



# MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

400 North Fourth Street  
Bismarck, ND 58501  
(701) 222-7900

December 21, 2012

Mr. Robert Nelson  
Montana Consumer Counsel  
111 North Last Chance Gulch, Suite 1B  
PO Box 201703  
Helena, MT 59620-1703

Re: General Gas Rate Application  
Docket No. D2012.9.100

Dear Mr. Nelson:

Montana-Dakota Utilities Co. electronically submits its responses to the Montana Consumer Counsel's data requests dated November 30, 2012 and December 6, 2012. Responses to the following requests are attached:

MCC-004	MCC-125
MCC-108	MCC-131
MCC-121	MCC-134

Sincerely,

Rita A. Mulkern  
Director of Regulatory Affairs

Attachments  
cc: Service List

Montana-Dakota Utilities Co.  
Docket No. D2012.9.100  
Service List

Ms. Kate Whitney, Administrator  
Utility Division  
Montana Public Service Commission  
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**MONTANA-DAKOTA UTILITIES CO.  
MONTANA CONSUMER COUNSEL  
DATA REQUEST  
DATED NOVEMBER 30, 2012  
DOCKET NO. D2012.9.100**

**MCC-004 RE: Adjustment No. 1 - Sales & Transportation Revenues  
Witness - Mulkern**

- a. Provide all work papers, analyses, memos and other documentation that support the column labeled "Per Books @ Current Rates" as shown on Rule 38.5.164, Statement H, page 3 of 7.**
- b. Please explain the nature of the revenue adjustments shown in Rule 38.5.164, page 3 of 7, for each of the transportation classifications.**

**Response:**

- a. Please see the Statement and Exhibit Workpapers, Statement H, page 2 and pages 5 through 15.
- b. Please see Response No. MCC-002, a.

**MONTANA-DAKOTA UTILITIES CO.  
MONTANA CONSUMER COUNSEL  
DATA REQUEST  
DATED NOVEMBER 30, 2012  
DOCKET NO. D2012.9.100**

**MCC-108 RE: Statement L  
Witness: Tamie A. Aberle**

**For Total Montana and for each class shown at Statement L, Schedule L-3, please provide the actual annual Dk sendout quantities in each year for calendar years 2009, 2010, and 2011, for the following class allocators:**

- a. Dk Throughput**
- b. Dk Sales**

**Response:**

- a. Please see Attachment A for Dk throughput billed to customers.
- b. Please see Attachment A for Dk sales billed to customers.

**MONTANA-DAKOTA UTILITIES CO.  
GAS UTILITY - MONTANA  
MCC - 108 Attachment A  
Dk Throughput and DK Sales  
2009 - 2011**

**Dk Throughput**

	<b>2011</b>	<b>2010</b>	<b>2009</b>
Residential	6,268,127	5,936,058	6,204,526
Small Firm General	1,155,199	1,081,472	1,126,564
Large Firm General	2,659,765	2,498,353	2,562,253
Small Interruptible	1,006,654	920,313	837,988
Large Interruptible	4,637,849	4,292,716	3,633,861
<b>Total</b>	<b>15,727,594</b>	<b>14,728,912</b>	<b>14,365,192</b>

**Dk Sales**

	<b>2011</b>	<b>2010</b>	<b>2009</b>
Residential	6,268,127	5,936,058	6,204,526
Small Firm General	1,155,199	1,081,472	1,126,564
Large Firm General	2,659,765	2,498,353	2,562,253
Small Interruptible	278,445	196,222	111,591
Large Interruptible	23,609	146	5,619
<b>Total</b>	<b>10,385,145</b>	<b>9,712,251</b>	<b>10,010,553</b>

**MONTANA-DAKOTA UTILITIES CO.  
MONTANA CONSUMER COUNSEL  
DATA REQUEST  
DATED NOVEMBER 30, 2012  
DOCKET NO. D2012.9.100**

**MCC-121 RE: Residential Gas Usage  
Witness: Tamie A. Aberle**

**For the Residential customer class, please provide a listing showing the total number of customers having annual gas usage in 2011 within each of the following annual quantity intervals:**

- a. 50 Dkt or less.**
- b. 51 Dkt to 70 Dkt.**
- c. 71 Dkt to 90 Dkt.**
- d. 91 Dkt to 110 Dkt.**
- e. 111 Dkt to 130 Dkt.**
- f. 131 Dkt to 150 Dkt.**
- g. 151 Dkt or greater.**

**Response:**

- a. 26,323
- b. 15,291
- c. 16,584
- d. 11,751
- e. 6,752
- f. 3,424
- g. 4,558

**MONTANA-DAKOTA UTILITIES CO.  
MONTANA CONSUMER COUNSEL  
DATA REQUEST  
DATED DECEMBER 6, 2012  
DOCKET NO. D2012.9.100**

**MCC-125 RE: Billings downtown office and remote warehouse  
Witness - Skabo**

- a. When did the replacement of the downtown Billings office and the remote warehouse take place?**
- b. What is the rate base amount reflected in this test year for the new combined office and operations center for the Rocky Mountain Region?**
- c. What happened to the downtown office and remote warehouse that have been replaced?**
- d. Should the new facility result in operational efficiencies - and corresponding expense reduction? If so, how are the cost savings integrated into the test year in this case?**

**Response:**

- a. Montana-Dakota replaced the downtown Billings office and warehouse in 2007.
- b. The amount reflected in the test year rate base for the combined office and operations center for the Rocky Mountain region applicable to Montana gas operations is:

	Pro Forma
Plant in Service	\$3,919,799
Accumulated Reserve	407,446
Net Plant	\$3,512,353

- c. The downtown building was sold to Big Sky Economic Development Association and was demolished for the construction of the new Federal Building. Montana-Dakota still owns the warehouse and utilizes it for storage.
- d. Yes, the new facility provides operational efficiencies and the operation and maintenance (O&M) cost savings are integrated into the O&M expenses in the case.

