COMMERCE DEPARTMENT

June 27, 2018

Daniel P. Wolf
Executive Secretary
Minnesota Public Utilities Commission
121 7th Place East, Suite 350
St. Paul, Minnesota 55101

RE: Comments of the Minnesota Department of Commerce, Division of Energy Resources
Docket No. G004/M-18-282

Dear Mr. Wolf:

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

Petition of Great Plains Natural Gas Company for Approval of Recovery of Updated Gas Utility Infrastructure Costs.

The petition was filed on April 13, 2018 by:

Tamie A. Aberle
Director of Regulatory Affairs
Great Plains Natural Gas Company
400 North 4th St
Bismarck, ND 58501.

The Department recommends **approval with conditions and potential modifications,** and is available to respond to any questions the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ STEPHEN COLLINS
Rates Analyst

/s/ MARK JOHNSON
Analyst Coordinator

SC/lt
Attachment

Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce
Division of Energy Resources

Docket No. G004/M-18-282

I. INTRODUCTION

On April 13, 2018, Great Plains Natural Gas Company (Great Plains or GP or the Company) filed a petition requesting that the Minnesota Public Utilities Commission (Commission) approve new rates for the Company's Gas Utility Infrastructure Costs (GUIC) tariff, to be effective October 1, 2018:

Table 1: Great Plains' Proposed GUIC Rates ($/dekatherm) to Be Effective October 1, 2018 to September 30, 2019

	Proposed Rate	Current Rate	Increase (+) or Decrease (-)
Sales Customers			
Residential	$0.2494	$0.1485	+$0.1009
Firm General	$0.1792	$0.1117	+$0.0675
Small Interruptible	$0.1519	$0.0861	+$0.0658
Large Interruptible	$0.1103	$0.0632	+$0.0471
Transportation Customers			
Small Interruptible	$0.0791	$0.0657	+$0.0134
Large Interruptible	$0.0105	$0.0315	-$0.0210

Great Plains' petition also requests that the Commission approve minor changes to the tariff to clarify certain issues already approved by the Commission. The full tariff modifications for which Great Plains is requesting approval are shown in Exhibit C of the Company's petition.

II. BACKGROUND

The Commission established Great Plains GUIC adjustment on October 6, 2017 under the GUIC statute, Minnesota Statutes section 216B.1635.[1] The adjustment is a per-dekatherm charge that recovers the pipeline replacement costs that Great Plains incurs to comply with Pipeline

[1] *In the Matter of the Petition of Great Plains Natural Gas Co. for Approval of a GUIC Tariff and Adjustment*, Docket No. G004/M-16-1066, Order Approving Rider and Rate Adjustment Factors, and Requiring Compliance Filing (October 6, 2017).

and Hazardous Materials Safety Administration (PHMSA) regulations and became effective on November 1, 2017.[2] Currently, the adjustment only recovers the costs of distribution mains and services replacements undertaken in compliance with the Company's PHMSA-mandated Distribution Integrity Management Program (DIMP). The adjustment is also limited to replacements in Great Plains' Minnesota service area, as Great Plains also has customers in North Dakota.

Initially, the Commission directed that Great Plains propose annual adjustments to the GUIC every December 1 to reflect both new GUIC projects and true-ups to prior recovery periods, with the new rates going into effect May 1 of the following year and true-ups for the twelve months ending October 31. Subsequently, Great Plains requested that the Commission change the schedule to allow more time to develop better cost estimates, resulting in a new schedule of April 15 filings, with rates going into effect on October 1 of the same year and true-ups for the twelve months ending the preceding December 31.[3] Pursuant to this new schedule, Great Plains filed its April 13, 2018 petition in this docket.

III. DEPARTMENT ANALYSIS OF PROPOSED RATE CHANGE

The Department analyzes whether Great Plains' petition complies with the requirements set forth in the GUIC statute, other Minnesota statutes, and the Company's current GUIC tariff, as compliance determines whether approving the petition is in the public interest.

