

Service Date: February 4, 2016

Michael Green  
D. Wiley Barker  
CROWLEY FLECK PLLP  
900 N. Last Chance Gulch, Suite 200  
Helena, MT 59601  
Phone: (406) 449-4165  
Fax: (406) 449-5149  
Email: mgreen@crowleyfleck.com  
wbarker@crowleyfleck.com

*Attorneys for Montana-Dakota Utilities Co.*

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

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

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Pursuant to paragraph 18 of Procedural Order No. 7433, Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (“Montana-Dakota”), by and through its counsel, hereby submits to the Montana Public Service Commission (“Commission”) this Pre-hearing Memorandum.

**INTRODUCTION**

This docket is an application by Montana-Dakota for a general rate increase in the rates it is authorized to charge its customers for electric service in the State of Montana. There are three intervenors in this case, the Montana Consumer Counsel (“MCC”), the Large Consumer Group

("LCG"), and The Alliance for Solar Choice ("TASC"). TASC is not expected to participate in the case.

### **ISSUES**

There are a number of issues in this case defined by pre-filed testimony of the parties.

The major issues include:

- (1) The reflection of plant additions in rates;
- (2) The cost of equity and capital structure;
- (3) Appropriate depreciation rates; and
- (4) The implementation of environmental and transmission trackers.

Rate allocation and design will also be presented.

### **WITNESSES**

All testimony in this docket has been pre-filed. Montana-Dakota intends to call its witnesses as described below. Montana-Dakota will present its case in chief through the direct testimony of the following witnesses:

- (1) Nicole Kivisto
- (2) Jay Skabo
- (3) Darcy Neigum
- (4) Alan Welte
- (5) Garret Senger
- (6) Stephen Gaske
- (7) Earl Robinson
- (8) Travis Jacobson
- (9) Tamie Aberle (also adopting prefiled testimony of S. Cardwell).

Montana-Dakota will also make an effort to present its rebuttal case through the rebuttal testimony of these witnesses in the sequence listed above, pursuant to discussions with Commission staff. However, if necessary, Montana-Dakota reserves the right to recall these witnesses for rebuttal purposes, after the MCC and LCG present their respective cases in chief.

### **EXHIBITS**

Montana-Dakota will pre-mark and introduce into evidence the following testimony with all necessary exhibits thereto:

MDU-01 Application and supporting documents (Testimony and witness exhibits excluded)

MDU-02 Direct testimony of Nicole Kivisto

MDU-03 Direct testimony of Jay Skabo

MDU-04 Direct testimony of Darcy Neigum inclusive of the following exhibits:

Exhibit No. \_\_\_\_ (DJN-1)

Exhibit No. \_\_\_\_ (DJN-2)

MDU-05 Rebuttal Testimony of Darcy Neigum

MDU-06 Direct testimony of Alan Welte

MDU-07 Rebuttal Testimony of Alan Welte

MDU-08 Direct testimony of Garret Senger including of the following sponsored schedules:

Statement A

Statement B

Statement F

MDU-09 Rebuttal Testimony of Garrett Senger

MDU-010 Direct testimony of J. Stephen Gaske inclusive of the following exhibits:

Exhibit No. \_\_\_\_ (JSG-2)

MDU-011 Rebuttal testimony of J. Stephen Gaske inclusive of the following exhibits:

Exhibit No. \_\_\_\_ (JSG-3)

Exhibit No. \_\_\_\_ (JSG-4)

MDU-012 Direct testimony of Earl Robinson inclusive of the following exhibits:

Exhibit No. \_\_\_\_ (EMR-1)

Exhibit No. \_\_\_\_ (EMR-2)

MDU-013 Rebuttal testimony of Earl Robinson inclusive of the following exhibits:

Exhibit No. \_\_\_\_ (EMR-4)

Exhibit No. \_\_\_\_ (EMR-5)

Exhibit No. \_\_\_\_ (EMR-6)

MDU-014 Direct testimony of Travis Jacobson inclusive of the following exhibits and sponsored schedules:

Overall Cost of Service

Statement C

Statement D

Statement E

Statement G

Statement H, pg 1-2

Statement H, pg 6-7

Statement I

Statement J

Statement K

Part A of Statement O

Exhibit No. \_\_\_\_ (TRJ-1)

Exhibit No. \_\_\_\_ (TRJ-2)

Exhibit No. \_\_\_\_ (TRJ-3)

Exhibit No. \_\_\_\_ (TRJ-4)

MDU-015 Rebuttal Testimony of Travis Jacobson inclusive of the following exhibits

Exhibit No. \_\_\_\_ (TRJ-5)

Exhibit No. \_\_\_\_ (TRJ-6)

MDU-016 Direct testimony of Sara Cardwell inclusive of the following exhibits and sponsored schedules:

