



May 8, 2015

Ms. Kate Whitney
Administrator
Montana Public Service Commission
1701 Prospect Ave.
P. O. Box 202601
Helena MT 59620-2601

RE: Docket Nos. D2013.5.34/D2014.5.47 – Natural Gas Tracker
MCC Set 4 (066-070)

Dear Ms. Whitney:

Enclosed for filing are NorthWestern Energy's responses to MCC Set 4 Data Requests in Docket Nos. D2013.5.34/D2014.5.47 Natural Gas Tracker.

These data responses will be hand delivered to the Montana Public Service Commission and the Montana Consumer Counsel this date. They will also be mailed to the service list in this docket, e-filed on the PSC website and emailed to counsel of record.

If you have any questions, please call Joe Schwartzenberger at (406) 497-3362.

Sincerely,

Connie Moran
Administrative Assistant
Regulatory Affairs

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of NorthWestern's responses to MCC Set 4 Data Requests (066-070) in Docket Nos. D2013.5.34/D2014.5.47 will be hand delivered to the Montana Public Service Commission and Montana Consumer Counsel and also e-filed with the Montana Public Service Commission. It will also be served upon the following persons by postage prepaid via first class mail as follows:

Robert Nelson
Montana Consumer Counsel
Po Box 201703
Helena Mt 59620-1703

Connie Moran
NorthWestern Energy
40 East Broadway
Butte MT 59701

Joe Schwarzenberger
NorthWestern Energy
40 East Broadway
Butte MT 59701

Ross Richardson
116 W Granite St
Butte MT 59703

John W Wilson
JW Wilson and Associates
1601 N Kent Street Suite 1104
Arlington VA 22209

Kate Whitney
Public Service Commission
1701 Prospect Ave
Po Box 202601
Helena MT 59620-2601

Al Brogan
NorthWestern Energy
208 N Montana Ave Suite 205
Helena MT 59601

Sarah Norcott
NorthWestern Energy
208 N Montana Ave Suite 205
Helena MT 59601

George Donkin
JW Wilson and Associates
1601 N Kent Street Suite 1104
Arlington VA 22209

DATED this 8th day of May 2015.



**NorthWestern Energy
Docket D2013.5.34/D2014.5.47
Natural Gas Tracker**

**Montana Consumer Counsel (MCC)
Set 4 (066-070)**

Data Requests received May 1, 2015

MCC-066 Regarding: NorthWestern Energy (NWE) Exhibits
 Witness: Joe Schwarzenberger

Please provide on compact disk electronic working copies, with all links intact, of all exhibits (including related workpapers, where applicable), that are being sponsored by Mr. Schwarzenberger in support of his rebuttal testimony in this case.

RESPONSE:

See the MCC-066 folder on the attached CD.

NorthWestern Energy
Docket D2013.5.34/D2014.5.47
Natural Gas Tracker

Montana Consumer Counsel (MCC)
Set 4 (066-070)

Data Requests received May 1, 2015

MCC-067 Regarding: Total Resource Cost
 Witness: Joe Schwartzberger

At JS-10, lines 21-23, Mr. Schwartzberger states “NorthWestern has consistently included a 10% environmental benefit factor in its Total Resource Cost test to evaluate natural gas DSM cost effectiveness.”

- a. Please describe in detail each type of environmental benefit that NorthWestern believes is realized from its natural gas USB activities.
- b. Please describe in detail how NorthWestern calculated, estimated, or arrived at that 10% environmental benefit factor.
- c. Has NorthWestern been ordered or directed by the Commission to include a 10% environmental benefit factor in performing Total Resource Cost tests? If so, please identify the docket number and order number in which NorthWestern was so ordered or directed.
- d. Please provide copies of all “Total Resource Cost” tests performed by NorthWestern for its natural gas USB activities during program periods 2012-2013 and 2013-2014.

