July 1, 2020

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

RE: **Comments of the Minnesota Department of Commerce, Division of Energy Resources**
Docket No. G004/M-20-448

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's 2019 Conservation Improvement Program Tracker and Shared Savings Demand Side Management Incentive (Petition).

The Petition was filed on April 30, 2020 by:

> Travis R. Jacobson, Director of Regulatory Affairs
> Great Plains Natural Gas Co.
> 400 North Fourth St.
> Bismark, ND 58501

The Department recommends that the Minnesota Public Utilities Commission **approve Great Plains Natural Gas Company's filing, with a modification.** The Department is available to answer any questions that the Minnesota Public Utilities Commission may have.

Sincerely,

/s/ DANIELLE D. WINNER
Rates Analyst

DW/
Attachment

Before the Minnesota Public Utilities Commission

Comments of the Minnesota Department of Commerce
Division of Energy Resources

Docket No. G004/M-20-448

I. INTRODUCTION

On April 30, 2020, Great Plains Natural Gas Company (Great Plains or the Company) submitted its 2019 Conservation Improvement Program (CIP) Status Report, CIP Tracker, and Demand Side Management (DSM) Incentive to the Minnesota Public Utilities Commission (Commission). The Company's filing (Petition) included the following:

- Expenditures, as recorded in the CIP tracker account for 2019, and the recovery proposed by the Company; and
- Company-proposed changes to the Conservation Cost Recovery Adjustment (CCRA).

In addition, Sections I and II of Great Plains' Petition contain a CIP Status Report for the period January 1, 2019 through December 31, 2019. This 2019 CIP Status Report is intended to fulfill the annual reporting requirements outlined in Minnesota Rule 7690.0500. Because the Company's CIP Status Reports do not require Commission review or approval, this portion of the Petition has been assigned a separate docket number under which the Department will conduct additional analyses.[1]

II. DEPARTMENT ANALYSIS

Each year, the Minnesota Department of Commerce, Division of Energy Resources (Department) analyzes Great Plains' annual CIP filing to determine (1) whether the information provided by the Company complies with the applicable rules, statutes, and Commission orders and (2) whether the Company's associated proposals and requests are reasonable. The Department reviewed Sections III, IV, and V of the Petition to evaluate the CIP information provided by Great Plains and arrived at relevant recommendations for the Commission. The following discussion provides details around the Department's review and recommendations.

A. COMPLIANCE WITH PRIOR COMMISSION ORDERS

On July 19, 2019, the Commission issued its *Order* in Docket No. G004/M-19-287 with the following dispositions:

(1) Approved Great Plains Natural Gas's 2018 CIP tracker account, as summarized in Table 1 of the Department's May 23, 2019 comments, resulting in a 2018 tracker balance of $(830,804).

---

[1] See Docket No. G004/CIP-16-121.03.

(2) Approved a 2019/2020 Conservation Cost Recovery Adjustment of $(0.0337) per Dth, to be effective September 1, 2019, or the first day of the month following this Order.

(3) Required Great Plains to include the following bill message (with the appropriate rate) in the billing month immediately following the date of this Order:

> Great Plains recovers the cost changes in its energy conservation programs from the base established in 2007 through a Conservation Cost Recovery Adjustment (CCRA) subject to MN Public Utilities Commission approval. A CCRA of [insert rate] per dk as shown in the Resource Adjustment above is effective [insert effective date]. Learn more about reducing your energy use by visiting our website at www.gpng.com or calling us at 1-877-267-4764.

(4) Required Great Plains to submit a compliance filing, within 10 days of the issue date of this Order, with revised tariff sheets reflecting the Commission's determinations in this matter.

Additionally, in response to past CIP filings, the Commission has directed Great Plains to provide certain information in all future CIP filings. Those directives require Great Plains to:[2]

- Update the interest rate used to calculate carrying charges to match the short term cost of debt approved by the Commission in the Company's most recent rate case;
- Use a CCRA calculation methodology that adequately accounts for carrying charges associated with the financial incentive; and
- Calculate the CCRA based on the existing tracker balance as well as projected sales, expenditures, financial incentive(s), and any pertinent adjustments that may occur over the period the CCRA will be in place.

