

**Minnesota Public Utilities Commission**  
*Staff Briefing Papers*

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**Meeting Date:**    November 13, 2015 ..... **\*\*Agenda Item #3**

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**Company:**            Great Plains Natural Gas Company (Great Plains), a Division of MDU  
Resources Group, Inc.

**Docket Nos.**        G-004/MR-15-871 and G-004/MR-15-878  
In the Matter of Great Plains Natural Gas Company (Great Plains), a Division  
of MDU Resources Group, Inc. Petition to Establish a New Base Gas Cost  
Filing for Interim Rates and Final Rates in Great Plains' General Rate Case,  
Docket No. G-004/GR-15-879.

**Issue:**              Should the Commission approve Great Plains' proposed interim period  
(Docket No. G-004/MR-15-878) and final rates (Docket No. G-004/MR-15-  
871) base cost of gas petitions?

**Staff:**                Bob Brill ..... 651-201-2242

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***Relevant Documents***

Docket No. G-004/MR-15-871 (Final Rates)  
Great Plains - Initial Petition - Final Base Cost of Gas ..... September 30, 2015

Docket No. G-004/MR-15-878 (Interim Rates)  
Great Plains - Initial Petition - Interim Base Cost of Gas ..... September 30, 2015

Docket Nos. G-004/MR-15-871 (Final Rates) & G-004/MR-15-878 (Interim Rates)  
Department of Commerce (Department) - Comments.....October 12, 2015  
Great Plains - Reply Comments.....October 15, 2015  
Department of Commerce (Department) – Supplemental Reply Comments .....October 23, 2015

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The attached materials are workpapers of the Commission Staff. They are intended for use by the Public Utilities Commission and are based upon information already in the record unless otherwise noted.

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*November 5, 2015*

## Statement of the Issue

Should the Commission approve Great Plains' proposed interim period (Docket No. G-004/MR-15-878) and final rates (Docket No. G-004/MR-15-871) base cost of gas petitions?

## Background

On September 30, 2015, Great Plains Natural Gas Company (Great Plains) filed its general rate case in Docket No. G-004/GR-15-879.

On September 30, 2015, Great Plains filed its miscellaneous rate petition reflecting a new base cost of gas to coincide with the implementation of interim rates (Docket No. G-004/MR-15-878) and final rates (Docket No. G-004/MR-15-871) in its general rate case pursuant to Minn. Rules Pt. 7825.2700, Subp. 2, New Base Gas Cost.

On October 12, 2015, the Department of Commerce (Department) filed *Comments* recommending that the Commission withhold its decision on Great Plains' interim base cost of gas filing (Docket No. G-004/MR-15-878), subject to Great Plains providing clarifying information, updated schedules, and revised tariff sheets in its *Reply Comment*, and in its rate case docket. Further, the Department recommended that the Commission take no action on Great Plains' final rates base cost of gas filing (Docket No. G-004/MR-15-871).

On October 15, 2015, Great Plains filed its *Reply Comments* in both base cost of gas dockets, responding to the Department's request for information.

On October 23, 2015, the Department filed its *Response Comments* responding to Great Plains' October 15, 2015 *Reply Comments*.

## Relevant Commission Rules

Minn. Rules Pt. 7825.2700, Subp. 2, New Base Gas Cost

A new base gas cost must be submitted as a miscellaneous rate change to coincide with the implementation of interim rates during a general rate proceeding. A new base gas cost must also be part of the rate design compliance filing submitted as a result of a general rate proceeding. The base gas cost must separately state the commodity base cost and the demand base cost components for each class. The base gas cost for each class is determined by dividing the estimated base period cost of purchased gas for each class by the estimated base period annual sales volume for each class.

## Staff Analysis

Great Plains Natural Gas Company (Great Plains) filed two base cost of gas miscellaneous rate petitions on the same date (September 30, 2015), an interim petition (in Docket No. 15-878) to coincide with its proposed January 1, 2016 implementation of interim rates in its general rate case (Docket No. G-004/GR-15-879), and a final rates base cost of gas petition (in Docket No. 15-871) to correspond with implementation of final rates at the end of the general rate case.