RESPONSE:

- a. Natural gas saved as a result of USB activities reduces natural gas burned by end use equipment, and related emissions are reduced accordingly. Additionally, to the extent the gas savings contribute to delaying or reducing the need for natural gas exploration, development of natural gas reserves, and related extraction and transportation activities, associated impacts on land, water, and/or air resources are delayed or reduced.
- b. NorthWestern initially applied a 10% environmental benefit factor to the Total Resource Cost (“TRC”) test used for electric DSM cost effectiveness analysis in its 2004 Electric Default Supply Procurement Plan (“2004 Plan”). As explained in the 2004 Plan, NorthWestern did not attempt to explicitly quantify the appropriate environmental benefit factor to be used in the electric DSM analysis. Rather, 10% was chosen as a reasonable surrogate. In its August 17, 2004 comments on the Plan, the Commission found application of the 10% environmental benefit factor to be reasonable for that planning cycle.

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Montana Consumer Counsel (MCC)
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MCC-067 cont'd

As described in the 2004 Plan, the impact of applying the environmental benefit factor to the TRC test is that the cost effective threshold benefit/cost ("B/C") ratio is 0.9 rather than 1.0, and measures that produced a B/C ratio of 0.9 or greater were included in the DSM acquisition plan included in the 2004 Plan.

On August 24, 2005, the Commission held an informational meeting at which NorthWestern presented its proposed initial natural gas DSM plan for potential implementation beginning in 2005. This meeting was recorded and is available for review on the Commission's website. Among other things, at that meeting, NorthWestern requested guidance regarding the cost effectiveness criteria that should be used for natural gas DSM measures. After considering comments offered by Commissioners and Commission staff during the meeting, NorthWestern adopted the electric DSM cost effectiveness methodology presented in the 2004 Plan for its natural gas DSM plan and commenced implementation of its natural gas DSM programs later in 2005.

NorthWestern requested recovery of natural gas DSM program costs incurred during the July 1, 2005 through June 30, 2006 natural gas tracker period in Docket No. D2006.5.58. Measures that produced a TRC test B/C ratio of 0.9 or greater were included in the programs. See the response to Data Request PSC-001d in Docket No. D2006.5.58. The Commission approved the program costs for recovery in Order No. 6741c in that docket. NorthWestern has applied a 10% environmental benefit factor in its natural gas DSM cost effectiveness analysis since that time, and program costs have consistently been approved by the Commission.

- c. Not directly. See the response to part b, above. NorthWestern believes that the Commission has implicitly approved the use of an environmental benefit factor.
- d. See the response to Data Request MCC-068a for information regarding TRC tests used to screen measures included in NorthWestern's natural gas USB programs. NorthWestern did not perform separate TRC tests on the natural gas USB programs as a whole.

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Montana Consumer Counsel (MCC)
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Data Requests received May 1, 2015

MCC-068 Regarding: Cost Effectiveness
 Witness: Schwartzenberger, parts a & c / Baker, McRae, DeBolt, part b

Please refer to JS-23, lines 1-8.

- a. Please provide copies of the Total Resource Cost tests used by NorthWestern to screen the measures included in its USB programs during the 2012-2013 and 2013-2014 gas tracker periods.
- b. Please provide copies of all documents prepared by NorthWestern and/or SBW that support SBW's determination that the natural gas portion of the Energy Audit program was cost effective on average during the evaluation period.
- c. Please define the "evaluation period" referred to there at line 6.

RESPONSE:

- a. See Attachment. The referenced testimony refers to the natural gas measures funded by the Energy Audit program. The TRC results for these four measures for the 2012-13 and 2013-14 tracker periods are included on pages 1 and 2.

NorthWestern does not typically use the TRC test specifically to screen measures included in the Free Weatherization program. However, the four natural gas measures funded by the Energy Audit program discussed above were also eligible for funding under the Free Weatherization program, and four additional measures that were screened for inclusion in the Residential Existing Natural Gas Rebate DSM program were eligible for funding under the Free Weatherization program as well. The TRC test results for these four additional measures are included on pages 3 and 4.

