



MONTANA-DAKOTA

UTILITIES CO.

A Division of MDU Resources Group, Inc.

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

October 26, 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 dated October 12, 2015 with the exception of data requests MCC-144, MCC-162 and MCC-163. Responses to the outstanding requests will be sent as soon as possible.

Sincerely,

A handwritten signature in black ink, appearing to read 'Tamie A. Aberle', is written over a light blue horizontal line.

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-127

**Regarding: Depreciation studies, section 2
Witness: Robinson**

Please provide Tables 1-7 in Section 2 of both depreciation studies on electronic medium in Excel readable format.

Response:

Please see "Attach 1 to MCC-127 Response Elec Tables" and "Attach 2 to MCC-127 Response-Common Tables" on the enclosed CD.

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

MCC-128

Regarding: Observed life tables

Witness: Robinson

Please provide the various values on the Observed Life Tables in Section 5 of both depreciation studies on electronic medium in Excel readable format.

Response:

The requested information is not available in Excel format. The pdf documents are contained in Section 5 of the depreciation study reports.

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

MCC-129

Regarding: Depreciation studies, section 6

Witness: Robinson

Please provide the various values in Section 6 of both depreciation studies on electronic medium in Excel readable format.

Response:

The requested information is not available in Excel format. The pdf documents are contained in Section 6 of the depreciation study reports.

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

MCC-130

**Regarding: Net salvage values
Witness: Robinson**

Please provide the various net salvage values in Section 8 of the Electric depreciation studies on electronic medium in Excel readable format.

Response:

The requested information is not available in Excel format. The pdf documents are contained in Section 8 of the depreciation study reports.

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

MCC-131

**Regarding: Original cost
Witness: Robinson**

Please provide the original cost, by vintage, by account as reflected in Section 9 of the depreciation study, on electronic medium in Excel readable format for each account separately.

Response:

There is no Section 9 in either the Electric or Common Plant depreciation study reports.

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

MCC-132

Regarding: SPR analysis

Witness: Robinson

Please provide the output of each separate SPR analysis whether relied upon or not, by account.

Response:

Given that actuarial data files were available for study, SPR analysis was not completed in the performance of the study.

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

MCC-133

Regarding: Life and net salvage data

Witness: Robinson

Please provide all life and net salvage input data, both before adjustment or modification and after adjustment or modification, on electronic medium in Excel readable format by account.

Response:

Please see "Attach 1a to MCC-133 Response-Elec Plant Data", "Attach 1b to MCC-133 Response-Elec Salv Data", "Attach 2a to MCC-133 Response-Common Plant Data", and "Attach 2b to MCC-133 Response-Common Salv Data" on the enclosed CD.

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

MCC-134

Regarding: Cost of removal amounts

Witness:

Please identify the dollar amount of cost of removal incurred, by account, by year for the past 10 years associated with emergency retirement activity.

Response:

Please see Attachment A.

**MONTANA-DAKOTA UTILITIES CO.
 MCC-134: EMERGENCY COST OF REMOVAL
 FOR TEN YEARS: 2005-2014**

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
355							305.75		3,203.04	
364									11,157.36	
355	4,431.51					36,883.31	191,610.17	461.55	37,549.11	7,715.91
356						7,995.86	96,711.28		1,982.64	
362		1,617.23	(100.00)	98.00						
364					960.00	3,024.66	1,790.04	3,918.58		
Grand Total	4,431.51	1,617.23	(100.00)	98.00	960.00	47,903.83	290,417.24	4,380.13	53,892.15	7,715.91

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

MCC-135

Regarding: Conductor retired – Account 356

Witness: Robinson

Please identify the linear feet of conductor retired in Account 356, by year for the past 10 years. The information should be provided on electronic medium in Excel readable format.

Response:

Please see Response No. MCC-135 Attachment A on the enclosed CD.

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

MCC-136

**Regarding: Conductor retired – Account 365
Witness: Robinson**

Please identify the linear feet of conductor retired in Account 365, by year for the past 10 years. The information should be provided on electronic medium in Excel readable format.

Response:

Please see Response No. MCC-136 Attachment A on the enclosed CD.

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

MCC-137

Regarding: Conductor retired – Account 367

Witness: Robinson

Please identify the linear feet of conductor retired in Account 367, by year for the past 10 years. Further, indicate the linear feet and corresponding dollars of retirement for those conductors abandoned versus those removed. The information should be provided on electronic medium in Excel readable format.

Response:

Please see Response No. MCC-137 Attachment A on the enclosed CD. The Company is not able to split the cost between conductors abandoned versus conductors removed.

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

MCC-138

Regarding: Pole retirements – Account 356

Witness: Robinson

Please identify the number of poles retired by year for the past 10 years in Account 356. The information should be provided on electronic medium in Excel readable format.

Response:

Please see Response No. MCC-138 Attachment A on the enclosed CD.

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

MCC-139

Regarding: Pole retirements – Account 364

Witness: Robinson

Please identify the number of poles retired by year for the past 10 years in Account 364. The information should be provided on electronic medium in Excel readable format.

Response:

Please see Response No. MCC-139 Attachment A on the enclosed CD.

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

MCC-140

Regarding: Services retired – Account 369

Witness: Robinson

Please identify the number of services retired by year for the past 10 years in Account 369. To the extent available, segregate the retirements and corresponding dollars, as well as cost of removal and gross salvage, between OH and UG Service. The information should be provided on electronic medium in Excel readable format.

Response:

Please see Response No. MCC-140 Attachment A on the enclosed CD.

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

MCC-141

**Regarding: Forecasted net salvage amounts
Witness: Robinson**

Please provide a detailed narrative explaining specifically how annual inflation built into forecasted net salvage amounts was employed in the development of the final proposed net salvage parameters for all accounts.

Response:

The utilized net salvage estimation process is consistently applied across all studied property groups.

While shown in the net salvage analysis, Section 8 of the Electric study and Section 7 of the Common Plant study, the analysis of net future inflation has not been specifically included or requested within the net salvage estimates. The information is included within the studies to identify the levels of ultimate future net salvage percentages that are anticipated to be experienced throughout the remaining life of the property groups. This circumstance will occur inasmuch as the historical retirements that produced the level of net salvage experienced to date occurred in conjunction with retirements of property that was of far younger ages than the estimated average service life of each of the applicable studied property groups. Accordingly, future retirements will need to occur at far older ages to achieve the estimated average service life, therefore, far higher levels of negative net salvage, much of which is related to labor cost, will result with the occurrence of the older aged retirement amounts. Accordingly, the experienced historical net salvage likely significantly understates the overall net salvage that will be experienced as the property groups continue to age.

The net salvage forecast analysis is simply an additional tool used to provide information about the level of net salvage anticipated to occur relative to the current plant in service through the end of its life. Lastly, the historical component of net salvage is what has transpired for the smaller portion of the Company's property that has been retired to date. As noted, such retirements have routinely occurred at ages far younger than the average service of the various property groups.

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

MCC-142

**Regarding: Inflation
Witness: Robinson**

To the extent future inflation expectations was specifically factored into the determination of the proposed net salvage value, please explain why future inflation was not discounted back to a net present value level so that current customers would not be paying with current dollars for future inflated costs. Further, provide all support for such position.

Response:

Future inflation was not specifically included in the determination of the proposed net salvage percentages. Furthermore, any such inclusion would not be discounted back inasmuch as the customer would gain the benefit of any additional negative net salvage and related depreciation expense as a deduction to rate base and the corresponding lower cost of service.

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

MCC-143

**Regarding: Net salvage, life-related workpapers
Witness: Robinson**

Please provide all net salvage and life-related workpapers. All workpapers should be provided on electronic medium in Excel readable format.

Response:

The life and salvage analysis completed with the preparation of the depreciation studies was completed in real time via depreciation software as well as Excel workbooks. Please see the response to MCC-127 and MCC-133 for the input information to the study controls and analysis. Also see, the Attach to MCC-143 on the enclosed CD that contains all the supporting documents that were used to develop the Electric and Common Plant depreciation databases.

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

MCC-145

Regarding: Account 390

Witness: Robinson

Please provide a detailed description (e.g., physical location, type of construction, square feet, when built, etc.) for each of the 10 largest investments in Account 390 – General Structures Common Plant. For each of the 10 largest investments, identify whether the investment is owned or leased.

Response:

Please see Attachment A for Total Company Account 390 – General Structures Common Plant.

Montana-Dakota Utilities Co.
MCC-145 Ten Largest Structures by Investment
Common 390 Account
As of December 31, 2014

Building	Location	390 Account Balance	Type of Construction	Year Built	Owned or Leased	Size (Sq. Ft)	Current Use
Williston District Office & Service Center	Williston, ND	\$10,354,503.38	Steel with brick/metal exterior	2014	Owned	59,432	Construction and maintenance warehouse, shop, and office primarily supporting the Williston District's operations
MDU Resources Corporate Office	Bismarck, ND	5,470,791.60	Steel with precast exterior	2005	Owned	90,752	Main administrative office for MDU Resources Group, Inc. Amount presented represents Montana-Dakota Utilities Co's 35% ownership
MDU General Office	Bismarck, ND	5,394,649.41	Steel with precast exterior	1968	Owned	65,224	Main administrative and operations office for Montana-Dakota Utilities Co.
Bismarck Service Center	Bismarck, ND	5,362,806.95	Steel with brick/metal exterior	1984	Owned	101,767	Construction and maintenance warehouse, shop, and office primarily supporting the Bismarck District's operations
Rocky Mountain Region Office & Service Center	Billings, MT	4,341,473.19	Steel with brick exterior	2007	Owned	32,680	Construction and maintenance warehouse and shop primarily supporting the Billings District's operations and the main operations office for the Rocky Mountain Region
Wafford City Service Center	Wafford City, ND	3,048,205.97	Steel with brick/metal exterior	2014	Owned	14,104	Construction and maintenance warehouse, shop, and office primarily supporting the Wafford City area operations
Williston Employee Trailer Park	Williston, ND	2,990,472.37	Vinyl Siding	2012	Owned	20,660	Mobile Homes/4-Plex/Land Improvements for MDU employee and contractor housing
Badlands Region Office & Service Center	Dickinson, ND	2,088,165.92	Steel with brick/metal exterior	1982	Owned	33,800	Construction and maintenance warehouse and shop primarily supporting the Dickinson District's operations and the main operations office for the Badlands Region
Glendive District Office & Service Center	Glendive, MT	1,604,980.65	Steel with EIFS/metal exterior	1995	Owned	25,124	Construction and maintenance warehouse, shop, and office primarily supporting the Glendive District's operations
Sheridan District Office	Sheridan, WY	906,904.76	Wood stud with EIFS/stone veneer exterior	2004	Owned	6,250	Main operations office for the Sheridan District
Total		41,562,954.20					
Total Other Structures & Improvements		7,736,241.81					
Total 390 Account-Common		\$49,299,196.01					

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

MCC-146

Regarding: Account 390

Witness: Robinson

Please identify each time in the last 20 years when the Company retired one of its general office structures in Account 390 Common Plant, or terminated a lease and moved to a new location. For each such instance, identify the dollar level of retirements, a description of what was retired, along with corresponding cost of removal and net salvage.

Response:

Please see Attachment A.

MCC-146, Common 390 Account Building Disposals Over the Past 20 Years

Year	Retirement	Salvage	Cost of Removal	WO#	Vintage Year	
Common Account 390						
1995						
	(14,980.49)	(13,010.00)	520.00	35717	1991	Sold the Hebron, ND Office-Company was closing offices in smaller communities
	(20,546.25)	(8,753.68)	414.46	40124	1982	Sold the Ipswich, SD Office-Company was closing offices in smaller communities
	(147,380.00)	(100,000.00)	562.00	36006	1955	Sold the Glendive, MT Warehouse-Replaced with a new combined office and service center
	(28,525.99)	(46,931.35)	214.47	38861	1952	Sold the Sidney, MT Office-Company was closing offices in smaller communities
	(37,836.34)	(19,401.10)	259.00	35736	1952	Sold the Terry, MT Office-Company was closing offices in smaller communities
	<u>(249,269.07)</u>	<u>(188,096.13)</u>	<u>1,969.93</u>			
1997						
	(41,328.44)	(26,000.00)	2,809.00	35725	1979	Sold the Hettinger, ND Office-Company was closing offices in smaller communities
	(39,630.40)	(19,363.50)	950.00	35734	1952	Sold the Baker, MT Office-Company was closing offices in smaller communities
	<u>(80,958.84)</u>	<u>(45,363.50)</u>	<u>3,759.00</u>			
2004						
	(983,302.83)	(638,829.00)	4,500.00	128934	1981	Sold the Sheridan, WY Office-Built new office adjacent to our service center
	<u>(983,302.83)</u>	<u>(638,829.00)</u>	<u>4,500.00</u>			
2006						
	(368,352.37)	(330,000.00)	4,000.00	133062	1989	Sold the Billings, MT Office-Built a new combined office and service center
	<u>(368,352.37)</u>	<u>(330,000.00)</u>	<u>4,000.00</u>			
2007						
	(45,822.00)	(111,000.00)	9,398.00	158514	1968	Sold the Williston Gas Warehouse-Not needed pre-Bakken oil boom
	<u>(45,822.00)</u>	<u>(111,000.00)</u>	<u>9,398.00</u>			
2009						
	(534,298.00)	(526,443.80)	38,904.00	170087	1955	Sold the Bismarck, ND Region Office-Consolidated Operations to Bismarck Service Center
	<u>(534,298.00)</u>	<u>(526,443.80)</u>	<u>38,904.00</u>			
2014						
	(34,463.35)	(201,760.50)	-	214459	1976	Sold the Watford City, ND Office-Built a new combined office and service center
	(683,267.24)	(1,021,890.00)	-	209815	1972	Sold the Williston, ND Office-Built a new combined office and service center
	<u>(717,730.59)</u>	<u>(1,223,650.50)</u>	<u>-</u>			

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

MCC-147

Regarding: Industry data

Witness: Robinson

Please provide all industry data associated with life and net salvage parameters reviewed or in the possession of either the Company or its depreciation consultant.

Response:

Please see "Attachment to MCC-147 Response" on the enclosed CD. References were only made to industry data for Accounts 355, 356, 362, 364, and 365. Service life information is being provided for those property groups.

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

MCC-148

Regarding: Consultant's past work

Witness: Robinson

Please provide a copy of each of Mr. Robinson's electric-related depreciation studies, including all testimony and exhibits submitted during the past three years.

Response:

The completion of depreciation studies for clients run in cycles. Other than the MDU depreciation study that was completed during 2015, Mr. Robinson's studies, during the requested period, were related to Gas Distribution, Gas Pipelines, Water, Wastewater, and Telecommunications studies as well as valuation projects.

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

MCC-149

**Regarding: Consultant's depreciation related past work
Witness: Robinson**

Please provide a copy of all speeches, articles, publications, etc., relating to depreciation developed in total or in part by the Company's outside depreciation consultant during the past 10 years.

Response:

Please see "Attachment to MCC-149 Response" on the enclosed CD.

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

MCC-150

Regarding: Previous MDU depreciation studies

Witness: Most appropriate witness

Please provide a copy of each testimony, including rebuttal, submitted by the Company's outside depreciation consultant (Mr. Robinson or other) on behalf of MDU on the topic of depreciation during the past five years. The copies should include all exhibits associated with each testimony, including rebuttal testimonies.

Response:

Please see the enclosed CD for Mr. Robinson's depreciation testimony for the following cases:

- EL15-024 (South Dakota Electric Case) Direct Testimony
 - Exhibit EMR-1 is the 2014 Electric Depreciation Study
 - Exhibit EMR-2 is the 2014 Common Plant Depreciation Study
- NG12-008 (South Dakota Natural Gas Case) Direct Testimony
- D2012.9.100 (Montana Natural Gas Case) Direct & Rebuttal Testimony
- PU-13-803 (North Dakota Natural Gas Case) Direct Testimony
- 30013-297-GR-14 (Wyoming Natural Gas Case) Direct Testimony

For all the Natural Gas Cases, exhibit EMR-1 is the 2008 Natural Gas Depreciation Study and exhibit EMR-2 is the 2008 Common Plant Depreciation Study.

