



MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

400 North Fourth Street
Bismarck, ND 58501
(701) 222-7900

October 28, 2015

Mr. Robert Nelson
Montana Consumer Counsel
111 North Last Chance Gulch, Suite 1B
PO Box 201703
Helena, MT 59620-1703

Re: General Electric Rate Application
Docket No. D2015.6.51

Dear Mr. Nelson:

Enclosed please find Montana-Dakota Utilities Co.'s responses to the Montana Consumer Counsel's data requests MCC-144, MCC-162 and MCC-163 dated October 12, 2015.

Sincerely,

A handwritten signature in blue ink that reads "Tamie A. Aberle".

Tamie A. Aberle
Director of Regulatory Affairs

Attachments
cc: Service List

Montana-Dakota Utilities Co.
Docket No. D2015.6.51
Service List

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**MONTANA-DAKOTA UTILITIES CO.
MONTANA CONSUMER COUNSEL
DATA REQUEST
DATED OCTOBER 12, 2015
DOCKET NO. D2015.6.51**

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.

Response:

Please see Attachment A for the allocated amounts by account for activity after the May 2013 conversion to PowerPlan. All costs prior to conversion were directly assigned.

Prior to May of 2013 Montana-Dakota capital addition and retirement costs were assigned directly to replacement work orders based on various activities to remove facilities from service and adding new facilities in their place. Montana-Dakota converted to the PowerPlan work order system in May 2013 where each work order is assigned a percentage allocation by charge type (etc. labor, contract services, materials, automobile and work equipment, and other types) by the project manager based on the their estimate of the work being done to remove the old and add the new property.

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - MONTANA
NEW INSTALLATIONS AND COST OF REMOVAL

Account No.	May - December		Grand Total
	2013	2014	
107 - New Installations			
303	\$ 1,960,854.92	\$ 2,859,271.49	\$ 4,820,126.41
311	342,897.10	1,114,018.92	1,456,916.02
312	2,142,682.92	3,068,208.53	5,210,891.45
314	2,836,144.34	238,580.50	3,074,724.84
315	53,644.24	267,381.66	321,025.90
316	193,058.08	605,474.70	798,532.78
320	(3,721.31)		(3,721.31)
333	979.99		979.99
341	758,871.99		758,871.99
342	192,467.35	(1.02)	192,466.33
344	2,158,692.39	44,170.22	2,202,862.61
345	80,732.16	37.33	80,769.49
346	12,430.23		12,430.23
350	7,580.81		7,580.81
353	1,123,347.04	461,514.36	1,584,861.40
355	2,215,353.76	2,817,806.91	5,033,160.67
356	801,133.58	1,189,759.31	1,990,892.89
360	6,021.17	561.24	6,582.41
362	514,853.47	944,192.22	1,459,045.69
364	273,680.57	671,182.22	944,862.79
365	258,929.33	1,180,456.83	1,439,386.16
367	3,031,097.60	4,122,145.09	7,153,242.69
368	1,635,370.62	4,738,623.77	6,373,994.39
369	318,709.34	268,474.84	587,184.18
370	704,573.25	868,720.96	1,573,294.21
371	6,403.61		6,403.61
373	15,612.49	(1,718.77)	13,893.72
374	87.14		87.14
375	24.45	945.16	969.61
376	3,059,692.37	2,889,996.25	5,949,688.62
378	75,258.39	115,898.20	191,156.59
379	65,391.46	226,534.64	291,926.10
380	1,922,180.98	3,149,468.95	5,071,649.93
381	1,248,063.47	3,531,653.74	4,779,717.21
383	277,719.27	805,057.62	1,082,776.89
385	55,891.61	1,151.21	57,042.82
387	192,440.02	38,370.93	230,810.95
389	4,636.41		4,636.41
390	446,378.77	1,091,030.93	1,537,409.70
391	113,502.20	328,117.31	441,619.51
392	109,343.67	13,682.92	123,026.59
393	(100.34)		(100.34)
394	104,859.61	35,713.03	140,572.64
395	2,770.17		2,770.17
396	1,435,087.85	1,561,182.84	2,996,270.69
397	141,668.69	378,007.83	519,676.52
398	(12,131.72)	112,357.71	100,225.99
107 Total	\$ 30,885,165.48	\$ 39,738,030.58	\$ 70,623,196.06

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - MONTANA
NEW INSTALLATIONS AND COST OF REMOVAL

Account No.	May - December		Grand Total
	2013	2014	
108 - Cost of Removal			
311	\$ (80,381.13)	\$ 219,528.22	\$ 139,147.09
312	284,890.46	138,469.63	423,360.09
314	558,141.39	500.00	558,641.39
315	(644.00)	5,879.93	5,235.93
316	1,446.57	4,484.75	5,931.32
342	19,365.46	(0.12)	19,365.34
344	(305.38)		(305.38)
345	1,627.16	154.38	1,781.54
352	(0.00)		(0.00)
353	12,599.50	47,267.91	59,867.41
355	99,106.34	1,314,472.36	1,413,578.70
356	63,597.17	26,341.42	89,938.59
362	28,730.53	70,289.93	99,020.46
364	33,114.44	(12,400.49)	20,713.95
365	61,356.51	546,518.13	607,874.64
367	901,176.30	1,266,934.02	2,168,110.32
368	43,138.78	234,038.62	277,177.40
369	52,959.86	55,143.10	108,102.96
370	2,112.64	172,845.54	174,958.18
371	(3,752.86)		(3,752.86)
373	(5,782.25)	471.08	(5,311.17)
375		81.82	81.82
376	372,544.79	258,187.06	630,731.85
378	12,568.07	(754.75)	11,813.32
379	-		-
380	372,827.70	446,878.30	819,706.00
381	39,630.85	180,266.19	219,897.04
383	422.11	21,101.20	21,523.31
387	(19,286.81)	(3,822.87)	(23,109.68)
390	15,301.38	15,507.43	30,808.81
391	(66,000.00)		(66,000.00)
392	(5,000.00)		(5,000.00)
396	0.00		0.00
397	269.18	11,464.10	11,733.28
398	(100.00)		(100.00)
108 Total	\$ 2,795,674.76	\$ 5,019,846.89	\$ 7,815,521.65
Grand Total	\$ 33,680,840.24	\$ 44,757,877.47	\$ 78,438,717.71

**MONTANA-DAKOTA UTILITIES CO.
MONTANA CONSUMER COUNSEL
DATA REQUEST
DATED OCTOBER 12, 2015
DOCKET NO. D2015.6.51**

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.

Response:

Please see the file entitled 'Response Nos. MCC-162 163 Overtime and Contractor Pay in Cost of Removal' on the enclosed CD for the dollar amount by cost and year representing internal labor for removal of facilities during overtime hours for years 2005 through 2014.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA CONSUMER COUNSEL
DATA REQUEST
DATED OCTOBER 12, 2015
DOCKET NO. D2015.6.51**

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.

Response:

Please see the file entitled 'Response Nos. MCC-162 163 Overtime and Contractor Pay in Cost of Removal' on the enclosed CD for the dollar amount by cost and year representing removal for contract services for the retirement of facilities for years 2005 through 2014. Each project has a different set of circumstances and criteria for performing the work so there is not a typical cost relationship for an equivalent position with an in-house employee versus a contract service.