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November 4, 2020

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

**Re: In the Matter of a Request by Great Plains Natural Gas Co., a Division of Montana-Dakota Utilities Co., for a Variance and Notice of Refund Plan for Northern Natural Gas and Viking Gas Transmission Pipeline Refunds
Docket No. G-004/M-20-_____**

Dear Mr. Seuffert:

Great Plains Natural Gas Co. (Great Plains), a Division of Montana-Dakota Utilities Co., herewith submits its request for variance from Minnesota Rule 7825.2700, Subp. 8, and notice of its refund plan to allow Great Plains to return pipeline refunds from Northern Natural Gas Company (NNG) and Viking Gas Transmission Company (VGT) to the Company's Minnesota customers which cumulatively amount to more than \$5 per customer. Great Plains proposes to refund based on each customer's actual usage for January through April 2020, the period when NNG's interim rates were in effect and accounting for the majority of the refund. Rule 7825.2700, Subp. 8 states "Within classes, the refund amount per unit must be applied to bills on the basis of individual 12-month usage." The Company requests a variance from the Rule's 12-month usage to the four-month period.

The Company is proposing to combine the refunds from both pipeline companies and that the total refund be accomplished through a bill credit applied to active customer accounts no later than ninety days after receipt of the last refund from the two pipeline companies. The refund is only applicable to sales gas customers and not transportation customers. In the event a customer account is no longer active, checks will be issued if the refund is \$5.00 or greater. Any un-refunded monies will be handled in accordance with Minnesota Statute Section 345.34.

In accordance with Minnesota Rule 7829.1300, this miscellaneous filing has been served on the Department of Commerce, Division of Energy Resources, the Office of the Attorney General – Residential Utilities Division, and on Great Plains' general service list.

Please contact me at (701) 222-7855 if you have any questions regarding the information in this filing. Thank you for your prompt attention to this matter.

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

cc: Brian Meloy
Service List

**STATE OF MINNESOTA
BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION**

Katie J. Sieben	Chair
Valerie Means	Commissioner
Matthew Schuenger	Commissioner
Joseph K. Sullivan	Commissioner
John A. Tuma	Commissioner

Great Plains Natural Gas Co., a)	
Division of Montana-Dakota Utilities)	
Co., Request for Variance and)	Docket No. G004/M-20-____
Approval of Refund Plan)	

SUMMARY OF FILING

On November 4, 2020, Great Plains Natural Gas Co., a Division of Montana-Dakota Utilities Co., submitted a request for a variance from Minnesota Rule 7825.2700, Subp. 8, and a notice of its refund plan relating to pipeline refunds. Great Plains received a refund from both Northern Natural Gas Company (NNG) and Viking Gas Transmission Company (VGT), which cumulatively totaled more than \$5 per customer. The Company proposes to apply the refund through bill credits based upon January through April 2020 customer usage, rather than on an annual customer usage under Minnesota Rule 7825.2700, Subp. 8 with refunds to be applied no later than January 20, 2021.

The Company is proposing to combine the refunds from both pipeline companies and that the total refund be accomplished through a bill credit applied to active customer accounts no later than ninety days after receipt of the last refund from the two pipeline companies. The refund is only applicable to sales gas customers and not transportation customers. In the event a customer account is no longer active, checks will be issued if the refund is \$5.00 or greater. Any un-refunded monies will be handled in accordance with Minnesota Statute 345.34.

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Co., Request for Variance and Notice) Docket No. G004/M-20-____
of Refund Plan)

REQUEST FOR VARIANCE AND NOTICE
OF REFUND PLAN OF GREAT PLAINS NATURAL GAS CO.

Pursuant to Rule 7829.3200 of the Minnesota Public Utilities Commission's ("Commission") Rules of Practice and Procedure, Great Plains Natural Gas Co. ("Great Plains"), a Division of Montana-Dakota Utilities Co., respectfully submits a request for a variance from Minnesota Rule 7825.2700, Subp. 8, and a notice of its refund plan relating to pipeline refunds Great Plains received from Northern Natural Gas Company (NNG) and Viking Gas Transmission Company (VGT). The pipeline refunds from NNG and VGT were provided to Great Plains and other shippers for refunds related to the approval of settlement rates by the Federal Energy Regulatory Commission ("FERC") in each of the respective pipeline's rate cases. In support hereof, Great Plains states as follows:

I.

