

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) REGULATORY DIVISION
Of MONTANA-DAKOTA UTILITIES CO.,)
a Division of MDU Resources Group, Inc.,) DOCKET NO. D2015.6.51
for Authority to Establish Increased Rates for)
Electric Service in the State of Montana)

**DATA REQUESTS OF THE MONTANA CONSUMER COUNSEL
TO MONTANA-DAKOTA UTILITIES, CO.**

MCC-127

Regarding: Depreciation studies, section 2
Witness: Robinson

Please provide Tables 1-7 in Section 2 of both depreciation studies on electronic medium in Excel readable format.

MCC-128

Regarding: Observed life tables
Witness: Robinson

Please provide the various values on the Observed Life Tables in Section 5 of both depreciation studies on electronic medium in Excel readable format.

MCC-129

Regarding: Depreciation studies, section 6
Witness: Robinson

Please provide the various values in Section 6 of both depreciation studies on electronic medium in Excel readable format.

MCC-130

Regarding: Net salvage values
Witness: Robinson

Please provide the various net salvage values in Section 8 of the Electric depreciation studies on electronic medium in Excel readable format.

MCC-131

Regarding: Original cost
Witness: Robinson

Please provide the original cost, by vintage, by account as reflected in Section 9 of the depreciation study, on electronic medium in Excel readable format for each account separately.

MCC-132

Regarding: SPR analysis
Witness: Robinson

Please provide the output of each separate SPR analysis whether relied upon or not, by account.

MCC-133

Regarding: Life and net salvage data
Witness: Robinson

Please provide all life and net salvage input data, both before adjustment or modification and after adjustment or modification, on electronic medium in Excel readable format by account.

MCC-134

Regarding: Cost of removal amounts
Witness:

Please identify the dollar amount of cost of removal incurred, by account, by year for the past 10 years associated with emergency retirement activity.

MCC-135

Regarding: Conductor retired – Account 356
Witness: Robinson

Please identify the linear feet of conductor retired in Account 356, by year for the past 10 years. The information should be provided on electronic medium in Excel readable format.

MCC-136

Regarding: Conductor retired – Account 365
Witness: Robinson

Please identify the linear feet of conductor retired in Account 365, by year for the past 10 years. The information should be provided on electronic medium in Excel readable format.

MCC-137

Regarding: Conductor retired – Account 367
Witness: Robinson

Please identify the linear feet of conductor retired in Account 367, by year for the past 10 years. Further, indicate the linear feet and corresponding dollars of retirement for those conductors abandoned versus those removed. The information should be provided on electronic medium in Excel readable format.

MCC-138

Regarding: Pole retirements – Account 356
Witness: Robinson

Please identify the number of poles retired by year for the past 10 years in Account 356. The information should be provided on electronic medium in Excel readable format.

MCC-139

Regarding: Pole retirements – Account 364
Witness: Robinson

Please identify the number of poles retired by year for the past 10 years in Account 364. The information should be provided on electronic medium in Excel readable format.

MCC-140

Regarding: Services retired – Account 369
Witness: Robinson

Please identify the number of services retired by year for the past 10 years in Account 369. To the extent available, segregate the retirements and corresponding dollars, as well as cost of removal and gross salvage, between OH and UG Service. The information should be provided on electronic medium in Excel readable format.

MCC-141

Regarding: Forecasted net salvage amounts
Witness: Robinson

Please provide a detailed narrative explaining specifically how annual inflation built into forecasted net salvage amounts was employed in the development of the final proposed net salvage parameters for all accounts.

MCC-142

Regarding: Inflation
Witness: Robinson

To the extent future inflation expectations was specifically factored into the determination of the proposed net salvage value, please explain why future inflation was not discounted back to a net present value level so that current customers would not be paying with current dollars for future inflated costs. Further, provide all support for such position.

MCC-143

Regarding: Net salvage, life-related workpapers
Witness: Robinson

Please provide all net salvage and life-related workpapers. All workpapers should be provided on electronic medium in Excel readable format.

MCC-144

Regarding: Replacement activity costs
Witness: Robinson

When replacement activity occurs and costs are incurred, please provide the allocation of costs between cost of removal and cost of the new installation by activity by account for, by year, for the past 10 years. Further, for each allocation factor employed, provide the actual percentage for each activity or the level at which the percentage allocated or is employed, along with all underlying support, studies, analyses, documentation, etc. associated with the development of the allocation factor. If the amounts are directly assigned, please provide the specific activities directly assigned to cost of removal and to additions when a replacement of a main or a replacement of a service occurs. The response should specifically identify each of the activities performed, along with the expected cost of such activities and all support and justification demonstrating why each activity charged to cost of removal is not more appropriately assigned to the cost of the new replacement installation. Further, provide all underlying studies, documents, etc. justifying and supporting the decision to classify any activity and corresponding cost as cost of removal rather than as a cost of the new addition.

