

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. 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-194

Regarding: Demand Allocation Factors.
Witness: Sara J. Cardwell

In response to MCC-113, a file titled "MCC-113 – 4, & 1 CP" was provided in support of the 12, 4, and 1 CP. Tab "Summary" of this file shows "Montana 12CP, 4CP, and 1 CP 2014," which are different from those calculated per books as shown on the other pages of the file. Please explain in detail all differences between them.

MCC-195

Regarding: Minimum and Normal System Analysis.
Witness: Sara J. Cardwell

Tab "Summary" of the file named "MCC-117 – Distribution System" provided in response to MCC-117 shows a table with the Montana Distribution Percentages calculated from the Minimum and Normal System. However, this table shows values, but does not show any calculations, formulas or links to the other pages of the file. Please provide those calculations, formulas and links and explain in detail how the Minimum and Normal System costs were calculated for Pole, Overhead and URD Conductor, and provide all supporting calculations.

MCC-196

Regarding: Interim Retirements
Witness: Robinson/Most Appropriate Witness

Please identify the dollar level of retirement activity by production plant account associated with retirements relating to meeting EPA regulations or requirements by year for the past 10 years, by generating unit. If the information is not available by unit then provided the requested information in the greatest level of detail available. The information should be provided on electronic medium in Excel readable format.

MCC-197

Regarding: Account 312
Witness: Robinson/Most Appropriate Witness

Please identify what retired during age brackets beginning with age intervals 4.5, 5.5, 6.5, 8.5, 12.5, 15.5, and 41.5 years for Account 312 – Boiler Plant Equipment as set forth on page V-5 of the depreciation study. The information should specifically identify the unit associated with the retirements, as well as the cause of retirements (i.e., failed boiler tubes, EPA mandates to meet environmental requirements, etc.). Further, identify and justify why the Company believes retirements of the magnitude experienced at the various age intervals are indicative of what will transpire in the future for the remaining plant in service, along with all support and documentation for the Company’s response.

MCC-198

Regarding: Account 314
Witness: Robinson/Most Appropriate Witness

Please identify what retired during age brackets beginning with age intervals 5.5, 6.5, 8.5, 11.5, 14.5, 20.5, 27.5 and 29.5 years for Account 314 – Turbogenerator Units set forth on page V-9 of the depreciation study. The information should specifically identify the unit associated with the retirements, as well as the cause of retirements. Further, identify and justify why the Company believes retirements of the magnitude experienced at the various age intervals are indicative of what will transpire in the future for the remaining plant in service, along with all support and documentation for the Company’s response.

MCC-199

Regarding: Wind Farms
Witness: Robinson/Most Appropriate Witness

Please provide all support and justification for an assumed 20-year life span for the Company's investment in wind farms. The response should include all documents that support the Company's position.

MCC-200

Regarding: Wind Farms
Witness: Robinson/Most Appropriate Witness

Please state whether a 25-year, as well as a 30-year, life span for the Company's investment in wind farms is not also reasonable and acceptable. To the extent the Company does not believe that either a 25- or a 30-year life span is also reasonable and appropriate for its investment in wind farms, please provide all support and justification for such position, including all related documentation.

MCC-201

Regarding: Software
Witness: Robinson/Most Appropriate Witness

Please identify each software system reflected in Account 303 – Miscellaneous Intangible Plant. Further, provide a detailed description of the software, the year it was first placed into service along with each year where an additions was made, and the corresponding cost by year totaling to amount as of December 31, 2014. Finally, identify if each system is still in physical service (not retired on an amortization basis, but rather still physically being utilized). The information should be provided on electronic medium in Excel readable format.

MCC-202

Regarding: Software
Witness: Robinson/Most Appropriate Witness

Please identify each separate software system in Account 303 and its corresponding cost that was fully amortized during the past 10 years but physically remained in service. For each such occurrence, identify the date the software was placed in service, the date that it became

fully amortized, and the date it was physically retired from service, if it has been. The information should be provided on electronic medium in Excel readable format.

MCC-203

Regarding: Software
Witness: Most Appropriate Witness

Please identify each software system physically retired during the past 10 years prior to being fully amortized from an accounting standpoint. For each such occurrence, identify the software system, the date installed, the date physically retired, and its corresponding costs. The information should be provided on electronic medium in Excel readable format.

MCC-204

Regarding: Software
Witness: Robinson/Most Appropriate Witness

Please identify the dollar level of plant and amortization expense for software system in Account 303 reflected in the Company's test year revenue requirement. If the plant level differs from the amount in the depreciation study, please provide a full reconciliation.