Based on its review, the Department concludes that the Company's current Petition has complied with the requirements outlined by the Commission.

B. DSM FINANCIAL INCENTIVE CALCULATION

[2] These requirements were established by the Commission's November 23, 2016 *Order Approving Tracker Account, Approving Financial Incentive, Setting Carrying-Charge Rate, and Setting Conservation Cost Recovery Adjustment* in Docket No. G004/M-16-384.

The following two sections provide (1) background information on and context around the DSM financial incentive and (2) the Department's evaluation of Great Plains' 2019 proposal regarding the DSM incentive.

1. Background on the DSM Financial Incentive

The Shared Savings DSM financial incentive plan was initially approved by the Commission in Docket No. E, G999/CI-08-133 on January 27, 2010.[3] The Commission later approved a *modified* Shared Savings DSM financial incentive mechanism in its August 5, 2016, *Order* in Docket No. E, G999/CI-08-133. The new incentive mechanism, which became effective January 1, 2017, is triggered for (1) an electric utility, when it achieves energy savings of 1 percent and (2) a gas utility, when it achieves energy savings of 0.7 percent. The percentage of energy savings is calculated on the utility's most recent three-year average of weather-normalized retail sales.[4] For 2019, the electric and gas incentives are capped at 10 percent of net benefits and 30 percent of CIP expenditures. The Commission's *Order* included the following language:[5]

(1) The Commission hereby revises its Shared Savings DSM Financial Incentive Plan with the modifications set forth below.

B. For gas utilities, the plan is modified to do the following:
   1) Authorize financial incentives for a utility that achieves energy savings of at least 0.7 percent of the utility's retail sales.
   2) For a utility that achieves energy savings equal to 0.7 percent of retail sales, award the utility a share of the net benefits as set forth in Attachment A.
   3) For each additional 0.1 percent of energy savings the utility achieves, increase the net benefits awarded to the utility by an additional 0.75 percent until the utility achieves savings of 1.2 percent of retail sales.
   4) For savings levels of 1.2 percent and higher, award the utility a share of the net benefits equal to the Net Benefits Cap.

C. For all utilities, set the following Net Benefit Caps:
   1) 13.5 percent in 2017,
   2) 12.0 percent in 2018, and
   3) 10.0 percent in 2019.

D. For all utilities, set the following Conservation Improvement Plan (CIP) Expenditure Caps:
   1) 40 percent in 2017,

---

[3] For additional details, see also the Commission's December 20, 2012 Order in Docket No. E, G999/CI-08-133.
[4] Retail sales for this calculation exclude the retail sales to customers who are owners of a large customer facility and have been granted an exemption by the Department's Commissioner under Minnesota Statutes §216B.241, Subd. 1a(b).
[5] The quote shown here is limited to the sections relevant to natural gas utilities; the Commission's *Order* in Docket No. E,G999/CI-08-133 also modified the electric utility financial incentive calculation.

2) 35 percent in 2018, and
3) 30 percent in 2019.

(2) The Commission retains certain provisions from the current Shared Savings DSM Financial Incentive Plan, with slight modifications, as follows:

A. CIP-exempt customers shall not be allocated costs for the new shared savings incentive. Sales to CIP-exempt customers shall not be included in the calculation of utility energy savings goals.

B. If a utility elects not to include a third-party CIP project, the utility cannot change its election until the beginning of subsequent years.

C. If a utility elects to include a third-party project, the project's net benefits and savings will be included in the calculation of the energy savings and will count toward the 1.5 percent savings goal.

D. The energy savings, cost, and benefits of modifications to non-third-party projects will be included in the calculation of a utility's DSM incentive.

E. The costs of any mandated, non-third-party projects (e.g., the 2007 Next Generation Energy Act assessments,[68] University of Minnesota Initiative for Renewable Energy and the Environment costs[69]) shall be excluded from the calculation of net benefits and energy savings achieved and incentive awarded.

F. Costs, energy savings, and energy production related to Electric Utility Infrastructure Costs,[70] solar installation,[71] and biomethane purchases[72] shall not be included in energy savings for DSM financial incentive purposes.

(3) The new Shared Savings DSM Incentive Plan shall be in effect for 2017-2019.