- b. Mr. Schwartzenberger's testimony simply referenced SBW's cost effectiveness findings regarding the Energy Audit program. Mr. Schwartzenberger is not the appropriate witness to respond to questions about SBW's work because he did not conduct the evaluation that resulted in the findings. MCC had an opportunity to conduct discovery on SBW's prefiled testimony earlier in these consolidated dockets, and NorthWestern believes that this data request should have been propounded at that time. However, at Mr. Schwartzenberger's request, SBW provided the following response:

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MCC-068 cont'd

Refer to the "Impact Results Tables – Calendar.xlsm" file in the MCC-068b folder on the CD attached to Data Request MCC-066. This file accompanied the evaluation report dated January 29, 2013, and results shown in it also appear in various tables in the evaluation report of the same date. In order to access the Energy Audit-related information, open the file and go to the last tab named "TableIndex." On line 94, click on the hyperlink in column B to open the tab named "EAuditHomeorBusiness". Line 326 of that tab shows the Total Resource Cost test results for gas savings for the five-year calendar period covered by the evaluation. The average gas B/C ratio for the Energy Audit program shown on this line is 1.01 for the evaluation period. All of the inputs used to derive this value are referenced in the equations found on lines 321 through 326. Also see response to Data Request PSC-002 in this consolidated docket.

- c. The evaluation period was from July 1, 2006 through December 31, 2011.

Measures screened for cost-effectiveness during development of DSM rebate programs that are included as measures in USB funded natural gas conservation programs

2012-13 Residential Natural Gas conservation measures

Natural Gas conservation measures that are eligible under the residential E+ Audit for the Home Program:

Faucet Aerators

2 bathroom (< 2.2 gpm) and 1 kitchen (< 1.5 gpm) aerator

Savings=	0.13866078 dKt/unit - year
Cost=	\$ 2.23 per unit
Savings=	\$ 1.14 per unit-yr
Measure life=	10 years
NPV of gas saved =	\$ 5.28
Rebate at 50% npv =	\$ 2.64
Rebate=	per unit
SPB without rebate=	1.96 years
SPB with rebate=	1.96 years
TRC test=	2.37

Hot Water Pipe Insulation

Increase hot water pipe and/or boiler pipe insulation from R-0 to R-4, 1st 10 feet of pipe or pipe in unconditioned space

Savings=	0.06847566 dKt/linear ft - year
Cost=	\$ 2.81 per linear ft
Savings=	\$ 0.56 per linear ft-yr
Measure life=	15 years
NPV of gas saved =	\$ 3.44
Rebate at 50% npv =	\$ 1.72
Rebate=	\$ - per linear ft
SPB without rebate=	4.99 years
SPB with rebate=	2.49 years
TRC test=	1.22

Low-Flow Showerheads

Flow < 2.5 gpm

Savings=	1.81942983 dKt/unit - year
Cost=	\$ 37.95 per unit
Savings=	\$ 14.95 per unit-yr
Measure life=	10 years
NPV of gas saved =	\$ 69.06
Rebate at 50% npv =	\$ 34.53
Rebate=	per unit
SPB without rebate=	2.54 years
SPB with rebate=	2.54 years
TRC test=	1.82

Hot Water Tank Insulation

Increase tank exterior insulation from R-0 to R-11

Savings=	2.41184766 dKt/unit - year
Cost=	\$ 14.00 per unit
Savings=	\$ 19.81 per unit-yr
Measure life=	15 years
NPV of gas saved =	\$ 121.88
Rebate at 50% npv =	\$ 60.94
Rebate=	\$ - per unit
SPB without rebate=	0.71 years
SPB with rebate=	0.35 years
TRC test=	8.71

2013-14 Residential Natural Gas conservation measures

Natural Gas conservation measures that are eligible under the residential E+ Audit for the Home Program:

Faucet Aerators

2 bathroom (< 2.2 gpm) and 1 kitchen (< 1.5 gpm) aerator

Savings=		0.167 dKt/unit - year	Per SBW faucet aerator savings is 0.167 dkt/unit -yr.
Cost=	\$	2.23 per unit	Shower head savings is 1.427 dkt/unit -yr.
Savings=	\$	1.27 per unit-yr	Kit is 2.6412 dkt/kit -yr.
Measure life=		10 years	
NPV of gas saved =	\$	6.51	
Rebate at 50% npv =	\$	3.26	
Rebate=		per unit	
SPB without rebate=		1.75 years	
SPB with rebate=		1.75 years	
TRC test=		2.92	

Hot Water Pipe Insulation

Increase hot water pipe and/or boiler pipe insulation from R-0 to R-3, 1st 10 feet of pipe or pipe in unconditioned space

Savings=		0.06847566 dKt/linear ft - year
Cost=	\$	2.81 per linear ft
Savings=	\$	0.52 per linear ft-yr
Measure life=		15 years
NPV of gas saved =	\$	3.55
Rebate at 50% npv =	\$	1.78
Rebate=	\$	- per linear ft
SPB without rebate=		5.38 years
SPB with rebate=		2.68 years
TRC test=		1.26

Low-Flow Showerheads

Flow < 2.5 gpm

Savings=		1.427 dKt/unit - year	Per SBW faucet aerator savings is 0.167 dkt/unit -yr.
Cost=	\$	37.95 per unit	Shower head savings is 1.427 dkt/unit -yr.
Savings=	\$	10.88 per unit-yr	Kit is 2.6412 dkt/kit -yr.
Measure life=		10 years	
NPV of gas saved =	\$	55.66	
Rebate at 50% npv =	\$	27.83	
Rebate=		per unit	
SPB without rebate=		3.49 years	
SPB with rebate=		3.49 years	
TRC test=		1.47	

Hot Water Tank Insulation

Increase tank exterior insulation from R-0 to R-11

Savings=		2.41184766 dKt/unit - year
Cost=	\$	14.00 per unit
Savings=	\$	18.39 per unit-yr
Measure life=		15 years
NPV of gas saved =	\$	125.03
Rebate at 50% npv =	\$	62.52
Rebate=	\$	- per unit
SPB without rebate=		0.76 years
SPB with rebate=		0.38 years
TRC test=		8.93

2012-13 Residential Natural Gas conservation measures

Natural Gas conservation measures that are eligible under the E+ Free Weatherization Program:

Condensing Furnace, 90 AFUE Assume existing furnace/boiler $\leq 80\%$ AFUE

Replace existing furnace with a new $\geq 90\%$ AFUE

Savings=	7.11674722 dKt/unit - year
Cost=	\$ 138.98 per unit
Savings=	\$ 58.47 per unit-yr
Measure life=	18 years
NPV of gas saved =	\$ 402.63
Rebate at 50% npv =	\$ 201.32
Rebate=	\$ 135.00 per unit
SPB without rebate=	2.38 years
SPB with rebate=	0.07 years
TRC test=	2.90

HE Water Heater (EF=0.62) Assume existing EF ≤ 0.54

Replace existing Water Heater with EF ≥ 0.62

Savings=	2.48200612 dKt/unit - year
Cost=	\$ 107.07 per unit
Savings=	\$ 20.39 per unit-yr
Measure life=	15 years
NPV of gas saved =	\$ 125.42
Rebate at 50% npv =	\$ 62.71
Rebate=	\$ 100.00 per unit
SPB without rebate=	5.25 years
SPB with rebate=	0.35 years
TRC test=	1.17

High Efficiency Condensing Boiler (AFUE = 90%)