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

MCC-151

Regarding: Atypical historical values

Witness: Robinson

Please identify each historical value by account by year that the Company considers to be atypical or abnormal. Further, specifically state the treatment afforded such data in the determination of life or salvage parameters by account along with the basis for the manner in which the data was treated. Finally, provide all support and justification for determining why each value was atypical or abnormal.

Response:

No data was identified and/or was excluded due to consideration of atypical or abnormal status.

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

MCC-152

Regarding: Personnel working on depreciation

Witness: Most appropriate witness

Please identify each Company or outside personnel who had meaningful or significant input into the establishment of depreciation parameters as reflected in the Company's depreciation request. For each such individual, provide the name, department, job title, the information provided by account, the period at which such information was provided, and the support for the information provided.

Response:

The depreciation study project was completed over a period starting during 2014 with completion on or about the end of April, 2015. Initially, extensive detail accounting information was provided to enable the assembly of the depreciation databases for both Electric and Common Plant. The fixed asset accounting department staff maintains and has access to all such historical records which are assembled and maintained via the use of the Power Plan system. Different fixed asset systems were used to maintain earlier records, which were transitioned to the present property record system.

During the analysis and depreciation development phase of the study one or more conference calls were held with the Fixed Asset Accounting Manager to clarify accounting data items, as well as ultimately discussions were held with senior management responsible for the Company's various operating areas. The various individuals participating in the conference call/s have been:

Jay Skabo – Vice President, Electric Supply

Allan Welte – Director, Generation

Rob Frank – Director, Electric Transmission Engineering

Pat Darras – Vice President, Operations

Daryl Anderson – Director, Distribution Engineering

Garret Senger – Executive Vice President of Regulatory Affairs & Chief Accounting Officer

Paul Bienek – Manager, Fixed Asset Accounting

Jeffery Hauff - Supervisor, Fixed Asset Accounting

Topics covered related to operations of the properties within the major investment accounts, the recent focus which has been more on growth and how the current and future activity is moving more towards increased replacement of property, particularity with regard to Transmission and Distribution facilities.

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

MCC-153

Regarding: Categorization of plant

Witness: Robinson

Please provide a detailed categorization of plant within each account or subaccount as well as the corresponding dollar level of investment by category. The information should be provided on electronic medium in Excel readable format.

Response:

Please see response to MCC-143.

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

MCC-154

**Regarding: Categorization of retired plant
Witness: Robinson**

Please provide a detailed categorization of plant retired by year for the past 10 years within each account or subaccount as well as the corresponding dollar level of investment by category. The information should be provided on electronic medium in Excel readable format.

Response:

Please see response to MCC-143.

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

MCC-155

Regarding: Depreciation policy

Witness: Most appropriate witness

Please provide the Company's policy regarding the continuation of recording depreciation expense once an asset becomes fully accrued. Further, state when such policy was implemented.

Response:

Montana-Dakota's annual depreciation expense is based upon the use of the group depreciation procedure. Under the use of group depreciation, the annual depreciation expense is based upon continuously applying the account level depreciation rate to the applicable depreciable balance. Gains or losses or termination of annual depreciation expense are not recognized within group depreciation. Depreciation is not applied to individual items (as would be done with Individual Unit depreciation) within the property group, thus, the fully accrued circumstance does not exist, with the exception of a potential dying or static property group investment. Any such occurrences are unusual and are handled on a case by case basis.

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

MCC-156

**Regarding: Use of judgment and experience
Witness: Robinson**

Please provide the following as it relates to the reliance on judgment and experience in determining the final selection of life or net salvage parameters:

- a. The specific role that judgment and experience played in development of life or net salvage parameters for each account where that was the main or significant reason for the selected values. Further, provide all significant or meaningful support for the claimed judgment and experience relied upon. The information should be in sufficient detail so as to adequately identify the role and impact resulting from the judgment and experience in establishment of the final value for each account.**
- b. The specific role that judgment and experience played in development of life or net salvage parameters for all other accounts in sufficient detail to clearly identify the role played in establishment of the final value.**
- c. All underlying documentation that verifies the reasonableness of the claimed role of judgment and experience as it influenced the final selection of net salvage for each account (e.g., as shown on the attachments, utilities, x, y, and z have the same type of accounting procedures and composition of investment in Account XXX as does the Company. Each of these companies exhibited net salvage levels similar to those proposed for the Company. Therefore, the average net salvage level of the other companies was used for the Company. Attached are copies of depreciation surveys indicating net salvage amounts for 40 different companies with similar plant. The average of these companies was used.)**
- d. A detailed narrative identifying and explaining each item of judgment and experience relied on by account and/or subaccount in the establishment of life and net salvage values.**

Response:

The estimation of life and net salvage is both a quantitative and qualitative process. Under the quantitative tasks historical service life analyses are prepared to review what has occurred within the company over time. Under the qualitative tasks, the range of the historical study results are considered along with statistics related to the applicable property group, including but not limited to the general content of the property group, the investment balance, growth, average age of the property, levels and ages of retirements, and specific changes known to have occurred and/or that are anticipated as well as knowledge, experience and qualifications within the

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depreciation discipline. The process is one of informed judgment, given the known facts and expectations, as opposed to simple uninformed judgment. The process is a collective and not a simple arithmetic weighting or average or a percentage of a set of preselected list of tasks or occurrences.

To look at judgment in a different way it is helpful to better understand the concept of "judgment". Judgment, via a dictionary definition, is defined as the process of forming and opinion or evaluation by discerning and comparing with discerning being defined as "to come to know or recognize mentally"---as opposed to a quantitative calculation.

Any depreciation study requires informed judgment by the analyst conducting the study. A knowledge of the property being studied, company policies and procedures, general trends in technology and industry practice, and a sound basis of the understanding of depreciation theory are need to apply informed judgment. There are multiple factors, activities, actions, property characteristics, statistical inconsistencies, various property mixes in accounts and other considerations that impact the analysis--- often occurring in different directions. Judgment is used to synthesize the items into a general understanding of the factors. Individually not one of these items may have a substantial bearing on the result, but collectively these considerations shed a light on the overall assessment of the property. Judgment is often defined as deduction, inference, wisdom, common sense, or the ability to make sensible decisions. There is no single correct result from statistical analysis, averages, weighting analysis, hence, there is no answer absent judgment. The inference from the data request would require a seemingly impossible task of turning judgment into purely quantitative facts. Accordingly, the expectation that judgment can be transformed into fact contradicts the concept of judgment. If judgment were quantifiable it would not be judgment

It must be noted that historical analysis is simply a tool, along with professional knowledge and experience, used to develop estimates of future service lives and patterns. The ultimate estimate of the depreciation parameters needs to give consideration to the range of historical study results, current operations, and future expectations. That is, while statistical curve fits or salvage averages are part of the historical analysis process, the ultimate the estimation of depreciation parameters is not a simple mathematical exercise or ranking process.

It is specifically stated in page 126 of the NARUC Depreciation Practices Manual that "Depreciation analysts should avoid becoming ensnared in the mechanics of the historical life study and relying solely on mathematical solutions. The reason for making an historical life analysis is to develop a sufficient understanding of history in order to evaluate whether it is a reasonable predictor of the future. The importance of being aware of circumstances having direct bearing on the reason for making an historical life analysis cannot be understated. These circumstances, when factored into the analysis, determining the application and limitations of an historical life analysis."

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Furthermore, historical statistical analysis, at times, produces indications of lives or salvage that are irrational and/or inappropriate to use as a basis for capital recovery.

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MCC-157

Regarding: Site visit information

Witness: Robinson

Please provide a copy of all site visit notes, pictures, etc., associated with any site visits performed by the Company's depreciation witness, specifically identifying the dates and times associated with the visual inspection of each specific type of property. Further, to the extent meaningful or significant information was obtained during such visit(s) and not already reflected in the notes, then provide those items.

Response:

Property tours have been completed in conjunction with the preparation of earlier Electric Depreciation studies. Copies of photos and documents from those tours and related meetings are included as an Attach to MCC-157 on the enclosed CD. Also, please see response to MCC-152 for a discussion of information gathered throughout the course of the study from the accounting department staff as well as discussions with senior operating management related to current and anticipated future operations.

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MCC-158

**Regarding: Support for life and salvage parameters
Witness: Robinson**

Please provide all additional bases, evidence, opinions, assumptions, documents, analyses, etc. that either describes, explains, supports, and/or justifies the specific life and salvage parameters proposed for each separate account or subaccount that has not already been provided.

Response:

Please see the responses to MCC-156, MCC-167, and Section 4 of each of the depreciation study reports.

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MCC-159

Regarding: Retired dollar amounts

Witness: Robinson

Please identify the quantity of dollars retired by year by account for the past 10 years in which a replacement item of investment was not installed at the same time that the retirement was removed or retired in place.

Response:

Montana-Dakota does not track retirements in the requested manner. The information is not readily available.

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MCC-160

Regarding: Retirements

Witness: Robinson

Please identify what percentage of retirements was abandoned in place by account by year for the past 10 years on a dollar basis.

Response:

Montana-Dakota does not track retirements in the requested manner. The information is not readily available.

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MCC-161

Regarding: Supplementary information

Witness: Robinson

For each meaningful or significant supplementary item of information obtained from operating personnel concerning outlooks, expectations, practices, plans, etc. as they relate to life or salvage considerations, please provide the following, by account:

- a. A detailed narrative identification of each separate item.**
- b. The individual from whom each such item of information was obtained.**
- c. The inquiry made to elicit the item of information.**
- d. All underlying data, reports, documents, etc., that address, support or justify each separate item of information.**
- e. The impact each separate item of information had in the development of each depreciation parameter by account.**

Response:

Please see the responses to MCC-156, MCC-167, and Section 4 of each of the depreciation study reports.

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MCC-164

**Regarding: Historical net salvage data
Witness: Robinson**

Please state if the historical net salvage data (i.e., gross salvage, cost of removal, and retirements) are time-synchronized. If not, please state the longest time frame between the reporting of one component versus another component of a retirement, as well as the average time period for such situations by account.

Response:

Time synchronization of salvage components are not specifically performed. The prepared net salvage analysis, as contained in the depreciation study reports, does provide information both on an annual basis as well as three year rolling averages. Such three year rolling averages, while not specific time synchronization, have a similar effect of linking any variations between the occurrence of retirements and corresponding related activities, plus levelizes year to year variations in the overall net salvage activity.

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MCC-165

**Regarding: Emergency replacements
Witness: Robinson**

Please provide the annual dollar level associated with emergency replacement situations reflected in the cost of removal amounts in the depreciation study by account for the past 10 years.

Response:

Please see the response to MCC-134.

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MCC-166

**Regarding: Reuse material
Witness: Robinson**

Please provide the Company's accounting treatment for reuse material. Further, provide all underlying support and justification for the process employed. Finally, provide the level of plant retired and returned to stores by account during the past 10 years along with the corresponding accounting values for salvage by year.

Response:

There is very little reuse of stores material such as poles and conductor so any returns to inventory are credited to the addition side of the project. Montana-Dakota does not track retirements in the requested manner. The information is not readily available.

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MCC-167

**Regarding: Recommended net salvage level
Witness: Robinson**

For each account, please provide a specific and detailed narrative of the process employed by the Company's depreciation witness to arrive at his recommended net salvage level. The response should identify each significant or meaningful item of information, whether that information is historical data, management input, or other and how such information was specifically combined to arrive at the final recommended level.

Response:

The utilized net salvage estimation process is consistently applied across all studied property groups.

First, within the MDU-Electric depreciation study there was no net salvage included within the development of the proposed depreciation rates for the Steam and Other Production functions.

Likewise, while shown in the net salvage analysis, Sec 8 of the Electric study and Section 7 of the Common Plant study, the analysis of net future inflation has not been specifically included or requested within the net salvage estimates. The information is included within the studies to identify the levels of ultimate future net salvage percents that are anticipated to be experienced throughout the remaining life of the property groups. This circumstance will occur inasmuch as the historical retirements that produced the level of net salvage experienced to date occurred in conjunction with retirements of property that was of far younger ages than the estimated average service life of each of the applicable studied property groups. Accordingly, future retirements will need to occur at far older ages to achieve the estimated average service life, therefore, far higher levels of negative net salvage, much of which is related to labor cost, will result with the occurrence of the older aged retirement amounts. Accordingly, the experienced historical net salvage likely significantly understates the overall net salvage that will be experienced as the property groups continue to age.

The net salvage forecast analysis is simply an additional tool used to provide information about the level of net salvage anticipated to occur relative to the current plant in service through the end of its life. Lastly, the historical component of net salvage is what has transpired for the smaller portion of the Company's property that has been retired to date. As noted, such retirements have routinely occurred at ages far younger than the average service of the various property groups.

The estimated future net salvage percent for each property group, while it gives consideration to the overall average, recent experience, and forecast analysis, most

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weight is given to the more recent years three-year rolling averages. The process is one of gradualism towards more future looking calculations which is more representative of the future net salvage, as opposed to overall historical averages, that can be anticipated during future period and at the end of life of the property group. The estimation of future net salvage is not a mathematical or averaging process but one of interpretation of the range of recent gross salvage, cost of removal/retirement, and net salvage and how such levels can more reasonable be anticipated to occurring during coming years. If there are known or anticipated changes to the recent levels, such anticipated events are included in the future net salvage estimate.

Also, see response to MCC-156.

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MCC-168

Regarding: Facility relocation related contracts

Witness: Most appropriate witness

Please provide a copy of any contracts the Company requires associated with the relocation of its facilities at the request of a customer or a governmental entity.

Response:

There are no formal contract requirements for relocation of facilities.

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MCC-169

Regarding: Funds for relocation projects

Witness: Most appropriate witness

Please identify the treatment afforded funds received for relocation projects (e.g., all funds are booked in Account 108 as salvage, other). Further, provide the basis for the Company's treatment of such funds.

Response:

Funds received for capital relocation projects are proportionately allocated to the addition and retirement costs incurred. The basis for the allocation is to directly offset the addition and retirement costs incurred for which the funds are received.

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MCC-170

Regarding: Retirement work orders

Witness: Most appropriate witness

Please provide a copy of each retirement work order associated with the retirement of one mile or more of electric distribution lines during the past 10 years.

Response:

Montana-Dakota does not track retirements in the requested manner. The information is not readily available.

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MCC-171

Regarding: Sales of utility property

Witness: Most appropriate witness

For any sale of utility property since the Company's last rate case, please state whether the gain or loss associated with such sale is contained in the accumulated provision for depreciation. If not, identify the amount by year and by plant account associated with the plant retired and the account to which the gain or loss was booked. Further, provide all support and justification for such actions.

Response:

There has been no gain or loss recorded for the sale of utility property since the last rate case other than some minor land disposals affecting Montana.

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MCC-172

Regarding: Observed life table
Witness: Robinson

Please identify where along the observed life table the data is considered insignificant in the curve fitting process by account (e.g., when the exposures in an age interval reaches 1% of the exposures in age interval 0.0, etc.). Further, provide all support and justification for the determination criteria relied upon.

Response:

Please see response to MCC-173 relative to the use of historical statistical analysis and the use of the results in estimating future service lives. There is no specific definitive level at which the data is immediately insignificant. Consideration must be given to the range, continuity, and level of exposures. Clearly when the exposures decline to a level that one or more year's retirements could materially alter the subsequent data points the data is of less value. Again the process is a tool that needs to be used with rational thought.

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MCC-173

**Regarding: Mathematical and visual curve fitting
Witness: Robinson**

Please identify whether and how mathematical and visual curve fitting were relied upon in the establishment of life parameters by account. If both were employed, rank them in order of importance or significance. Further, provide all support and justification for reliance on and ranking of each.

Response:

The request presumes that historical analysis results will automatically be repeated in the future life of the property. It must be noted that historical analysis is simply a tool, along with professional knowledge and experience, used to develop estimates of future service lives and patterns. The ultimate estimate of the depreciation parameters needs to give consideration to the range of historical study results, current operations, and future expectations. That is, while statistical curve fits are part of the historical analysis process, the ultimate the estimation of depreciation parameters is not a simple mathematical exercise or ranking process.

This is highlighted by page 126 of the NARUC Depreciation Practices Manual which states "Depreciation analysts should avoid becoming ensnared in the mechanics of the historical life study and relying solely on mathematical solutions. The reason for making an historical life analysis is to develop a sufficient understanding of history in order to evaluate whether it is a reasonable predictor of the future. The importance of being aware of circumstances having direct bearing on the reason for making an historical life analysis cannot be understated. These circumstances, when factored into the analysis, determining the application and limitations of an historical life analysis."