(4) Utilities may discontinue the annual February 1 compliance filing because a scale of net benefits will no longer be required since the Department's proposal sets percentages at certain savings thresholds and calibrates the mechanism to dollars per unit of energy.

[68] *See* 2007 Laws, art. 2.
[69] *Id*., § 3, subd. 6.
[70] Minn. Stat. § 216B.1636.
[71] Minn. Stat. § 216B.241, subd. 5a.
[72] *Id*., subd. 5b.

2. Department's Review of Great Plains' 2019 Proposed DSM Financial Incentive

Based on its 2019 CIP results, Great Plains calculated a DSM financial incentive award of $0. The Company explained that its energy savings totaled 13,175 dekatherms (Dth or dk), resulting in a savings achievement level of 0.24 percent,[6] which fell short of the 0.7 percent threshold required to receive the incentive. Great Plains reported that in 2019, the Company's CIP produced an estimated $227,105 of net benefits.[7] The Department confirmed Great Plains' calculation of the Company's energy savings achievement level and concludes that the Company did not qualify for the DSM financial incentive award in 2019.

The Department is also conducting an ongoing engineering-oriented analysis of the energy savings and net benefits reported in Great Plains' annual CIP status report.[8] This analysis will not be completed before the instant Comments are due. The lag between the Department's completion of its engineering analysis and its review of the DSM financial incentive, CIP tracker, and CCRA is typical and recurs from year to year.

Last year, as in previous years, the Department compensated for this lag by (1) assuming Great Plains' reported energy savings for 2018 were correct as filed and (2) planning to make any adjustments approved by the Department's Deputy Commissioner in the instant proceeding.

On August 8, 2019, the Deputy Commissioner approved Great Plains' 2018 CIP Status Report without any adjustments in Docket No. G004/CIP-16-121.02, and thus none need to be made in the instant docket.

If, in Docket No. G004/CIP-16-121.03, the Department's Deputy Commissioner approves energy savings or net benefit amounts that differ from those disclosed in the 2019 CIP Status Report, the Commission, upon considering Great Plains' 2020 CIP filing, may approve adjustments to the Company's 2019 Shared Savings DSM financial incentive or CIP tracker. The Company must submit its 2020 CIP Status Report by May 1, 2021.

C. GREAT PLAINS' CIP TRACKER ACCOUNT

In its Petition, Great Plains submitted for approval the recoveries and expenditures recorded in the Company's CIP tracker account during 2019. Table 1 provides a summary of these activities.

[6] (13,175 Dth /5,580,608 Dth) = 0.00236.
[7] See Attachment F of the Petition for each of the figures noted in this paragraph.
[8] The engineering-oriented analysis will be conducted by the Department under Docket No. G004/CIP-16-121.03.

Table 1: Summary of Great Plains' CIP Tracker Account in 2019[9]

Line	Description	Time Period	Amount
1	Beginning Balance	Jan. 1, 2019	($830,804)
2	CIP Expenses	Jan. 1, 2019 – Dec. 31, 2019	$499,310
3	DSM Financial Incentive	Approved in 2019 for 2018 activities	$0
4	Carrying Charges	Jan. 1, 2019 – Dec. 31, 2019	($14,083)
5	CIP Expenses Subtotal [Line 1 + Line 2 + Line 3 + Line 4]	Jan. 1, 2019 – Dec. 31, 2019	($345,577)
6	CCRC Recovery	Jan. 1, 2019 – Dec. 31, 2019	$383,933
7	CCRA Recovery	Jan. 1, 2019 – Dec. 31, 2019	($13,317)
8	CIP Revenues Subtotal [Line 6 + Line 7]	Jan. 1, 2019 – Dec. 31, 2019	$370,616
9	Ending Balance [Line 5 - Line 8]	Dec. 31, 2019	($716,193)

The Company reported using an annual carrying charge rate equal to the Company's short term cost of debt, which was approved in Great Plains' most recent rate case under Docket No. G004/GR-15-879.[10] The annual rate in question is 1.610 percent, which, when divided by 12 months, results in the 0.13 percent carrying charge rate applied by the Company to the CIP tracker beginning balance for each month in 2019.[11] Great Plains CIP tracker balance showed an over-recovery of CIP costs for all months of calendar year 2019, meaning that carrying charges accrue to ratepayers.