MCC-145

Regarding: Account 390
Witness: Robinson

Please provide a detailed description (e.g., physical location, type of construction, square feet, when built, etc.) for each of the 10 largest investments in Account 390 – General Structures Common Plant. For each of the 10 largest investments, identify whether the investment is owned or leased.

MCC-146

Regarding: Account 390
Witness: Robinson

Please identify each time in the last 20 years when the Company retired one of its general office structures in Account 390 Common Plant, or terminated a lease and moved to a new location. For each such instance, identify the dollar level of retirements, a description of what was retired, along with corresponding cost of removal and net salvage.

MCC-147

Regarding: Industry data
Witness: Robinson

Please provide all industry data associated with life and net salvage parameters reviewed or in the possession of either the Company or its depreciation consultant.

MCC-148

Regarding: Consultant's past work
Witness: Robinson

Please provide a copy of each of Mr. Robinson's electric-related depreciation studies, including all testimony and exhibits submitted during the past three years.

MCC-149

Regarding: Consultant's depreciation related past work
Witness: Robinson

Please provide a copy of all speeches, articles, publications, etc., relating to depreciation developed in total or in part by the Company's outside depreciation consultant during the past 10 years.

MCC-150

Regarding: Previous MDU depreciation studies
Witness: Most appropriate witness

Please provide a copy of each testimony, including rebuttal, submitted by the Company's outside depreciation consultant (Mr. Robinson or other) on behalf of MDU on the topic of depreciation during the past five years. The copies should include all exhibits associated with each testimony, including rebuttal testimonies.

MCC-151

Regarding: Atypical historical values
Witness: Robinson

Please identify each historical value by account by year that the Company considers to be atypical or abnormal. Further, specifically state the treatment afforded such data in the determination of life or salvage parameters by account along with the basis for the manner in which the data was treated. Finally, provide all support and justification for determining why each value was atypical or abnormal.

MCC-152

Regarding: Personnel working on depreciation
Witness: Most appropriate witness

Please identify each Company or outside personnel who had meaningful or significant input into the establishment of depreciation parameters as reflected in the Company's depreciation request. For each such individual, provide the name, department, job title, the information provided by account, the period at which such information was provided, and the support for the information provided.

MCC-153

Regarding: Categorization of plant
Witness: Robinson

Please provide a detailed categorization of plant within each account or subaccount as well as the corresponding dollar level of investment by category. The information should be provided on electronic medium in Excel readable format.

MCC-154

Regarding: Categorization of retired plant
Witness: Robinson

Please provide a detailed categorization of plant retired by year for the past 10 years within each account or subaccount as well as the corresponding dollar level of investment by category. The information should be provided on electronic medium in Excel readable format.

MCC-155

Regarding: Depreciation policy
Witness: Most appropriate witness

Please provide the Company's policy regarding the continuation of recording depreciation expense once an asset becomes fully accrued. Further, state when such policy was implemented.

MCC-156

Regarding: Use of judgment and experience
Witness: Robinson

Please provide the following as it relates to the reliance on judgment and experience in determining the final selection of life or net salvage parameters:

- a. The specific role that judgment and experience played in development of life or net salvage parameters for each account where that was the main or significant reason for the selected values. Further, provide all significant or

meaningful support for the claimed judgment and experience relied upon. The information should be in sufficient detail so as to adequately identify the role and impact resulting from the judgment and experience in establishment of the final value for each account.

- b. The specific role that judgment and experience played in development of life or net salvage parameters for all other accounts in sufficient detail to clearly identify the role played in establishment of the final value.
- c. All underlying documentation that verifies the reasonableness of the claimed role of judgment and experience as it influenced the final selection of net salvage for each account (e.g., as shown on the attachments, utilities, x, y, and z have the same type of accounting procedures and composition of investment in Account XXX as does the Company. Each of these companies exhibited net salvage levels similar to those proposed for the Company. Therefore, the average net salvage level of the other companies was used for the Company. Attached are copies of depreciation surveys indicating net salvage amounts for 40 different companies with similar plant. The average of these companies was used.)
- d. A detailed narrative identifying and explaining each item of judgment and experience relied on by account and/or subaccount in the establishment of life and net salvage values.