Furthermore, historical statistical analysis, at times, produces indications of lives or salvage that are irrational and/or inappropriate to use as a basis for capital recovery.

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MCC-174

**Regarding: Adjustment Nos. 8 – Heskett III and 9 – RICE
Witness: Jacobson**

Please provide a copy of the manufacturer's estimate of operating costs for each plant.

Response:

Please see Attachment A for an estimate of operating costs for each plant. Please note that the costs in this document include labor as if these facilities would be stand-alone facilities. Therefore, the projected costs are less because of synergies with co-locating the new units at existing facilities.

HESKETT III

Per 2013 IRP Document Appendix A Table A-1

Operating Hours	1000
.	
Net Capacity, MW	88.159
Fixed Costs:	\$ 0.96 \$/KW-Month
Total Yearly Fixed Costs	\$ 1,015,591.68
Variable Costs:	\$ 2.70 \$/MWh
Total Yearly Variable Costs	\$ 238,029.30
Total O&M Costs	\$ 1,253,620.98

All costs results provided by consultant using Thermoflow.

RICE Units @ L&C

Per 2015 IRP Document Appendix A Table A-7

Operating Hours	1000
.	
Net Capacity, MW	18
Fixed Costs:	\$ 0.92 \$/KW-Month
Total Yearly Fixed Costs	\$ 198,720.00
Variable Costs:	\$ 9.63 \$/MWh
Total Yearly Variable Costs	\$ 173,340.00
Total O&M Costs	\$ 372,060.00

All costs supplied by OEM Wartsila.

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MCC-175

**Regarding: Adjustment No. 10 – Thunder Spirit
Witness: Jacobson**

Provide support for:

- a. Annual easements.**
- b. Basis for the amount included for insurance expense.**

Response:

- a. The material responsive to this request is confidential. Montana-Dakota will provide this information on a confidential basis upon entry of a protective order by the Commission. A motion for protective order was filed October 26, 2015.
- b. The Thunder Spirit Wind (TSW) insurance expense is based upon the insurance premiums paid for the Cedar Hills wind farm project. The 2015 insurance premium cost for Cedar Hills is \$0.1091 per \$1,000 of value. The capital cost of the TSW project is \$220 million which calculates to an annual insurance premium of \$240,020.

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MCC-176

Regarding: Adjustment No. 12 – Subcontract Labor

Witness: Jacobson

Provide support for:

- a. The components related to the change in transmission.
- b. Explain the reasons for the increase in customer accounts.

Response:

- a. See Statement G, Page 13, Adjustment No. 12:

Pro Forma Adjustment	W / P	Description
(\$112,965)	G-65	Absence of transmission maintenance
1,620,619	G-62	Increase in transmission service (SPP)
(269,476)	G-62	Elimination of WAPA NITS charge
101,908	G-63	Increase in MISO Schedule 26 charges
(9,434)	Adj. No. 29	Exclude: Regional Market Expense
<hr/>		
<u>\$1,330,652</u>		

Partially offsetting the increase to transmission expense, Facility Charge (or joint use) costs will cease with Basin Electric Cooperative becoming a member of the SPP. See Statement G, Page 12, Adjustment No. 11, which reflects a Montana pro forma decrease in transmission expense of \$186,584.

- b. The increase in customer accounting is primarily driven by the reflected increase in the Information Systems responsibility. Upon further review, the 2015 budget for Information Systems was overstated by approximately \$57,000. The cause of the overstatement was an approximately \$19,000 invoice related to disaster recovery, which was thought to be recurring, but turned out not to be and a data input error for \$38,000. The effect to the Montana Electric pro forma adjustment for correcting these two items is a \$2,791 reduction in customer accounting expense.

	Per Books		Pro Forma	
	Electric Utility	Montana	Montana	Adjustment
Corrected	\$124,897	\$24,276	\$25,555	\$1,279
As Originally Filed	124,897	24,276	28,346	4,070
Change	<u>\$0</u>	<u>\$0</u>	<u>(\$2,791)</u>	<u>(\$2,791)</u>

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MCC-177

**Regarding: Adjustment No. 12 – Subcontract Labor
Witness: Jacobson**

Provide a schedule of actual borescope costs by plant for the period 2011 through 2015.

Response:

Please see Attachment A for a schedule of the borescope inspections for the gas and wind turbines. The only full borescope (all turbines completed) was done in 2012. As the turbines age, the borescope inspections will become more frequent. Beginning in 2016, Montana-Dakota will be establishing a more routine schedule for borescope inspections.

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BORESCOPE COSTS BY PLANT
2011 - 2015

	2011	2012	2013	2014 3/	2015
Diamond Willow I		\$ 13,650.00	\$ 2,585.00 1/		\$ 2,630.00 4/
Diamond Willow II		19,110.00			
Cedar Hills		34,108.75			
Glendive I	\$ 7,575.00	9,508.00		\$ 3,930.00	5/
Glendive II	3,610.00	3,000.00	86,802.85 2/	2,500.00	5/
Miles City	12,033.00	9,508.00		3,930.00	5/

1/ T10 was inspected

2/ The borescope was completed with other work & inspections in 2013 and costs were not broken out.

3/ Low run time resulted in not doing a borescope inspection in 2013.

4/ T10 was inspected

5/ Inspections are scheduled for October & November

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MCC-178

Regarding: Adjustment No. 4 – Fuel and Purchased Power

Witness: Jacobson

- a. Provide a schedule of 2014 deferred fuel and purchased power costs by state.
- b. Provide total 2014 Wyoming fuel and purchased power costs.

Response:

- a. 2014 deferred fuel and purchased power costs are as follows:
 - Montana - \$699,697
 - North Dakota - \$305,570
 - Wyoming – \$513,715
 - South Dakota does not have a deferral mechanism currently
- b. The total 2014 Wyoming fuel and purchased power costs are as follows:
 - Account 501 - \$2,338,806
 - Account 555 – Energy - \$2,307,897
 - Account 555 – Demand - \$4,211,836
 - Deferred Expense - \$513,715
 - Account 509 – Allowances - \$53
 - Total - \$9,372,307

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MCC-179

**Regarding: Adjustment No. 5 – Labor Expense
Witness: Jacobson**

Provide incentive compensation for 2010 and 2011 in a format similar to Workpaper G-44.

Response:

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INCENTIVE COMPENSATION EXPENSE - UTILITY
2010-2011**

	<u>2010</u>	<u>2011</u>
Gas bonus (5130 & 5131)	\$2,228,601	\$1,850,987
Electric bonus (5130 & 5131)	<u>2,724,078</u>	<u>1,952,219</u>
Total	\$4,952,679	\$3,803,206
Gas Labor (5110, 5120, & 5193)	\$19,994,700	\$20,659,552
Electric Labor (5110, 5120, & 5193)	<u>23,010,719</u>	<u>23,908,041</u>
Total	\$43,005,419	\$44,567,593
Percentage of bonus to labor	11.5%	8.5%

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MCC-180

Regarding: Adjustment No. 6 – Benefits

Witness: Jacobson

Explain the premium realignment for “some” of the plan tiers as noted on Statement Workpapers G-51 as compared to the one plan tier change for employee + child on G-55. What historical time frame is used to trend costs in the medical program?

Response:

The premium tier structure (single, employee + spouse, employee + child, family, etc.) for the medical plans are designed to align premiums with utilization costs. Every two to three years, the company compares the difference between tiers to other companies and tier premiums to actual plan tier costs, using a three year look back period. As a result of this review, 2015 premium tiers were realigned with utilization by reducing the employee plus child total premium and equally increasing the premiums for the tiers that included spouses (employee + spouse and family).

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MCC-181

Regarding: Adjustment No. 6 – Benefits

Witness: Jacobson

- a. Why has the Company used 3.97% as an increase to 401K and Other Benefits when the straight time labor is 3.69% as shown on Workpaper G-43?**
- b. Provide workers compensation expense for 2010 – 2014 and 2015 by month, as available, in the same format as presented in Workpaper G-48.**

Response:

- a. The Company should have used the increase in labor of 3.69% to adjust 401K and Other Benefits
- b. See table below:

**MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - MONTANA
WORKERS COMPENSATION
2010 - SEPTEMBER 2015**

	Workers Compensation	Montana Labor	% Workers Comp. to Labor
2010	\$36,045	\$5,924,336	0.61%
2011	45,765	5,769,486	0.79%
2012	39,873	5,986,327	0.67%
2013	48,070	6,463,652	0.74%
2014	48,731	6,387,235	0.76%
January 2015	5,635	571,886	0.99%
February	8,962	554,063	1.62%
March	4,537	526,785	0.86%
April	3,753	524,419	0.72%
May	2,829	504,685	0.56%
June	2,970	535,146	0.55%
July	3,204	569,647	0.56%
August	3,209	578,342	0.55%
September	2,746	444,851	0.62%

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MCC-182

Regarding: Testimony of A. Welte

Witness: Welte

Provide a copy of the URS contract for the MATS project at Lewis & Clark.

Response:

The material responsive to this request is confidential. Montana-Dakota will provide this information on a confidential basis upon entry of a protective order by the Commission. A motion for protective order was filed October 26, 2015.

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MCC-183

Regarding: Testimony of A. Welte

Witness: Welte

Provide actual in-service or commercial operation dates and construction costs for the Big Stone AQCS and RICE projects.

Response:

At this time the Big Stone AQCS and RICE projects are in various stages of completion but are not commercially operational. Montana-Dakota will provide the actual in-service date upon completion for each project when available.

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MCC-184

Regarding: Testimony of D. Neigum

Witness: Neigum

Provide the executive summaries from the last three Integrated Resource Plans (IRP).

Response:

Please see the following files on the enclosed CD:

- MCC-184 2011 MT IRP Volume 1.pdf
- MCC-184 2013 MT IRP Volume 1.pdf
- MCC-184 2015 MT IRP Volume 1.pdf

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

MCC-185

Regarding: Testimony of D. Neigum

Witness: Neigum

Provide a copy of the Order on the Advanced Determination of Prudence (ADP) for the Thunder Spirit Wind facility received from the North Dakota Public Service Commission.

Response:

Please see Attachment A.

**STATE OF NORTH DAKOTA
PUBLIC SERVICE COMMISSION**

**Montana-Dakota Utilities Co.
Advance Prudence – Thunder Spirit Wind Project
Application**

Case No. PU-14-843

**Montana-Dakota Utilities Co.
Thunder Spirit Wind Project – Adams County
Public Convenience and Necessity**

Case No. PU-14-844

FINDINGS OF FACT, CONCLUSIONS OF LAW AND ORDER

June 30, 2015

Appearances

Commissioners Randy Christmann and Julie Fedorchak.

Daniel S. Kuntz, Associate General Counsel, MDU Resources Group, Inc., P.O. Box 5650, Bismarck, ND 58506-5650, appearing on behalf of Montana-Dakota Utilities Co.

John M. Schuh, Special Assistant Attorney General appearing on behalf of the Advocacy Staff.

Illona Jeffcoat-Sacco, Special Assistant Attorney General appearing on behalf of the Public Service Commission.

Patrick J. Ward, Administrative Law Judge, P.O. Box 1695, 316 North 5th Street, Bismarck, ND 58502-1695.

Preliminary Statement

On December 22, 2014, Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. (MDU) filed applications for an Advance Determination of Prudence (Case No. PU-14-843) and a Certificate of Public Convenience and Necessity (Case No. PU-14-844) to purchase and operate the 107.5 MW Thunder Spirit Wind Project to be located in Adams County, North Dakota.

Believing there would be no prejudice to the rights of the parties or the public interest, and finding the cases involve similar questions of law and fact, the Commission consolidated the two cases under North Dakota Admin. Code section 69-02-04-04.

On March 25, 2015, the Commission issued a Notice of Consolidated Hearing, scheduling a consolidated public hearing to begin May 14, 2015 at 8:30 a.m. CDT in the Commission Hearing Room, 12th Floor, State Capitol, 600 East Boulevard Avenue,

Bismarck, North Dakota 58505. The Notice identified the following issues to be determined:

1. Is MDU's proposed investment in the Thunder Spirit Wind Project prudent?
2. Whether public convenience and necessity will be served by the purchase and operation of the facilities.
3. Whether the applicant is fit, willing, and able to provide service.

On May 14, 2015, a public hearing on the applications was held as scheduled.

Having allowed all interested persons an opportunity to be heard, and having heard, reviewed and considered all testimony and evidence presented, the Commission makes its:

Findings of Fact

1. MDU is an investor owned public utility providing electric service to customers in North Dakota under the regulatory jurisdiction of this Commission.
2. MDU provides electric service to approximately 138,000 customers. Approximately 89,000 of those customers are located in North Dakota.
3. The Thunder Spirit Wind Project (Project) is a 107.5 MW wind generation project under construction in Adams County, North Dakota, northeast of the City of Hettinger. On-site measured data and long-term wind assessment studies demonstrated the location of the Project has an excellent wind regime. The Project will consist of 43 Nordex 2.5 MW wind turbines and is expected to have a net capacity factor of 45.2 percent and be online by the end of 2015. At a capacity factor of 45.2 percent, the projected average annual energy output is estimated at 426,000 megawatt-hours.
4. The Project will interconnect with MDU's Hettinger 230 kV Junction Substation. The network upgrades to interconnect the Project to the substation are expected to cost approximately \$1.5 million. In addition, as part of MDU's transmission service request to Midcontinent Independent System Operator, Inc. (MISO) for point-to-point transmission service, MDU will reconductor five miles of its 115kV line between the Coyote and Beulah Junction Substations at an estimated cost of approximately \$1 million. No other wind projects are currently located in the Hettinger area and MDU believes the likelihood for Project curtailments is small compared to other project opportunities that it reviewed in other parts of the state.
5. MDU originally entered into a Power Purchase Agreement (PPA) to purchase the output from the Project in October 2013 following a review of responses to a request for proposal (RFP) soliciting offers for additional generation in accordance with its 2013 Integrated Resource Plan (IRP). With the uncertainty of the Project to obtain timely financing, MDU determined it advantageous and in the best interest of its customers to consider ownership of the Project as an alternative to the PPA arrangement. Allete

Clean Energy reviewed the Project at the request of MDU and agreed to develop the Project and either sell the output or the completed Project to MDU. MDU subsequently entered into both an amended PPA and a conditional-asset purchase agreement for the Project. Pursuant to these agreements, MDU agreed to purchase the completed Project conditioned upon approval by the Commission of a certificate of public convenience and necessity and an advance determination of prudence. Alternatively, MDU will purchase the Project output under the amended PPA.

6. MDU identified a need for additional energy in its 2013 IRP (Case No. PU-13-510). The IRP forecasts an increase between 2012 and 2020 in MDU's total resource requirements of up to approximately 1 million MWh of energy and 100 MW of peak demand generating capacity. The Project will meet a portion of these needs.

7. The Project is scheduled to be complete by the end of 2015 and will provide a low cost energy resource to offset purchases from the MISO energy market that currently represent approximately 20 percent of MDU's system energy supply.

8. The levelized cost of MDU's ownership of the Project over a 20-year period is approximately \$32 per MWh. MDU updated its IRP modeling to analyze the Project and the updated modeling selected the full 107.5 MW Project as a cost effective resource. Ownership of the Project is projected to save nearly \$30 million on a net present value basis over 20 years in comparison to energy purchases from the Project under the amended PPA.

9. The Project is designed and has an electrical interconnect and wind energy leases under contract to support a 150 MW project size. Ownership of the Project provides MDU with the ability to expand the Project to 150 MW if necessary to meet future customer energy requirements while capturing the economies of scale offered by a larger Project site.

10. MDU has demonstrated a need for additional generation resources and a wind resource at the size of the Project was identified as part of a cost effective generation portfolio to meet that need. Project ownership provides the opportunity for lower costs in comparison to PPA prices over the term of the PPA with further opportunity for realization of additional generation beyond the term of the PPA.

11. The Project provides price protection against future MISO energy price increases, price protection against future natural gas price increases, greater fuel source diversity in the Company's generation mix, and the ability to capture significant value from federal and state tax incentives.