### Final Rates Base Cost of Gas Petition (Docket No. G-004/MR-15-871)

In its final rates base cost of gas petition,<sup>1</sup> Great Plains proposed two changes to its interim base cost of gas.<sup>2</sup> The changes are as follows:

1. Great Plains proposed to consolidate its two PGA districts into one PGA district.<sup>3</sup>
2. Great Plains proposed to collect a portion of the demand transportation (contract entitlements) costs from its interruptible customers.

The Department stated that Great Plains' final rates base cost of gas filing was not technically inappropriate, but the Department believed that the petition was premature because the final rates billing determinants, costs, and rate design assumptions proposed in the initial general rate case petition<sup>4</sup> are likely to change during the course of the rate case proceeding, which will require revisions to Great Plains' final rates base cost of gas calculation.

The Department recommended that the Commission take no action on Great Plains' final rates base cost of gas petition at this time and require Great Plains to refile its final base cost of gas petition at the time of its final compliance in the general rate case petition.

In its October 15, 2015 *Reply Comments*, Great Plains agreed with the Department's recommendation that the Commission should take no action at this time and Great Plains stated it will file a final rates base cost of gas filing when final compliance rates are submitted in Docket No. G-004/GR-15-879.

In its October 23, 2015 *Response Comments*, the Department concluded that this issue had been resolved.

PUC staff agrees with the Department's recommendation that the Commission should require Great Plains to file its final base cost of gas petition at the time of its final compliance in the general rate case petition.<sup>5</sup> PUC staff believes that ruling on Great Plains final rates base cost of

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<sup>1</sup> Docket No. 15-871

<sup>2</sup> Docket No. 15-878

<sup>3</sup> Currently, Great Plains has two PGA districts, North and South.

<sup>4</sup> Docket No. 15-879.

<sup>5</sup> Ibid.

gas petition at this time would be premature because of possible changes that may result in Great Plains' general rate case.<sup>6</sup>

PUC staff further believes that the final compliance filing would be the appropriate time for Great Plains to incorporate its proposed base cost of gas changes, if the Commission chooses to approve Great Plains' proposal to consolidate its PGA districts and/or allow Great Plains to collect a portion of its demand entitlement transportation costs from its interruptible customers.

Further, in order to remove possible future confusion, PUC staff believes the Commission may wish to close Docket No. 15-871, if it decides not to take action on Great Plains' final rates base cost of gas petition. Great Plains has already submitted a copy of its Docket No. 15-871 petition (final rates base cost of gas) into the record of Docket No. 15-878 (interim rates base cost of gas). Great Plains would file its final rates base cost of gas petition in Docket No. 15-878 when it submits its final compliance filing in the general rate case or as directed by the Commission.<sup>7</sup>

Staff also believes this is consistent with the second sentence in the New Base Cost of Gas rule, Minn. Rules 7825.2700, subpart 2

... A new base gas cost must also be part of the rate design compliance filing submitted as a result of a general rate proceeding. ...

### **Interim Rates Base Cost of Gas Petition (Docket No. G-004/MR-15-878)**

#### Demand Entitlements (Demand Costs)

Great Plains basis for its interim base cost of gas demand costs is its 2015-2016 demand entitlements petition; see Docket No. 15-645. The following tables illustrate Great Plains demand costs for both of its PGA districts:

Table 1: Great Plains North PGA District<sup>8</sup> Demand Costs<sup>9</sup>

Interstate Pipelines	Volumes	Rates	Months	Demand Costs
	(1)	(2)	(3)	(4)
	Dth/day	\$		\$
Viking				
FT-A Zone 1-1-(3)	8,000	4.3706	12	419,578
FT-A Zone 1-1-(1)	5,000	4.7507	5	118,768
FT-A Seasonal	3,200	4.7507	5	76,011
NNG				
TFX Seasonal	2,000	15.1530	5	151,530
TFX – Winter	13,000	15.1530	5	984,945
TFX – Summer	13,000	5.6830	7	517,153
Total Demand Costs				2,267,985

<sup>6</sup> Ibid.

