Final Order - Projected 2020 - Docket No. G004/GR-19-511

	Billing Determinants - Projected 2020 1/							
Rate Class	Billing Units	Dk	Distribution Revenues	CIP Base	Demand	Gas Costs Commodity	Total	Total Revenues
Residential	18,808.0	1,527,457	$4,134,971	$124,946	$2,225,199	$3,411,881	$5,637,080	$9,896,997
Firm General Service	3,078.0	1,342,053	2,615,704	109,780	1,955,103	2,997,744	4,952,847	7,678,331
IT - Grain Drying	23.9	191,639	225,940	15,676	75,697	428,064	503,761	745,377
Small IT Sales	92.5	392,421	588,218	32,100	155,006	876,551	1,031,557	1,651,875
Large IT Sales	7.0	359,600	206,564	29,415	142,042	803,239	945,281	1,181,260
Small IT Transport	6.0	85,118	107,076	6,963				114,039
Large IT Transport	8.0	763,905	422,725	62,487				485,212
Margin Sharing Customer	2.0	1,564,495	820,873					820,873
Transport Flex	3.0	2,261,482	310,766	184,989				495,755
Total Minnesota	22,028.4	8,488,170	9,432,837	566,356	$4,553,047	$8,517,479	$13,070,526	$23,069,719

1/ As reported in Exhibit 2, page 1 of 19 of the Company's July 8, 2020 Compliance Filing reflecting the ALJ's Report Recommendations.

GREAT PLAINS NATURAL GAS CO.
GAS UTILITY - MINNESOTA
ALLOCATION OF REVENUES
Final Order - Projected 2020 - Docket No. G004/GR-19-511

Rate Class	Total Allocated Revenues 1/	Current Revenues	Increase
Residential	$11,404,493	$9,896,997	$1,507,496
Firm General	8,847,869	7,678,331	1,169,538
Interruptible - Grain Drying	858,902	745,377	113,525
Small Interruptible Sales	1,903,480	1,651,875	251,605
Small Interruptible Transport	131,414	114,039	17,375
Large Interruptible Sales	1,361,175	1,181,260	179,915
Large Interruptible Transport	559,110	485,212	73,898
Margin Sharing Customer	945,913	820,873	125,040
Large IT Transport Flex	495,755	495,755	0
Total Minnesota	$26,508,111	$23,069,719	$3,438,392

1/ Class revenue allocation based on current revenues before increase.

GREAT PLAINS NATURAL GAS CO.
GAS UTILITY - MINNESOTA
ALLOCATION OF REVENUES
Final Order - Projected 2020 - Docket No. G004/GR-19-511

	Target Rate Design										
Rate Class	Target Increase 2/	Target Margin Sharing Increase	Current Distribution Revenue	Distr Rev Reflecting Increase 2/	Gas Costs Demand	Gas Costs Commodity	Gas Costs Total	Total Design Revenues	Total Current Revenues	Total Design Increase	Resulting % Design Increase
Residential	$1,507,496	533,735	$4,259,917	$5,767,518	$2,225,199	$3,411,881	$5,637,080	$11,404,598	$9,896,997	$1,507,601	15.23%
Firm General	1,169,538	337,643	2,725,484	3,894,949	1,955,103	2,997,744	4,952,847	8,847,796	7,678,331	1,169,465	15.23%
Interruptible - Grain Drying	113,525	29,146	241,616	355,147	75,697	428,064	503,761	858,908	745,377	113,531	15.23%
Small Interruptible Sales	251,605	75,972	620,318	841,369	155,006	876,551	1,031,557	1,872,926	1,651,875	221,051	13.38%
Small Interruptible Transport	17,375	13,823	114,039	161,987	0	0	0	161,987	114,039	47,948	42.05%
Large Interruptible Sales	179,915	26,681	235,979	317,212	142,042	803,239	945,281	1,262,493	1,181,260	81,233	6.88%
Large Interruptible Transport	73,898	54,541	485,212	657,779	0	0	0	657,779	485,212	172,567	35.57%
Margin Sharing Customer	125,040	0	820,873	946,501				946,501	820,873	125,628	15.30%
Large IT Transport Flex	0	0	495,755	495,755	0	0	0	495,755	495,755	0	0.00%
Total Minnesota	$3,438,392	$1,071,541	$9,999,193	$13,438,217	$4,553,047	$8,517,479	$13,070,526	$26,508,743	$23,069,719	$3,439,024	14.91%

1/ Allocation of Revenues based on current revenues before increase.