MCC-157

Regarding: Site visit information
Witness: Robinson

Please provide a copy of all site visit notes, pictures, etc., associated with any site visits performed by the Company's depreciation witness, specifically identifying the dates and times associated with the visual inspection of each specific type of property. Further, to the extent meaningful or significant information was obtained during such visit(s) and not already reflected in the notes, then provide those items.

MCC-158

Regarding: Support for life and salvage parameters
Witness: Robinson

Please provide all additional bases, evidence, opinions, assumptions, documents, analyses, etc. that either describes, explains, supports, and/or justifies the specific life and salvage parameters proposed for each separate account or subaccount that has not already been provided.

MCC-159

Regarding: Retired dollar amounts
Witness: Robinson

Please identify the quantity of dollars retired by year by account for the past 10 years in which a replacement item of investment was not installed at the same time that the retirement was removed or retired in place.

MCC-160

Regarding: Retirements
Witness: Robinson

Please identify what percentage of retirements was abandoned in place by account by year for the past 10 years on a dollar basis.

MCC-161

Regarding: Supplementary information
Witness: Robinson

For each meaningful or significant supplementary item of information obtained from operating personnel concerning outlooks, expectations, practices, plans, etc. as they relate to life or salvage considerations, please provide the following, by account:

- a. A detailed narrative identification of each separate item.

- b. The individual from whom each such item of information was obtained.
- c. The inquiry made to elicit the item of information.
- d. All underlying data, reports, documents, etc., that address, support or justify each separate item of information.
- e. The impact each separate item of information had in the development of each depreciation parameter by account.

MCC-162

Regarding: Overtime in cost of removal
Witness: Robinson

Please identify by account and by year the dollar amount and percentage level of overtime pay reflected in the cost of removal reported in the Company's historical net salvage analysis.

MCC-163

Regarding: Contractor pay – cost of removal
Witness: Robinson

Please identify by account and by year the dollar amount and percentage level of contractor pay reflected in the cost of removal reported in the Company's historical net salvage analysis. Further, indicate the cost relationship between what an equivalent position with an in-house employee pays versus a contractor.

MCC-164

Regarding: Historical net salvage data
Witness: Robinson

Please state if the historical net salvage data (*i.e.*, gross salvage, cost of removal, and retirements) are time-synchronized. If not, please state the longest time frame between the reporting of one component versus another component of a retirement, as well as the average time period for such situations by account.

MCC-165

Regarding: Emergency replacements
Witness: Robinson

Please provide the annual dollar level associated with emergency replacement situations reflected in the cost of removal amounts in the depreciation study by account for the past 10 years.

MCC-166

Regarding: Reuse material
Witness: Robinson

Please provide the Company's accounting treatment for reuse material. Further, provide all underlying support and justification for the process employed. Finally, provide the level of plant retired and returned to stores by account during the past 10 years along with the corresponding accounting values for salvage by year.

MCC-167

Regarding: Recommended net salvage level
Witness: Robinson

For each account, please provide a specific and detailed narrative of the process employed by the Company's depreciation witness to arrive at his recommended net salvage level. The response should identify each significant or meaningful item of information, whether that information is historical data, management input, or other and how such information was specifically combined to arrive at the final recommended level.

MCC-168

Regarding: Facility relocation related contracts
Witness: Most appropriate witness

Please provide a copy of any contracts the Company requires associated with the relocation of its facilities at the request of a customer or a governmental entity.

MCC-169

Regarding: Funds for relocation projects
Witness: Most appropriate witness

Please identify the treatment afforded funds received for relocation projects (e.g., all funds are booked in Account 108 as salvage, other). Further, provide the basis for the Company's treatment of such funds.

MCC-170

Regarding: Retirement work orders
Witness: Most appropriate witness

Please provide a copy of each retirement work order associated with the retirement of one mile or more of electric distribution lines during the past 10 years.

MCC-171

Regarding: Sales of utility property
Witness: Most appropriate witness

For any sale of utility property since the Company's last rate case, please state whether the gain or loss associated with such sale is contained in the accumulated provision for depreciation. If not, identify the amount by year and by plant account associated with the plant retired and the account to which the gain or loss was booked. Further, provide all support and justification for such actions.

MCC-172

Regarding: Observed life table
Witness: Robinson

Please identify where along the observed life table the data is considered insignificant in the curve fitting process by account (e.g., when the exposures in an age interval reaches 1% of the exposures in age interval 0.0, etc.). Further, provide all support and justification for the determination criteria relied upon.

MCC-173

Regarding: Mathematical and visual curve fitting
Witness: Robinson

Please identify whether and how mathematical and visual curve fitting were relied upon in the establishment of life parameters by account. If both were employed, rank them in order of importance or significance. Further, provide all support and justification for reliance on and ranking of each.