<sup>7</sup> Ibid.

<sup>8</sup> The North District consists of five communities in Minnesota; Crookston, Vergas, Pelican Rapids, Fergus Falls and Breckenridge, and Wahpeton, North Dakota.

<sup>9</sup> See Docket No. 15-878, Great Plains interim base cost of gas petition, Attachment B, p. 1.

Table 2: Great Plains South PGA District<sup>10</sup> Demand Costs<sup>11</sup>

Interstate Pipelines	Volumes	Rates	Months	Demand Costs
	(1)	(2)	(3)	(4)
	Dth/day	\$		\$
Viking				
FT-A Zone 1-1 (1)	5,000	4.7507	7	166,275
NNG				
TF12 Base-Summer	5,100	5.6830	7	202,883
TF12 Base-Winter	5,100	10.2300	5	260,865
TF12 Variable-Summer	2,435	5.6830	7	96,867
TF12 Variable-Winter	2,435	13.8660	5	168,819
TF5	3,410	15.1530	5	258,359
TFX	5,930	15.1530	5	449,286
TFX – Negotiated Contract	1,000	26.8918	5	134,459
FDD-1 Reservation	4,640	1.7140	12	95,436
Total Demand Costs				1,833,249

The Department confirmed that Great Plains demand entitlement levels (costs) in its interim base cost of gas petition were consistent with its current 2015-2016 demand entitlement petition.<sup>12</sup>

The majority of Great Plains transportation and storage contracts were approved by the Commission in its August 11, 2015 Order approving Great Plains 2014-2015 demand entitlement petition; see Docket No. 14-563. The remainder of the contracts (entitlements) will be reviewed by PUC staff at a later date in Docket No. 15-645 (Great Plains' 2015-2016 demand entitlement petition). Staff does not believe the changes from Great Plains' 2014-2015 Petition to its 2015-2016 Petition are significant.

Great Plains' recent and pending demand entitlement petitions do not include contract rate information as reflected in Tables 1 and 2. The NNG TFX-negotiated contract was approved in Great Plains' 2014-2015 demand entitlement petition. PUC staff believes that if the 2014-2015 demand entitlement petition had provided its transportation and storage contracts in a similar format to what is reflected above, the NNG TFX-negotiated contract would have been reviewed more thoroughly before the Commission issued its Order.

The NNG TFX-negotiated contract costs represent only 7.33%<sup>13</sup> of Great Plains' total South PGA district demand entitlement costs. However, PUC staff is concerned about this contract

<sup>10</sup> The South District consists of thirteen communities; Belview, Boyd, Clarkfield, Danube, Dawson, Echo, Granite Falls, Marshall, Montivideo, Redwood Falls, Renville, Sacred Heart and Wood Lake.

<sup>11</sup> See Docket No. 15-878, Great Plains interim base cost of gas petition, Attachment B, p. 2.

<sup>12</sup> Docket No. 15-645.

<sup>13</sup> See Table 2; \$134,459/\$1,833,249.

because Great Plains entered into a long-term contract<sup>14</sup> with NNG at a negotiated rate of \$26.8918 per Dth, and the contract terms and rates were not clear in its demand entitlement petitions.

PUC staff believes that the Commission may wish to require Great Plains to provide its transportation and storage contract information in its demand entitlement petitions, to include a similar breakdown of information as illustrated above in Tables 1 and 2, on a going forward basis, starting with supplementing its 2015-2016 (in Docket No. 15-645) demand entitlement petition.