A. FILING REQUIREMENTS

The first issue is whether Great Plains' petition complies with the filing requirements specified in subdivisions 2, 3, and 4 of the GUIC statute, set forth below:

> Subd. 2. Gas infrastructure filing. A public utility submitting a petition to recover gas infrastructure costs under this section must submit to the commission, the department, and interested parties a gas infrastructure project plan report and a petition for rate recovery of only incremental costs associated with projects under subdivision 1, paragraph (c). The report and petition must be made at least 150 days in advance of implementation of the rate schedule, provided that the rate schedule will not be implemented until the petition is approved by the

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[2] See: *In the Matter of the Petition of Great Plains Natural Gas Co. for Approval of a GUIC Tariff and Adjustment*, Docket NO. G004/M-16-1066, Order Approving Rider and Rate Adjustment Factors, and Requiring Compliance Filing (October 6, 2017) and Great Plains' October 25, 2017 compliance filing in the same docket.

[3] *In the Matter of the Petition of Great Plains Natural Gas Co., a Division of MDU Resources Group, Inc., for Approval to Modify the Timing of its Annual Gas Utility Infrastructure Cost Report*, Docket No. G004/M-17-858, Order (March 21, 2018).

commission pursuant to subdivision 5. The report must be for a forecast period of one year.

Subd. 3. Gas infrastructure project plan report. The gas infrastructure project plan report required to be filed under subdivision 2 shall include all pertinent information and supporting data on each proposed project including, but not limited to, project description and scope, estimated project costs, and project in-service date.

Subd. 4. Cost recovery petition for utility's facilities. … A gas utility's petition for approval of a rate schedule to recover gas utility infrastructure costs outside of a general rate case under section 216B.16 is subject to the following:

> (1) a gas utility may submit a filing under this section no more than once per year; and
>
> (2) a gas utility must file sufficient information to satisfy the commission regarding the proposed GUIC. The information includes, but is not limited to:
>
>> (i) the information required to be included in the gas infrastructure project plan report under subdivision 3;
>>
>> (ii) the government entity ordering or requiring the gas utility project and the purpose for which the project is undertaken;
>>
>> (iii) a description of the estimated costs and salvage value, if any, associated with the existing infrastructure replaced or modified as a result of the project;
>>
>> (iv) a comparison of the utility's estimated costs included in the gas infrastructure project plan and the actual costs incurred, including a description of the utility's efforts to ensure the costs of the facilities are reasonable and prudently incurred;
>>
>> (v) calculations to establish that the rate adjustment is consistent with the terms of the rate schedule, including the proposed rate design and an explanation of why the proposed rate design is in the public interest;
>>
>> (vi) the magnitude and timing of any known future gas utility projects that the utility may seek to recover under this section;

> (vii) the magnitude of GUIC in relation to the gas utility's base revenue as approved by the commission in the gas utility's most recent general rate case, exclusive of gas purchase costs and transportation charges;
>
> (viii) the magnitude of GUIC in relation to the gas utility's capital expenditures since its most recent general rate case; and
>
> (ix) the amount of time since the utility last filed a general rate case and the utility's reasons for seeking recovery outside of a general rate case.

The Department confirmed that Great Plains' petition provided all the required information, as specified in Exhibit A of the Company's petition. The Department also confirmed that Great Plains has not submitted another true-up filing under the GUIC statute this year, in compliance with subdivision 4, paragraph (1) of the GUIC statute, and that Great Plains submitted its petition at least 150 days in advance of the Company's proposed implementation of the updated GUIC tariff, as required by subdivision 2.