The Department concludes that the ending balance in the Company's 2019 CIP tracker is mathematically accurate, based on the data provided by Great Plains in Attachment E of its Petition. The Department recommends that the Commission approve Great Plains' 2019 CIP tracker, as summarized in Table 1.

[9] The data in Table 1 is taken from pages 2 - 3 of Petition Attachment E.
[10] In Great Plains' pending rate case in Docket No. G004/GR-19-511, the Company has proposed a new short term cost of debt of 3.693 percent. In its comments, Great Plains stated that this proposal is uncontested. Great Plains intends to implement this rate as the new carrying charge rate in the CIP tracker starting January 1, 2021, and so it is not used in either the 2019 or 2020 CIP trackers.
[11] See page 4 of Petition Attachment E. Dividing the figures under the column labeled "Carrying Charge 1/" by the corresponding figures under the column labeled "Beginning Balance" equals an applied carrying charge rate of 0.0013, or 0.13%.

D. GREAT PLAINS' CONSERVATION COST RECOVERY ADJUSTMENT

Minnesota Statutes 2016B.16., Subd. 6b(c) states that the Commission "may permit a public utility to file rate schedules providing for annual recovery of the costs of energy conservation improvements." This CIP recovery mechanism is alternately referred to as the Conservation Cost Recovery Adjustment (CCRA), CIP Rider, or CIP Surcharge. The Department reviews the CCRA proposed by Great Plains each year in the Company's annual CIP filing.

1. Great Plains' CCRA Proposal

Great Plains' CCRA would ideally be set at a rate that brings the Company's CIP tracker balance as close to zero as possible. Doing so avoids significant over or under recovery of CIP costs by the Company, thus minimizing carrying charges and stabilizing CCRA rates. After observing the Company's relatively high CIP tracker balances over several earlier years,[12] the Department recommended in 2016 that Great Plains use a forward-looking rather than backward-looking methodology to calculate the Company's CCRA. Using a forward-looking methodology helps a utility maintain a CIP tracker balance closer to zero, minimize carrying charges, and account for CIP expense fluctuations. The Commission agreed with the Department's recommendations and directed the Company "to calculate the CCRA based on the existing tracker balance, as well as the projected sales, expenditures, financial incentive(s), and any pertinent adjustments that may occur over the period the CCRA will be in place."[13] This approach thus far appears to have been somewhat effective, as the tracker balance peaked in 2016.

In its Petition, Great Plains reported an over-recovered CIP tracker balance of ($716,193) at the end of the 2019 calendar year. Accordingly, Great Plains has requested approval for a revised CCRA rate of ($0.0597) per Dth, which translates to a $0.0260 decrease from the current CCRA of ($0.0337) per Dth. The proposed rate was derived by assuming a CCRA recovery of ($229,920)[14] over a 12-month period, with 3,849,213 Dth in sales. [15] As a result of the requested CCRA decrease, the average residential

---

[12] In the Company's rate case in Docket No. G004/GR-15-879, the Company increased its CCRC beginning January 1, 2016 and incorrectly decreased the CCRA by the same amount, effective on the same date. This resulted in a negative CCRA, which moved the Company further from its CIP tracker balance goal of zero. The Department raised concerns about this treatment of the CCRA in the Company's CIP filing in Docket No. G004/M-16-384, and the Commission clarified in item 7 of its November 23, 2016 *Order* that the CCRA should only be adjusted after a thorough review of the Company's CIP tracker.

[13] Commission *Order* in Docket No. G004/M-16-384, item 6.

[14] In Great Plains' 2019 CIP filing, Docket No. G004/M-19-287, the Company confirmed via an email communication with the Department that a rounding difference caused the slight discrepancy between the projected over-recovery amounts shown on page 2 and page 4 of the 2019 petition's Attachment E. The Department notes this discrepancy appears again in the instant filing ($229,920 on page 2 versus $229,799 on page 4), and concludes that it is likely a recurring rounding error. However, the Department also notes that this recovery amount is an estimate and believes the resulting difference is immaterial.