#### Commodity Gas Cost – Weighted Average Cost of Gas

Through its informational data request to Great Plains, the Department verified Great Plains weighted average cost of gas (WACOG) for each PGA district; North district equals \$3.0533 per Dth and South district equals \$3.0606 per Dth.<sup>15</sup> The WACOG was based on the average of forecasted Henry Hub gas prices from three sources (i.e., Wood Mackenzie, Energy Information Agency Short-term Energy Outlook, and Bentek). Great Plains adjusted these forecasted Henry Hub prices by forecasted Demarcation Hub basis points (differentials) to arrive at the estimated monthly commodity costs.<sup>16</sup>

The Department compared Great Plains estimated commodity cost rates to the current New York Mercantile Exchange (NYMEX) market expectations and stated that the WACOG commodity rate estimates appear to be appropriate.

However, from its review, the Department was unable to reconcile Great Plains' demand and commodity costs in the interim base cost of gas petition (Docket No. 15-878) with the schedules in the general rate case, (Docket No. 15-879). In its interim base cost of gas filing, Great Plains provided both its North and South PGA costs. But, in its general rate case, Great Plains appears to have provided just the total gas supply costs for each PGA district, by customer class; the demand and commodity cost detail was not provided.<sup>17</sup>

Because of its inability to reconcile the demand and commodity costs between the two filings,<sup>18</sup> the Department recommended that Great Plains provide in its *Reply Comments* in this docket a breakdown of its total gas costs on a demand and commodity basis. The Department also recommended that Great Plains provide an updated Statement E in its *Reply Comments* in its general rate case reflecting separate demand and commodity costs in addition to total gas costs.

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<sup>14</sup> Contract term is for a period of time exceeding 10 years.

<sup>15</sup> See Great Plains interim base cost of gas petition, Attachment C, pp. 1-2.

<sup>16</sup> See the Department's Comments, Attachment 1, pp. 1-3.

<sup>17</sup> Demand costs, for both the North District and South District PGA, are provided in Attachment B of the interim base cost of gas filing. In the rate case, revenue components are provided in Statement E, Schedule E-1.

<sup>18</sup> Great Plains interim period base cost of gas petition (Docket No. 15-878) and its general rate case (Docket No. 15-879).

In its October 15, 2015 *Reply Comments*, Great Plains provided revised interim period rate schedules that reflect the interim base cost of gas by demand and commodity components (revenues) by customer class for Docket No. 15-878.<sup>19</sup> See the following table:

Table 3: PGA MN Base Cost of Gas Demand and Commodity Revenues<sup>20</sup>

Customer Classes	MN North PGA District			MN South PGA District		
	Demand	Commodity	Total	Demand	Commodity	Total
	(1)	(2)	(3)	(4)	(5)	(6)
	\$	\$	\$	\$	\$	\$
Firm Sales						
Residential	1,056,222	2,174,784	3,231,006	960,576	2,357,818	3,318,394
Firm General	793,465	1,633,762	2,427,227	947,165	2,324,898	3,272,063
Interruptible						
Small	0	1,064,923	1,064,923	0	1,153,643	1,153,643
Large	0	849,828	849,828	0	183,885	183,885
Total	1,849,687	5,723,297	7,572,984	1,907,741	6,020,244	7,927,985

Great Plains total interim base cost of gas is \$15,500,969.<sup>21</sup>

In its October 23, 2015 *Response Comments*, the Department reviewed Great Plains' supplemental rate case and interim base cost of gas schedules provided in Great Plains' October 15, 2015 *Reply Comments*. The Department's analysis indicated that the supplemental information is consistent between the rate case schedules and base cost of gas schedules.<sup>22</sup> The Department concluded that Great Plains demand and commodity amounts included in the October 15, 2015 *Reply Comments* were reasonable.