BACKGROUND

On July 1, 2019 NNG filed a Section 4 rate case in Docket No. RP19-1353-000 at FERC to increase its transportation and storage rates. On July 31, 2019, FERC issued an order accepting NNG's filing, suspending rates, and approving implementation of the proposed increase to rates effective January 1, 2020, subject to refund based on final approved rates. On May 20, 2020, NNG filed an unopposed motion to place settlement rates into effect on an interim basis and on May 27, 2020, FERC's Chief Administrative Law Judge ("ALJ") issued an Order authorizing interim settlement rates as of May 1, 2020.

On July 21, 2020, the ALJ issued a Certification of Uncontested Settlement certifying the settlement to FERC, which was approved by Order dated September 28, 2020. On October 22, 2020, Great Plains received a refund from NNG in the amount of \$827,719.63, including interest of \$18,215.66. Of the total, \$743,970.51 is applicable to Great Plains' Minnesota customers. The average residential customer refund would be approximately \$19.14.

On June 28, 2019, VGT filed a Section 4 rate case in Docket No. RP19-1340-005 at FERC to increase its transportation and storage rates. On July 31, 2019, FERC issued an order accepting VGT's filing, suspending rates, and approving implementation of the proposed increase to rates effective January 1, 2020 subject to refund based on final approved rates. On July 1, 2020 FERC approved a final rate settlement with rates effective as of March 1, 2020 and required refunds for the difference between rates collected from January 1, 2020 through February 29, 2020 and the final approved rates. On an invoice dated August 7, 2020, Great Plains received a refund, in the form of a bill

credit, from VGT in the amount of \$33,869.11, including interest of \$642.41. This refund was made pursuant to FERC's Order Approving Uncontested Settlement in Viking Gas Transmission Co., Docket No. RP19-1340-005 issued July 1, 2020. Of the total, \$30,572.15 is applicable to Great Plains' Minnesota customers. The average residential customer refund would be approximately \$0.75.

II.

REQUEST FOR VARIANCE

Minnesota Rule 7825.2700, Subp. 8, requires utility companies to refund annually, via credits to bills, refunds received from suppliers or transporters of natural gas, except that cumulative refund amounts are equal to or greater than \$5 per customer, which must be refunded within 90 days from the date the refund is received from suppliers. Great Plains requests a variance from this requirement for good cause shown. In particular, Great Plains requests that the Commission vary Rule 7825.2700, Subp. 8 to allow Great Plains to determine the refund amount for each customer based on their actual usage from January through April 2020, instead of on a 12-month basis to reflect the time period pipeline interim rates were in effect.

Under Minnesota Rule 7829.3200, the Commission may vary any of its rules upon making the following findings: that (i) enforcing the rule would impose an excessive burden upon the applicant or others affected by the rule; (ii) granting the variance would not adversely affect the public interest; and (iii) granting the variance would not conflict with any standards imposed by law. Each of these criteria is met in the present case.

First, enforcement of Rule 7825.2700's 12-month individual usage would not match the volumes upon which customers actually paid the interim rates. The

Company's proposal would closely match customer refunds with amounts actually paid between January through April 2020, the period in which the interim NNG pipeline rates were charged to Great Plains' customers.¹

Additionally, granting the variance will not adversely affect the public interest. Rather, calculating a refund amount per customer based upon usage that occurred between January and April 2020 would also serve the public interest since it would be representative of customer usage trends for the time period in question rather than based upon any changes to consumption during an annual time period.

Finally, granting the requested variances will not conflict with any standards of law imposed by the law, since both the 12-months usage refund requirement are established by Commission rule rather than statute, and as a result is subject to variance pursuant to Minnesota Rules 7829.3200 for good cause shown, as demonstrated here.

III.

REFUND PLAN

Great Plains submits the following Pipeline Refund Plan for refunds received from NNG and VGT, in compliance with the Company's Purchased Gas Adjustment Clause (PGA) rate schedule, paragraph 4 and Minnesota Administrative Rule 7825.2700 Subp 8. As outlined below, Great Plains will refund to the Company's Minnesota customers the Minnesota allocated interim refund for the two pipeline company's rates billed while the FERC considered their rate applications.

¹ This period also overlaps with the period (January – February 2020) interim VGT rates were in effect and subject to refund.

The total to be refunded to Minnesota customers is shown in the table below. Great Plains applied the Prime Rate of 3.25% to the balances as received through the month of January 2021 to determine the total amount to be refunded.