12. The annual wind lease payments from the Project to local landowners will be approximately \$500,000. Property taxes from the Project are expected to be approximately \$500,000 annually. There will be local economic benefits to the area as a result of the construction employment activity during 2015 and full time employment of approximately seven persons for maintenance and operation of the Project.

13. The Commission finds MDU's proposed investment in the Project is prudent.
14. The Commission finds public convenience and necessity will be served by the purchase and operation of the Project.
15. The Commission finds MDU fit, willing and able to own and operate the Project.

From the foregoing findings of fact, the Commission makes its:

Conclusions of Law

1. The Commission has jurisdiction over the applicant and the subject matter of these applications.
2. Public convenience and necessity require the granting of a certificate of public convenience and necessity to the applicant in this proceeding.
3. Pursuant to N.D.C.C. §49-05-16(7) there is a rebuttable presumption that a resource addition located in the state is prudent.
4. Pursuant to N.D.C.C. §49-05-16 the Commission considers the benefits of having a resource addition located in this state in determining whether a resource addition is prudent.

From the foregoing Findings of Fact and Conclusions of Law, the Commission issues its:

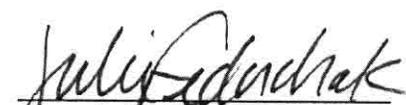
Order

The Commission Orders:

1. MDU's application for a certificate of public convenience and necessity to acquire and operate the Thunder Spirit Wind Project is granted.
2. Certificate of Public Convenience and Necessity No. 5870 is issued to Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc.
3. MDU's application for advance determination of prudence for the ownership and operation of the Thunder Spirit Wind Project is granted.

PUBLIC SERVICE COMMISSION


Randy Christmann
Commissioner


Julie Fedorchak
Chairman


Brian P. Kalk
Commissioner

PUBLIC SERVICE COMMISSION

STATE OF NORTH DAKOTA

Certificate of Public Convenience and Necessity

Certificate Number 5870

This is to certify that public convenience and necessity require, and permission is granted for Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc., to acquire and operate the Thunder Spirit Wind project located in Adams County, North Dakota.

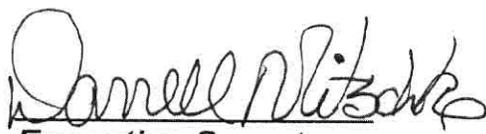
This certificate is issued in accordance with the Order of this Commission dated June 30, 2015 in Case No. PU-14-844, and is subject to the conditions and limitations noted in the Order.

This certificate is conditioned upon Montana-Dakota Utilities Co., a Division of MDU Resources Group, Inc. securing the franchise or other authority of the proper municipal or other public authority for the exercise of these rights and privileges.

Bismarck, North Dakota, June 30, 2015.

ATTEST:

PUBLIC SERVICE COMMISSION


Executive Secretary


Commissioner

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

MCC-186

Regarding: Testimony of D. Neigum

Witness: Neigum

Provide a copy of the Nordex USA, Inc. MSA agreement related to the Thunder Spirit Wind facility.

Response:

The material responsive to this request is confidential. Montana-Dakota will provide this information on a confidential basis upon entry of a protective order by the Commission. A motion for protective order was filed October 26, 2015.

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

MCC-187

Regarding: Testimony of D. Neigum

Witness: Neigum

Provide a schedule that supports the 40% shown on page 25, line 9 of D. Neigum's testimony.

Response:

Value - Federal PTC	\$23.00	per MWh (after tax)
Annual TSW Generation	426,000	MWh
Annual PTC Value	\$9,798,000	per year (after tax)
10 year PTC Value	\$97,980,000	No discount applied
Installed TSW Cost	\$220,000,000	
Value of PTC	45%	(10 year value / installed cost)

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

MCC-188

Regarding: Testimony of D. Neigum

Witness: Neigum

Referring to line 6 on page 39 of Mr. Neigum's testimony, what like amount of the \$3,101,419 shown for 2016 is included in the 2015 pro forma and what is Montana's share? Where is it included in the cost of service?

Response:

Please see Statement Workpapers, Statement G, page G-63. The pro forma adjustment to the MISO charges is based on the 2014 actual sales updated for the 2015 rate. Total pro forma Montana's share is \$598,693 as noted in the workpaper. The like costs are included in transmission expense in Statement G, Page 13 in Adjustment No. 12 – Subcontract Labor.

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

MCC-189

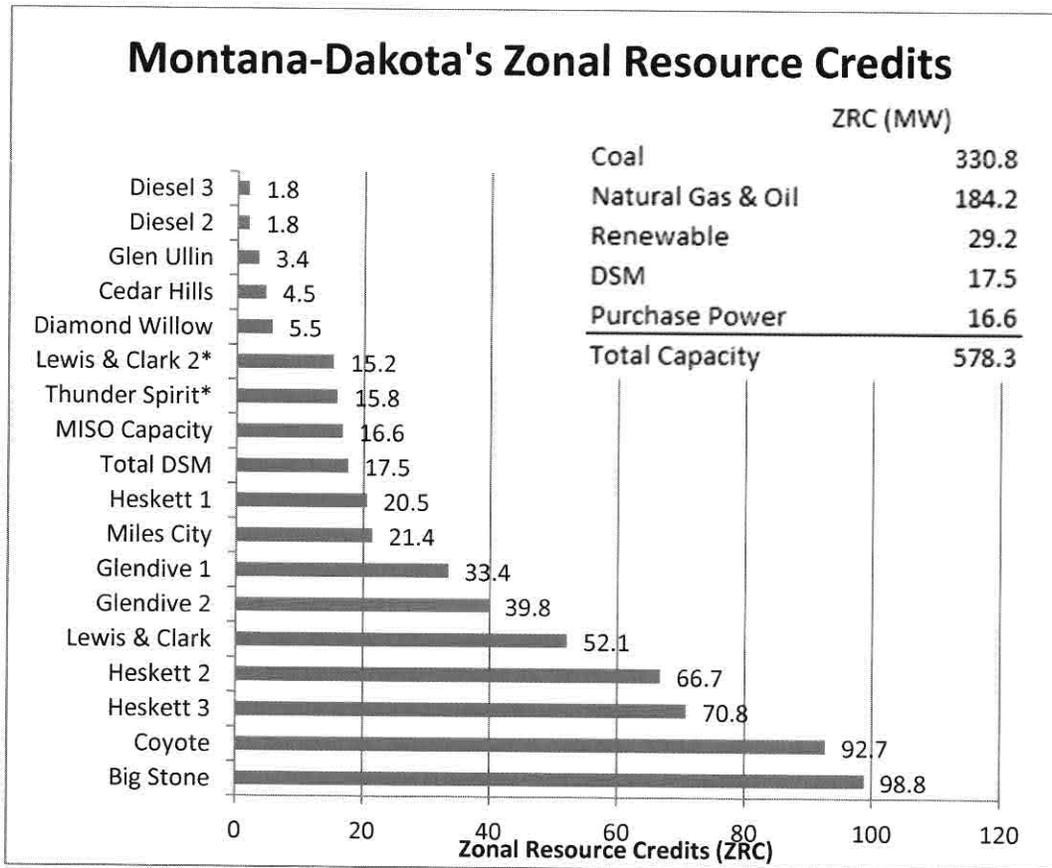
Regarding: Testimony of J. Skabo

Witness: Skabo

Provide the accredited generating capacity in a format similar to the table on page 4 of J. Skabo's testimony.

Response:

Please see Attachment A. Please note that the unit referenced as Lewis & Clark 2 on Attachment A is the same as the unit referenced as Lewis & Clark RICE in the table on page 4 of Mr. Skabo's testimony.



*Lewis & Clark 2 and Thunder Spirit are estimated ZRC values for the 2016-2017 MISO Planning Year.

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

MCC-190

Regarding: Adjustment No. 9

Witness: Jacobson

Provide the component parts, to the extent possible, of the O&M expenses presented in Adjustment No. 9 that are specific to the RICE project separately from the MATS project.

Response:

Please see Statement G, Page 10, Adjustment No. 9.

Pro forma labor, benefits and employee training costs are related to new positions required at the Lewis & Clark generating station for the increased workload associated with both projects and cannot be broken-out between the two.

Pro forma subcontract labor, materials and office supply costs are related to the RICE project.

	Pro Forma 1/		
	Total Company	Montana 2/	Adjustment
<u>Lewis & Clark Common Costs:</u>			
Labor	\$227,971	\$51,619	\$51,619
Benefits	84,030	19,027	19,027
Other Employee Training	10,000	2,264	2,264
Subtotal	<u>\$322,001</u>	<u>\$72,910</u>	<u>\$72,910</u>
<u>RICE Unit Specific Costs:</u>			
Subcontract Labor	\$88,500	\$20,039	\$20,039
Materials	99,170	22,455	22,455
Office Supplies	2,000	453	453
Subtotal	<u>\$189,670</u>	<u>\$42,947</u>	<u>\$42,947</u>
Total	<u><u>\$511,671</u></u>	<u><u>\$115,857</u></u>	<u><u>\$115,857</u></u>

1/ Pro forma represents increases to reflect a full-year of operations.

2/ Allocated on Factor 15: Integrated System Peak Demand.

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

MCC-191

Regarding: Adjustment No. 16

Witness: Jacobson

Provide supporting documents for Big Stone and Coyote reagent costs.

Response:

Big Stone and Coyote generating stations are operated by Ottetail Power Company (OTP) based in Fergus Falls, Minnesota. Montana-Dakota owns 22.7% of Big Stone and 25.0% of Coyote.

Statement Workpapers, Statement G, Pages G-78 through G80 were provided by OTP for use as 2015 operation and maintenance budgets. The reagent costs reflected on Statement G, Page 17, Adjustment No. 16 tie to these documents supplied by OTP.

Please see Attachment A for the memo supplied by OTP which explains the type and use for the different reagents used at Coyote and Big Stone. The memo is marked "DRAFT" however this does reflect the final estimates.

Coal Plant Reagents

BACKGROUND

COYOTE STATION

Coyote Station went in service in 1981 using soda ash as SO₂ reagent and switched to pebble lime in 1991. Lime purchases are charged to inventory account 1276.4702 FERC 154. Coyote Station's monthly Fuel & Reagent Report identifies tons purchased and tons consumed during the calendar month. Consumption is calculated as beginning inventory + purchases – ending inventory. Ending inventory is based on silo level (using strain gauges in the beams) plus lime in railcars. Monthly consumption is charged at weighted average cost per ton to 5015.0000.0500 FERC 502. Those reagent expenses are not run through the fuel adjustment clause (FAC). Coyote's Statements of Costs reconciliation worksheet calculates lime costs over minimum net load and allocated those costs to the co-owners based on actual generation taken that month.

Coyote will start receiving powdered activated carbon (PAC) by truck in third quarter 2014 for testing the new ACI equipment. Coyote's ACI is expected to go in service in September 2014. Monthly consumption will be reported by the plant, calculated as beginning inventory + purchases – ending inventory. Ending inventory will be measured by silo level using radar.

	Lime	Activated carbon
Used to remove	SO ₂ in FGD scrubber	Hg (mercury) in ACI
Annual usage	13,000 tons	400 – 800 tons
Storage capacity	2,500	80 tons
Price per ton	\$113	\$1,700
Cost per year	\$1,469,000	\$1,020,000
Inventory value	\$275,000	\$130,000

These estimated numbers are 100% Coyote Station. OTP's share is 35%.

HOOT LAKE PLANT

Hoot Lake Plant will start buying powdered activated carbon (PAC) in May 2014. Activated carbon will be charged to the capital project until the MATS compliance project 105028 is declared in service during third quarter 2014. Monthly consumption will be reported on the plant's Fuel & Reagent Report, calculated as beginning inventory + purchases – ending inventory.

	Activated carbon
Used to remove	Hg (mercury) in ACI
Annual usage	200 – 400 tons
Storage capacity	37.5 tons
Price per ton	\$1,700 - \$2,100
Cost per year	\$630,000
Inventory value	\$75,000

BIG STONE PLANT

Big Stone Plant’s air quality control system (AQCS) will begin purchasing reagents in first quarter 2015 and the AQCS will be placed in service during fourth quarter 2015. The new equipment and processes will consume three reagents to reduce Big Stone’s flue gas emissions. All three reagents will be delivered by truck. Consumption for each calendar month will be reported by the plant on the monthly Fuel & Reagent Report, calculated as beginning inventory + purchases – ending inventory. Ending inventory will be based on load cells on the pebble lime, hydrated lime, and PAC silos, and by instrumentation on the anhydrous tanks. Lime inventory would include dry pebble lime and hydrated lime; 1 ton pebble lime makes 1.31 tons hydrated lime. (Coyote slakes rather than hydrates lime.) The following estimated numbers are 100% Big Stone Plant; OTP’s share is 53.9%.

	Lime	Activated carbon	Anhydrous ammonia
Used to remove	SO2 in FGD scrubber	Hg (mercury) in ACI	NOx in SCR
Annual usage	17,000 tons	256 tons	2,025 tons
Storage capacity	515+(263/1.31)= 716 tons	50 tons	144 tons
Price per ton	\$147	\$1,840	\$700
Cost per year	\$2,500,000	\$471,000	\$1,500,000
Inventory value	\$100,000	\$90,000	\$100,000

ACCOUNTING PROCEDURES

1. Inventory accounts will be set up for each reagent under FERC account 154 – Materials and Supplies.
 - a. 1276.4702 Lime
 - b. XXXX.XXXX Activated carbon
 - c. XXXX.XXXX Anhydrous ammonia

2. Reagent purchases will be charged to inventory at delivered cost. The quantity of reagent received during the calendar month will be reported on the plant’s monthly Fuel & Reagent Report.

3. Consumption quantities for the calendar month will be reported on the plant’s monthly Fuel & Reagent Report and will be charged out of applicable M&S inventory at the average weighted cost per ton.
 - a. Consumption during startup and testing of the new environmental equipment prior to being declared in-service will be charged to the capital project.
 - b. Consumption after the new environmental equipment is declared in-service will be charged as an operating expense to FERC account 502 – Steam Expense.

4. Environmental cost recovery (ECR) riders will allow us to recover Big Stone’s O&M expenses for lime and anhydrous in Minnesota and North Dakota, and for activated carbon in North Dakota until our first rate case.

ALLOCATION OF COST TO CO-OWNER COMPANIES

Consumption of all reagents is directly proportional to quality and quantity of coal burned, which is directly proportional to generation. A monthly reconciliation allocation of reagent consumption costs between the co-owners will be calculated within the Big Stone Plant and Coyote Station Statement of Costs.

1. The cost of reagent consumed for minimum net load will be shared based on Big Stone Plant and Coyote Station ownership percentages.
2. The cost of reagent consumed above minimum net load will be reconciled based on each owner's share of generation above minimum net load.

c. Legge, Jeff; Evavold, Daryl; Sem, Kyle; Tommerdahl, Stuart; Klovstad, Stuart; Boss, Brian; Vukonich, Susan; Thoma, Mark; Swanson, William; Hebert, Stacie; Endrizzi, Jeff; Schreurs, Stu; Grong, Evan; Rolfes, Mark; Wellendorf, Lynette; Phinney, Kirk; Zimmerman, Brad; Trappen, Kari; Olson, Jeff; Olson, Michael

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

MCC-192

Regarding: Adjustment No. 29

Witness: Jacobson

- a. Provide 2015 by month as available.
- b. Provide energy purchased for 2012 – 2014 and 2015 by month, as available, and the cost per MWH.

Response:

a.

Regional Market Expense

<u>2015</u>	<u>Electric Utility</u>	<u>Montana</u>
January	\$33,015	\$8,761
February	42,521	11,284
March	37,721	10,010
April	28,475	7,557
May	26,253	6,967
June	29,085	7,719
July	29,630	7,863
August	32,186	8,541
September	<u>26,694</u>	<u>7,084</u>
Total	<u>\$285,580</u>	<u>\$75,786</u>

- b. The Regional Market Expense is invoiced weekly by the Midwest Independent System Operator (MISO) based on the Company's participation in the Day-Ahead and Real-Time markets within MISO. Regional Market Expense is not specifically tied to Net Kwh purchased through MISO. Rather, it is based on a number of variables. See Response MCC-192, Attachments A and B for information on, and the formula for calculation of the Day-Ahead and Real-Time Market Administration costs, which the Company accounts for as Regional Market Expense.