Design Increase	$3,438,392	Total Revenue Requirement reflecting GUIC before deferred account balance (Findings of Fact, Conclusions and Order dated 10/26/2020, page 29).
Overall Increase Excl Flex	15.232%	
Overall Increase With Flex	14.904%	
Inverse of Tax Rate	71.2580%	

2/ Includes margin sharing credit.

GREAT PLAINS NATURAL GAS CO.
GAS UTILITY - MINNESOTA
ALLOCATION OF REVENUES
Final Order - Projected 2020 - Docket No. G004/GR-19-511

	Rate Design Summary of Results							
	Distribution Revenue Summary				Total Effective Increase Summary			
Rate Class	Current Dist. Revenue 1/	% Share of Distribution Revenue	Distr Rev Reflecting Increase 2/	% Share of Distribution Revenue	Total Design Increase	(Less) GUIC Revenue	Total Effective Increase 3/	Total % Increase
Residential	$4,259,917	42.5%	$5,767,518	42.9%	$1,507,601	$380,948	$1,126,653	11.4%
Firm General	2,725,484	27.3%	3,894,949	29.0%	1,169,465	240,496	928,969	12.1%
Interruptible - Grain Drying	241,616	2.4%	355,147	2.6%	113,531	27,181	86,350	11.6%
Small Interruptible Sales	620,318	6.2%	841,369	6.3%	221,051	59,609	161,442	9.8%
Small Interruptible Transport	114,039	1.1%	161,987	1.2%	47,948	6,733	41,215	36.1%
Large Interruptible Sales	235,979	2.4%	317,212	2.4%	81,233	39,664	41,569	3.5%
Large Interruptible Transport	485,212	4.9%	657,779	4.9%	172,567	24,448	148,119	30.5%
Margin Sharing Customer	820,873	8.2%	946,501	7.0%	125,628	0	125,628	15.3%
Large IT Transport Flex	495,755	5.0%	495,755	3.7%	0	0	0	0.0%
Total Minnesota	$9,999,193	100.0%	$13,438,217	100.0%	$3,439,024	$779,079	$2,659,945	11.5%

1/ Including CIP Base.
2/ Including CIP Base and Margin Sharing credit.
3/ Total increase expected as a direct result of the rate case.

GREAT PLAINS NATURAL GAS CO.
GAS UTILITY - MINNESOTA
ALLOCATION OF REVENUES
Final Order - Projected 2020 - Docket No. G004/GR-19-511

Margin Sharing Allocation			
Rate Class	Distribution Revenues 1/	Share of Dist. Revs	Margin Sharing Allocation
Residential	$4,134,971	49.81%	$533,735
Small Firm	917,789		
Large Firm	1,697,915		
Total Firm General	2,615,704	31.51%	337,643
IT - Grain Drying	225,940	2.72%	29,146
Small IT Sales	588,218	7.09%	75,972
Small IT Transport	107,076	1.29%	13,823
Small IT Total	695,294	8.38%	89,795
Large IT Sales	206,564	2.49%	26,681
Large IT Transport 1/	422,725	5.09%	54,541
Large IT Total	629,289	7.58%	81,222
Total Minnesota	$8,301,198	100.00%	$1,071,541

1/ Excludes revenues associated with proposed Margin Sharing customer and flexible rate customers.
2/ Projected 2020 distribution revenues Excluding CIP.
Projected 2020 Margin Sharing customer revenue. $1,071,541

GUIC Revenue @ Current Rates			
Rate Class	Projected Volumes	GUIC Rate	GUIC Revenue
Residential	1,527,457	$0.2494	$380,948
Small Firm	286,401	0.1792	51,323
Large Firm	1,055,652	0.1792	189,173
Total Firm General	1,342,053		240,496
IT - Grain Drying	145,269	0.1519	22,066
IT - Grain Drying	46,370	0.1103	5,115
Small IT Sales	392,421	0.1519	59,609
Small IT Transport	85,118	0.0791	6,733
Small IT Total	477,539		66,342
Large IT Sales	359,600	0.1103	39,664
Large IT Transport 1/	2,328,400	0.0105	24,448
Large IT Total	2,688,000		64,112
Total Minnesota	6,226,688		$779,079

1/ Excludes transportation flexible rate customer volumes.
GUIC includes the out of period true-up.