[15] See pages 1-2 of Petition Attachment E for these figures.

customer using 75 Dth per year would pay a total annual CIP cost of $1.66, representing a $0.02 increase from the current total annual CIP cost of $1.64.[16]

Great Plains proposed to implement the new CCRA coincident with its rate-case-proposed CCRC, estimated by the Company to go into effect January 1, 2021. Great Plains noted that the CCRC is an undisputed issue in the rate case, and thus the Company felt comfortable calculating the CCRA using the proposed CCRC rate and implementation date. In Attachment A to its filing, Great Plains submitted a proposed tariff sheet that changed both the CCRC and CCRA rates, but left blank the docket number and effective date. The Department addresses the tariff sheet at the end of this subsection.

The Company has estimated that by the time its proposed CCRA and CCRC would take effect at the beginning of 2021, Great Plains' CIP tracker balance would be over-recovered by ($473,980). This projection is shown in Table 2.

Table 2: Great Plains' projected 2020 CIP tracker account, using the current CCRA and CCRC rates (April-December values estimated)[17]

Line	Description	Time Period	Amount
1	Beginning Balance	Jan. 1, 2020	($716,193)
2	CIP Expenses	Jan. 1, 2020 – Dec. 31, 2020	$398,469
3	DSM Financial Incentive	Approved in 2020 for 2019 activities	$0
4	Carrying Charges	Jan. 1, 2020 – Dec. 31, 2020	($9,980)
5	CIP Expenses Subtotal [Line 1 + Line 2 + Line 3 + Line 4]	Jan. 1, 2020 – Dec. 31, 2020	($327,704)
6	CCRC Recovery	Jan. 1, 2020 – Dec. 31, 2020	$371,368
7	CCRA Recovery	Jan. 1, 2020 – Dec. 31, 2020	($225,092)
8	CIP Revenues Subtotal [Line 6 + Line 7]	Jan. 1, 2020 – Dec. 31, 2020	$146,276
9	Ending Balance [Line 5 - Line 8]	Dec. 31, 2020	($473,980)

The projected data in Table 2 demonstrate that the Company anticipates increasing its December 31, 2019 CIP tracker balance an estimated $242,213[18] by December 31, 2020, thus moving the tracker closer to the ideal $0 balance.

Table 3 provides details behind Great Plains' calculation of its proposed CCRA rate of ($0.0597).

[16] Total estimated annual CIP costs include both CCRC and CCRA charges, and Great Plains proposed to increase the CCRC in the pending rate case. This explains why Great Plains proposed to decrease the CCRA rate but projected that customers will see a small bill increase. See page 1 of Petition Attachment E.
[17] Data in Table 2 retrieved from pages 2 and 4 of Petition Attachment E.
[18] ($716,193 – $473,980) = $242,213

Table 3: Great Plains' Calculation of the Company's Proposed CCRA Rate

Line	Description	Time Period	Amount
1	Beginning Balance	Jan. 1, 2021	($473,980)
2	CIP Expenses	Jan. 1, 2021 - Aug. 31, 2021	$566,002
3	DSM Financial Incentive	Approved in 2021 for 2020 activities	$0
4	Carrying Charges	Jan. 1, 2021 - Aug. 31, 2021	($7,077)
5	CIP Expenses Subtotal [Line 1 + Line 2 + Line 3 + Line 4]	Jan. 1, 2021 - Aug. 31, 2021	$84,945
6	CCRC Recovery	Jan. 1, 2021 - Aug. 31, 2021	$314,865
7	Remaining Amount to be Recovered through CCRA [Line 5 - Line 6]	Jan. 1, 2021 - Aug. 31, 2021	($229,920)
8	Projected Sales (Dth)	Jan. 1, 2021 - Aug. 31, 2021	3,849,213
9	Proposed CCRA Rate ($/Dth) [Line 7/Line 8]	Effective Jan. 1, 2021	($0.0597)

The Department supports the Company's proposal to implement a CCRA rate of ($0.0597), as this will help Great Plains to bring the balance closer to $0.

The Department is also not opposed to the January 1, 2021 implementation date of the new CCRA. However, the Department does not support Great Plains' proposed tariff sheet. The CCRC and CCRA are examined and approved in different dockets and on different timelines. A party looking to understand when and in which docket each rate was approved would likely have a difficult time if both rates on the tariff sheet were updated in this docket. Furthermore, it is not guaranteed that the CCRC will go into effect January 1, 2021 as proposed in the rate case, whereas the timeline for the CCRA is more assured. Great Plains should re-submit its proposed tariff sheets in Reply Comments, removing the CCRC rate change and including the instant docket number and proposed effective date.