PUC staff agrees with the Department that the interim base cost of gas demand and commodity costs are consistent with Great Plains' other rate schedules<sup>23</sup> filed in its October 15, 2015 *Reply Comments*, see Table 3. However, the interim base cost of gas amount of \$15,500,969 and the general rate case base cost of gas amount of \$15,855,557 are inconsistent and result in a

<sup>19</sup> See Great Plains completeness *Reply Comments*, Attachments A, Supplemental Statement C, Schedule C-1, pages 8-13, Supplemental Statement C, Schedule C-2, page 8 and Supplemental Statement E, Schedule E-1, pages 1 through 14. Further provided Attachment B that reflects revised schedules from the Interim Petition updated for same information, Supplemental Interim Statement C, Schedule C-1, pages 8-13, Supplemental Interim Statement C, Schedule C-2, page 8 and Supplemental Interim Statement E, page 2 and Attachment C reflecting gas costs for the final and interim base cost of gas by the demand and commodity components for the firm and interruptible classes and by jurisdiction to enable a full reconciliation of the total gas costs reported in the rate case with the total gas costs reported in the interim base cost of gas filing.

<sup>20</sup> See Great Plains October 15, 2015 completeness *Reply Comments*, Attachment B, p. 2.

<sup>21</sup> See Table 4: \$7,572,984 (column 3) plus \$7,927,985 (column 6).

<sup>22</sup> The Department further confirmed that the PGA demand factors reflected in the Great Plains tariff sheets were based on its interim base cost of gas petition.

<sup>23</sup> See Great Plains October 15, 2015 *Reply Comments*, Attachment B, Supplemental Interim Statement C, Schedule C-1, pp. 12-13; Supplemental Interim Schedule C, Schedule C-2, p. 8; and Supplemental Interim Statement E, p. 2.

\$354,588 difference. This difference resulted from Great Plains' final rates base cost of gas proposal to collect a portion of its demand transportation costs from its interruptible customers, see Table 4:

Table 4: Comparison of Base Cost of Gas between the Interim Period and General Rate Case

Customer Classes	Interim Base Cost of Gas (15-878)			General Base Cost of Gas (15-879)		
	Demand	Commodity	Total	Demand	Commodity	Total
	(1)	(2)	(3)	(4)	(5)	(6)
	\$	\$	\$	\$	\$	\$
Firm Sales						
Residential	2,016,798	4,532,602	6,549,400	2,018,123	4,529,258	6,547,381
General-F	1,740,630	3,958,660	5,699,290	1,761,481	3,953,277	5,714,758
Interruptible						
Small	0	2,218,566	2,218,566	245,649	2,198,964	2,444,613
Large	0	1,033,713	1,033,713	115,440	1,033,366	1,148,806
Total	3,757,428	11,743,541	<b>15,500,969</b>	4,140,693	11,714,865	<b>15,855,558</b>

As discussed above, PUC staff agreed with the Department that Great Plains' proposed final rates base cost of gas proposals (Docket No. 15-871) should be addressed during the course of rate case and that the Commission should take no action at this time. Further, PUC staff believes that the Commission may wish to direct Great Plains to revise its general rate case base cost of gas amount of \$15,855,558 to its interim base cost of gas amount of \$15,500,969 and revise all general rate case schedules affected by this change in Great Plains' interim period compliance filing scheduled to be filed after the Commission's interim period Order.

#### Demand and Commodity PGA Factors

PUC staff reviewed Great Plains' interim base cost of gas petition and believes that Great Plains has properly calculated its interim period base cost of gas revenues with the exception of how Great Plains reflects the storage capacity costs for its South PGA factors.<sup>24</sup>

Pursuant to the Commission's Docket No. 06-1208 directive, Great Plains filed its storage and balancing cost proposal assigning its storage capacity and balancing costs from firm customers to its interruptible customers. In its September 30, 2010 Order,<sup>25</sup> the Commission approved Great Plains proposal to assign its storage capacity and balancing demand costs to its commodity (volumetric) PGA factor.

PUC staff believes that Great Plains has properly reflected this change in its interruptible customers' South PGA commodity factor of \$3.2123. But, for Great Plains firm customers' PGA factors, Great Plains continues to reflect the storage capacity and balancing costs as part of its demand PGA factor calculation; see Table 5.

<sup>24</sup> Great Plains has storage in its South PGA district, but does not have storage in its North PGA district.

<sup>25</sup> See Docket Nos. 07-1401, 08-1306, and 09-1262.