B. COST/PROJECT ELIGIBILITY

The second issue is whether the GUIC costs/projects for which Great Plains is requesting recovery satisfy the definitional requirements in the GUIC statute, subdivision 1, paragraphs (b) and (c), which state:

> (b) "Gas utility infrastructure costs" or "GUIC" means costs incurred in gas utility projects that:
>
> > (1) do not serve to increase revenues by directly connecting the infrastructure replacement to new customers;
> >
> > (2) are in service but were not included in the gas utility's rate base in its most recent general rate case, or are planned to be in service during the period covered by the report submitted under subdivision 2, but in no case longer than the one-year forecast period in the report; and
> >
> > (3) do not constitute a betterment, unless the betterment is based on requirements by a political subdivision or a federal or state agency, as evidenced by specific documentation, an order, or other similar requirement from the government entity requiring the replacement or modification of infrastructure.
>
> (c) "Gas utility projects" means:

> (1) replacement of natural gas facilities located in the public right-of-way required by the construction or improvement of a highway, road, street, public building, or other public work by or on behalf of the United States, the state of Minnesota, or a political subdivision; and
>
> (2) replacement or modification of existing natural gas facilities, including surveys, assessments, reassessment, and other work necessary to determine the need for replacement or modification of existing infrastructure that is required by a federal or state agency.

The current version of Great Plains' GUIC tariff echoes these definitions, stating, under "Applicability," that the tariff "constitutes provision to recover the costs of investment and associated expenses for the replacement of natural gas distribution facilities required to comply with state and federal pipeline safety programs."

The Department reviewed Great Plains' description of the costs/projects, particularly the information provided in Exhibit B of the Company's petition, and confirmed that the costs/projects satisfy the GUIC Statute definitional requirements. The costs for which Great Plains is requesting recovery are limited to the DIMP capital costs for replacing polyvinyl distribution mains and services. Great Plains' petition also clarifies that the costs are limited to projects incurred for Great Plains' Minnesota customers.

C. RATE OF RETURN

The third issue is whether Great Plains' GUIC proposal complies with the rate of return requirements in subdivision 6 of the GUIC statute, which state that rate of return "shall be at the level approved by the commission in the public utility's last general rate case, unless the commission determines that a different rate of return is in the public interest." Great Plains proposes to continue using the 7.032% rate of return approved in the Company's last general rate case.[4] The Department supports this proposal, as it is consistent with the application of rate of return to other rates, maintains continuity from the last approved GUIC rates, and streamlines regulatory review. Therefore, a different rate of return is not in the public interest and Great Plains' proposal complies with the statutory requirement.

D. REVENUE REQUIREMENT AND RATE CALCULATION

The fourth issue is whether the revenue requirement recovers the costs specified in subdivision 4 of the GUIC statute and is calculated in accordance with the requirements of Minnesota

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[4] *In the Matter of the Petition by Great Plains Natural Gas Co., a Division of MDU Resources Group, Inc., for Authority to Increase Natural Gas Rates in Minnesota*, Docket No. G004/GR-15-879, Findings of Fact, Conclusions, and Order (September 6, 2016), page 28.

statutes and Commission Order establishing the GUIC. Subdivision 4 of the GUIC statute provides the general requirements, stating that:

> … the commission may approve a rate schedule for the automatic annual adjustment of charges for gas utility infrastructure costs net of revenues under this section, including a rate of return, income taxes on the rate of return, incremental property taxes, incremental depreciation expense, and any incremental operation and maintenance costs.

Great Plains' GUIC tariff provides the specifics of how to calculate the rates, stating, under the "Adjustment" section:

> 1. The Projected Revenue Requirement shall include:
>
> a. The return on investment on the rate base reflecting the eligible projects shall be based on the twelve month average of the projected investment and the authorized rate of return authorized in the most recent general rate case, unless otherwise determined by the Commission.
>
> b. The operation and maintenance, depreciation expense and ad valorem tax expense associated with the eligible projects.
>
> c. The revenue requirement shall be apportioned to each rate class based on the authorized non-gas costs (margin) apportionment.
>
> d. The revenue requirement for each rate class shall be divided by projected annual dk sales and transportation volumes, excluding flexible rate contracts, to derive a cost per dk for each rate class.
>
> 2. The true-up
>
> a. For each annual period ending December 31 a true-up will be calculated for each rate class and will be applied effective with the change in the GUIC. This adjustment shall include:
>
> 1. The balance in the (over) under recovered gas cost account as of December 31.
>
> 2. The difference between the revenue requirement based on actual project costs and recovered costs for each customer class for the twelve months ending October December 31. The amount may be an under recovery or (over) recovery.

b. The resulting balance is divided by the projected annual dk sales and transportation volumes.