**MONTANA-DAKOTA UTILITIES CO.  
MONTANA CONSUMER COUNSEL  
DATA REQUEST  
DATED DECEMBER 6, 2012  
DOCKET NO. D2012.9.100**

**MCC-131 RE: Post-retirement benefit liability  
Witness - Jones**

- a. Did the change to reduce the post-retirement benefit liability impact the test year expenses in this case? If so, by how much? If not, why not?**
- b. Is the reduction, if any, in the test year expenses in this case for the change in the post-retirement benefit liability reflected for a partial year or a full year? If only for a partial year, explain why it should not be reflected for a full year.**

**Response:**

- a. The change was not reflected in the benefit expenses as the information was not available at the time the pro forma benefits expense was prepared.
- b. Please see Attachment A for the updated adjustment to postretirement expense to reflect the annual savings to Montana gas operations. Page 1 is the updated Statement G, page 5 and page 2 is the updated Statement Workpapers, Statement G, page G-44. The effect of the update is to decrease the Montana gas postretirement expense by \$44,667.

Updated to reflect annualized post-retirement.

**MONTANA-DAKOTA UTILITIES CO.  
BENEFITS EXPENSE  
GAS UTILITY - MONTANA  
TWELVE MONTHS ENDING DECEMBER 31, 2011  
ADJUSTMENT NO. 7**

	Per Books		Pro Forma 1/	Pro Forma Adjustment
	Gas Utility	Montana		
Medical/Dental	\$2,117,808	\$623,431	\$628,980	\$5,549
Pension expense	514,314	155,387	(64,455)	(219,842)
Post-retirement	453,151	152,499	339,539	187,040
401-K	2,145,671	605,091	689,804	84,713
Workers compensation	114,735	50,015	52,383	2,368
Supplemental Insurance	617,368	179,996	0	(179,996)
Total	<u>\$5,963,047</u>	<u>\$1,766,419</u>	<u>\$1,646,251</u>	<u>(\$120,168)</u>

1/ Reflects an increase of 0.89% to medical and dental, a decrease of 141.48% to Pension expense, an increase of 122.65% to Post-retirement expense, an increase of 14% to 401-K expense. Workers Compensation expense is based on the ratio of worker's compensation to pro forma labor expense and Supplemental Insurance was eliminated from benefits expense.

**MONTANA-DAKOTA UTILITIES CO.**  
**BENEFITS EXPENSE - UTILITY**  
**TWELVE MONTHS ENDING DECEMBER 31, 2011**

<u>Medical/Dental (5194)</u>	<u>Per Books</u>	<u>2012 Plan</u>	<u>% Change</u>
Electric	\$2,603,462	\$2,589,656	-0.53%
Gas	2,398,720	2,456,930	2.43%
	<u>5,002,182</u>	<u>5,046,586</u>	<u>0.89%</u>
<u>Pension (5195)</u>			
Electric	\$621,423	(\$268,713)	-143.24%
Gas	529,280	(208,548)	-139.40%
	<u>1,150,703</u>	<u>(477,261)</u>	<u>-141.48%</u>
<u>Post-retirement (5196)</u>			
2011 Accual	\$1,373,602		
2012 Accuarey	3,058,320		
Difference	<u>\$1,684,718</u>		
% Change	122.65%		
<u>401K( 5197)</u>			
Electric	\$2,661,458	\$3,150,800	18.39%
Gas	2,393,450	2,612,006	9.13%
Total	<u>5,054,908</u>	<u>5,762,806</u>	<u>14.00%</u>
<u>Workers Compensation (5199)</u>	\$50,015		
Gas Labor	\$5,690,347		
% Workers Comp to Labor	0.8789%		

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**MCC-134 RE: Billings Landfill project  
Witness - Morman**

**The testimony (page 5, lines1-2) indicates that the “The studies indicated the gas could initially be developed for around \$6 per dkt...” What is the current actual cost per dkt of gas produced by the Billings Landfill project? Provide all work papers, analyses, memos and other documentation that support the actual cost per dkt.**

**Response:**

Based on the 2012 test period and the cost of service for Montana provided in Response No. MCC-133 with current production levels of approximately 140,000 dk annually as provided in Response No. MCC-078, the cost per dk for Montana gas operations is \$17 per dk. The overall costs are similar to those identified in the studies provided in Response No. MCC-77, however, the difference in the unit cost is primarily driven by lower production rates than included in the initial study.