GREAT PLAINS NATURAL GAS CO.
GAS UTILITY - MINNESOTA
RATE RECONCILIATION
LARGE INTERRUPTIBLE GAS SERVICE
Final Order - Projected 2020 - Docket No. G004/GR-19-511

	Billing Units		Current Rate	Current Amount	Proposed Rate	Proposed Amount	Revenue Change
Large Interruptible							
Basic Service Charge - Sales	7	Billing Units	$230.00	$19,320	$230.00	19,320	0
Basic Service Charge - Transport	8	Billing Units	260.00	24,960	260.00	24,960	0
Distribution Charge - Sales	359,600	Dk	0.5207	187,244	0.8189	294,476	107,232
Distribution Charge - Transport	763,905	Dk	0.5207	397,765	0.8189	625,562	227,797
Margin Sharing Credit - Sales	359,600	Dk	0.0000	0	(0.0723)	(25,999)	(25,999)
Margin Sharing Credit - Transport	763,905	Dk	0.0000	0	(0.0723)	(55,230)	(55,230)
CIP Base - Sales	359,600	Dk	0.0818	29,415	0.0818	29,415	0
CIP Base - Transport	763,905	Dk	0.0818	62,487	0.0818	62,487	0
Cost of Gas - Commodity	359,600	Dk	2.2337	803,239	2.2337	803,239	0
Cost of Gas - Demand	359,600	Dk	0.3950	142,042	0.3950	142,042	0
Margin Sharing Customer							
Basic Service Charge	2	Billing Units	260.00	6,240	260.00	6,240	0
Distribution Charge	1,564,495	Dk	0.5207	814,633	0.6010	940,261	125,628
Flexible Contracts							
Basic Service Charge	3	Billing Units	260.00	9,360	260.00	9,360	0
Distribution Charge	2,261,482	Dk		301,406		301,406	0
CIP Base	2,261,482	Dk	0.0818	184,989	0.0818	184,989	0
Total Revenue Rate				2,983,100		3,362,528	379,428

Total Distribution Revenues Per Design @ Ceiling	$1,056,220
Target Distribution Revenues @ Ceiling	1,056,226
Difference	($6)

GREAT PLAINS NATURAL GAS CO.
GAS UTILITY - MINNESOTA
LARGE INTERRUPTIBLE GAS SERVICE
Derivation of Rates
Final Order - Projected 2020 - Docket No. G004/GR-19-511

Current Non-Gas Revenues	$1,216,946
Less: Flexed Contracts 1/	($495,755)
Proposed Revenue Increase	$335,035
Total Revenue Requirement for Non-Flex and Non-Margin Sharing Customer	1,056,226

	Total	Margin Sharing Customer			
Current Non-Gas Revenue @ Ceiling	$721,191	$820,873			
Proposed Rev Req Inc.	253,813	125,040	378853	$460,075	81222
Proposed Margin Sharing Inc.	81,222	0			
	1,056,226	945,913			
Proposed Base Rate	44,280	6,240			
Net Commodity	1,011,946	939,673			
Less Proposed CIP	91,902	0			
	920,044	939,673			
Proposed Distribution Charge	$0.8189	$0.6010			
Margin Sharing Credit - Sales	($81,222)				
Per Dk	($0.0723)				
Projected 2020 Sales Dk	359,600				
Projected 2020 Transport Dk	763,905	1,564,495			
Total Dk	1,123,505				
Proposed CIP Base	0.0818				

1/ Flexed Contracts

Customer ID	Basic Service Charge	Dk	CIP Base	Distribution Revenue	Total Rev
TF-2	3,120	596,861	48,823	53,717	105,660
TF-3	3,120	656,155	53,673	111,546	168,339
TF-5	3,120	1,008,466	82,493	136,143	221,756
Total	$9,360	2,261,482	$184,989	$301,406	$495,755

Great Plains Natural Gas Company
Gas Utility - Minnesota
Flexible Distribution Rates

Large Interruptible Fixed Rate 85

Distribution Rate including CIP	$ 0.9007

Flexible Rate 85

Minimum Margin	$ 0.0810
Mid Point (Margin per rate design)	$ 0.9007
Minimum	0.0810
Difference	$ 0.8197
Mid Point	$ 0.9007
Plus Difference	0.8197
Maximum Margin	$ 1.7204

Interruptible Transport Flex - Rate 82

Minimum Margin	$ 0.0530
Mid Point (Margin per rate design)	$ 0.9007
Minimum	0.0530
Difference	$ 0.8477
Mid Point	$ 0.9007
Plus Difference	0.8477
Maximum Margin	$ 1.7484

Note: CIP shall be added to the above rates where applicable.