Table 5: Great Plains Interim PGA Base Cost of Gas Factors<sup>26</sup>

Customer Classes	North PGA District			South PGA District		
	Demand	Commodity	Total	Demand	Commodity	Total
	(1)/Dth	(2)/Dth	(3)/Dth	(4)/Dth	(5)/Dth	(6)/Dth
	\$	\$	\$	\$	\$	\$
Firm Sales						
Residential	1.5215	3.1328	4.6543	1.2882 <sup>27</sup>	3.1620	4.4502
Firm General	1.5215	3.1328	4.6543	1.2882	3.1620	4.4502
Interruptible						
Small		3.1328	3.1328		3.2123 <sup>28</sup>	3.2123
Large		3.1328	3.1328		3.2123	3.2123

Essentially, Great Plains' interim base cost of gas proposal reflects two different commodity South PGA factors; for its firm customers it reflects \$3.1620 per Dth and for its interruptible customers it reflects \$3.2123 per Dth with the difference attributable to its storage capacity and balancing costs assignment. PUC staff believes that Great Plains should reflect its interim cost of gas demand PGA factors in accordance with its storage and balancing proposal as follows (see Table 6, column 2):

Table 6: Comparison of South PGA District between Great Plains and PUC Staff

Customer Class	Great Plains	PUC staff	Difference
	(1)	(2)	(3)
	\$/Dth	\$/Dth	\$/Dth
Firm			
Demand	1.2882	1.2379	(0.0503)
Commodity	3.1620	3.2123	0.0503
Interruptible	3.2123	3.2123	0.0000

PUC staff believes that the Commission may wish to direct Great Plains to properly state its South PGA factors in accordance with its September 30, 2010 Order where the storage capacity and balancing costs have been assigned to its South PGA commodity factors.

## Jurisdictional Sales

The Department noted that Great Plains interim base cost of gas filing properly accounts for North Dakota sales; however, Great Plains does not separate Minnesota (MN)/North Dakota (ND) revenues in its North PGA District.<sup>29</sup> Since rate case revenues reflect only the Minnesota jurisdiction, the Department recommended that Great Plains provide in its interim base cost of

<sup>26</sup> See Great Plains October 15, 2015 completeness Reply Comments, Attachment C, p.2.

<sup>27</sup> Includes Great Plains storage capacity PGA factor (costs) of \$0.0503 as demand.

<sup>28</sup> Includes Great Plains storage capacity PGA factor (costs) of \$0.0503 as commodity.

<sup>29</sup> See Great Plains interim base cost of gas petition, Attachment B, p. 1.

gas filing *Reply Comments*, in addition to its total system revenue, updated schedules that show Minnesota-only jurisdictional revenue.

In its October 15, 2015 *Reply Comments*, Great Plains filed Attachments A and B that reflects the Minnesota jurisdictional cost of gas revenues, including the demand and commodity cost of gas revenues, see Table 7. Attachment C is a reconciliation of the interim base cost of gas filing by jurisdiction with the revenue and cost of gas schedules included in the general rate case filing. See the following table:

Table 7: PGA Revenues for MN and ND

	Minnesota			North Dakota		
Customer	Demand	Commodity	Total	Demand	Commodity	Total
Classes	(1)	(2)	(3)	(4)	(5)	(6)
North District	\$	\$	\$	\$	\$	\$
Firm Sales	1,849,688	3,808,545	5,658,233	418,413	861,520	1,279,933
Interruptible	0	1,914,752	1,914,752	0	1,332,067	1,332,067
Total	1,849,688	5,723,297	7,572,985	418,413	2,193,587	2,612,000
South District						
Firm Sales	1,907,740	4,682,716	6,590,456	n/a	n/a	n/a
Interruptible	20,944	1,316,584	1,337,528	n/a	n/a	n/a
Total	1,928,684	5,999,300	7,927,984	n/a	n/a	n/a
Grand Total	3,778,372	11,722,597	15,500,969	418,413	2,193,587	2,612,000

The total North PGA district base cost of gas is \$10,184,985.<sup>30</sup> Total Minnesota base cost gas is \$15,500,969.<sup>31</sup>

In its October 23, 2015 *Response Comments*, the Department was able to reconcile Great Plains Minnesota jurisdictional demand and commodity costs between the supplemental rate case schedules and the updated base cost of gas schedules filed on October 15, 2015. The Department concluded that Great Plains' jurisdictional demand and commodity costs were reasonable to use in setting base PGA cost of gas factors.