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

Response MCC-192 b. continued:

	<u>Net KWH Purchased</u>	<u>Fuel Costs</u>	<u>Cost per MWH</u>
2012	803,707,645	\$ 18,786,732.85	\$23.38
2013	870,167,934	24,028,150.93	27.61
2014	892,214,391	25,038,628.60	28.06
January-2015	123,849,532	2,660,046.48	21.48
February-2015	131,503,037	3,165,505.49	24.07
March-2015	143,282,909	2,916,067.93	20.35
April-2015	104,811,303	2,038,147.41	19.45
May-2015	124,965,482	2,205,378.83	17.65
June-2015	133,134,960	2,964,302.88	22.27
July-2015	174,885,980	4,725,431.41	27.02
August-2015	105,025,923	2,711,316.98	25.82
YTD August-2015	<u>1,041,459,126</u>	<u>\$ 23,386,197.41</u>	<u>\$22.46</u>

**Response No. MCC-192
Attachment A**

**Response No. MCC-192
Attachment A**

**Day-Ahead Market
Administration Amount
(DA ADMIN)**



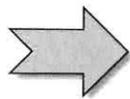
Admin Charges

- For each AO for an Operating Day, Market Settlements assesses an administration charge (DA_ADMIN) on the AO participation in the Day-Ahead Energy and Operating Reserve Market. Generation volume is part of the AO Participation.
- In addition, the MISO uses a DA_SCHD_24_ALC charge for “Local Balancing Authorities (LBAs)” to recover the cost of labor and materials associated with market operations. Generation share is the same as the volume used to calculate the DA_ADMIN Charge.

DA_ADMIN - Purpose

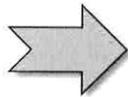
- Day-Ahead Market Administration Amount (DA_ADMIN)
 - Collectively referred to as Tariff Schedule 17, the DA_ADMIN and RT_ADMIN charge types are designed to recover the cost of operating the Day-Ahead and Real-Time Energy and Operating Reserves Markets
 - Calculated at each CPNode for each hour by multiplying an AO's Day-Ahead Market participation volume by the Hourly Energy and Operating Reserve Markets Administration Rate
 - An AO's DA participation volume at a CPNode is based on the total directional energy volume into and out of the CPNode, by the AO

Who gets the charge/credit?



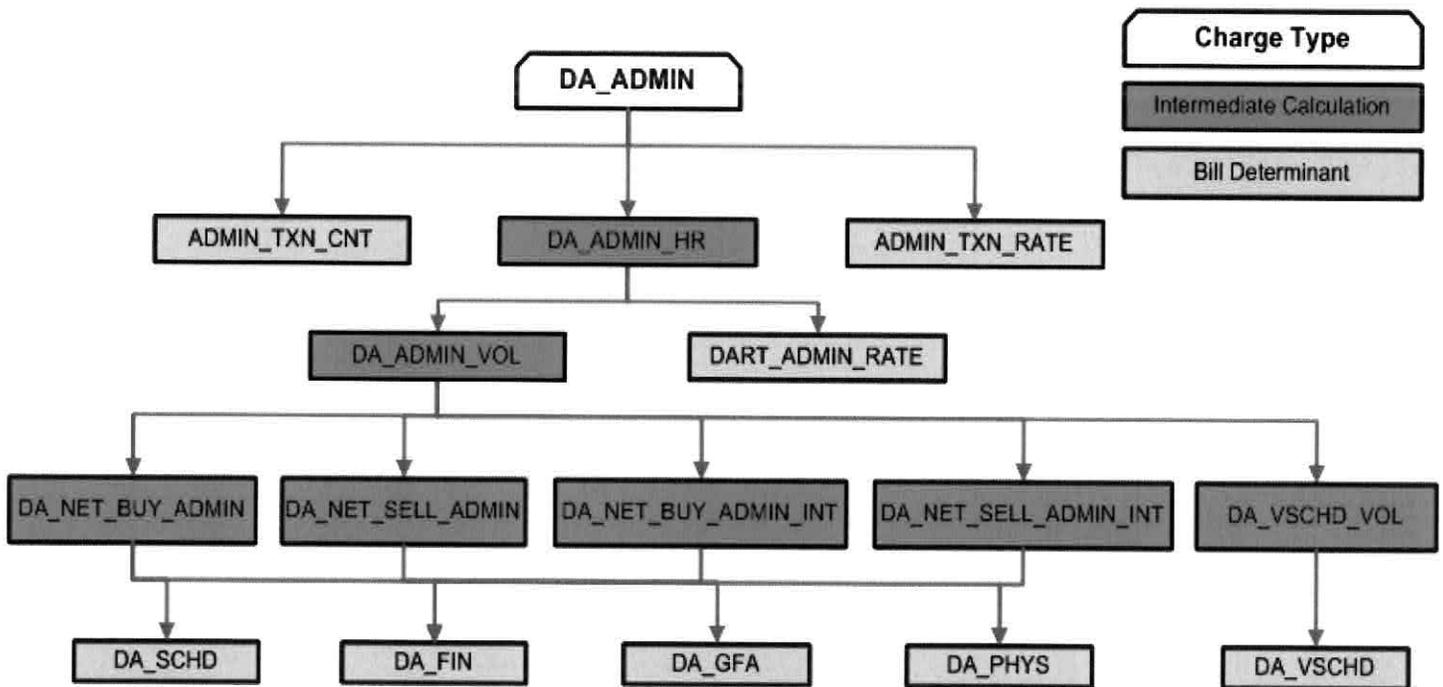
- AOs with cleared schedules originating or terminating at a CPNode in the Day-Ahead Market

Where does it go?



- To the MISO to recover the cost of operating the Day-Ahead Energy and Operating Reserve Market

DA_ADMIN - Hierarchy



*Note that the ADMIN_TXN_CNT and ADMIN_TXN_RATE determinants are currently ignored since the Transactional Charge Rate is set to zero, making virtual schedule transaction amounts not applicable for this part of the calculation.

DA_ADMIN – Schedule 17 Rate

Home > Markets and Operations > Market Information > Market Settlements

Market Settlements

The MISO uses a multi-settlement process to determine financial charges and credits to Market Participants based on their participation in the Financial Transmission Rights, Day Ahead Energy and Operating Reserves and Real Time Energy and Operating Reserves Markets.

Market Settlements collects operational and Market Participant submitted data and produces daily settlement statements at the Asset Owner level for each of the three competitive markets. Summary settlement statements are provided for each Asset Owner and Market Participant. Residual Load Account statements are also created daily for the Local Balancing Authorities.

Each Operating Day in the Market is initially settled seven calendar days after the Operating Day. Subsequent settlements of the Operating day occur on the 14th, 55th and 105th calendar days after the Operating Day.

Interested parties may learn more about the MISO's Market Settlements by attending meetings of the Market Settlements Working Group, Market Subcommittee, and Meter Data Users Group.

Related Documents

- Market Settlements Rates Factors (1/10/2011 02:43 PM)
- Market Statements and Invoice Calendar (1/10/2011 10:42 AM)
- 201104 Market Settlements Issues List (4/27/2011 03:25 PM)
- RSG Redesign Summary (6/10/2011 04:23 PM)

[View More](#)

Related Links

- Business Practice Manuals (2/7/2011 09:34 AM)
- Cost Recovery Adder (12/17/2010 11:16 AM)



The Schedule 17 Rate is updated on or near the first of each month.

Rate updates can be found at *MISO Website > Markets and Operations > Market Settlements*

DA_ADMIN - Formula

$$*DA_ADMIN = \sum_H \left(*DA_ADMIN_VOL \times *DART_ADMIN_RATE \right)$$

$$*DA_ADMIN_VOL = \sum_{CN} \left(DA_NET_SELL_ADMIN + DA_NET_SELL_ADMIN_INT + DA_NET_BUY_ADMIN + DA_NET_BUY_ADMIN_INT + DA_VSCHD_VOL \right)$$

Determinant	Formula
DA_NET_SELL_ADMIN	An AO's Hourly Admin Volume from Cleared DA Schedules, selling FBTs, and Carve-Out GFA Transactions at Non-Interface CPNodes (MWh)
DA_NET_SELL_ADMIN_INT	An AO's Hourly Admin Volume from Cleared DA Schedules, selling FBTs, PBTs, and Carve-Out GFA Transactions at Interface CPNodes (MWh)
DA_NET_BUY_ADMIN	An AO's Hourly Admin Volume from Cleared DA Schedules, buying FBTs, and Carve-Out GFA Transactions at Non-Interface CPNodes (MWh)
DA_NET_BUY_ADMIN_INT	An AO's Hourly Admin Volume from Cleared DA Schedules, buying FBTs, PBTs, and Carve-Out GFA Transactions at Interface CPNodes (MWh)
DA_VSCHD_VOL	The Hourly Day-Ahead Net Virtual Schedule Volume at a CPNode for an AO (MWh)

DA_ADMIN

Generation Example

Generation Scenario 1

Generation participating in the Day-Ahead Energy and Operating Reserve Market without Financial and Grandfathered agreement transactions:

- Wind Farm Gen did not participate in the Day-Ahead Market
 - Gas Gen economically cleared HE 7 for 75 MW Energy
 - Coal Gen Must Run and Self Scheduled HE 7 for 200 MW Energy and Cleared 300 MW of Energy
- What is the charge/credit for DA_ADMIN for HE 7?

Generation Asset Volume			
CPNODE	HE	DA_NET_SELL_ADMIN	*DART_ADMIN_RATE
CPN _{Wind}	7	0	\$0.09
CPN _{Gas}	7	-75	\$0.09
CPN _{Coal}	7	-300	\$0.09

DA_ADMIN Generation Example

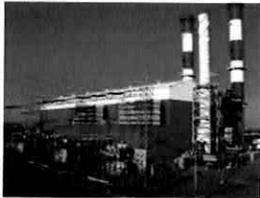
Charge Type Calculation

$$*DA_ADMIN = \sum_H \left(*DA_ADMIN_VOL \times *DART_ADMIN_RATE \right)$$

Gas	$\$6.75 = \sum_{CN_{gas}} \left(75 \text{ MW} \times \$0.09 \right)$
Coal	$\$27 = \sum_{CN_{coal}} \left(300 \text{ MW} \times \$0.09 \right)$

For the DA_ADMIN calculation, Generation MWs are given as positive values.

DA_ADMIN Generation Example



\$6.75



\$27

\$33.75

=

\sum

\$6.75

+

\$27

)



Results in a \$33.75 Charge for HE 7

**Response No. MCC-192
Attachment B**

**Response No. MCC-192
Attachment B**

**Real-Time Market
Administration Amount
(RT ADMIN)**



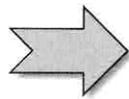
Admin Charges

- For each AO for an Operating Day, Market Settlements assesses a Schedule 17 administration charge (RT_ADMIN) on the amount of AO participation in the Day-Ahead Energy and Operating Reserve Market. Generation volume is part of the AO Participation.
- In addition, MISO uses a RT_SCHD_24_ALC charge for “Local Balancing Authorities (LBAs)” to recover the cost of labor and materials associated with market operations.

RT_ADMIN - Purpose

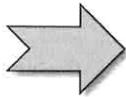
- Real-Time Market Administration Amount (RT_ADMIN)
 - Collectively referred to as Tariff Schedule 17, the DA and RT_ADMIN charge types are designed to recover the cost of operating the Day-Ahead and Real-Time Energy and Operating Reserves Markets
 - Calculated at each CPNode for each hour by multiplying an AO's Real-Time Market participation volume by the Hourly Energy and Operating Reserve Markets Administration Rate
 - An AO's RT participation volume at a CPNode is based on the total directional energy volume into and out of the CPNode, by the AO

Who gets the charge/credit?



- AOs with net schedules originating or terminating at the asset CPNode in the Real-Time Market

Where does it go?



- To the MISO to recover the cost of operating the Real-Time Energy and Operating Reserve Market

Schedule 17 Rate

MISO Login

Entire Site

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Markets and Operations

Home > Markets and Operations > Market Information > Market Settlements

Market Settlements

The MISO uses a multi-settlement process to determine financial charges and credits to Market Participants based on their participation in the Financial Transmission Rights, Day Ahead Energy and Operating Reserves and Real Time Energy and Operating Reserves Markets.

Market Settlements collects operational and Market Participant submitted data and produces daily settlement statements at the Asset Owner level for each of the three competitive markets. Summary settlement statements are provided for each Asset Owner and Market Participant. Residual Load Account statements are also created daily for the Local Balancing Authorities.

Each Operating Day in the Market is initially settled seven calendar days after the Operating Day. Subsequent settlements of the Operating day occur on the 14th, 55th and 105th calendar days after the Operating Day.

Interested parties may learn more about the MISO's Market Settlements by attending meetings of the Market Settlements Working Group, Market Subcommittee, and Meter Data Users Group.

Related Documents

- Market Settlements Rates Factors (12/19/2010 02:43 PM)
- Market Statements and Invoice Calendar (3/10/2011 10:32 AM)
- 201104 Market Settlements Issues List (4/27/2011 06:26 PM)
- RSG Redesign Summary (5/19/2011 04:25 PM)

[View More](#)

Related Links

- Business Practice Manuals (2/7/2011 09:34 AM)
- Cost Recovery Adder (12/17/2010 11:16 AM)

Market Information

- Capacity (Resource Adequacy)
- Day-Ahead
- Financial Transmission Rights and Auction Revenue Rights
- Market Analysis
- Real-Time and Operating Reserves Market
- Market Settlements
- Transmission Settlements

Notifications

- Outage Coordination
- Prices
- Real-Time Market Data
- Reliability Operating Procedures



The Schedule 17 Rate is updated on or near the first of each month.

Rate updates can be found at *MISO Website* > *Markets and Operations* > *Market Settlements*

RT_ADMIN

Generation Example

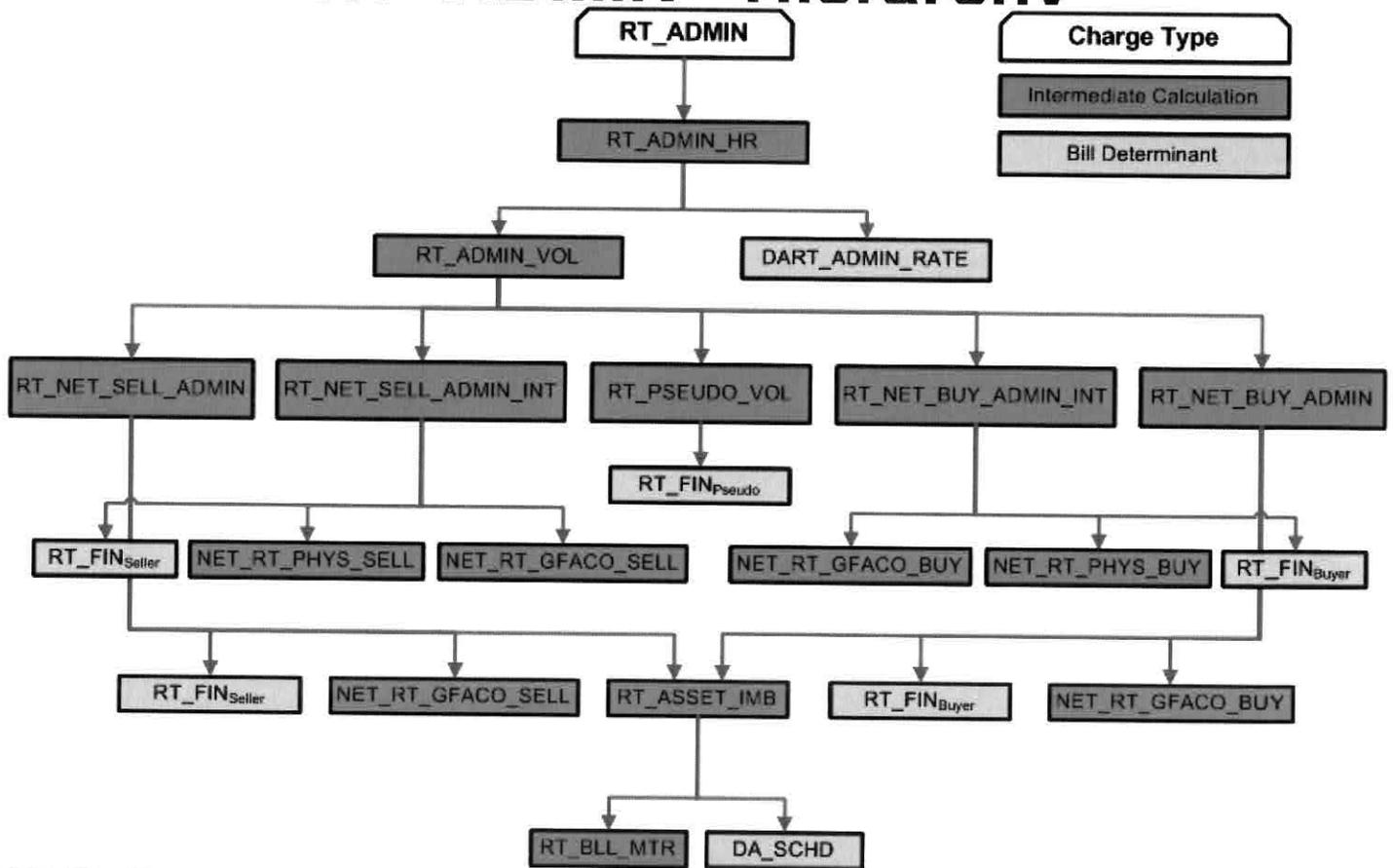
Generation Scenario 1

Generation participating in the Real-Time Energy and Operating Reserve Market without Financial and Grandfathered agreement transactions:

- Wind Farm Gen did not participate in the Day-Ahead Market but generated 100 MW in Real-Time
- Gas Gen economically cleared HE 7 for 75 MW Energy in Day Ahead but generated 100 MW in Real-Time
- Coal Gen Must Run and Self Scheduled HE 7 for 300 MW Energy and 50 MW Spinning Reserve and generated 275 MW
- What is the charge/credit for RT_ADMIN for HE 7?