The Department obtained the calculations supporting Great Plains' proposed rates through an information request and confirmed that the calculations follow the steps prescribed above. The Department also checked the calculations for errors and did not find any. Lastly, the Department reviewed Great Plains' forecasting process with a Company representative and confirmed that it was reasonable, as it is same process used for internal gas acquisitions and the Company therefore has an incentive to make its forecasts accurate.[5]

The only potential issue regarding Great Plains' calculation is whether any of the pipes being replaced are still being recovered in the Company's base rates. If so, the calculation of "incremental" costs prescribed in the statute would need to subtract out any such costs. Doing so would not only comply with the "incremental" requirement in the GUIC statute, but also comply with the general prescription in Minnesota Statutes section 216B.03 that rates be "just and reasonable" and "any doubt as to reasonableness should be resolved in favor of the consumer." In the Department's view, it would not be just and reasonable to require customers to pay for new pipes while still paying for pipes that were replaced and no longer used and useful.

The Department requests that Great Plains' reply comments specify to what extent the pipes replaced are still being recovered in base rates through a return on rate base, income taxes on the rate of return, incremental property taxes, and incremental depreciation expense.[6] If there are indeed costs of any pipes being replaced still being recovered in base rates, the Department requests that Great Plains then recalculate its GUIC adjustment with these costs subtracted out to arrive at the incremental costs of the GUIC.

With adjustments to account for any costs still recovered in base rates of pipes being replaced, the Department concludes that the Great Plains' proposed rates do indeed recover the costs specified in subdivision 4 of the GUIC statute and are calculated in accordance with the requirements of the statute and GUIC tariff.

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[5] Great Plains' forecasting process estimates customer numbers and per-customer growth for each customer class based on internal surveying and then uses those numbers to estimate sales. For the GUIC rider, any inaccuracy in the forecast is mitigated by annual true-ups.

[6] The Department does not include operation and maintenance (O&M) expenses in this request because Great Plains has stated that the GUIC projects will not result in material O&M savings. See Department Attachment 2 to these comments. Therefore, according to Great Plains, O&M for new pipes will be nearly identical to what it was for the old pipes. Based on this information, the Department has concluded that Great Plains' proposal to not include any O&M costs or cost savings in the GUIC rider is reasonable.

E. PRUDENCY

The fifth and final issue is determining whether the costs to be recovered in Great Plains' updated GUIC rates "are prudently incurred and achieve gas facility improvements at the lowest reasonable and prudent cost to ratepayers," as required by subdivision 5 of the GUIC statute.

Regarding this requirement, Great Plains' petition states on page 3 of Exhibit B that the Company satisfied this requirement by "using a competitive bidding process with multiple contractors on large projects" and "closely watching costs to stay within the budgeted amounts or determine why expenditures were different from the budget." Page 6 of Exhibit B adds more detail, stating:

> The 2018 projects identified [in the petition and for which Great Plains is requesting cost recovery] were bid through a Request for Proposal (RFP) process. The bid process began in February and was finalized in March. … The costs and footages shown [in Great Plains' petition] are based on the quantities bid and the cost to replace in accordance with the contracts awarded for the 2018 projects.

In response to a Department information request, Great Plains provided more information on the RFP. A partial excerpt of Great Plains' response is shown below, with a full copy provided as Department Attachment 1.

