



GREAT PLAINS NATURAL GAS CO.

A Division of MDU Resources Group, Inc.

State of Minnesota Gas Rate Schedule – MNPUC Volume 2

Section No. 5
Original Sheet No. 5-130

GAS UTILITY INFRASTRUCTURE COST ADJUSTMENT

Applicability:

This rate schedule 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. It specifies the procedure to be utilized to adjust the rates for natural gas sold or transported under Great Plains' rate schedules in order to reflect: (a) the projected revenue requirement for the period the adjustment will be in effect and (b) a true-up of the prior year adjustment.

Effective Date

The effective dates of the Gas Utility Infrastructure Cost Adjustment (GUIC) shall be service rendered on and after May 1 each year with a filing date of December 1, which is 150 days before the proposed effective date.

Adjustment:

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 to derive a cost per dk for each rate class.
2. The true-up
 - a. For each annual period ending October 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 October 31.
 2. The difference between the revenue requirement based on actual project costs and recovered costs for each customer class for the

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twelve months ending October 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.
3. When the Company files its next general rate case, all project costs shall be removed from the GUIC tracker and included in base rates. Only the true-up component (remaining GUIC tracker balance) shall remain in the GUIC Rider to be either collected or refunded to customers over a subsequent period.
4. The current GUIC adjustment for each rate class is:

	<u>Adjustment Per Dk</u>
<u>Sales</u>	
Residential	\$0.1485
Firm General	0.1117
Small Interruptible	0.0861
Large Interruptible	0.0632
<u>Transportation</u>	
Small Interruptible	0.0657
Large Interruptible	0.0315

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