Assume existing AFUE $\leq 82\%$

Replace existing boiler with new AFUE $\geq 90\%$

Savings=	11.4315371 dKt/unit - year
Cost=	\$ 213.00 per unit
Savings=	\$ 93.91 per unit-yr
Measure life=	20 years
NPV of gas saved =	\$ 686.86
Rebate at 50% npv =	\$ 343.43
Rebate=	\$ 200.00 per unit
SPB without rebate=	2.27 years
SPB with rebate=	0.14 years
TRC test=	3.22

High efficiency gas room heater

Assume existing AFUE $\leq 75\%$

Replace existing gas room heater with new AFUE $\geq 82\%$

Savings=	9.8470268 dKt/unit - year
Cost=	\$ 318.05 per unit
Savings=	\$ 80.90 per unit-yr
Measure life=	10 years
NPV of gas saved =	\$ 373.86
Rebate at 50% npv =	\$ 186.93
Rebate=	\$ 150.00 per unit
SPB without rebate=	3.93 years
SPB with rebate=	2.08 years
TRC test=	1.18

2013-14 Residential Natural Gas conservation measures

Natural Gas conservation measures that are eligible under the E+ Free Weatherization Program:

Condensing Furnace, 90 AFUE Assume existing furnace/boiler $\leq 80\%$ AFUE

Replace existing furnace with a new $\geq 90\%$ AFUE

Savings=	7.11674722 dKt/unit - year
Cost=	\$ 138.98 per unit
Savings=	\$ 54.25 per unit-yr
Measure life=	18 years
NPV of gas saved =	\$ 412.87
Rebate at 50% npv =	\$ 206.44
Rebate=	\$ 135.00 per unit
SPB without rebate=	2.56 years
SPB with rebate=	0.07 years
TRC test=	2.97

HE Water Heater (EF=0.62) Assume existing EF ≤ 0.54

Replace existing Water Heater with EF ≥ 0.62

Savings=	1.9 dKt/unit - year	Per SBW savings is 1.9 dkt/unit - yr.
Cost=	\$ 107.07 per unit	
Savings=	\$ 14.48 per unit-yr	
Measure life=	15 years	
NPV of gas saved =	\$ 98.50	
Rebate at 50% npv =	\$ 49.25	
Rebate=	\$ 50.00 per unit	
SPB without rebate=	7.39 years	
SPB with rebate=	3.94 years	
TRC test=	0.92	

High Efficiency Condensing Boiler (AFUE = 90%)

Assume existing AFUE $\leq 82\%$

Replace existing boiler with new AFUE $\geq 90\%$

Savings=	11.4315371 dKt/unit - year
Cost=	\$ 213.00 per unit
Savings=	\$ 87.14 per unit-yr
Measure life=	20 years
NPV of gas saved =	\$ 704.17
Rebate at 50% npv =	\$ 352.09
Rebate=	\$ 200.00 per unit
SPB without rebate=	2.44 years
SPB with rebate=	0.15 years
TRC test=	3.31

High efficiency gas room heater

Assume existing AFUE $\leq 75\%$

Replace existing gas room heater with new AFUE $\geq 82\%$

Savings=	10.2457648 dKt/unit - year
Cost=	\$ 318.05 per unit
Savings=	\$ 78.10 per unit-yr
Measure life=	10 years
NPV of gas saved =	\$ 399.64
Rebate at 50% npv =	\$ 199.82
Rebate=	\$ 150.00 per unit
SPB without rebate=	4.07 years
SPB with rebate=	2.15 years
TRC test=	1.26

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Montana Consumer Counsel (MCC)
Set 4 (066-070)

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MCC-069 Regarding: Cost Effectiveness
 Witness: Joe Schwartzenberger

At JS-16, lines 12-17, Mr. Schwartzenberger states “From 2004 through 2012, the portion of qualified weatherization costs funded by NorthWestern was decreasing significantly as a result of the termination of funds available through the American Recovery and Reinvestment Act.”