Statement L

Part B of Statement O

Exhibit No. \_\_\_\_ (SJC-1)

Exhibit No. \_\_\_\_ (SJC-2)

Exhibit No. \_\_\_\_ (SJC-3)

Exhibit No. \_\_\_\_ (SJC-4)

Exhibit No. \_\_\_\_ (SJC-5)

Exhibit No. \_\_\_\_ (SJC-6)

Exhibit No. \_\_\_\_ (SJC-7)

Exhibit No. \_\_\_\_ (SJC-8)

Exhibit No. \_\_\_\_ (SJC-9)

Exhibit No. \_\_\_\_ (SJC-10)

Exhibit No. \_\_\_\_ (SJC-11)

MDU-017 Direct testimony of Tamie Aberle inclusive of the following exhibits and sponsored schedules:

Appendix A&B (tariffs)  
Statement H, pg 3-5 and 8  
Statement M  
Exhibit No. \_\_\_\_ (TAA-1)  
Exhibit No. \_\_\_\_ (TAA-2)  
Exhibit No. \_\_\_\_ (TAA-3)  
Exhibit No. \_\_\_\_ (TAA-4)

MDU-018 Rebuttal testimony of Tamie Aberle

Montana-Dakota reserves the right to introduce additional exhibits during the cross-examination of MCC and LCG witnesses, and rebuttal.

#### **DATA REPOSES**

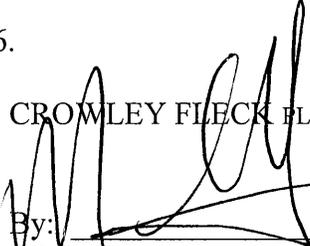
Montana-Dakota will introduce Data Responses into evidence, if necessary, during the cross-examination of MCC and LCG witnesses.

#### **SPECIAL SCHEDULING NEEDS**

Montana-Dakota requests that Nicole Kivisto be permitted to testify on the morning of February 9, 2016 and released when her testimony has ended.

Dated this 4<sup>th</sup> day of February, 2016.

CROWLEY FLECK PLLP

By: 

Michael Green

D. Wiley Barker

900 N. Last Chance Gulch, Suite 200

Helena, MT 59601

Telephone: (406) 449-4165

Fax: (406) 449-5149

Email: mgreen@crowleyfleck.com

wbarker@crowleyfleck.com

*Attorneys for Montana-Dakota Utilities Co.*

CERTIFICATE OF SERVICE

I hereby certify that on February 4, 2016, the foregoing Montana-Dakota Utilities Co.'s Pre-Hearing Memorandum was served via electronic and U.S. mail on:

Mr. Will Rosquist  
Utility Division  
Montana Public Service Commission  
1701 Prospect Avenue  
PO Box 202601  
Helena, MT 59620-2601  
kwhitney@mt.gov

Thorvald A. Nelson  
Holland & Hart LLP  
6380 South Fiddlers Green Circle  
Suite 500  
Greenwood Village, CO 80111  
tnelson@hollandhart.com

Nikolas S. Stoffel  
Holland & Hart LLP  
6380 South Fiddlers Green Circle  
Suite 500  
Greenwood Village, CO 80111  
nsstoffel@hollandhart.com

Albert Clark  
142 Buccaneer Drive  
Leesburg, GL 34788  
aclark154@yahoo.com

John Wilson  
J W Wilson & Associates Inc.  
1601 N. Kent Street, Suite 1104  
Arlington, VA 22209-2105  
john@jwwa.com

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

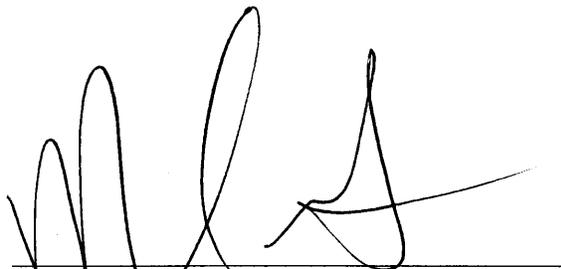
Dennis Lopach  
4 Carriage Lane  
Helena, MT 59601  
dennis.lopach@gmail.com

Charles Magraw  
501 8th Ave  
Helena, MT 59601  
c.magraw@bresnan.net

David Wooley  
Keyes, Fox & Wiedman LLP  
436 14th Street, Suite 1305  
Oakland, CA 94612  
dwooley@kfwlaw.com

Kelly Crandall  
Keyes, Fox & Wiedman LLP  
1400 16th St  
16 Market Square, Suite 400  
Denver, CO 80202  
kcrandall@kfwlaw.com

Jack Pous  
14 Shell Avenue SE  
Ft. Walton Beach, FL 32548  
jpous@ducinc.net



Michael Green