MCC-205

Regarding: Account 397.80 – Network Equipment
Witness: Robinson/Most Appropriate Witness

Please identify the different types of network equipment reflected in Account 397.80 in the greatest level of detail available, along with the corresponding cost for each different category of the account. Further, provide all support and justification for the assumed 5R3 life-curve combination proposed for the investment in the account.

MCC-206

Regarding: Account 397.60 – SCADA Systems
Witness: Robinson/Most Appropriate Witness

Please identify the specific categories of investment reflected in Account 397.60 in the greatest level of detail available, along with the corresponding cost for each different category of the account. Further, provide all support and justification for the assumed 10R3 life-curve combination proposed for the investment in the account.

MCC-207

Regarding: Account 396.2
Witness: Robinson/Most Appropriate Witness

Please provide a detailed narrative identifying what retired in age bracket 0.5 for Account 396.2 – Power Operated Equipment as set forth on page V-99 of the depreciation study. The response should further identify if and why the Company believes retirements of this magnitude at such an early age is indicative of the remaining investment in the account.

MCC-208

Regarding: Account 396.2
Witness: Robinson/Most Appropriate Witness

Please provide a detailed narrative identifying what retired in age bracket 10.5 for Account 396.2 – Power Operated Equipment as set forth on page V-99 of the depreciation study. The response should further identify if and why the Company believes retirements of this magnitude at such an early age is indicative of the remaining investment in the account.

MCC-209

Regarding: Account 370
Witness: Robinson/Most Appropriate Witness

Please provide all support and justification for the assumed 20-year average service life of the investment in Account 370 – Meters. The response should specifically identify how the specific 20-year value was determined rather than any other value. Further, specifically state if the Company believes that a 25-year average service life would also be reasonable and appropriate, and if not, provide all support and justification for such position, including documentation supporting the response.

MCC-210

Regarding: Account 355
Witness: Robinson/Most Appropriate Witness

Please provide detailed narrative of the significance given the one-year experience band associated with 2014 for Account 355 in estimating the life for that account. Further, provide all support and justification for any significance given the result of that actuarial analysis in the final determination of the proposed life-curve combination, along with all documents supporting such position.

MCC-211

Regarding: Account 355
Witness: Robinson/Most Appropriate Witness

Please provide all support and justification identifying the magnitude of retirements and the timing of such retirements relating to the anticipated 100 miles of transmission line that management anticipates will occur for Account 355 as set forth on page 4-36 of the depreciation study, as well as the corresponding timing and magnitude of replacement activity expected by management.

MCC-212

Regarding: Account 355
Witness: Robinson/Most Appropriate Witness

Please provide a detailed narrative explanation of what retired and what caused the retirements associated with the age intervals beginning with 1.5, 5.5, 9.5, and 19.5 years of age for Account 355 as set forth on page 5-33 of the Company's depreciation study.

MCC-213

Regarding: Account 355
Witness: Robinson/Most Appropriate Witness

Please identify the major property record units associated with the investment in Account 355 – Transmission Poles and Fixtures. In particular, identify whether crossarms are a separate property record unit reflected in the retirement data. To the extent crossarms are separately reflected in the retirement data, provide the dollar level of retirement activity by age bracket for cross arms as reflected in the observed life table for Account 355 for the 1995-2014 experience band.

MCC-214

Regarding: Data
Witness: Robinson/Most Appropriate Witness

Please identify the source of any industry data reviewed and/or relied upon in the development of life or net salvage parameters, and the time frame associated with each utility value.

MCC-215

Regarding: Account 362
Witness: Robinson/Most Appropriate Witness

Please provide all support and justification for the shortening of the proposed average service life for Account 362 – Station Equipment based on the results of the 2012-2014 experience band. Provide all support and justification for such modification, including all analyses performed by MDU management demonstrating the timing and magnitude of anticipated construction programs due to upgrade replacements.

MCC-216

Regarding: Account 364
Witness: Robinson/Most Appropriate Witness

Please provide all support and justification for the reduction in average service life to 50 years from the 56-year level reflected in the actuarial results for Account 364. Provide all support and justification for such modification, including all analyses performed by MDU management demonstrating the timing and magnitude of anticipated construction programs due to upgrade replacements.

MCC-217

Regarding: Account 364
Witness: Robinson/Most Appropriate Witness

Please identify what caused the level of retirement activity in age brackets beginning at 14.5 and 20.5 years for Account 364 as set forth on page 5-59 of the depreciation study.

MCC-218

Regarding: Account 365
Witness: Robinson/Most Appropriate Witness

Please provide all support and justification for the reduction in proposed average service life from 60 years to 55 years for Account 365 due to management’s anticipation that a move towards upgrade replacements will occur. The response should specifically identify the dollar magnitude and the timing of such anticipated events, along with all supporting

documentation.