Generation Asset Volume				
CPNODE	HE	RT_NET_SELL_ADMIN	RT_NET_BUY_ADMIN	*DART_ADMIN_RATE
CPNWind	7	100	0	\$0.09
CPNGas	7	25	0	\$0.09
CPNCoal	7	0	25	\$0.09

RT ADMIN - Hierarchy



RT_ADMIN - Formula

$$*RT_ADMIN = \sum_H \left(\sum_{AO} \left(*RT_ADMIN_VOL \times *DART_ADMIN_RATE \right) \right)$$

$$*RT_ADMIN_VOL = \sum_{CN} \left(\begin{array}{l} RT_NET_SELL_ADMIN + RT_NET_SELL_ADMIN_INT + \\ RT_NET_BUY_ADMIN + RT_NET_BUY_ADMIN_INT + \\ RT_PSEUDO_VOL \end{array} \right)$$

Determinant	Formula
RT_NET_SELL_ADMIN	An AO's Net Hourly Admin Volume from Injection/Withdrawal, selling FBTs, and Carve-Out GFA Transactions at Non-Interface CPNodes (MWh)
RT_NET_SELL_ADMIN_INT	An AO's Net Hourly Admin Volume from Injection/Withdrawal, selling FBTs, PBTs, and GFACO Transactions at Interface CPNodes (MWh)
RT_NET_BUY_ADMIN	An AO's Net Hourly Admin Volume from Injection/Withdrawal, buying FBTs, and Carve-Out GFA Transactions at Non-Interface CPNodes (MWh)
RT_NET_BUY_ADMIN_INT	An AO's Net Hourly Admin Volume from Injection/Withdrawal, buying FBTs, PBTs, and GFACO Transactions at Interface CPNodes (MWh) ³⁵¹
RT_PSEUDO_VOL	Hourly Pseudo Real-Time FBT Volume (MWh)

RT_ADMIN Generation Example

Charge Type Calculation

$$\text{*RT_ADMIN} = \sum_H \left(\text{*RT_ADMIN_VOL} \times \text{*DART_ADMIN_RATE} \right)$$

For the RT_ADMIN calculation, Generation MWs are given as positive values.

$$\text{\$13.50} = \sum \left(\text{150 MW} \times \text{\$.09} \right)$$

$$\text{*RT_ADMIN} = \text{\$13.50}$$



Results in a \$13.50 Charge for HE 7

RT_ADMIN – Summary

- The Real-Time Market Administration Amount is calculated by multiplying an AO's RT participation volume by the Market Administration Rate.
- This charge type is designed to recover the cost of operating the Day-Ahead and Real-Time Energy and Operating Reserves Markets under Tariff Schedule 17.
- In accordance with the Tariff, all assets meeting the administrative charge exemption are not subject to the Day-Ahead Market Administrative Amount charge type.
- All transactions and schedules that are not exempt and originate or terminate at a CPNode are subject to this charge type.

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

MCC-193

**Regarding: Updates for actuals
Witness: Jacobson**

Update actuals as available from the prior data requests (MCC-001 – MCC-112) for the latest month of information available, including: MCC-002, MCC-006, MCC-007, MCC-024, MCC-025, MCC-041, MCC-047, MCC-070, MCC-073, MCC-074, MCC-075, MCC-077, MCC-078 and MCC-079. In addition, update MCC-008 to provide actual KVAR revenue for 2015, by month, as available, and update MCC-036 to include total plant maintenance costs by year.

Response:

Updated responses to the referenced data requests are provided under the original data request number.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA CONSUMER COUNSEL
DATA REQUEST
DATED AUGUST 28, 2015
DOCKET NO. D2015.6.51**

MCC-002

**Regarding: Adjustment No. 2 - Sales for Resale
Witness: Jacobson**

- a. For each month from September 2011 through the most recent month available provide the sales for resale revenue, the associated cost of fuel and purchased power (shown separately) and the margin.**
- b. Provide a list of the sales for resale customers during the same time frame.**
- c. Provide all work papers, analyses, memos and any other documentation that supports the proposed 85% credit through the fuel and purchased power tracking adjustment.**

Response:

- a. Please see Attachment A.
- b. Montana-Dakota does not contract with any customers on a resale level. Generation is dispatched by the Midwest Independent System Operator (MISO) into the energy market based on cost of generation. If generation dispatched is greater than load requirements, the excess is reported as sales for resale revenue.
- c. Montana-Dakota has experienced a significant decline in its wholesale sales levels. The 85% credit is a fair and reasonable percentage which provides a potential benefit to the customers and an incentive for Montana-Dakota to continue to operate its generating stations in a safe and cost-efficient manner.

Update: Attachment A updated to include data through September 2015.

MONTANA-DAKOTA UTILITIES CO.
MCC-002
ELECTRIC UTILITY - MONTANA

Month	Sales for Resale Revenue	Cost of Fuel	Cost of Purchased Power	Margin	Margin Sharing Agreement	Net Margin
September-11	\$ 20,878	\$ (20,545)	\$ -	\$ 333	\$ 7,275	\$ 7,608
October-11	-	-	-	-	7,575	7,575
November-11	176	(204)	-	(28)	7,600	7,572
December-11	71	(64)	-	7	7,569	7,576
January-12	777	(873)	-	(96)	7,662	7,566
February-12	356	(306)	-	50	7,529	7,579
March-12	8,480	(9,629)	-	(1,149)	8,609	7,460
April-12	-	-	-	-	7,575	7,575
May-12	3,371	(4,055)	-	(684)	8,190	7,506
June-12	1,617	(1,702)	-	(85)	7,651	7,566
July-12	2,961	(1,844)	-	1,117	6,570	7,687
August-12	34,120	(31,569)	-	2,551	5,279	7,830
September-12	14,823	(17,514)	-	(2,691)	9,997	7,306
October-12	10,306	(8,481)	-	1,825	5,934	7,759
November-12	7,420	(5,672)	-	1,748	6,002	7,750
December-12	-	-	-	-	7,575	7,575
January-13	-	-	-	-	7,575	7,575
February-13	5,217	(4,621)	-	596	7,038	7,634
March-13	50,059	(39,052)	-	11,007	(2,331)	8,676
April-13	869	(799)	-	70	7,512	7,582
May-13	1,068	(954)	-	114	7,472	7,586
June-13	57,456	(47,480)	-	9,976	(1,404)	8,572
July-13	2,807	(2,661)	-	146	7,444	7,590
August-13	623	(593)	-	30	7,548	7,578
September-13	33,368	(28,172)	-	5,196	2,899	8,095
October-13	6,971	(5,550)	-	1,421	6,297	7,718
November-13	2,226	(1,896)	-	330	7,278	7,608
December-13	295	(242)	-	53	7,527	7,580
January-14	423	(61)	-	362	7,237	7,599
February-14	694	(430)	-	264	7,329	7,593
March-14	2,684	(1,785)	-	899	6,736	7,635
April-14	17,798	(12,769)	-	5,029	2,883	7,912
May-14	84,298	(60,131)	-	24,167	(14,973)	9,194
June-14	13,096	(10,378)	-	2,718	5,038	7,756
July-14	4,255	(4,833)	-	(578)	8,114	7,536
August-14	19,750	(16,746)	-	3,004	4,772	7,776
September-14	24,185	(19,575)	-	4,610	3,274	7,884
October-14	10,795	(8,899)	-	1,896	5,806	7,702
November-14	907	(1,483)	-	(576)	9,493	8,917
December-14	-	-	-	-	7,575	7,575
January-15	-	-	-	-	7,575	7,575
February-15	-	-	-	-	7,575	7,575
March-15	-	-	-	-	7,575	7,575
April-15	-	-	-	-	7,575	7,575
May-15	-	-	-	-	7,575	7,575
June-15	-	-	-	-	7,575	7,575
July-15	-	-	-	-	7,575	7,575
August-15	87	(232)	-	(145)	7,706	7,561
September-15	45	(75)	-	(30)	7,602	7,572

**MONTANA-DAKOTA UTILITIES CO.
MONTANA CONSUMER COUNSEL
DATA REQUEST
DATED AUGUST 28, 2015
DOCKET NO. D2015.6.51**

MCC-006

Regarding: Adjustment No. 3 - Other Revenue

Witness: Jacobson

Provide a schedule that shows the Late Payment Revenues and the Sales Revenues in the same format as shown on Work Paper H-5 for each year from 2011 through 2014 and for 2015, by month, as available.

Response:

Please see table below.

Late Payment Calculation

	<u>Late Payment Revenue</u>	<u>Sales Revenue</u>	<u>% Late Payment Revenue</u>
September, 2015 *	\$ 3,340	\$ 4,606,438	0.07%
August, 2015 *	4,845	5,306,358	0.09%
July, 2015	2,801	5,596,845	0.05%
June, 2015	4,539	4,740,842	0.10%
May, 2015	5,556	3,969,288	0.14%
April, 2015	4,840	4,252,981	0.11%
March, 2015	5,234	4,261,891	0.12%
February, 2015	5,983	4,660,598	0.13%
January, 2015	3,049	5,343,379	0.06%
2014	58,503	55,454,440	0.11%
2013	57,554	52,748,300	0.11%
2012	25,338	50,798,369	0.05%
2011	24,908	48,423,275	0.05%

* Updated from Original Submission

**MONTANA-DAKOTA UTILITIES CO.
MONTANA CONSUMER COUNSEL
DATA REQUEST
DATED AUGUST 28, 2015
DOCKET NO. D2015.6.51**

MCC-007

Regarding: Adjustment No. 1 – Current Rates

Witness: Jacobson

Provide a schedule that shows the actual number of customers and consumption, by month, for each month from January 2014 through the most recent month available for each of the classes of customers shown on Rule 38.5.164, Statement H, page 5 of 8.

Response:

Please see MCC-007 Attachment A.

Update: Attachment A updated to include data through September 2015.

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - MONTANA

Kwh Sales and Customers by Rate and Month

Year	Month	Kwh														
		Rate 10	Rate 20 Primary	Rate 20 Secondary	Rate 25	Rate 30 Primary	Rate 30 Secondary	Rate 30	Rate 31 Primary	Rate 31 Secondary	Rate 31	Rate 32	Rate 35	Rate 41 Municipal Owned Lighting	Rate 41 Company Owned Lighting	Rate 48
2014	January	24,162,688	8,187	14,254,895	14,164	5,610,048	17,688,395	895,200	80,504	198,718	20,421,618	89,176	563,464	658,665	435,801	
	February	18,401,681	7,748	11,464,690	4,000	5,050,136	13,807,519	1,056,800	73,030	147,479	17,342,909	70,695	455,142	515,651	112,836	
	March	19,664,216	7,078	12,172,680	7,746	3,481,156	14,544,183	1,143,200	83,041	142,963	19,511,685	72,941	490,375	615,417	260,831	
	April	16,103,962	6,610	10,895,044	5,272	3,051,871	13,290,387	1,184,000	72,659	98,194	19,582,129	74,831	513,272	597,954	261,953	
	May	12,465,682	4,574	9,061,487	24,468	2,759,410	12,337,363	1,124,000	58,675	62,507	18,530,513	67,113	486,393	528,357	253,561	
	June	12,591,912	5,244	9,040,012	91,849	2,845,906	13,688,146	1,249,600	26,635	29,729	20,039,416	66,279	497,556	590,415	267,498	
	July	14,355,620	5,929	9,932,389	773,591	2,943,245	13,693,204	1,179,200	23,924	14,028	18,541,802	67,957	536,880	729,568	278,898	
	August	17,462,130	9,753	10,814,174	1,031,256	3,012,901	13,907,611	1,331,200	22,315	18,985	18,860,278	59,424	491,755	850,618	259,826	
	September	15,176,515	7,677	10,232,062	696,566	2,973,304	14,106,934	1,455,200	25,941	23,804	19,487,950	62,416	514,053	656,754	265,492	
	October	13,299,365	7,858	9,926,194	200,870	3,899,104	14,357,539	1,765,600	31,052	45,683	20,392,985	66,577	544,626	588,453	286,609	
	November	11,572,430	6,793	8,373,234	27,333	4,680,424	11,427,940	1,323,200	47,671	71,247	15,576,959	56,190	455,346	425,746	231,359	
	December	19,984,340	16,567	12,209,045	8,320	6,146,788	15,766,455	1,518,400	65,013	195,422	20,266,181	64,401	531,374	583,612	322,835	
	Total	195,240,541	94,018	128,375,906	2,885,435	46,454,293	168,615,676	15,225,600	610,460	1,048,759	228,554,425	818,000	6,080,236	7,341,210	3,237,499	
2015	January	21,336,287	12,383	12,743,010	7,154	6,439,959	15,795,531	1,216,800	74,604	230,480	21,073,898	69,967	544,585	611,986	318,509	
	February	17,493,619	9,814	10,735,003	5,990	5,342,119	14,011,050	1,162,400	87,047	164,246	17,855,445	59,924	467,587	529,276	259,277	
	March	18,508,109	10,829	11,681,761	6,653	3,895,988	15,361,926	1,194,400	112,400	200,442	18,909,740	65,438	530,550	617,799	236,047	
	April	14,175,939	8,621	9,732,181	38,653	4,404,553	13,868,571	1,157,600	86,317	113,144	18,694,397	61,613	521,973	537,964	266,806	
	May	10,913,988	5,155	7,779,417	426,724	4,904,808	12,352,037	1,084,800	55,820	59,207	17,778,520	52,468	472,267	541,361	244,326	
	June	12,429,321	6,873	8,919,204	568,463	4,820,716	14,399,532	1,476,000	36,720	39,616	20,791,380	57,351	540,649	645,388	332,575	
	July	16,808,908	4,803	10,353,007	866,730	5,109,624	15,512,820	1,520,000	27,182	22,197	20,421,600	55,264	536,614	834,945	283,058	
	August	18,045,180	3,411	10,379,755	1,613,221	4,217,888	14,384,345	1,390,400	31,614	23,894	17,925,601	51,876	495,910	796,675	258,160	
	September	15,852,927	3,036	9,689,270	1,316,400	4,011,663	14,749,060	1,221,600	54,101	19,181	18,424,098	57,967	513,466	731,796	273,962	
	Total	145,564,278	64,925	92,012,608	4,849,988	43,147,318	130,434,872	11,424,000	565,805	872,407	171,874,679	531,868	4,623,601	5,847,190	2,472,720	