Minnesota Department of Commerce
85 7th Place East | Suite 280 | St. Paul, MN 55101
Information Request

Docket Number: G004/M-24-73
Requested From: Travis R. Jacobson, Great Plains Natural Gas Co.
Type of Inquiry: General

☐Nonpublic ☒Public
Date of Request: 2/8/2024
Response Due: 2/20/2024

SEND RESPONSE VIA EMAIL TO: Utility.Discovery@state.mn.us as well as the assigned analyst(s).
Assigned Analyst(s): Mateus Santos, Andrew Bahn
Email Address(es): mateus.santos@state.mn.us, andrew.p.bahn@state.mn.us
Phone Number(s): 651-539-1029

ADDITIONAL INSTRUCTIONS:
Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.

Request Number:	**3**
Topic:	Click or tap here to enter text.
Reference(s):	Click or tap here to enter text.

Request:

Please identify and explain in sufficient detail (for replicating the Company's information) each component used in the calculation of the $260.00 monthly "Access Fee."

Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulate intact. If any of these links target an outside file, please provide all such additional files.

In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used and also provide a brief but complete explanation of the source of each data series that is provided.

If this information has already been provided in the application or in response to an earlier Department information request (IR), please identify the specific cite(s) or Department IR number(s).

Response:

Please see Response No. DOC-2 Attachment A.

To be completed by responder

Response Date: February 20, 2024
Response by: Travis Jacobson
Email Address: Travis. jacobson@mdu.com
Phone Number: (701) 222-7855

Minnesota Department of Commerce
85 7th Place East | Suite 280 | St. Paul, MN 55101
Information Request

Docket Number: G004/M-24-73 ☐Nonpublic ☒Public
Requested From: Travis R. Jacobson, Great Plains Natural Gas Co. Date of Request: 2/8/2024
Type of Inquiry: General Response Due: 2/20/2024

SEND RESPONSE VIA EMAIL TO: Utility.Discovery@state.mn.us as well as the assigned analyst(s).
Assigned Analyst(s): Mateus Santos, Andrew Bahn
Email Address(es): mateus.santos@state.mn.us, andrew.p.bahn@state.mn.us
Phone Number(s): 651-539-1029

ADDITIONAL INSTRUCTIONS:
Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.

Request Number:	**4**
Topic:	Click or tap here to enter text.
Reference(s):	Click or tap here to enter text.

Request:

Please provide a detailed explanation of how the "Maintenance Fee" will be calculated. Include a detailed and reasonable estimate of the costs incurred.

Where applicable, please provide the requested data in a Microsoft Excel executable format (*.xlsx) with all links and formulate intact. If any of these links target an outside file, please provide all such additional files.

In addition, whenever acronyms are used in the data given in response to all the parts above, please provide an explanation of all acronyms used and also provide a brief but complete explanation of the source of each data series that is provided.

If this information has already been provided in the application or in response to an earlier Department information request (IR), please identify the specific cite(s) or Department IR number(s).

Response:

Please see the attached Excel file ("Response No. DOC-4 Attachment A") for the calculations supporting Attachment B of the Company's January 12, 2024 filing. The example was modeled from the actual costs incurred over the course of a year for the maintenance of the interconnection facilities with a renewable natural gas producer/customer at one of Great Plains' sister utilities. Each maintenance fee will be dependent on the actual costs incurred to provide service to a particular location and will be subject to an annual review.

To be completed by responder

Response Date: February 20, 2024
Response by: Travis Jacobson
Email Address: Travis. jacobson@mdu.com
Phone Number: (701) 222-7855

Minnesota Department of Commerce
85 7th Place East | Suite 280 | St. Paul, MN 55101
Information Request

Docket Number: G004/M-24-73
Requested From: Travis R. Jacobson, Great Plains Natural Gas Co.
Type of Inquiry: General

☐Nonpublic ☒Public
Date of Request: 2/8/2024
Response Due: 2/20/2024

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Assigned Analyst(s): Mateus Santos, Andrew Bahn
Email Address(es): mateus.santos@state.mn.us, andrew.p.bahn@state.mn.us
Phone Number(s): 651-539-1029

ADDITIONAL INSTRUCTIONS:
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Request Number:	**5**
Topic:	Click or tap here to enter text.
Reference(s):	Click or tap here to enter text.

Request:

At Original Sheet № 5-42 of "INTERRUPTIBLE GAS TRANSPORTATION SERVICE Rates 81 and 82", "Gas Rate Schedule – MNPUC Volume 3", it is stated that:

> "The customer is responsible for making all arrangements for transporting the gas from its source to the Company's interconnection with the delivering pipeline(s)."