MCC-219

Regarding: Account 365
Witness: Most appropriate witness

Please provide a detailed narrative explaining what retired in the age bracket beginning at 14.5 years for Account 365 as set forth on page 5-66 of the Company's depreciation workpapers. The response should specifically indicate whether such level of retirement activity at the equivalent age is expected to reoccur in the future, and if so, provide all support and justification for such position.

MCC-220

Regarding: Account 369.2
Witness: Robinson/Most Appropriate Witness

Please provide all support and justification for the curve fit set forth on page 5-79 of the Company's depreciation study for Account 369.2 – Underground Services. The response should specifically address why the selected life-curve combination begins to deviate significantly from the observed life table at 30 years of age and attempts to match the observed life table beginning at approximately 55 years of age rather than other life-curve combinations which would continue to match the observed life table through approximately 40 years of age. The response should further include all authoritative sources that support the specific process employed by the Company.

MCC-221

Regarding: Account 364
Witness: Most appropriate witness

Pease provide a detailed narrative explaining why the life-curve combination set forth on page 5-54 for Account 364 begins to deviate from the observed life table at approximately 55 years of age rather than attempting to better match points on the observed life table past that age. Further, provide all underlying support and justification, including authoritative sources for the position taken by the Company.

MCC-222

Regarding: Account 390
Witness: Robinson/Most Appropriate Witness

Please identify any buildings sold by the Company during the past 20 years that were reflected in Account 390 – General Plant Structures and Improvements. For each such sale, identify and describe the building, its location, the year the sale transpired, the gross and net proceeds, the dollar level of retirement, and the year the investment was first placed into service.

MCC-223

Regarding: Account 390
Witness: Robinson/Most Appropriate Witness

Please provide a detailed narrative explaining what retired at age bracket 16.5 for Account 390 as set forth on page 5-92 of the depreciation study. Further, state the reason for the retirement and why the Company believes that retirements of this magnitude will occur again in a similar manner in the future for the remaining investment in the account.

MCC-224

Regarding: Data
Witness: Most appropriate witness

Please identify when the Company first initiated pole inspection programs for its transmission and distribution system. Further, identify the number and corresponding cost of poles retired, by year, as a result of the inspection programs initiated.

MCC-225

Regarding: Net Salvage
Witness: Robinson/Most Appropriate Witness

Please identify the Company's policy regarding abandoning underground conductor at the time of retirement. Further, to the extent the Company does not abandon underground conductor at the time of retirement, provide all support and justification for removing such assets.

MCC-226

Regarding: Account 364
Witness: Robinson/Most Appropriate Witness

Please identify the number of poles by height and type of pole, along with the corresponding value of each category reflected in distribution Account 364 – Poles, Towers & Fixtures. The information should be provided on electronic medium in Excel readable format.

MCC-227

Regarding: Account 364
Witness: Robinson/Most Appropriate Witness

Please identify the type of chemical treatment utilized for each different type of wood pole reflected in Account 364 – Distribution Poles, Towers & Fixtures. Further, indicate the years during which each different type of treatment was implemented and the segregation of investment by poles, by type of treatment, including a category for any poles that are not treated. The information should be provided on electronic medium in Excel readable format.

MCC-228

Regarding: Account 364
Witness: Robinson/Most Appropriate Witness

Please identify the number of poles, by height and type of pole, retired by year and account for Account 364 for the past 10 years along with the corresponding investment. The information should be provided on electronic medium in Excel readable format.

MCC-229

Regarding: Account 367
Witness: Robinson/Most Appropriate Witness

Please identify the different types, quantities and corresponding dollars of underground conductor on the Company system (e.g., XLPE, EPR, etc.). Further, identify when the Company first began installing each type of underground conductor and when it ceased installing each different type of underground conductor, as well as the corresponding dollar value by type of underground conductor. Finally, list the specific reasons why the Company changed the type of underground conductor it installed historically.

MCC-230

Regarding: Account 369
Witness: Robinson/Most Appropriate Witness

Please identify the number of underground and overhead services in Account 369 – Distribution Services.

MCC-231

Regarding: Production Life
Witness: Robinson/Most Appropriate Witness

Please state whether a 2046 Probable Retirement Year is reasonable and/or appropriate for the Big Stone Station. Further, to the extent the Company does not believe that a 2046 Probable Retirement Year is reasonable and/or appropriate for the Big Stone Station, provide all support and justification for such position, specifically addressing the reliance on such date by other owners of the same station. Finally, provide updated the pages in Sections 2 and 6 of the depreciation study reflecting a 2046 Probable Retirement Year for the Big Stone Station.