

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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

**MONTANA LARGE CUSTOMER GROUP'S EIGHTH SET OF
DATA REQUESTS TO MONTANA-DAKOTA UTILITIES CO.
(LCG-085 THRU LCG-101)**

The Montana Large Customer Group ("LCG"), by and through its undersigned counsel, pursuant to applicable rules of procedure, submits the attached Data Requests to Montana-Dakota Utilities Co. ("MDU").

RESPONSE DATE, DEFINITIONS, AND INSTRUCTIONS

Responses to these Date Requests are due on or before January 29, 2016. Please refer to the Definitions and Instructions included in LCG's First Set of Data Requests to MDU in this proceeding.

Respectfully submitted this 22nd day of January, 2016.

MONTANA LARGE CUSTOMER GROUP

s/ Nikolas S. Stoffel
Thorvald Nelson, # 8666
Nikolas Stoffel, #13485
Holland & Hart LLP
6380 South Fiddlers Green Circle, Suite 500
Greenwood Village, Colorado 80111
Telephone: (303) 290-1600
Facsimile: (303) 290-1606
Email: tnelson@hollandhart.com
nsstoffel@hollandhart.com

DATA REQUESTS

LCG-085 RE: Rebuttal Testimony of Tamie Aberle (Cost Allocation)

- a. Regarding Ms. Aberle's opposition to the LCG's recommendation to allocate production related costs using a 12 CP allocation factor, please explain the justification for allocating total MDU costs among jurisdictions based on each jurisdictions' contribution to the 12 monthly peaks.
- b. Please admit that MDU Montana plans its system to meet the peak demands of its customers. If your response is anything other than an unqualified admission, please explain your response, stating with particularity how the peak demands of its customers affect its system planning.
- c. Please describe how Rate 35's peak demand affects the Company's system planning.

LCG-086 RE: Rebuttal Testimony of Tamie Aberle, page 4, lines 8 through 12

- a. Please provide a complete explanation and support (including source documents) for her disagreement with Mr. Baron's calculation of deferred taxes and the production tax credit, as used in his exhibit SJB-9.
- b. Please provide the Company's calculations for these two revenue requirement components, including all supporting documents, schedules and workpapers.
- c. Please also provide the Company's calculation of the Wind project revenue requirements.

LCG-087 RE: Rebuttal Testimony of Tamie Aberle, page 4, lines 8 through 12

Please provide a description of the methodology used by the Company in its class cost of service study to allocate deferred taxes to rate classes.

LCG-088 RE: Rebuttal Testimony of Tamie Aberle, page 3, lines 1 through 2

Please provide a revised class cost of service study reflecting this change in the calculation of the AED allocation factor.

LCG-089 RE: Allocation of the Pro Forma Adjustment for Other Production O&M Expenses

- a. Please explain whether the Company agrees or disagrees with Mr. Baron's direct testimony at page 21, line 7 regarding the error in the Company's allocation of the Pro Forma Adjustment for Other Production O&M expenses?
- b. Provide a complete explanation for your agreement or disagreement.

LCG-090 RE: Workpapers
Witness: J. Stephen Gaske

On an electronic spreadsheet with all formulas intact, please provide a copy of all exhibits, analyses and workpapers used in support of Mr. Gaske's rebuttal testimony, including his charts and figures.

LCG-091 RE: Workpapers
Witness: J. Stephen Gaske

If not already provided in response to LCG-089, please provide all publications, articles and studies referenced in the rebuttal testimony of Mr. Gaske.

LCG-092 RE: Workpapers
Witness: Garret Senger

On an electronic spreadsheet with all formulas intact, please provide a copy of all analyses and workpapers used in support of Mr. Senger's rebuttal testimony.

LCG-093 RE: Rebuttal Testimony of J. Stephen Gaske, page 2, lines 1-2.

Please state each and every fact relied upon in concluding that "Montana-Dakota's Montana electric operations face greater overall risk than the typical company in the proxy group." If the response includes references to Mr. Gaske's testimony, please identify the relevant portion(s) by page and line numbers.

LCG-094 RE: Rebuttal Testimony of J. Stephen Gaske, page 2, lines 7-10.

Please identify all cases of which you are aware at present in which a state public utilities commission has approved a flotation adjustment regardless of whether the regulated company has incurred flotation costs in the past or can demonstrate that it will definitely incur such costs in the near future.

LCG-095 RE: Rebuttal Testimony of J. Stephen Gaske, page 4, Figure 1.

Please provide the source data for the histogram of returns on common equity reflected in Figure 1.

LCG-096 RE: Rebuttal Testimony of J. Stephen Gaske (Proxy Companies)

- a. Please produce all factual information you relied on in concluding that Montana-Dakota has greater exposure to coal fired-generation than any of the proxy companies.
- b. Please state the basis for your opinion that Montana-Dakota's "greater exposure to coal-fired generation" increases its risk relative to the proxy companies.

- c. Please provide the percent of coal-fired generation relative to total generation for each of the Company's in your proxy group.
- d. Please identify all factors you considered, in addition to relative size and exposure to coal-fired generation, in assessing the risk of Montana-Dakota's Montana electric operations relative to the proxy group.