- a. Please identify the other entity or other entities that also provided funding, in addition to NorthWestern, of qualified weatherization activities from 2004 through 2012.
- b. Please provide the total dollar amounts provided by other entities to fund NorthWestern’s qualified weatherization activities from 2004 through 2012.
- c. Please identify any other entity or other entities that also provided funding, in addition to NorthWestern, of qualified weatherization activities, during each of program periods 2012-2013 and 2013-2014.
- d. Please provide the total dollar amounts provided by other entities to fund NorthWestern’s qualified weatherization activities, during each of program periods 2012-2013 and 2013-2014.

RESPONSE:

The question misstates the referenced testimony. The testimony reads: “From 2004 through 2012, the portion of qualified weatherization costs funded by NorthWestern under the contract had varied between 30% and 100%. At the time of the collaborative, federal funding for weatherization was decreasing significantly as a result of the termination of funds available through the American Recovery and Reinvestment Act.”

NorthWestern contracts with the Montana Department of Public Health and Human Services (“DPHHS”) for weatherization of NorthWestern customer homes. DPHHS operates the state-wide Low-Income Weatherization program that receives federal and other funding in addition to NorthWestern’s USB funding.

- a. Based on information provided by DPHHS, NorthWestern understands the other funding sources include:

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MCC-069 cont'd

U.S. Department of Energy
Low-Income Energy Assistance Program – Weatherization
Montana Dakota Utilities
Bonneville Power Administration
Exxon/Stripper Well

- b. See Attachment. The amounts included there are as reported to NorthWestern by DPHHS.
- c. Refer to part a, above.
- d. Refer to part b, above.

	2004	2005	2006	2007	2008	2009	2010	2011	2012	Tracker Year 2012-13	Tracker Year 2013-14
Funding Provided By Other Entities for NorthWestern's Qualified Weatherization Activities:*	\$ 782,563	\$ 654,784	\$ 693,633	\$ 335,568	\$ 223,234	\$ 1,682,037	\$ 2,929,863	\$ 1,372,742	\$ 894,872	\$ 674,108	\$ 166,280

*These amounts include funding by other entities of qualified weatherization activities in NorthWestern customer homes where NorthWestern USB funded a portion of the costs. They do not include amounts associated with weatherization activities in NorthWestern customer homes where other entities funded 100% of the costs, or related indirect costs funded by other entities such as training for weatherization technicians, qualifying customers as LIEAP eligible or program outreach.

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MCC-070 Regarding: Battle Creek Fixed-Cost Unit Rate
 Witness: P.J. DiFronzo

At PJD-3, lines 1-5, Mr. DiFronzo discusses the development of the fixed-cost unit rate of \$0.1237/Dkt approved by the Commission for Battle Creek.

- a. Please state the first month and year in which NorthWestern's total gas cost tracker rate reflected that \$0.1237/Dkt rate.
- b. Please confirm that the \$0.1237/Dkt fixed-cost unit rate for Battle Creek approved by the Commission is based on the annual revenue requirement shown in the "Rev Req" tab in the excel file labeled "PSC-040a Attachment" that has been provided by NorthWestern in this case in response to PSC-040(a). If you do not confirm please provide a description of the reason(s) why you do not so confirm.
- c. Please confirm that the annual revenue requirement shown in the "Rev Req" tab in the excel file labeled "PSC-040a Attachment" that has been provided by NorthWestern in this case in response to PSC-040(a) is based on the test year January 2011 – December 2011. If you do not confirm please provide a description of the reason(s) why you do not so confirm, and identify the actual test year that was used by NorthWestern to develop the \$0.1237/Dkt fixed-cost unit rate that has been approved by the Commission.
- d. Please provide updated calculations of the Battle Creek annual revenue requirement and the related fixed-cost unit rate, using test year data from January 2014 – December 2014.

