

DEPARTMENT OF PUBLIC SERVICE REGULATION  
BEFORE THE PUBLIC SERVICE COMMISSION  
OF THE STATE OF MONTANA

IN THE MATTER OF THE APPLICATION ) REGULATORY DIVISION  
of MONTANA-DAKOTA UTILITIES CO., )  
a Division of MDU Resources Group, Inc., ) DOCKET NO. D2012.9.100  
for Authority to Establish Increased Rates for )  
Natural Gas Service )

**PRE-HEARING MEMORANDUM OF MONTANA-DAKOTA UTILITIES CO.**

Pursuant to Paragraph 16 of Procedural Order 7254 entered in this docket, Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. ("Montana-Dakota"), the Applicant in this proceeding, submits this Pre-hearing Memorandum to the Commission.

**INTRODUCTION**

This docket is an application by Montana-Dakota for a general rate increase in the rates it is authorized to charge its customers for gas service in the State of Montana. There is one Intervener in this proceeding, the Montana Consumer Counsel ("MCC").

**ISSUES**

There are numerous issues in this case defined by the pre-filed testimony of the MCC and Montana-Dakota. The major issues, in terms of dollar impact on the revenue requirement in this case are:

- (1) Whether new depreciation rates should be authorized by the Commission;
- (2) Determining the cost of equity capital and capital structure;
- (3) The inclusion of the Billings Landfill Project in ratebase;
- (4) The reflection of the new Customer Care and Billing system in rates, and;
- (5) Other post test year plant additions

Rate design is also an important issue in this case.

## WITNESSES

All testimony in this docket has been pre-filed in accordance with Procedural Order 7254. Montana-Dakota intends to call its witnesses in the sequence described below.

Montana-Dakota will present its case in chief through the direct testimony of the following witness, who will be called in the sequence listed:

- (1) Frank Morehouse, adopting the direct testimony of David Goodin
- (2) Jay Skabo
- (3) Anne Jones
- (4) Garret Senger
- (5) Robert Mormon
- (6) J. Stephen Gaske
- (7) Michael Gardiner
- (8) Earl Robinson
- (9) Rita Mulkern
- (10) Tamie Aberle

After the MCC presents its case in chief, Montana-Dakota will present its rebuttal case through the rebuttal testimony of the following witness:

- (1) Garret Senger
- (2) Robert Mormon
- (3) J. Stephen Gaske
- (4) Michael Gardiner
- (5) Earl Robinson
- (6) Rita Mulkern
- (7) Tamie Aberle

## EXHIBITS

Montana-Dakota will pre-mark and introduce into evidence the following exhibits:

- MDU-01      Application and supporting documents (Testimony and witness exhibits excluded.)
- MDU-02      Direct Testimony of David Goodin (To be adopted by Frank Morehouse.)
- MDU-03      Direct Testimony of Jay Skabo
- MDU-04      Direct Testimony of Anne Jones
- MDU-05      Direct Testimony of Garret Senger
- MDU-06      Rebuttal Testimony of Garret Senger
- MDU-07      Direct Testimony of Robert Mormon
- MDU-08      Rebuttal Testimony of Robert Mormon
- MDU-09      Direct Testimony of J. Stephen Gaske
- MDU-10      Rebuttal Testimony of J. Stephen Gaske
- MDU-11      Direct Testimony of Michael Gardner
- MDU-12      Rebuttal Testimony of Michael Gardiner
- MDU-13      Direct Testimony of Earl Robinson
- MDU-14      Rebuttal testimony of Earl Robinson
- MDU-15      Direct Testimony of Rita Mulkern
- MDU-16      Rebuttal Testimony of Rita Mulkern
- MDU-17      Direct Testimony of Tamie Aberle
- MDU-18      Rebuttal Testimony of Tamie Aberle

Montana-Dakota reserves the right to introduce additional exhibits during the cross-examination of MCC witnesses.

**DATA RESPONSES**

The only time Montana-Dakota will introduce Data Responses into evidence will be during the cross-examination of MCC witness. Montana-Dakota will object to the introduction of data responses into evidence other than for purposes of cross-examination.

DATED this 30th day of July 2013.

**HUGHES, KELLNER, SULLIVAN & ALKE, PLLP**

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Attorneys for Montana-Dakota Utilities

**CERTIFICATE OF SERVICE BY MAIL**

I HEREBY CERTIFY that a copy of the foregoing PRE-HEARING MEMORANDUM OF MONTANA-DAKOTA UTILITIES CO. was served upon the following by mailing a true and correct copy thereof on this 30th day of July 2013, addressed as follows:

**MONTANA CONSUMER COUNSEL  
PO BOX 201703  
HELENA MT 59620-1703**

John Alke  
John Alke