MONTANA-DAKOTA UTILITIES CO.
ELECTRIC UTILITY - MONTANA

Kwh Sales and Customers by Rate and Month

Year	Month	Customers													
		Rate 10	Rate 20 Primary	Rate 20 Secondary	Rate 25	Rate 30 Primary	Rate 30 Secondary	Rate 31 Primary	Rate 31 Secondary	Rate 32	Rate 35	Rate 41 Municipal Owned Lighting	Rate 41 Company Owned Lighting	Rate 48	Rate 52
2014	January	21,763	3	6,281	100	14	280	2	9	8	16	52	53	121	1,926
	February	19,617	4	5,679	85	14	255	2	8	7	15	47	47	109	1,711
	March	19,241	3	5,469	75	14	251	2	8	7	15	45	46	104	1,705
	April	20,557	3	5,821	81	14	263	2	7	8	15	50	49	114	1,823
	May	18,957	3	5,441	87	13	245	2	7	8	10	45	46	106	1,661
	June	20,637	3	5,929	133	15	288	2	8	10	12	47	49	113	1,809
	July	20,711	5	5,961	146	14	267	2	7	10	11	50	51	117	1,814
	August	19,095	6	5,489	115	13	247	2	7	10	10	46	47	106	1,696
	September	20,467	7	5,862	145	15	289	2	7	10	13	49	50	114	1,792
	October	21,048	5	6,081	167	14	281	2	7	11	11	51	51	118	1,850
	November	17,863	6	5,084	114	13	241	2	7	10	11	44	43	97	1,563
	December	20,814	6	5,852	105	14	280	2	6	12	10	47	51	112	1,818
Average		20,064	5	5,746	113	14	262	2	7	9	12	48	49	111	1,764
2015	January	20,799	5	5,927	116	14	282	2	7	12	12	49	51	115	1,828
	February	20,153	5	5,735	113	13	275	2	8	12	11	48	48	110	1,731
	March	20,299	5	5,686	93	15	277	2	8	12	11	49	50	110	1,787
	April	21,151	5	6,019	133	17	285	2	7	13	11	50	50	114	1,799
	May	18,278	5	5,157	113	15	250	2	6	11	10	42	44	101	1,582
	June	21,670	5	6,138	158	16	296	2	8	13	12	51	53	117	1,903
	July	20,880	2	5,993	150	14	291	2	7	12	11	50	50	115	1,805
	August	19,448	2	5,617	164	14	264	2	7	12	11	46	47	108	1,682
	September	20,487	2	5,805	188	14	280	2	7	12	11	49	50	112	1,797

**MONTANA-DAKOTA UTILITIES CO.
MONTANA CONSUMER COUNSEL
DATA REQUEST
DATED AUGUST 28, 2015
DOCKET NO. D2015.6.51**

MCC-008

**Regarding: Adjustment No. 3 - Other Revenue
Witness: Jacobson**

Explain why the Company used a three year average for KVAR penalty revenues, but did not propose to use a three average for any other component of Other Operating Revenue (see Rule 38.5.164, Statement H, page 7 of 8).

Response:

The three year averaging of KVAR Penalty Revenue was established in Docket No. D2007.7.79 and used again in Docket No. D2009.4.56.

Montana-Dakota is using a three year average of KVAR penalty as a representative level of KVAR revenue as the KVAR amount can fluctuate based on weather.

Update: Table below added:

KVAR REVENUE

<u>2015</u>	<u>Amount</u>
January	\$ 12,544
February	13,393
March	13,260
April	10,723
May	10,907
June	10,796
July	11,903
August	10,615
September	10,548
	<u>\$ 104,689</u>

**MONTANA-DAKOTA UTILITIES CO.
MONTANA CONSUMER COUNSEL
DATA REQUEST
DATED AUGUST 28, 2015
DOCKET NO. D2015.6.51**

MCC-024

Regarding: Adjustment No. 7 – Incremental Labor and Benefits

Witness: Jacobson

- a. Are the four employees noted in the Direct Testimony, page 9, line 19 the same positions shown on Work Paper G-57 under “Power Production.” If not, what are the four positions noted in the testimony?**
- b. Provide actual start dates for each of these positions.**
- c. Provide the starting salary/wages for each of these positions.**

Response:

- a. Yes, these are Power Production Department positions including two Environmental Scientists, a Financial Analyst, and an Engineer.
- b. The Financial Analyst started on December 15, 2014 and one of the Environmental Scientists started on January 5, 2015. The hiring process is underway for the other two positions with anticipated starts dates in October 2015 for the Environmental Scientist and November 2015 for the Engineer.
- c. The current base salary for the Financial Analyst is \$45,390 and \$63,500 for the Environmental Scientist. The anticipated salary for each of the remaining positions is \$64,500.

Update:

- a. No change.
- b. The Financial Analyst started on December 15, 2014 and one of the Environmental Scientists started on January 5, 2015. The interview process is underway for the other two positions with anticipated starts dates of November 30, 2015 for the Environmental Scientist and December 14, 2015 for the Engineer.
- c. No change.

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MCC-025

Regarding: Adjustment No. 7 – Incremental Labor and Benefits

Witness: Most appropriate Witness

For all the other positions shown on Work Paper G-57 please provide the following:

- a. The number of “wind techs” contemplated for Diamond Willow and Cedar Hills,**
- b. The actual start date for each position; and**
- c. The starting salary/wages for each position.**

Response:

- a. One Wind Tech position is contemplated for each facility.
- b. The Heskett Station electrician started on February 17, 2015. The hiring process is underway for the Lewis & Clark Mechanic Welder position with an anticipated start date in October 2015. The process of filling the additional two Lewis & Clark Operator positions is ongoing due to higher turn-over. It is anticipated that the Wind Technician and Operator Technician positions will start by early December 2015.
- c. The current wage rate / salary for the Heskett Station Electrician are \$35.73 per hour or \$73,424 per year. This position is under an apprenticeship program which will increase to \$39.70 per hour or \$82,576 per year over a four year period. The Wind Technicians position is under an apprenticeship program which starts at \$27.03 per hour or \$56,222 per year, and increases to \$36.04 per hour or \$74,963 per year over a three year period. The current wage rate / salary for the Operator Technician position are \$41.79 per hour or \$86,923 per year. A newly hired Mechanic Welder would start at a wage rate / salary of \$36.84 per hour or \$76,627 per year and would advance to \$39.70 per hour or \$82,576 per year when obtaining their welding certification. Average wage / salary for the vacant Operator positions at Lewis & Clark are \$36.22 or \$75,339 per year. See Response No. MCC-028 for more information on the Heskett Station positions and Response No. MCC-029 for the Lewis & Clark Station positions.

Update:

- a. No change.
- b. Interviews for the Lewis & Clark Mechanic Welder position are complete. It is anticipated that the position will start on November 2, 2015. One of the two additional operator positions started on October 20, 2015 and interviews are being

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set up for the second position. It is anticipated that the second operator position will be filled in November 2015. Although the hiring process has not yet started for the Wind Technician and Operator Technician positions, the Company fully expects they will be filled by December 2015.

c. No change.

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MCC-036

Regarding: Adjustment No. 13 – Big Stone and Coyote

Witness: Jacobson

For each year since 2007, on an annual basis, provide a schedule that shows the unit or units (individually) that experienced a “major overhaul” per the definition provided in response to MCC-035. Also provide the detailed total cost of each “major overhaul” for each unit for each year.

Response:

The major overhaul outages occurring since 2007 are as follows. These included various combinations of major work on the boiler, turbine or generator equipment.

2007	Big Stone
2008	Heskett Unit 2
2009	Coyote
2010	Heskett Unit 1
2011	Big Stone
2012	Coyote and Lewis & Clark
2013	Heskett Unit 2
2014	None (see response to MCC-037)
2015	Big Stone (AQCS) and Lewis & Clark (MATS)

Update: Please see MCC-036, Attachment A.

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		Coyote Station - 25% Share									
		2007	2008	2009	2010	2011	2012	2013	2014		
849C.5260.15100	Maint. Supervision & Eng.	\$ 150,563.78	\$ 153,831.39	\$ 156,767.32	\$ 178,334.90	\$ 165,274.34	\$ 193,826.06	\$ 151,389.54	\$ 196,129.54		
849C.5260.15110	Maintenance of Structures	\$ 100,267.34	\$ 126,918.85	\$ 109,887.84	\$ 118,862.41	\$ 122,627.44	\$ 134,121.79	\$ 216,460.26	\$ 194,016.80		
849C.5260.15124	Maintenance of Boilers	\$ 1,118,605.84	\$ 1,425,787.64	\$ 1,703,655.66	\$ 1,222,043.36	\$ 1,532,563.60	\$ 1,971,196.52	\$ 1,369,869.43	\$ 1,486,765.29		
849C.5260.15131	Maint. of Turbine & Gen.	\$ 193,769.64	\$ 166,185.82	\$ 631,973.10	\$ 232,823.81	\$ 189,464.56	\$ 609,651.56	\$ 266,079.67	\$ 185,971.52		
849C.5260.15140	Maint. Of Misc. Steam Plant	\$ 164,655.85	\$ 190,181.53	\$ 276,754.74	\$ 245,392.28	\$ 227,350.72	\$ 291,572.58	\$ 215,068.42	\$ 280,335.43		
	Total	\$ 1,727,862.45	\$ 2,062,905.23	\$ 2,879,038.66	\$ 1,997,456.76	\$ 2,237,280.66	\$ 3,200,368.51	\$ 2,218,867.32	\$ 2,343,218.58		
	Year-to-year change	\$	\$ 335,042.78	\$ 816,133.43	\$ (881,581.90)	\$ 239,823.90	\$ 963,087.85	\$ (981,501.19)	\$ 124,351.26		

		Big Stone Station									
		2007	2008	2009	2010	2011	2012	2013	2014		
861000.5250.15100	Maint. Supervision & Eng.	\$ 117,458.92	\$ 115,888.44	\$ 120,935.98	\$ 122,130.04	\$ 134,816.13	\$ 151,289.09	\$ 148,341.79	\$ 135,488.85		
861000.5250.15110	Maintenance of Structures	\$ 113,744.70	\$ 102,202.76	\$ 85,862.54	\$ 86,303.48	\$ 90,949.35	\$ 123,035.32	\$ 138,215.72	\$ 128,433.65		
861000.5250.15123	Maintenance of Boilers	\$ 1,033,796.98	\$ 811,950.58	\$ 790,503.75	\$ 815,921.45	\$ 1,411,686.69	\$ 1,010,462.28	\$ 1,000,820.92	\$ 1,049,826.09		
861000.5250.15131	Maint. of Turbine & Gen.	\$ 125,246.24	\$ 266,253.05	\$ 16,198.78	\$ 132,073.88	\$ 306,791.51	\$ 176,553.25	\$ 225,481.06	\$ 281,772.19		
861000.5250.15140	Maint. Of Misc. Steam Plant	\$ 115,714.55	\$ 116,218.51	\$ 106,273.48	\$ 106,595.53	\$ 131,678.47	\$ 132,635.78	\$ 157,415.53	\$ 183,330.37		
	Total	\$ 1,505,961.39	\$ 1,412,513.34	\$ 1,119,774.53	\$ 1,263,024.38	\$ 2,075,922.15	\$ 1,593,975.72	\$ 1,670,275.02	\$ 1,778,851.15		
	Year-to-year change	\$	\$ (93,448.05)	\$ (292,738.81)	\$ 143,249.85	\$ 812,897.77	\$ (481,946.43)	\$ 76,299.30	\$ 108,576.13		

		Heskett									
		2007	2008	2009	2010	2011	2012	2013	2014		
	Maint. Supervision & Eng.	\$ 252.79	\$ 1,307.96	\$ 752.02	\$ 1,046.60	\$ 759.94	\$ 2,884.10	\$	\$ 1,614.17		
	Maintenance of Structures	\$ 222,322.32	\$ 220,841.41	\$ 189,584.23	\$ 220,866.03	\$ 157,382.57	\$ 137,550.51	\$ 132,311.96	\$ 287,006.46		
	Maintenance of Boilers	\$ 1,323,363.70	\$ 2,430,267.70	\$ 1,797,446.64	\$ 1,620,690.17	\$ 1,124,329.63	\$ 837,053.75	\$ 1,287,440.79	\$ 1,463,673.12		
	Maint. of Turbine & Gen.	\$ 381,387.80	\$ 523,061.83	\$ 275,012.19	\$ 487,509.60	\$ 280,420.19	\$ 158,331.73	\$ 1,088,423.58	\$ 127,913.04		
	Maint. Of Misc. Steam Plant	\$ 246,620.02	\$ 293,831.92	\$ 212,979.05	\$ 200,397.92	\$ 296,192.02	\$ 229,247.02	\$ 300,528.80	\$ 335,528.55		
	Total	\$ 2,173,946.63	\$ 3,469,310.82	\$ 2,475,774.13	\$ 2,530,510.32	\$ 1,859,084.35	\$ 1,365,067.11	\$ 2,808,705.13	\$ 2,215,735.34		
	Year-to-year change	\$	\$ 1,295,364.19	\$ (993,536.69)	\$ 54,736.19	\$ (671,425.97)	\$ (494,017.24)	\$ 1,443,638.02	\$ (592,969.79)		

		Lewis & Clark									
		2007	2008	2009	2010	2011	2012	2013	2014		
	Maint. Supervision & Eng.	\$ 2,826.06	\$ 3,600.40	\$ 2,392.79	\$ 3,586.12	\$ 4,930.21	\$ 1,251.91	\$ 2,175.54	\$ 14,732.45		
	Maintenance of Structures	\$ 32,476.82	\$ 33,817.20	\$ 162,312.45	\$ 81,659.22	\$ 303,903.51	\$ 169,600.98	\$ 53,560.42	\$ 115,225.28		
	Maintenance of Boilers	\$ 429,075.03	\$ 452,229.84	\$ 447,063.38	\$ 446,900.89	\$ 405,183.37	\$ 506,866.56	\$ 418,991.82	\$ 782,572.98		
	Maint. of Turbine & Gen.	\$ 48,515.08	\$ 36,258.92	\$ 28,956.83	\$ 117,875.92	\$ 53,752.01	\$ 987,284.09	\$ 102,180.14	\$ 85,850.66		
	Maint. Of Misc. Steam Plant	\$ 35,028.83	\$ 47,699.73	\$ 33,517.78	\$ 74,849.83	\$ 42,631.26	\$ 88,545.09	\$ 54,035.98	\$ 55,361.58		
	Total	\$ 547,921.82	\$ 573,606.09	\$ 674,243.23	\$ 724,871.98	\$ 810,400.36	\$ 1,753,548.63	\$ 630,943.90	\$ 1,053,742.95		
	Year-to-year change	\$	\$ 25,684.27	\$ 100,637.14	\$ 50,628.75	\$ 85,528.38	\$ 943,148.27	\$ (1,122,604.73)	\$ 422,799.05		

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MCC-041

**Regarding: Adjustment No. 15 – Heskett Station Sand
Witness: Jacobson**

Provide the actual sand usage (tons) and the price per ton for each month from January 2012 through the most recent month available in 2015.

Response:

	Usage (Tons)	Price Per Ton		Usage (Tons)	Price Per Ton
Jan-12	1,182.4	\$ 26.07	Jan-13	1,353.7	\$ 26.07
Feb-12	1,076.8	26.07	Feb-13	1,164.0	26.07
Mar-12	1,340.2	26.07	Mar-13	1,056.0	26.07
Apr-12	1,906.6	26.07	Apr-13	-	-
May-12	1,682.4	26.07	May-13	-	-
Jun-12	928.3	26.07	Jun-13	1,407.0	26.07
Jul-12	1,463.2	26.07	Jul-13	1,619.8	29.00
Aug-12	1,564.8	26.07	Aug-13	1,647.0	29.00
Sep-12	1,406.0	26.07	Sep-13	1,513.6	29.00
Oct-12	1,124.8	26.07	Oct-13	1,268.9	29.00
Nov-12	1,418.5	26.07	Nov-13	1,517.0	29.00
Dec-12	1,540.0	26.07	Dec-13	1,947.7	29.00
Total	16,634.0		Total	14,494.7	

	Usage (Tons)	Price Per Ton		Usage (Tons)	Price Per Ton
Jan-14	1,924.7	\$ 29.00	Jan-15	2,129.0	\$ 29.00
Feb-14	1,665.7	29.00	Feb-15	2,388.0	29.00
Mar-14	1,487.4	29.00	Mar-15	1,656.0	29.00
Apr-14	2,082.0	29.00	Apr-15	1,748.0	29.00
May-14	2,072.6	29.00	May-15	1,968.0	29.00
Jun-14	1,222.0	29.00	Jun-15	1,726.0	29.00
Jul-14	1,697.0	29.00	Jul-15	1,569.0	43.55 *
Aug-14	1,414.0	29.00	Aug-15	1,901.0	41.43 *
Sep-14	1,018.0	29.00	Sep-15	1,199.0	38.50
Oct-14	1,696.0	29.00	Oct-15		
Nov-14	2,218.0	29.00	Nov-15		
Dec-14	1,797.7	29.00	Dec-15		
Total	20,295.1		Total	16,284.0	

* Temporary increase due to increased transportation costs: Pit where sand is normally acquired was empty and needed to ship from a different pit.