PUC staff believes that Great Plains has properly reflected its North PGA district costs between Minnesota and North Dakota and has complied with the Department's request.

## Tariff Sheets

The Department noted that changes in the base cost of gas factors required updates to Great Plains tariff sheets for each of Great Plains' rate classes that are assessed these factors. The

<sup>30</sup> From Table 7 - \$7,572,985 plus \$2,612,000.

<sup>31</sup> From Tables 6 and 7 - \$3,778,372 plus 11,722,597.

Department reviewed Great Plains filing and noted it did not provide redlined and clean tariff sheets for these changes. The Department recommended that Great Plains provide, in its *Reply Comments*, redlined and clean tariff sheets that reflect the appropriate updated base cost of gas factors.

In its October 15, 2015 *Reply Comments*, Great Plains filed redlined and clean tariffs for its interim rate period reflecting an effective date of October 1, 2015, see Attachment D. Great Plains stated that these tariff sheets submitted in its *Reply Comments* will be revised in its interim compliance filing submitted after the Commission Order; the effective date on the tariff sheets will correspond to the January 1, 2016 interim period effective date.

In its October 23, 2015 *Response Comments*, the Department concluded that Great Plains filed the required tariff sheets.<sup>32</sup>

PUC staff believes that Great Plains has complied with the Department's request for information.

### **Department Recommendations**

Based on its review, the Department recommended that the Commission approve Great Plains' interim base cost of gas filing and take no action on the final base cost of gas filing in Docket No. G-004/MR-15-871.

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<sup>32</sup> The Department stated that it had no further comments.

## Decision Alternatives

### 1. Base Cost of Gas

#### Interim Base Cost of Gas Petition – Docket No. G-004/MR-15-878

- A. Approve Great Plains' Interim Base Cost of Gas Petition (Department and Great Plains).  
or
- B. Approve Great Plains' Interim Base Cost of Gas Petition and
  - i. direct Great Plains to recalculate and restate its South PGA District factors in accordance with the Commission's September 30, 2010 Order<sup>33</sup> to assign the storage capacity and balancing costs to its South PGA District commodity factors (PUC staff). and
  - ii. direct Great Plains to revise its general rate case (Docket No. G-004/GR-15-879) base cost of gas amount of \$15,855,558 to the interim base cost of gas amount of \$15,500,969, and submit all affected general rate case schedules within four calendar days, at the same time as it files its revised interim financial schedules and calculations. or
- C. Do not approve Great Plains' Interim Base Cost of Gas.

#### Final Rates Base Cost of Gas Petition – Docket No. G-004/MR-15-871

- D. Take no action on Great Plains final base cost of gas filing in Docket No. G-004/MR-15-871 (Department and Great Plains) or
- E. Close Docket No. G-004/MR-15-871, the final rates base cost of gas petition (PUC staff).

## Additional Decision Alternatives

### 2. Updated Commodity Costs

- A. Order Great Plains to provide updated information about its commodity base cost of gas during the course of the general rate proceeding. Direct Great Plains to work with the Department and Staff to determine the timing of these updates. The updates shall be filed in both this docket and the general rate case, in Docket No. G-004/GR-15-879. (Department and Staff)
- B. Do not require Great Plains to provide updated information about its commodity cost of gas.

- 3. Require Great Plains to provide specific information on its transportation and storage contracts in its demand entitlement petition on a going forward basis, starting with supplementing its 2015-2016 (Docket No. G-004/M-15-645) demand entitlement petition (PUC staff).

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<sup>33</sup> See Docket Nos. 07-1401, 08-1306, and 09-1262.