2. *Customer Notification Method for the CCRA Proposal*

In addition to updating the relevant tariff sheet, the Department recommends that the Commission require the Company to include a message on its customer bills providing notification of any approved CCRA rate change. The Department proposes that the notice refrain from referencing a particular year in which the base CCRC was established, since the CCRC is adjusted in each rate case. Specifically, the Department recommends that the Commission require Great Plains to include the following bill message in the billing month immediately following the date of the Order in the instant docket:

> Great Plains recovers the cost change in its energy conservation programs, from the base established in ~~2007~~our most recent general rate case, through a Conservation Cost Recovery Adjustment (CCRA) subject to MN Public Utilities Commission approval. A CCRA of [insert rate] per dk, as shown in the Resource Adjustment above, is effective [insert effective

date]. Learn more about reducing your energy use by visiting our website at www.gpng.com or calling us at 1-877-267-4764.

E. REVIEW OF GREAT PLAINS' DSM AND CIP DATA OVER TIME (2007 - 2019)

The Department's Attachment A to these Comments provides a historical comparison of Great Plains' DSM and CIP activities from 2007 (the year of the passage of the Next Generation Energy Act) through 2019. Attachment A shows how the Company's carrying charges, year-end tracker balances, DSM financial incentives, CIP expenditures, and energy savings have changed over time. As noted in the Department's comments last year, Great Plains' CIP expenditures and the corresponding energy savings have fluctuated each year between 2007 and 2019, without demonstrating a consistent increasing or decreasing pattern.

The Department further examined energy savings, demand savings, expenditures, and incentive values for select years between 2007 and 2019. In Table 4 below, the Department compared 2019 values to 2018 values, 2019 values to average 2017-2019 values, and average 2017-2019 values to average 2007-2009 values.

Table 4: Energy Savings, Expenditures, and Incentives for Selected Years, 2007-2019

	Energy Savings (kWh)	CIP Expenditures	Shared Savings Incentive
2019	13,175	$499,310	$0
2018	36,083	$566,621	$0
Average 2017-2019	20,945	$489,683	$0
Average 2007-2009	11,719	$229,119	$21,943
Compare 2019 to 2018	-63.5%	-11.9%	n/a
Compare 2019 to Avg. 2017-2019	-37.1%	2.0%	n/a
Compare Avg. 2017-2019 to Avg. 2007-2009	78.7%	113.7%	-100.0%

The Department observes that Great Plains' energy savings and expenditures dropped from 2018 to 2019. However, the drop in savings was much higher at 63.5 percent than the drop in expenditures at 11.9 percent. Great Plains did not qualify for an incentive in either year.

When comparing 2019 to the average values for years 2017-2019, the Department observes that expenditures remained fairly stable with an only 2 percent change. The Department further notes that 2019 savings was 37.1 percent less than 2017-2019 average savings, while it was 63.5 percent less than 2018 savings. This appears to be due to low achieved energy savings in 2017 (13,577 Dth saved), as shown in Attachment A, Table 1. Again, the Company did not qualify for a financial incentive in any year between 2017 and 2019.

When comparing 2007-2009 averages to 2017-2019 averages, Great Plains has increased both its energy savings and expenditures, the former by 78.7 percent and the latter by 113.7 percent. However, these increases have not kept pace with the changing terms of the financial incentive, as the Company's incentive decreased 100 percent.[19] Further, the increase in savings and spending between the 2007-2009 period and 2017-2019 period does not capture information in the intervening years, which saw the Company's highest savings and spending achievements.

Great Plains cited lower participation in Custom Projects (part of the Commercial and Industrial customer segment), as a reason for lower CIP savings. The Department's CIP engineering staff confirm that custom projects typically achieve higher energy savings than other project types, and at a relatively low cost. Project participation challenges will be assessed in the Department's subsequent engineering review of the Company's 2019 CIP Status Report.

