

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 RESPONSES
TO MONTANA CONSUMER COUNSEL'S
DATA REQUESTS MCC-264 THRU MCC-267**

Montana Large Customer Group ("LCG") provides the attached response to Montana Consumer Counsel's Data Requests MCC-264 thru MCC-267.

Respectfully submitted this 29th day of January, 2016.

MONTANA LARGE CUSTOMER GROUP

s/ Nikolas S. Stoffel

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DATA REQUESTS

MCC-264: RE: Cost of Service Issues
Witness: Stephen J. Baron

In your cross-intervenor response testimony at lines 5-7, page 3, you state: “Dr. Wilson’s recommended method sends incorrect price signals to customers and is totally inconsistent with the cost drivers inherent in the MISO capacity planning protocols.” Please identify each of the cost drivers in the MISO protocols you are referring to.

Response to MCC-264:

Please see Mr. Baron’s cross-intervenor response testimony at page 9 for a complete discussion of this issue.

MCC-265: RE: Cost of Service Issues
Witness: Stephen J. Baron

Please provide, in electronic format, Table 1, as shown on page 11 of cross-intervenor response testimony, including all the data and supporting workpapers, with formulas and links intact.

Response to MCC-265:

Please see the spreadsheet titled “Attachment to LCG Response to MCC-265” provided with this response.

MCC-266: RE: Cost of Service Issues
Witness: Stephen J. Baron

Please provide all details supporting your statement on lines 9-10, page 11 of your cross-intervenor response testimony: “Dr. Wilson did not correct the error in the allocation of the Pro Forma Adjustment for Other Production O&M expenses.”

Response to MCC-266:

1. On the tab “Embedded CCOSS-Details” of Exhibit JWW-8.xlsm, the section Pro Forma Adjustments – Operating Income begins on line 315. Lines 338-339 are the adjustments to F&PP – Energy and F&PP – Demand. Line 343 is F&PP – Non-Fuel Expense.
2. Line 344 is “Production”, and should not reflect F&PP, since adjustments to those expenses are covered in the previous lines. This can be confirmed from the Company’s revenue requirement exhibits. The allocator for this line is “47”.
3. On the tab “Allocation Factors”, allocator “47” is described as Total Production O&M, the Total Montana amount is \$27,662,475, and the rate class formulas show that the amounts come from the tab “Embedded CCOSS-Details”, line 136.
4. Back on the tab “Embedded CCOSS-Details”, line 136 is Total Production Expense, the Total Montana amount is \$27,662,475, and the formula is the sum of lines 132-135, consisting of F&PP – Energy, F&PP – Demand, F&PP – Non-Fuel Expenses, and Other Production. The majority of these costs are energy (\$20,985,800 out of a total of \$27,662,475), which should not be the basis for allocating non-energy related Other Production expense.

Also see attached chart (“Attachment to LCG Response to MCC-266”) that contains excerpts from JWW-8.

MCC-267: RE: Cost of Service Issues
Witness: Stephen J. Baron

In reference to your cross-intervenor response testimony at lines 15-23, page 17 and lines 1-10, page 18, please provide in electronic format all calculations, supporting workpapers with formulas and links intact of the comparison of percentage increases to Rate 30 recommended by Dr. Wilson's rate design, and the effect of marginal cost reconciliation on residential rates.

Response to MCC-267:

Please see the spreadsheet titled "Attachment to LCG Response to MCC-267" provided with this response.

CERTIFICATE OF SERVICE

I hereby certify that on this, the 29th day of January, 2016, the **MONTANA LARGE CUSTOMER GROUP'S RESPONSES TO MONTANA CONSUMER COUNSEL'S DATA REQUESTS MCC-264 THRU MCC-267** was e-filed with the Commission and served via U.S. mail and e-mail, unless otherwise noted, to the following:

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s/ Adele C. Lee _____