> The PVC replacement projects for Pelican Rapids and Clarkfield were put through the bidding process through an RFP issued on February 13, 2018, with the scope of the work for each project area provided by Great Plains. Company Engineering and Operations staff evaluated the bids received in response to the RFP, taking into account the overall cost of the project, the contractor's experience and ability to perform the work requested. …
>
> Great Plains has complied with the requirements of Minnesota Statutes, section 216B.1635, subdivision 5, by engaging multiple contractors for project bids through the RFP process. Contractor bids were evaluated based on the overall cost the contractor's bid to complete the project, as well as the contractor's experience and ability to perform the work requested. Contractors were selected to perform the based on their bids and their experience with natural gas projects with Great Plains.

Based on the information provided by the Company in its petition and response to the Department's information request, the Department agrees that that Great Plains has satisfied the subdivision 5 requirements. It is reasonably clear that Great Plains attempted to perform "at the lowest reasonable and prudent cost to ratepayers" and that the costs "are prudently incurred."

F. ACCUMULATED DEFERRED INCOME TAXES

The Internal Revenue Service (IRS) Regulation Section 1.167(l)-1(h)(6) provides that ratemaking procedures and adjustments must be consistent with normalization accounting. This section defines the procedures a utility must use to normalize the impact on rate making if the utility elects to use accelerated depreciation methods. The monthly changes to the deferred taxes balance, as calculated by the utility, must be prorated prior to computing the average of beginning and ending balances for accumulated deferred income taxes (ADIT). When a utility uses a forecasted test period to determine depreciation, the IRS requires that "the amount of the reserve account for the period is the amount of the reserve at the beginning of the period and a pro rata portion of the amount of any projected increase to be credited or decrease to be charged to the account during such period." The pro rata amount of any increase or decrease during the future portion of the period is determined by multiplying the increase or decrease by a fraction, the numerator of which is the number of days remaining in the period at the time the increase is to accrue, and the denominator of which is the total number of days in the future portion of the period.

As shown on Exhibit D, Page 16 of 19 of its filing, GP included the effects of proration on its forecasted 2018 Accumulated Deferred Income Taxes (ADIT) balances. The Department notes that the issues surrounding prorated ADIT have been disputed in a number of rider filings, including Xcel Energy's 2015 Transmission Cost Recovery rider (Docket No. E002/M-15-891) where the Department concluded the following:

> Based on our review of IRS Section 1.167(l)(h)(6), the Department concludes that the ADIT issue is simply a timing issue. Once actual non-prorated ADIT balances are known in the following year, they should replace the forecasted prorated ADIT balances in the beginning-of-year and end-of-year average ADIT balance calculations for true-up purposes.
> …
> Based on the above, the Department recommends that the Commission require Xcel to replace its forecasted prorated ADIT balances with actual non-prorated ADIT balances in its beginning-of-month and end-of-month average calculations for true-up purposes in future [Transmission Cost Recovery] TCR Rider filings. Alternatively, the Commission could require Xcel's riders to be based solely on historical costs, as Xcel acknowledges that the issue applies only in cases with forward-looking rates.

This issue has been addressed in Otter Tail Power's (OTP) Transmission Cost Recovery rider (Docket No. E017/M-16-374). As noted in the Department comments in Docket No. E017/M-16-374 dated October 7, 2017 on page 8, OTP 's practice is as follows:

> As the tracker is updated with actual results, the effect of proration is eliminated and the actual, non-prorated ADIT amounts are reflected in the TCRR.

The Department supports OTP's approach. In the instant proceeding, the Department maintains its recommendation that the Commission require Great Plains to replace its forecasted prorated ADIT balances with actual nonprorated ADIT balances in its beginning-of-month and end-of-month average calculations for true-up purposes in future GUIC rider filings. Alternatively, the Commission could require the Company's GUIC rider to be based solely on historical costs by implementing recovery of rates one day after the rate recovery period.