Explain what (if any) arrangements a producer of RNG under Tariff 87 will have to make regarding the destination of the natural gas supplied once the interconnection service provided is for "delivering RNG utilizing Great Plains' distribution system."

If this information has already been provided in the application or in response to an earlier Department information request (IR), please identify the specific cite(s) or Department IR number(s).

Response:

All gas that a RNG producer or agent thereof delivers to an interconnect with a third-party transportation service provider must be transported away from the interconnect. Such transportation is the sole responsibility of the RNG producer. The producer will also be responsible for managing daily balancing subject to the Nomination and Balancing Requirements provision of the proposed tariff.

To be completed by responder

Response Date: February 20, 2024
Response by: Travis Jacobson
Email Address: Travis. jacobson@mdu.com
Phone Number: (701) 222-7855

Minnesota Department of Commerce
85 7th Place East | Suite 280 | St. Paul, MN 55101
Information Request

Docket Number: G004/M-24-73
Requested From: Travis R. Jacobson, Great Plains Natural Gas Co.
Type of Inquiry: General

☐Nonpublic ☒Public
Date of Request: 2/8/2024
Response Due: 2/20/2024

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Phone Number(s): 651-539-1029

ADDITIONAL INSTRUCTIONS:
Each response must be submitted as a text searchable PDF, unless otherwise directed. Please include the docket number, request number, and respondent name and title on the answers. If your response contains Trade Secret data, please include a public copy.

Request Number:	**6**
Topic:	Click or tap here to enter text.
Reference(s):	Click or tap here to enter text.

Request:

A. Please explain why the "Cash-in" mechanism is the greater of the Company's WACOG or the Index Price" while the "Cash-out" is the lesser of the two.
B. Please explain how consumers are protected from natural gas price volatility if the "Index Price shall be the arithmetic average of the 'Weekly Weighted Average Prices' published by Gas Daily for Emerson, Viking KL; Northen, Ventura; and Northern, demark during given month" in the occurrence of an imbalance.

If this information has already been provided in the application or in response to an earlier Department information request (IR), please identify the specific cite(s) or Department IR number(s).

Response:

A. The Cash-in and Cash-out mechanisms similarly follows the currently employed cash in and out mechanisms for other Great Plains' transportation rate schedules. The mechanisms are intended to incentivize transportation customers to limit their variance between scheduled and actual quantities. The effect is that a customer is buying back their supply shortage at higher price than core customers would have paid or selling their excess gas at a lower price than core customer would have paid; ultimately protecting the weighted average cost borne by core customers.

B. Transmission pipelines use weekly weighted average pricing to remedy accrued balances on Great Plains' operational balancing agreements. Therefore, as transportation customer variance contribute to operational balancing agreement variances, cash-in and cash-out mechanisms applied by Great Plains will offset mechanisms applied by transportation service providers.

To be completed by responder

Response Date: February 20, 2024
Response by: Travis Jacobson
Email Address: Travis. jacobson@mdu.com
Phone Number: (701) 222-7855

CERTIFICATE OF SERVICE

I, Sharon Ferguson, hereby certify that I have this day, served copies of the following document on the attached list of persons by electronic filing, certified mail, e-mail, or by depositing a true and correct copy thereof properly enveloped with postage paid in the United States Mail at St. Paul, Minnesota.

Minnesota Department of Commerce
Comments

Docket No. G004/M-24-73

Dated this **8th** day of **March 2024**

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1400 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_24-73_M-24-73
Sharon	Ferguson	sharon.ferguson@state.mn.us	Department of Commerce	85 7th Place E Ste 280 Saint Paul, MN 551012198	Electronic Service	No	OFF_SL_24-73_M-24-73
Travis	Jacobson	travis.jacobson@mdu.com	Great Plains Natural Gas Company	400 N 4th St Bismarck, ND 58501	Electronic Service	No	OFF_SL_24-73_M-24-73
Generic Notice	Residential Utilities Division	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012131	Electronic Service	Yes	OFF_SL_24-73_M-24-73
Will	Seuffert	Will.Seuffert@state.mn.us	Public Utilities Commission	121 7th Pl E Ste 350 Saint Paul, MN 55101	Electronic Service	Yes	OFF_SL_24-73_M-24-73
Kristin	Stastny	kstastny@taftlaw.com	Taft Stettinius & Hollister LLP	2200 IDS Center 80 South 8th St Minneapolis, MN 55402	Electronic Service	No	OFF_SL_24-73_M-24-73