NorthWestern® Energy
Delivering a Bright Future

September 25, 2015

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

RE: Docket Nos. D2015.3.32/N2014.11.92 - Havre Pipeline Company
PSC Set 2 (025-030)

Dear Ms. Whitney:

Enclosed for filing are Havre Pipeline Company's responses to PSC Set 2 Data Requests (025-030) in Docket Nos. D2015.3.32/N2014.11.92.

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 remainder of 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

Connie Moran
Administrative Assistant
Regulatory Affairs

CERTIFICATE OF SERVICE

I hereby certify that a copy of Havre Pipeline Company's Responses to PSC Set 2 Data Requests (025-030) in Docket Nos. D2015.3.32/N2014.11.92 has been hand delivered to the Montana Public Service Commission and Montana Consumer Counsel, e-filed with the Montana Public Service Commission, and emailed to counsel of record this date. It has also been served upon the remainder of the service list by postage prepaid via first class mail as follows:

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DATED this 25th day of September 2015.

Connie Moran

Connie Moran
Administrative Assistant
Regulatory Affairs

NorthWestern Energy
Docket D2015.3.32/N2014.11.92
Havre Pipeline Company

Public Service Commission (PSC)
Set 2 (025-030)

Data Requests received September 18, 2015

PSC-025 Regarding: Petition for Declaratory Ruling and copy of the supplemental filing
Witness: Alke

a. Please provide a copy of the Petition for Declaratory Ruling and a copy of the Supplemental Filing in Support of Petition for Declaratory Ruling filed by HPC, which led to the issuance of the Declaratory Ruling (JLA-3).

b. Did HPC file a motion for reconsideration or a petition for judicial review of the Declaratory Ruling? If so, provide a copy of those filings as well as any resulting Commission or Court order.

RESPONSE:

a. See Attachments 1 and 2 in the "PSC-025" folder on the attached CD.

b. HPC does not have any documents which indicate that a petition for judicial review was filed. The referenced filing was made at the PSC 20 years ago, and there have been three changes in ownership/management of HPC during that time. (UMC to Ocean Energy; Ocean Energy to Devon; Devon to NorthWestern.) The Commission's electronic data base indicates that a motion for reconsideration was filed by HPC on a procedural issue, but that issue would have been mooted by the Commission's issuance of its declaratory ruling.

PSC-026 Regarding: Application for tariff revisions
Witness: Alke

a. Please provide a copy of the application HPC first made for tariff revisions after it acquired the assets discussed in the Declaratory Ruling (JLA-3).

b. Please provide a copy of the Commission order in that matter, and the resulting approved tariffs.

c. Please provide a copy of the tariff that HPC inherited from Northern when it acquired the transmission and gathering system.

RESPONSE:

a. See Attachment in the "PSC-026"folder on the CD attached to Data Request PSC-025.

b. The Attachment provided in response to part a above was downloaded from the Commission's website under Docket No. D95.9.136. There is no Commission order posted on that site, only a Notice of Commission Action, a copy of which is also provided in the "PSC-026" folder on the CD. HPC does not have copies of the resulting approved tariffs.

c. The referenced filing was made at the PSC 20 years ago, and there have been three changes in ownership/management of HPC during that time. (UMC to Ocean Energy; Ocean Energy to Devon; Devon to NorthWestern.) The Commission's electronic data base for PSC Docket D95.9.136 contains an agreement to adopt a farmstead tariff, but does not contain the referenced tariff. HPC believes the referenced tariff would have been what is now the HPC tariff for farmstead service.

PSC-027 Regarding: Pure electric and gas utility
Witness: Alke

Please see Slide 5 of the PowerPoint presentation accessible at NorthWestern's website at the following URL: http://northwesternenergy.com/docs/default-source/documents/investor/PresentationEasternandMidwestUpdate04292015.pdf

a. Please confirm that NorthWestern professes to be a "Pure Electric & Gas Utility" and a "100% Regulated electric & natural gas utility business."

b. Has NorthWestern ever qualified this language in written materials presented to investors and others, drawing attention to the allegation you make that the "Commission does not have regulatory jurisdiction" (18:13-14) over part of NorthWestern's interests in HPC, specifically its gathering system?

RESPONSE:

a. HPC objects to this discovery request, as it seeks information which is irrelevant to the issues in this proceeding, and which will not lead to the discovery of information relevant to the issues in this proceeding. NorthWestern is a different company than HPC. NorthWestern is a member in HPC, a limited liability company, and does not own the assets of HPC. The quoted language has nothing to do with NorthWestern's membership interest in HPC, or the issues in this proceeding.

b. HPC objects to this discovery request, as it seeks information which is irrelevant to the issues in this proceeding, and which will not lead to the discovery of information relevant to the issues in this proceeding. NorthWestern is a different company than HPC. NorthWestern is a member in HPC, a limited liability company, and does not own the assets of HPC. The quoted language has nothing to do with NorthWestern's membership interest in HPC, or the issues in this proceeding.

PSC-028 Regarding: Costs of HPC's gathering system
Witness: Alke

a. Are the costs of HPC's gathering system included in the regulated rates of NorthWestern or HPC customers?

b. Is HPC's gathering system devoted to the public service of NorthWestern or HPC customers?

RESPONSE:

a. No. In fact, in 1999, Mr. Alke successfully challenged on behalf of a gas producer served by HPC an attempt by Ocean Energy to include in the transmission cost of service the cost of compression added to the gathering facilities serving individual producers, primarily Ocean itself.

b. No. The gathering system provides gathering services to individual producers on a contractual basis. The gathering facilities, which are not regulated, allow gas producers to gather their gas at the wellhead and move it to central collection points in the field where it can be treated and injected into a natural gas transmission line, which is the facility regulated by the Commission.

PSC-029 Regarding: Farm tap customers
Witness: Alke

On page 5 of your rebuttal testimony you state "farm tap customers did not obtain the natural gas they use under a profession of public utility service by a gas distribution utility…" On page 9 of your rebuttal testimony you mention that the Commission's decision in the Declaratory Ruling (JLA-3) stated that "the gathering facilities of HPC were unregulated facilities."

Please reconcile your above statements with the PSC's declaration on page 8 of the Declaratory Ruling (JLA-3) that the "PSC would continue to exercise jurisdiction over the farm tap service pursuant to the tariffs filed at the PSC…"

RESPONSE:

No reconciliation is required. Both before and after the declaratory ruling, the Commission regulated the price at which natural gas was sold to the farm tap customers through the farm taps. Prior to the issuance of the declaratory ruling, the Commission had no jurisdiction over any of what are now the HPC facilities, as they were all FERC jurisdictional. After the declaratory ruling, the same situation prevailed with respect to farm taps on gas gathering lines, as Mr. Alke indicates on page 12 of his testimony, lines 15 through 22. Both the FERC and the PSC determined that the facilities upstream of the three main compressors were unregulated gathering facilities.

PSC-030 Regarding: Calculation of gas and non-gas component costs
Witness: DiFronzo

Please explain how your calculation of the gas component and non-gas component costs were made in JLA-4.

RESPONSE:

Please note the title in the second column should have been Mcf's instead of Dkt's. The Mcf's listed were the actual amounts billed customers in 2014. The computation of the Non-Gas Component and Gas Component costs is shown in the table below.

	Mcf's		Rate		Non-Gas Component
Residential	18,567	x	$0.1909	=	$3,544
Commercial	3,205	x	$0.1909	=	$612
Total					$4,156
					Gas Component
Residential	18,567	x	$2.0526	=	$38,110
Commercial	3,205	x	$2.0526	=	$6,579
Total					$44,689