

PUBLIC SERVICE COMMISSION STATE OF MONTANA



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MEMORANDUM

July 10, 2013

TO: Ms. Rita A. Mulkern
Director of Regulatory Affairs
Montana-Dakota Utilities Co.
400 North Fourth Street
Bismarck, North Dakota 58501

FROM: Leroy Beeby, Rate Analyst, Montana Public Service Commission
Dagan Lynch, Rate Analyst, Montana Public Service Commission

RE: Data Requests in Docket D2012.9.100

Enclosed please find Montana Public Service Commission Data Requests PSC-157 through PSC-166 to Montana-Dakota Utilities Co. in the above-referenced docket. If you have any questions, please contact Leroy Beeby at (406) 444-6188, e-mail lebeeby@mt.gov, or Dagan Lynch at (406) 444-6184, e-mail dlynch@mt.gov.

Thank you for your cooperation on this matter.

Enclosure

cc: Service list

Service Date: July 10, 2013

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

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IN THE MATTER OF the Application of) REGULATORY DIVISION
Montana-Dakota Utilities Co. for Authority to)
Establish Increased Rates for Natural Gas) DOCKET NO. D2012.9.100
Service in the State of Montana)

**MONTANA PUBLIC SERVICE COMMISSION DATA REQUESTS
PSC-157 THROUGH PSC-166 TO MONTANA-DAKOTA UTILITIES CO.**

PSC-157

Regarding: Thermal oxidizer, pg. 4:10-11
Witness: Morman

- a. Was the thermal oxidizer an obligation of the gas plant necessary for it to be permitted?
- b. What are the fixed and variable costs of the oxidizer, and how much of the plant's annual revenue requirement does it represent?

PSC-158

Regarding: Long-term gas price forecasts and development of plant
Witness: Morman

- a. Did MDU consult long-term gas price forecasts during the time before landfill was built?
- b. Please identify and provide any gas forecast which MDU consulted in the five year period before MDU made its decision to move forward with the landfill project.
- c. On pg. 5:20, you argue that any comparison of the unit cost from the Billings landfill to open market purchases requires "some fairly heroic assumptions." Describe what you mean by the adjective "heroic" in the context of that sentence.
- d. Provide a timeline showing the activities and market context associated with the planning and development of the Billings landfill project. Include in the timeline: 1) the decision milestones regarding the plant's development, 2) the amount of investment in the plant, as it accumulated over time, 3) the time at which the gas price forecasts in (b) were received and/or consulted by MDU.

PSC-159

Regarding: Analysis of landfill gas project
Witness: Morman

- a. Provide “the Wenck studies” referred to on pg 6:21.
- b. Provide “the analysis” referred to on pg 6:1.
- c. With respect to the underperformance of wells in Phase 1, was any evaluation made of landfill contents and areas where particular types of waste were located?
- d. How were locations of test wells determined?

PSC-160

Regarding: Phase I vs Phase II production
Witness: Morman

- a. How much gas production was projected from Phase I, and how much is being produced?
- b. How much gas production was projected from Phase II, and how much is being produced?
- c. What is the cost in rate base of each phase?

PSC-161

Regarding: Preliminary studies
Witness: Morman

- a. Were the services provided by Wenck, including their analysis and the drilling of test wells, part of the rate base of this project?
- b. If so, please identify the amount that preliminary investigation accounts for.

PSC-162

Regarding: Method of filling landfill
Witness: Morman

Did the City of Billings report to MDU the impetus of the change of the method of filling the landfill described on pg 11:3-17 and, if so, what was the impetus for the change?

PSC-163

Regarding: Proxy group & small-size considerations
Witness: Gaske

For each member of your proxy group, please identify: how many jurisdictions does the proxy company offer service as a regulated local distribution company, how many customers does the proxy company have in each jurisdiction, and to what extent is the local economy in each of those jurisdictions diversified, relative to MDU and the jurisdictions, customer base, and local economy that it serves?

PSC-164

Regarding: Sarbanes-Oxley
Witness: Gardner

- a. Please provide the portion of the Sarbanes-Oxley Act that MDU references in the rebuttal testimony of Michael J. Gardner, page 2.
- b. With respect to the Sarbanes-Oxley Act why would MDU have been out of compliance with the referenced section of the Sarbanes-Oxley Act?

PSC-165

Regarding: Billings Landfill Project
Witness: Morman

Please provide the life cycle analysis referenced in the rebuttal testimony of Robert C. Morman, page 5.

PSC-166

Regarding: Billings Landfill Project
Witness: Morman

- a. Does MDU expect any of the vertically drilled wells to produce the previously estimated amount of gas? If so, when?
- b. Of the gas being produced from the Billings Landfill, how efficient is the gathering system as a whole at capturing the methane?