MCC-174

Regarding: Adjustment Nos. 8 – Heskett III and 9 – RICE
Witness: Jacobson

Please provide a copy of the manufacturer’s estimate of operating costs for each plant.

MCC-175

Regarding: Adjustment No. 10 – Thunder Spirit
Witness: Jacobson

Provide support for:

- a. Annual easements.
- b. Basis for the amount included for insurance expense.

MCC-176

Regarding: Adjustment No. 12 – Subcontract Labor
Witness: Jacobson

Provide support for:

- a. The components related to the change in transmission.
- b. Explain the reasons for the increase in customer accounts.

MCC-177

Regarding: Adjustment No. 12 – Subcontract Labor
Witness: Jacobson

Provide a schedule of actual borescope costs by plant for the period 2011 through 2015.

MCC-178

Regarding: Adjustment No. 4 – Fuel and Purchased Power
Witness: Jacobson

- a. Provide a schedule of 2014 deferred fuel and purchased power costs by state.
- b. Provide total 2014 Wyoming fuel and purchased power costs.

MCC-179

Regarding: Adjustment No. 5 – Labor Expense
Witness: Jacobson

Provide incentive compensation for 2010 and 2011 in a format similar to Workpaper G-44.

MCC-180

Regarding: Adjustment No. 6 – Benefits
Witness: Jacobson

Explain the premium realignment for “some” of the plan tiers as noted on Statement Workpapers G-51 as compared to the one plan tier change for employee + child on G-55. What historical time frame is used to trend costs in the medical program?

MCC-181

Regarding: Adjustment No. 6 – Benefits
Witness: Jacobson

- a. Why has the Company used 3.97% as an increase to 401K and Other Benefits when the straight time labor is 3.69% as shown on Workpaper G-43?

- b. Provide workers compensation expense for 2010 – 2014 and 2015 by month, as available, in the same format as presented in Workpaper G-48.

MCC-182

Regarding: Testimony of A. Welte
Witness: Welte

Provide a copy of the URS contract for the MATS project at Lewis & Clark.

MCC-183

Regarding: Testimony of A. Welte
Witness: Welte

Provide actual in-service or commercial operation dates and construction costs for the Big Stone AQCS and RICE projects.

MCC-184

Regarding: Testimony of D. Neigum
Witness: Neigum

Provide the executive summaries from the last three Integrated Resource Plans (IRP).

MCC-185

Regarding: Testimony of D. Neigum
Witness: Neigum

Provide a copy of the Order on the Advanced Determination of Prudence (ADP) for the Thunder Spirit Wind facility received from the North Dakota Public Service Commission.

MCC-186

Regarding: Testimony of D. Neigum
Witness: Neigum

Provide a copy of the Nordex USA, Inc. MSA agreement related to the Thunder Spirit Wind facility.

MCC-187

Regarding: Testimony of D. Neigum
Witness: Neigum

Provide a schedule that supports the 40% shown on page 25, line 9 of D. Neigum's testimony.

MCC-188

Regarding: Testimony of D. Neigum
Witness: Neigum

Referring to line 6 on page 39 of Mr. Neigum's testimony, what like amount of the \$3,101,419 shown for 2016 is included in the 2015 pro forma and what is Montana's share? Where is it included in the cost of service?

MCC-189

Regarding: Testimony of J. Skabo
Witness: Skabo

Provide the accredited generating capacity in a format similar to the table on page 4 of J. Skabo's testimony.

MCC-190

Regarding: Adjustment No. 9
Witness: Jacobson

Provide the component parts, to the extent possible, of the O&M expenses presented in Adjustment No. 9 that are specific to the RICE project separately from the MATS project.

MCC-191

Regarding: Adjustment No. 16
Witness: Jacobson

Provide supporting documents for Big Stone and Coyote reagent costs.

MCC-192

Regarding: Adjustment No. 29
Witness: Jacobson

- a. Provide 2015 by month as available.
- b. Provide energy purchased for 2012 – 2014 and 2015 by month, as available, and the cost per MWH.

MCC-193

Regarding: Updates for actuals
Witness: Jacobson

Update actuals as available from the prior data requests (MCC-001 – MCC-112) for the latest month of information available, including: MCC-002, MCC-006, MCC-007, MCC-024, MCC-025, MCC-041, MCC-047, MCC-070, MCC-073, MCC-074, MCC-075, MCC-077, MCC-078 and MCC-079. In addition, update MCC-008 to provide actual KVAR revenue for 2015, by month, as available, and update MCC-036 to include total plant maintenance costs by year.