III. DEPARTMENT CONCLUSIONS AND RECOMMENDATIONS

Based on its review of the Great Plains Natural Gas Company's Petition, the Department recommends that Great Plains re-submit its proposed tariff sheet with the proposed effective date, the instant docket number, and with the CCRC rate unchanged. Contingent upon that provision, the Department recommends the Commission take the following actions:

- Approve Great Plains Natural Gas Company's 2019 CIP tracker account, as summarized in Table 1 of these Comments, resulting in a 2019 CIP tracker balance of ($716,193);
- Approve a 2021 CCRA rate of $(0.0597) per Dth, to be effective January 1, 2021;
- If the proposed CCRA rate is approved, require Great Plains Natural Gas Company to include the following bill message in the billing month immediately following the date of the Order in the current docket:

> Great Plains recovers the cost changes in its energy conservation programs, from the base established in our most recent general rate case, through a Conservation Cost Recovery Adjustment (CCRA) subject to MN Public Utilities Commission approval. A CCRA of [insert rate] per dk as shown in the Resource Adjustment above is effective [insert effective date]. Learn more about reducing your energy use by visiting our website at www.gpng.com or calling us at 1-877-267-4764.

[19] Beginning in 2017, the threshold for Shared Savings incentives for gas utilities was set at 0.7 percent of non-CIP-opt-out retail sales. GPNG's Dth savings achievements have only met or exceeded 0.7 percent two years, 2015 and 2016.

- Require Great Plains Natural Gas Company to submit a compliance filing, within 10 days of the issue date of the Order in the present docket, with revised tariff sheets reflecting the Commission's determinations in this matter.

The Department is available to answer any questions the Commission may have.

/ar

Attachment A, Table 1: Great Plains' Historical CIP Achievements, Incentives, and Tracker Balance, 2007 – 2019

Column ID		A	B	C	D	E	F	G	H	I	J
Year	*Great Plains' CIP Docket Number*	*CIP Expenditures (Excluding Incentives)*	*Achieved Energy Savings (Dekatherms)*	*CIP Expenditures (Excluding Incentives) per Dekatherm Saved (A/B) = C*	*DSM Financial Incentive*	*Total CIP Cost per Dekatherm Saved (A+D)/B*	*DSM Financial Incentive as a % of CIP Expenditures (D/A) = F*	*Carrying Charges[20]*	*Carrying Charges as a % of CIP Expenditures (G/A) = H*	*Year-End Tracker Balance*	*Year-End Tracker Balance as a % of CIP Expenditures (I/A) = J*
2007	08-480	$244,304	17,658	$13.84	$65,828	$17.56	26.95%				
2008	09-508	$256,468	9,524	$26.93	$0	$26.93	0.00%				
2009	10-418, 10-419	$186,584	7,975	$23.40	$0	$23.40	0.00%				
2010	11-404	$427,847	17,426	$24.55	$18,915	$25.64	4.42%	-$7,527	-1.8%	$52,659	12.3%
2011	12-439	$370,570	24,604	$15.06	$37,707	$16.59	10.18%	$10,979	3.0%	$324,363	87.5%
2012	13-334	$401,694	41,509	$9.68	$114,763	$12.44	28.57%	$24,008	6.0%	$369,299	91.9%
2013	14-358	$378,794	14,969	$25.31	$24,137	$26.92	6.37%	$27,097	7.2%	$397,382	104.9%
2014	15-422	$327,380	19,788	$16.54	$42,180	$18.68	12.88%	$9,732	3.0%	-$49,755	-15.2%
2015	16-384	$724,644	69,393	$10.44	$477,077	$17.32	65.84%	-$1,094	-0.2%	$241,051	33.3%
2016	17-338	$642,143	56,669	$11.33	$345,928	$17.44	53.87%	$2,346	0.4%	$1,060,837	165.2%
2017	18-118	$403,118	13,577	$29.69	$0	$29.69	0.00%	$8,659	2.1%	$224,198	55.6%
2018	19-287	$566,621	36,083	$15.70	$0	$15.70	0.00%	-$9,581	-1.7%	-$830,804	-146.6%
2019	20-448	$499,310	13,175	$37.90	$0	$37.90	0.00%	-$14,083	-2.8%	-$716,193	-143.4%

[20] The Department had not obtained the CIP tracker carrying charges or year-end tracker balances for years 2007-2010 at the time of filing.