LCG-097 RE: Rebuttal Testimony of J. Stephen Gaske, page 5, lines 16-18.

Please explain your focus on the median and third quartile return requirements indicated by the DCF analyses to the exclusion of the mean return requirements.

LCG-098 RE: Rebuttal Testimony of Travis R. Jacobson, page 6, lines 3-8 and page 16, lines 5-16.

With respect to Mr. Jacobson's statement that MDU's net transmission expenses in 2015 were \$1,268,300:

- a. Please clarify that this reference is to Montana jurisdictional costs. If this is a Total Company cost, please provide the Montana jurisdictional costs.
- b. What is the Montana share of 2014 per-books basis net transmission expense, measured on an "apples-to-apples" basis? If this amount is anything other than \$1,480,718 (as shown in Exhibit KCH-6, p. 2, by adding Line 1 Col. (B) + Line 11 Col. (B)) please show the derivation using the same cost categories that appear in Exhibit KCH-6, p. 2 and reconcile any differences. Please provide this derivation in Excel, with formulas intact.
- c. What is the Montana share of MDU's 2015 pro forma net transmission expense included in MDU's direct filing, measured on an "apples-to-apples" basis? If this amount is anything other than \$2,624,786 (as shown in Exhibit KCH-6, p. 2, by adding Line 1 Col. (C) + Line 11 Col. (C)) please show the derivation using the same cost categories that appear in Exhibit KCH-6, p. 2 and reconcile any differences. Please provide this derivation and reconciliation in Excel, with formulas intact.
- d. What is Mr. Jacobson's understanding regarding the amount of Mr. Higgins' recommended Montana share of 2015 pro forma net transmission expense? If this amount is anything other than \$1,643,402 (as shown in Exhibit KCH-6, p. 2, by adding Line 1 Col. (E) + Line 11 Col. (E)) please show the derivation using the same cost categories that appear in Exhibit KCH-6, p. 2. Please provide this derivation in Excel, with formulas intact.

- e. Given that MDU's direct filing pro forma 2015 transmission expense is well in excess of the \$1,268,300 in actual net transmission expenses incurred in 2015, please explain why Mr. Jacobson did not make an adjustment in his rebuttal testimony to recognize this fact?

LCG-099 RE: Rebuttal Testimony of Travis R. Jacobson, page 16, lines 5-16.

Please demonstrate mathematically Mr. Jacobson's statement on page that the 2015 actual transmission expenses of \$1,268,300 are greater than the amount projected by Mr. Higgins, who projected \$1,643,402.

LCG-0100 RE: 2015 Pro Forma Net Transmission Expense

Please recalculate the 2015 pro forma net transmission expense presented by MDU for revenue requirement recovery in this case using the updated transmission pricing and contract information presented in Mr. Neigum's rebuttal testimony. Please show this recalculation using the cost categories that appear in Exhibit KCH-6, p. 2.

LCG-0101 RE: Depreciation for Big Stone and Exhibit TRJ-6

Please refer to Exhibit TRJ-6. Why are there two entries for Big Stone – depreciation, each of which refers to life extensions from 2017 to 2046? Please fully explain the difference between these two entries.

CERTIFICATE OF SERVICE

I hereby certify that on the 22nd day of January, 2016, the **MONTANA LARGE CUSTOMER GROUP'S EIGHTH SET OF DATA REQUESTS TO MONTANA-DAKOTA UTILITIES CO. (LCG-085 THRU LCG-101)** was e-filed with the Commission and served via U.S. mail and e-mail, unless otherwise noted, to the following:

<p>Will Rosquist Sandy Scherer Montana PSC 1701 Prospect Avenue PO Box 202601 Helena, MT 59620-2601 sscherer@mt.gov via hand delivery</p>	<p>Robert Nelson Monica Tranel Montana Consumer Counsel 111 N. Last Chance Gulch P.O. Box 201703 Helena, MT 59620 robnelson@mt.gov mtranel@mt.gov</p>
<p>Tamie A. Aberle Director of Regulatory Affairs Montana-Dakota Utilities Co. 400 North Fourth Street Bismarck, ND 58501 tamie.aberle@mdu.com</p>	<p>Michael Green Crowley Fleck PLLP 900 N. Last Chance Gulch, Suite 200 Helena, MT 59601 mgreen@crowleyfleck.com</p>
<p>Thorvald A. Nelson Holland & Hart, LLP 6380 South Fiddler's Green Circle Suite 500 Greenwood Village, CO 80111 tnelson@hollandhart.com</p>	<p>Nikolas S. Stoffel Holland & Hart, LLP 6380 South Fiddler's Green Circle Suite 500 Greenwood Village, CO 80111 nsstoffel@hollandhart.com</p>
<p>Charles Magraw 501 8th Ave Helena, MT 59601 c.magraw@bresnan.net</p>	
	<p>For electronic service only: dwooley@kfwlaw.com john@jwwa.com aclark154@yahoo.com jpous@ducinc.net ppenn@hollandhart.com aclee@hollandhart.com ssnow@mt.gov tandreassen@crowleyfleck.com</p>

s/ Christine Miccio