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January 15, 2019

Executive Secretary
North Dakota Public Service Commission
State Capitol Building
Bismarck, ND 58505-0480

Re: Application for Approval to Update Tariff and Rate Schedules – Case No. PU-17-075
Effects of the Tax Cuts and Jobs Act Case No. PU-17-490
Refund Plan

Great Plains Natural Gas Co. (Great Plains), a Division of Montana-Dakota Utilities Co., respectfully submits the Company's proposed Refund Plan in compliance with Paragraph 4 of the Commission's January 9, 2019 Order in the above-referenced cases. The plan outlines the Company's proposal for refunding to its customers 4.0 percent of the total revenues collected, excluding transportation and other revenues, through a one-time bill credit in April 2019.

Please acknowledge receipt by stamping or initialing the duplicate copy of this letter attached hereto and returning the same in the same in the enclosed self-addressed, stamped envelope.

Sincerely,



Tamie A. Aberle
Director of Regulatory Affairs

Attachments

cc: Garret Senger
Karl Liepitz
John Schuh
Victor Schock

39 PU-17-490 Filed 01/15/2019 Pages: 5
Compliance filing - Proposed Refund Plan
Great Plains Natural Gas Co.
Tamie Aberle, Director of Reg. Affairs

33 PU-17-75 Filed 01/15/2019 Pages: 5
Compliance filing - Proposed Refund Plan
Great Plains Natural Gas Co.
Tamie Aberle, Director of Reg. Affairs

**Great Plains Natural Gas Co.
Gas Utility – North Dakota
Application for Approval to Update Tariff and Rate Schedules Case No. PU-17-075
and Tax Cuts and Jobs Act (TCJA) Case No. PU-17-490
Refund Plan**

As ordered by the North Dakota Public Service Commission (Commission) on January 9, 2019, in Ordering Paragraph 4 in the above referenced cases, Great Plains submits this refund plan as included in Paragraph C of the Other Terms and Conditions of the approved Settlement Agreement. The refund plan is to be filed with the Commission within 30 days of the Commission's Order in the above referenced cases.

Great Plains proposes the following refund plan to enable the refunding of 4.0 percent of the total revenues collected from customers, excluding transportation or other revenues, collected starting January 1, 2018 up to the date of implementation of new rates.

As shown on page 3 of Attachment A, Great Plains has collected total revenues, excluding transportation and other revenues, of \$5,112,364 through December 31, 2018. In applying the 4.0 percent refund factor to the total revenues, Great Plains estimates a tax refund of \$200,344. The application of the three-month Treasury Bill rate to the average refund balance for each month in 2018 calculates a total refund of \$202,379.

The Company is proposing that a bill credit be applied to active customer accounts no later than April 15, 2019 if new rates are implemented February 1, 2019. If new rates are implemented after February 1, 2019, Great Plains proposes that bill credits be applied to customer accounts no later than ninety days after the implementation of new rates. Individual customer refunds will be calculated based on

each customer's actual consumption for the period January 1, 2019 through the end of the month preceding the change in rates and shown as a separate line item on customers' bill, titled "Tax Act Refund". In the event a customer account is no longer active, checks will be issued if the refund is \$5.00 or greater. Any remaining refund amount associated with inactive customers or the difference due to rounding will be applied to the Company's Unrecovered Purchased Gas Cost Account.

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 and the amount applied to the Unrecovered Purchased Gas Cost Account.

**Great Plains Natural Gas Co.
Gas Utility - North Dakota
Estimated Tax Act Refund by Rate Class
(based on Total Revenues excluding Contract Revenues)
Twelve Months Ended December 31, 2018**

Firm	<u>Total Revenue</u>	<u>Net Refund 1/</u>	<u>Interest 2/</u>	<u>Total Refund</u>	<u>YTD 2018 Dk</u>	<u>Estimated Refund/Dk</u>
Firm	\$2,044,338	\$80,114	\$814	\$80,928	314,764	\$0.2571
Interruptible	<u>3,068,026</u>	<u>120,230</u>	<u>1,221</u>	<u>121,451</u>	<u>768,990</u>	\$0.1579
Total North Dakota	<u><u>5,112,364</u></u>	<u><u>200,344</u></u>	<u><u>2,035</u></u>	<u><u>202,379</u></u>	<u><u>1,083,754</u></u>	

1/ 4% of Total Revenues less non-plant EDIT balance of \$4,152 allocated to rate class based on percentage of Total Revenues.

2/ Interest applied to average beginning balance at 3 month Treasury bill rate.

**Great Plains Natural Gas Co.
Gas Utility - North Dakota
Calculation of Interest on 2018 Tax Refund Amount
Case Nos. PU-17-075 and PU-17-490**

	Net Revenue	Beginning Refund Balance	4% Refund	Non-Plant EDIT 1/	Net Refund	Interest on Refund Balance 2/	Refund Balance
January 2018	\$704,142	\$0	\$28,166	\$346	\$27,820	\$0	\$27,820
February	650,522	27,820	26,021	346	25,675	18	53,513
March	702,189	53,513	28,088	346	27,742	58	81,313
April	487,391	81,313	19,496	346	19,150	99	100,562
May	379,860	100,562	15,194	346	14,848	141	115,551
June	217,614	115,551	8,705	346	8,359	171	124,081
July	211,441	124,081	8,458	346	8,112	196	132,389
August	223,348	132,389	8,934	346	8,588	217	141,194
September	194,299	141,194	7,772	346	7,426	243	148,863
October	169,000	148,863	6,760	346	6,414	272	155,549
November	433,835	155,549	17,353	346	17,007	296	172,852
December	738,725	172,852	29,549	346	29,203	324	202,379
January 2019		202,379			0	0	202,379
February		202,379				0	202,379
March		202,379				0	202,379
April		202,379				0	202,379
	<u>\$5,112,366</u>		<u>\$204,496</u>	<u>\$4,152</u>	<u>\$200,344</u>	<u>\$2,035</u>	

1/ Non-plant EDIT balance of \$4,152 / 12 months
2/ Interest applied to average beginning balance.