IV. DEPARTMENT ANALYSIS OF TARIFF CLARIFICATIONS

Great Plains proposes to make two clarifications to its GUIC tariff. The first is clarify that the GUIC tariff excludes customers under flexible rate contracts, as approved in the Commission's October 6, 2017 Order in Docket No. G004/M-16-1066 (cited earlier in these comments). The second is to change the tariff to reflect the date changes approved in the Commission's March 21, 2018 Order in Docket No. G004/M-17-858 (also cited earlier in these comments). The Department concludes that both of Great Plains' proposed changes accurately reflect the respective Orders and therefore should be approved.

V. DEPARTMENT RECOMMENDATION

Given the Department's conclusion that Great Plains' proposals are consistent with the Minnesota statutes (with one potential exception, as specified in the Department's recommended potential modification), past Commission Orders, and Great Plains' GUIC tariff, the Department recommends that the Commission approve Great Plains' petition, modified if necessary to account for any costs still being recovered in base rates of pipes being replaced. The Department will provide final recommendations on whether modifications are needed after reviewing Great Plains' reply comments.

Given ongoing tax issues, the Department also recommends that the Commission condition approval on requiring Great Plains to replace its forecasted prorated ADIT balances with actual nonprorated ADIT balances in its beginning-of-month and end-of-month average calculations for true-up purposes in future GUIC rider filings. Alternatively, the Commission could require the Company's GUIC rider to be based solely on historical costs by implementing recovery of rates one day after the rate recovery period.

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Minnesota Department of Commerce
Division of Energy Resources
Information Request

Docket Number:	G004/M-18-282	☐Nonpublic ☒Public
Requested From:	Great Plains Natural Gas Co.	Date of Request: 5/7/2018
Type of Inquiry:	General	Response Due: 5/17/2018

Requested by: Stephen Collins
Email Address(es): stephen.collins@state.mn.us
Phone Number(s): 651-539-1835

Request Number: 1

Request:

Please provide more detail on the prudency efforts cited on pages 3 and 6 of Exhibit B. At a minimum, please provide a narrative of the RFP process and a copy of all RFP documents.

Please provide documentation linking the RFP results to Great Plains' proposed rates.

Please show how Great Plains has complied with the requirement in subdivision 5 of the GUIC statute that costs be "prudently incurred and achieve gas facility improvements at the lowest reasonable and prudent cost to ratepayers."

Response:
The PVC replacement projects for Pelican Rapids and Clarkfield were put through the bidding process through an RFP issued on February 13, 2018, with the scope of the work for each project area provided by Great Plains. Company Engineering and Operations staff evaluated the bids received in response to the RFP, taking into account the overall cost of the project, the contractor's experience and ability to perform the work requested. See Response No. 1 Attachment A for the following information (Information in Attachment A has been designated as trade secret information – Not for Public Disclosure):

- Pages 1-2 – RFP Process
- Pages 3-25 – Great Plains and Contractor Contract
- Pages 26- 34 – Pelican Rapids RFP
- Pages 35 – 43 – Clarkfield RFP
- Page 44 – Pelican Rapids Cost Breakdown
- Page 45 – Clarkfield Cost Breakdown

To be completed by responder

Response Date: May 25, 2018
Response by: Travis Jacobson
Email Address: travis.jacobson@mdu.com
Phone Number: 701.222.7855

Minnesota Department of Commerce
Division of Energy Resources
Information Request

Docket Number:	G004/M-18-282	☐Nonpublic ☒Public	
Requested From:	Great Plains Natural Gas Co.	Date of Request:	5/7/2018
Type of Inquiry:	General	Response Due:	5/17/2018

Requested by: Stephen Collins
Email Address(es): stephen.collins@state.mn.us
Phone Number(s): 651-539-1835

Pages 44 – 45 of Attachment A identify the accepted cost plans based on the awarded bids for the 2018 projects in Pelican Rapids and Clarkfield, respectively. Sewer inspection and concrete/asphalt removal and restoration costs were estimated by Great Plains staff and were added to the awarded bids. The following table is a breakdown of the 2018 projected project costs:

Mains			Services		
Pelican Rapids	453,145	(page 44)	Pelican Rapids	267,143	(page 44)
Clarkfield	471,002	(page 45)	Clarkfield	407,375	(page 45)
Sewer Inspect./Restoration	275,853		Sewer Inspect./Restoration	325,482	
Miscellaneous Projects	75,000		Miscellaneous Projects	54,000	
	1,275,000	1/		**1,054,000**	1/

1/ Projected 2018 Plant additions, see Docket No. G004/M-18-282, Exhibit D, Page 15.

Updated response:

Great Plains has complied with the requirements of Minnesota Statutes, section 216B.1635, subdivision 5. by engaging multiple contractors for project bids through the RFP process. Contractor bids were evaluated based on the overall cost the contractor's bid to complete the project, as well as the contractor's experience and ability to perform the work requested. Contractors were selected to perform the based on their bids and their experience with natural gas projects with Great Plains.

To be completed by responder

Response Date: May 25, 2018
Response by: Travis Jacobson
Email Address: travis.jacobson@mdu.com
Phone Number: 701.222.7855

Minnesota Department of Commerce
Division of Energy Resources
Information Request

Docket Number:	G004/M-18-282	☐Nonpublic ☒Public	
Requested From:	Great Plains Natural Gas Co.	Date of Request:	5/7/2018
Type of Inquiry:	General	Response Due:	5/17/2018

Requested by: Stephen Collins
Email Address(es): stephen.collins@state.mn.us
Phone Number(s): 651-539-1835

Request Number: 2

Request:

Does Great Plains anticipate any cost savings from the pipe replacements reflected in the 2018 GUIC revenue requirement? Explain why or why not and, if there are cost savings, quantify them.

Response:

Any incremental savings achieved through the PVC replacement projects are expected to be minimal and will be related to possible efficiencies in employee time, which will enable the employee(s) to complete other tasks.

Updated Response:

Efficiencies in service person time estimated at 176 hours per year in total. Based on the 3 available service persons in the Clarkfield and Pelican Rapids area, this would come to approximately 2.8% of their time. Based on the annual salary of a service person in that area, the identified savings would be approximately $6,355 annually. The Company is not reducing staff so these salary costs are fixed and continuing, and the time efficiencies produced with these projects will allow the service personnel to perform other tasks for the benefit of the customers. Therefore, no O&M reductions have been reflected in the GUIC.

To be completed by responder

Response Date: May 25, 2018
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-18-282

Dated this 27th day of June 2018

/s/Sharon Ferguson

First Name	Last Name	Email	Company Name	Address	Delivery Method	View Trade Secret	Service List Name
Tamie A.	Aberle	tamie.aberle@mdu.com	Great Plains Natural Gas Co.	400 North Fourth Street Bismarck, ND 585014092	Electronic Service	No	OFF_SL_18-282_M-18-282
Generic Notice	Commerce Attorneys	commerce.attorneys@ag.state.mn.us	Office of the Attorney General-DOC	445 Minnesota Street Suite 1800 St. Paul, MN 55101	Electronic Service	Yes	OFF_SL_18-282_M-18-282
Ian	Dobson	residential.utilities@ag.state.mn.us	Office of the Attorney General-RUD	1400 BRM Tower 445 Minnesota St St. Paul, MN 551012130	Electronic Service	Yes	OFF_SL_18-282_M-18-282
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_18-282_M-18-282
Brian	Meloy	brian.meloy@stinson.com	Stinson,Leonard, Street LLP	50 S 6th St Ste 2600 Minneapolis, MN 55402	Electronic Service	No	OFF_SL_18-282_M-18-282
Daniel P	Wolf	dan.wolf@state.mn.us	Public Utilities Commission	121 7th Place East Suite 350 St. Paul, MN 551012147	Electronic Service	Yes	OFF_SL_18-282_M-18-282