RESPONSE:

- a. The fixed rate of \$0.1237/Dkt was effective on June 1, 2013 as approved by Final Order No. 7249e in Docket No. D2012.9.94. The fixed rate prior to this date was \$0.1252/Dkt as approved by Final Order No. 7210b in Docket No. D2012.3.25.
- b. Confirmed.
- c. Confirmed, and updated for the approved Return on Equity of 9.80% in Final Order No. 7249e.

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MCC-070 cont'd

- d. Attached is a copy of the updated Battle Creek revenue requirement for year 2014 based on a Return on Equity of 9.80%. NorthWestern is not agreeing that this is the appropriate Return on Equity. The appropriate Return on Equity will be approved by the Commission in a future docket.

NorthWestern Energy			
Battle Creek Natural Gas Properties			
Docket D2013.5.34 and D2014.5.47			
Revenue Requirement Analysis			
<u>Description</u>		2014 <u>Year End</u>	<u>13-Month Ave</u>
Utility Plant in Service			
Total Plant in Service		\$ 12,392,361	\$ 12,394,681
Less:			
Accumulated Depreciation & Depletion		\$ 2,910,957	\$ 2,581,039
Total Net Plant		\$ 9,481,404	\$ 9,813,642
Less: Customer Contributed Capital			
Deferred Income Taxes			
Accelerated Tax Depreciation		\$ 401,646	\$ 355,436
Total Customer Contributed Capital		\$ 401,646	\$ 355,436
Total Year End Rate Base		\$ 9,079,757	\$ 9,458,206
Rate of Return			7.48%
Authorized Return (Avg. Rate Base * Rate of Return)			\$ 707,474
Cost of Service:			
Operation & Maintenance Expenses		\$ 852,670	
Depreciation Expense		22,955	
Depletion Expense		656,760	
Property & Other Taxes		179,660	
MPSC & MCC Revenue Tax	0.30%	6,386	
Misc. Revenues		(128,216)	
Non-operating (Ominex)		(48,387)	
Deferred Income Taxes		92,420	
Current Income Taxes		175,492	
Total Cost of Service			\$ 1,809,738
Less Variable Costs:			
Production Taxes		135,649	
Royalty Expense		253,007	
Total Variable Cost of Service			388,656
Total Fixed Revenue Requirement (Ln 27 + Ln 39 - Ln 44)			\$ 2,128,556
2014 Test Period Normalized Load (Dkt)			19,686,697
Fixed Cost Unit Rate (Battle Creek)		(Ln 46 / Ln 48)	\$ 0.1081

	<u>Income Tax Computation:</u>	<u>Rate</u>			
	Revenues		\$	2,128,556	
	Operating Expenses			599,663	
	Miscellaneous Revenues			(128,216)	
	Other Utility Revenues (Omimex Fees)			(48,387)	
	Property & Other Taxes			44,010	
	MPSC & MCC Revenue Tax			6,386	
	Tax Depreciation/Depletion			\$943,772	
	Montana Corporate Income Tax			30,075	
	Interest Expense (Based on Avg. Rate Base)	2.81%		265,776	
	Federal Taxable Income		\$	415,478	
	Federal Income Tax @ 35%	35.00%		145,417	
	Federal Current Tax Expense			145,417	
	Federal Taxable Income		\$	415,478	
	Montana Corporate Income Tax			30,075	
	Montana Corporate Taxable		\$	445,553	
	Montana Corporate Income Tax @ 6.75%	6.75%		30,075	
	Montana Current Tax Expense			30,075	
	Total Current Income Tax Expense		\$	175,492	
	<u>Deferred Income Tax Computation:</u>	<u>Rate</u>			
	<u>Accelerated Tax Depreciation</u>				
	Tax Depreciation		\$	943,772	
	Less Book Depreciation/Depletion			679,714	
	Net Deferred Taxable Income		\$	264,058	
	Federal Income Tax Rate			35%	
	Federal Deferred Income Tax Expense-Accelerated Tx Deprec		\$	92,420	