	Amount
NNG	\$743,970.51
VGT	30,572.15
Total	<u>\$774,542.66</u>
Interest (Prime Rate)	6,561.32
Total Refund	<u>\$781,103.98</u>

The Company is proposing to combine the refunds from both pipeline companies and that the total refund be accomplished through a bill credit applied to active customer accounts no later than ninety days after receipt of the last refund from the two pipelines. On October 22, 2020, Great Plains received its final refund from NNG so refunds will be applied to customers' accounts no later than January 20, 2021. Individual customer refunds will be calculated based on each customer's actual consumption for the refund period January 2020 through April 2020 and shown as a separate line item on customers' bills, titled "Pipeline Refund". The refund is only applicable to sales gas customers and not transportation customers. In the event a customer account is no longer active, checks will be issued if the refund is \$5.00 or greater. Any un-refunded monies will be handled in accordance with Minnesota Statute 345.34. Upon completion of the application of the refund to customer accounts, the Company will submit a compliance filing summarizing the breakdown of the refund by rate class.

See Attachment A showing the components of the refund, the jurisdictional and class allocations.

IV.

CONCLUSION

For the reasons explained, Great Plains respectfully requests that the Commission grant the requested variance and approve Great Plains' proposal to provide the NNG and VGT refunds to customers through a single bill credit based upon actual usage by customers for the time period of January through April 2020.

Sincerely,

/s/ Travis R. Jacobson

Travis R. Jacobson
Director of Regulatory Affairs

**GREAT PLAINS NATURAL GAS CO.
2020 PIPELINE SUPPLIER REFUND SUMMARY
MINNESOTA**

	<u>Total</u>	<u>Firm</u>	<u>Interruptible</u>
Total Refund	\$781,103.98	\$691,124.16	\$89,979.82
Billed Dk 1/	2,092,777.2	1,708,817.2	383,960.0
Refund per dk		<u>\$0.4044</u>	<u>\$0.2343</u>

1/ Billed volumes for January through April 2020.

**GREAT PLAINS NATURAL GAS CO.
PIPELINE REFUNDS
MINNESOTA
ALLOCATED TO CUSTOMER CLASSES**

Total	Demand	Commodity	Interest	Total
Firm	\$660,308.97	\$25,009.71	\$5,805.48	\$691,124.16
Interruptible	83,608.32	5,615.66	755.84	89,979.82
Total	\$743,917.29	\$30,625.37	\$6,561.32	\$781,103.98

NNG	Demand	Commodity	Interest	Total
Firm	\$634,660.63	\$24,844.81	\$5,586.81	\$665,092.25
Interruptible	78,882.60	5,582.47	715.53	85,180.60
Total	\$713,543.23	\$30,427.28	\$6,302.34	\$750,272.85

VGT	Demand	Commodity	Interest	Total
Firm	\$25,648.34	\$164.90	\$218.67	\$26,031.91
Interruptible	4,725.72	33.19	40.31	4,799.22
Total	\$30,374.06	\$198.09	\$258.98	\$30,831.13

**GREAT PLAINS NATURAL GAS CO.
PIPELINE REFUNDS
CALCULATION OF INTEREST**

	<u>Activity</u>	<u>Interest</u>	<u>Cumulative Balance</u>
July	\$30,572.15		\$30,572.15
August	0.00	82.80	30,654.95
September	0.00	83.02	30,737.97
October	743,970.51	83.25	774,791.73
November	0.00	2,098.39	776,890.12
December	0.00	2,104.08	778,994.20
January 2021	0.00	2,109.78	781,103.98
	<u>\$774,542.66</u>	<u>\$6,561.32</u>	<u>\$781,103.98</u>

Prime Interest Rate 3.25%

**GREAT PLAINS NATURAL GAS CO.
PIPELINE REFUNDS
TOTAL COMPANY
ALLOCATED TO JURISDICTIONS**

Total	<u>Demand</u>	<u>Commodity</u>	<u>Total</u>
Minnesota	\$743,917.29	\$30,625.37	\$774,542.66
North Dakota	79,460.72	7,585.36	87,046.08
Total	<u>\$823,378.01</u>	<u>\$38,210.73</u>	<u>\$861,588.74</u>
NNG	<u>Demand</u>	<u>Commodity</u>	<u>Total</u>
Minnesota	\$713,543.23	\$30,427.28	\$743,970.51
North Dakota	76,213.06	7,536.06	83,749.12
Total	<u>\$789,756.29</u>	<u>\$37,963.34</u>	<u>\$827,719.63</u>
VGT	<u>Demand</u>	<u>Commodity</u>	<u>Total</u>
Minnesota	\$30,374.06	\$198.09	\$30,572.15
North Dakota	3,247.66	49.30	3,296.96
Total	<u>\$33,621.72</u>	<u>\$247.39</u>	<u>\$33,869.11</u>