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MCC-047

**Regarding: Adjustment No. 21 - Uncollectible accounts
Witness: Jacobson**

- a. **Is it correct that the average percentage of uncollectible accounts is based on only the Montana electric operations in this case? If not, why not?**
- b. **Provide the “net write-offs” and the “Sales revenues” for the Montana electric operations for each month of 2015 as available.**

Response:

- a. Yes, that is correct.
- b. The net write-offs and the sales revenues for the Montana electric operations for January 2015 to August 2015 were:

<u>Month</u>	<u>Net Write-offs</u>	<u>Sales Revenue</u>	<u>%</u>
Jan-15	\$ 5,369	\$ 5,235,394	0.10%
Feb-15	7,580	4,613,520	0.16%
Mar-15	8,964	4,810,463	0.19%
Apr-15	4,694	4,320,360	0.11%
May-15	9,128	3,825,990	0.24%
Jun-15	13,468	4,414,221	0.31%
Jul-15	16,023	5,331,586	0.30%
Aug-15	26,782	5,237,357	0.51%
Sep-15	34,073	5,031,725	0.68%
	<u>\$ 126,081</u>	<u>\$ 42,820,616</u>	<u>0.29%</u>

Update: Information updated to include data through September 2015.

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MCC-070

Regarding: Adjustments A and B - Plant additions

Witness: Jacobson

- a. For each of the items listed on Rule 38.5.125, Statement C, pages 10 – 14 of 14, indicate, by project # and account #, which ones have been completed, the date completed, and the cost as booked on the same basis as shown in the “Montana” column.
- b. For each of the items listed on Rule 38.5.125, Statement C, pages 10 – 14 of 14, indicate, by project # and account #, which ones have not been completed, the currently expected completion date and the currently expected cost of the project on the same basis as shown in the “Montana” column.

Response:

- a. See the column labeled “Actual Cost Thru 8/31/15” on Attachment A for projects that have closed to plant and are in-service. The amount in this column does not represent the amount spent through 8/31/15 for every project shown.
- b. See the column labeled “Forecasted Amount 9/1/15 – 12/31/15” on Attachment A for the amount to be placed in service by 12/31/2015.

Update: Response (a) updated to include actual costs through September 2015.

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2015 PLANT ADDITIONS
ELECTRIC UTILITY - MONTANA

Project No.	Acct. #	Description	Montana	Actual In-Service Date	Actual Cost Thru 9/30/15	Growth Related
		<u>Steam Production</u>				
FP-100031	311	Replace pavement - Heskett		1/	\$918	
FP-100032	311	Asbestos abatement		1/	13,374	
FP-100378	311	Develop ash disposal site - Lewis & Clark	\$86,956			
FP-100384	311	Bottom ash liner - Lewis & Clark	12,993			
FP-100505	311	Materials handling upgrade - Heskett	228,479	Multi-Phase	4,288	
FP-200910	311	Modify water treatment - Lewis & Clark	22,100			
FP-300118	311	Replace- Big Stone underground piping		11/6/2014	(461)	
FP-301807	311	Replace boiler and casing - Big Stone	15,210			
FP-302225	311	Replace - Coyote mercury vapor fixture		Multi-Phase	(29)	
FP-302226	311	Replace light fixtures - Coyote	2,301	6/30/2015	2,228	
FP-302567	311	Replace - Heskett railroad ties & subgrade		Multi-Phase	(1,873)	
FP-305341	311	Capture capital costs for Bldg. replacement		9/30/2014	(206)	
FP-311477	311	Bottom ash tank - Lewis & Clark				
FP-307482	311	Replace scrubber building roofing - Lewis & Clark	31,854			
FP-100009	312	MATS compliance - Coyote	124,910			
FP-100226	312	Update control room - Heskett	23,251			
FP-100382	312	MATS compliance - Lewis & Clark	3,663,366		21,463	
FP-100415	312	Purchase gas umbilical - Lewis & Clark	11,851			
FP-100747	312	Minor construction projects - Heskett	159,641	1/	40,129	
FP-100749	312	Minor construction projects - Lewis & Clark	111,428	1/	8,795	
FP-100757	312	Minor construction projects - Coyote	102,048	1/	(5,911)	
FP-100759	312	Minor construction projects - Big Stone	188,928	1/	20,962	
FP-200742	312	Replace mill gearbox - Lewis & Clark	37,587			
FP-300119	312	Replace dust collector system - Big Stone	232,612	5/28/2015	245,124	
FP-300128	312	Replace sootblowers		12/12/2014	(282)	
FP-300124	312	Replace expansion joint - Big Stone	54,655	5/22/2015	44,153	
FP-301803	312	Replace soot blowers - Coyote	25,566			
FP-302224	312	Replace-Coyote boiler insulation		Multi-Phase	(710)	
FP-305120	312	AQCS Project - Big Stone	21,841,157			
FP-305221	312	Replace primary superheater - Big Stone	231,449	7/31/2015	244,203	
FP-307162	312	Replace boiler insulation and lagging - Big Stone	26,894			
FP-307380	312	Replace jet air ejector - Lewis & Clark	26,851			
FP-307920	312	Service water pumps - Lewis & Clark	11,126			
FP-309080	312	Boiler feed pump - Coyote	56,836			
FP-310500	312	Restore - Big Stone boiler furnace		5/29/2015	118,521	
FP-100035	314	Intake modifications - Heskett	3,889			
FP-200747	314	Purchase circulating water pump - Lewis & Clark	33,444			
FP-301800	314	Replace gas fan - Coyote	91,205			
FP-301802	314	Replace clarifier with filtration - Coyote				
FP-302583	314	Replace turbine valve parts - Lewis & Clark	39,975			
FP-307141	314	Replace main station sump pump - Big Stone	2,194			
FP-307264	314	Recondition stop valve - Heskett	28,418			
FP-310560	314	Replace HP/IP rotor blading -Big Stone				
FP-311601	314	Replace exciter board - Heskett		8/14/2015	24,905	
FP-100333	315	Unit 1 & 2 MACT compliance - Heskett	136,680			
FP-200758	315	Replace sample panel - Big Stone	1,054			
FP-302228	315	Replace boiler power panel - Coyote		8/28/2014	(57)	
FP-302227	315	Replace transmitter - Coyote	2,013	Multi-Phase	0	
FP-302231	312	Replace - Coyote conveyor		Multi-Phase	(443)	
FP-302584	312	Replace flame scanners - Lewis & Clark		10/24/2014	7	
FP-100705	316	Minor Work Equipment - Lewis & Clark	4,577	1/	4,477	
FP-100764	316	Minor Work Equipment - Heskett	15,647	1/	3,773	
FP-100710	316	Minor Work Equipment - Coyote	8,053	1/	3,456	
FP-100713	316	Personal Computers - Coyote	2,955	1/	2,092	
FP-100870	316	Personal Computers - Big Stone	783	1/		
FP-100714	316	Vehicles - Coyote	2,186	1/	160	
FP-100871	316	Vehicles - Big Stone	1,724	1/		
FP-200762	316	Replace MFT upgrade - Heskett		11/28/2014	696	
FP-300122	316	Replace insulation and lagging - Big Stone		5/28/2014	(837)	
		Total Steam Production	\$27,704,846		\$792,915	\$0

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Project No.	Acct. #	Description	Montana	Actual In-Service Date	Actual Cost Thru 9/30/15	Growth Related
<u>Other Production</u>						
FP-100547	341	Replace concrete - Glendive		Multi-Phase		
FP-302467	342	Modify hot gas path - Miles City	\$20,475			
FP-100877	344	Minor construction projects - Cedar Hills	34,638	1/		
FP-100878	344	Minor construction projects - Oramat	27,737	1/		
FP-100879	344	Minor construction projects - Diamond Willow	54,844	1/		
FP-100880	344	Minor construction projects - Miles City	40,188	1/		
FP-100881	344	Minor construction projects - Glendive	32,986	1/		
FP-100762	344	Minor construction projects - Heskett III	48,794	1/		
FP-101667	344	Painting/site work - Heskett III	156,602	8/5/2014	89,673	
FP-200732	344	Replace gearboxes - Diamond Willow	24,425			
FP-306561	344	Simple Cycle Generation - Lewis & Clark	9,812,164		25,566	
FP-308840	344	Wind farm - Thunder Spirit	56,669,131			
FP-311621	344	Replace tower gearbox - Diamond Willow		7/14/2015	192	
FP-100008	345	Replace relaying - Miles City	14,015			
FP-302466	345	Replace control cards - Miles City	8,053	9/12/2014	(23)	
FP-100888	346	Minor Work Equipment - Glendive	4,142			
		Total Other Production	\$66,948,194		\$115,408	\$0
<u>Transmission</u>						
FP-301210	350	Land & Land Rights		1/	11,230	
FP-100005	353	Replace power line carrier equip.		1/	10,620	
FP-100024	353	Replace 57kV relays - Glendive	\$6,230			
FP-100114	353	Replace relays - Coyote Sub	58,728			
FP-100123	353	Upgrade BKR relays - Heskett Sub				
FP-100191	353	Replace relay at Wishek				
FP-100231	353	Replace relays - Tioga	13,793			
FP-100235	353	New Heskett 230/115 Sub		Multi-Phase	16	
FP-100030	353	Replace auxiliary transformer - Heskett	49,147			
FP-100057	353	Add 421 relay - Coyote	9,618			
FP-100112	353	115CC & 57LN relays - Glendive	68,313			
FP-100270	353	Add 46 kV meter - Glen Ullin	1,658			
FP-100271	353	Add 115 kV meters - Coyote	14,730			
FP-101645	353	Minor Transmission Substation - Montana	143,437	1/		
FP-101660	353	Replace relay at Tatanka				
FP-200912	353	Construct little muddy JCT Sub		10/15/2014	(43,188)	
FP-200918	353	Replace - Heskett GSU XFMR		5/30/2014	481	
FP-300155	353	Reactor - Wishek Junction	86,196			
FP-300162	353	Add 230 KV Bay - Hettinger	22,106			
FP-300239	353	Replace 60KV line relay - Lewis & Clark	8,978			
FP-300240	353	Add 115/57 Transformer & Bay & Relay - Baker Junction	757,706			
FP-307543	353	Replace Aux Transformer - Lewis & Clark	51,689			
FP-311626	353	Install security system - Little Muddy sub				
FP-100056	355	Rebuild transmission line - Glendive		Multi-Phase	1,361,121	
FP-100268	355	Add merricourt WF Ellendale Line		10/16/2012	(14,760)	
FP-100329	355	Install 115Kv line - Collins Sub		8/13/2015	100,798	
FP-100445	355	Raise Heskett 230Kv		10/27/2014	870	
FP-100446	355	Raise Wishek 230Kv		12/19/2014	8,391	
FP-100893	355	Electric Minor transmission lines		1/	21,962	
FP-100895	355	Electric Minor transmission lines		1/	7	
FP-200785	355	Growth - Beulah/Dickinson 115 Kv line		8/15/2014		4,891
FP-200792	355	Install - Tap/Little Muddy 115Kv		11/14/2014	96	
FP-200953	355	Reroute Williston - Tioga line		11/27/2013	(832)	

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Project No.	Acct. #	Description	Montana	Actual In-Service Date	Actual Cost Thru 9/30/15	Growth Related
FP-300154	355	Construct transmission line - Baker/Plevna	(43,146)	12/31/2014	941,742	
FP-300159	355	Overbuild 57Kv line - Tioga		12/7/2013	(799)	
FP-303300	355	Raise 115kV (NERC) - Bismarck-Wishek	7,652			
FP-304700	355	Reroute Transmission line for Bakken HS				
FP-305860	355	NDDOT Rel structures - Williston Loop Line		9/15/2014	(23,389)	
FP-306932	355	Rebuild Heskett to Judson storm damage		7/20/2014	(56)	
FP-308041	355	Relocate transmission line - Lewis & Clark	36,416			
FP-309540	355	Replace Poles - Lewis & Clark to Wapa		3/14/2015	23,210	
FP-311517	355	Replace switch/pole - Williston USBR Sub				
FP-311523	355	Reroute OASIS line - Williston USBR Sub				
FP-100052	356	Install lightning protection		1/		
FP-100896	356	Minor Trans Lines - Badlands	222,504	1/	107,587	
FP-200904	356	Install - Heskett/Wishek OH cond		8/8/2014	(1)	
FP-305460	356	Replace switch #2369 - N. Baker	(975)			
FP-307242	356	Install Tap to New NACC mine sub		5/12/2015	56,361	
FP-307483	356	Replace conductor - Coyote	61,376			
FP-310180	356	Install switch at transmission line		8/11/2015	53,890	
		Total Transmission	\$1,576,156		\$2,615,357	\$4,891
		<u>Distribution</u>				
FP-301193	360	Land & Land Rights		1/	8,837	
FP-100127	362	Construct distribution substation - Badlands	680,168			
FP-100353	362	Add Regs Oilfield sub		1/		
FP-100468	362	Purchase/Install spare sub transmission line		12/3/2014	(110,322)	
FP-100902	362	Minor distribution substation - Badlands	132,655	1/	73,760	
FP-305022	362	Construct 4Kv sub - Hiland Crude		10/17/2014	3,744	
FP-307653	362	Replace transformer - Glendive	168,431			
FP-309020	362	Build Valley 2MVA Substation - Miles City	283,197			
FP-300941	365	Reconductor 7500' OH - Glendive	33,519			
FP-306203	365	Reconductor main feeder - Baker	73,399	3/24/2015	214,711	
FP-307202	365	Replace OH Thatcher Chemical - Glendive	135,640			
FP-311924	365	Replace OH/Poles - Glendive storm damage				
FP-100773	367	Overhead & Underground replace - Badlands	1,185,576	1/	469,469	
FP-100774	367	Overhead & Underground growth - Badlands		1/		418,236
FP-303960	367	Install UG Cond-Finch lane trailer court		1/15/2015	4,929	
FP-301340	368	Replace transformer - General Office	753,348	1/	567,852	
FP-100793	369	Service lines - Badlands	226,111	1/	195,001	79,891
FP-100794	370	Meters - General Office	99,980	1/	143,460	50,459
FP-100800	373	Street & Yard Lights - Badlands	129,411	1/	47,526	24,804
FP-300086	373	Street Lighting - Forsyth	35,980	10/31/2014	63,903	30,105
		Total Distribution	\$3,937,415		\$1,682,870	\$603,495
		<u>General</u>				
FP-100810	392	Vehicles - General Office	\$269,517	1/	101,992	
FP-100822	394	Minor Work Equipment - Badlands	45,428	1/	27,446	
FP-100825	396	Work Equipment - General Office	539,732	1/	340,118	
FP-307269	397	Purchase UPS - General Office	2,959	8/25/2015	4,086	
		Total General	\$857,636		\$473,642	\$0
		<u>General Intangible</u>				
FP-307783	303	Purchase Powerbase software - General Office	\$12,820			
FP-309100	303	Install Distribution SCADA - General Office	111,898			
		Total General Intangible	\$124,718		\$0	\$0

MONTANA-DAKOTA UTILITIES CO.
2015 PLANT ADDITIONS
ELECTRIC UTILITY - MONTANA

Project No.	Acct. #	Description	Montana	Actual In-Service Date	Actual Cost Thru 9/30/15	Growth Related
<u>Common</u>						
FP-307641	389	Purchase BNSF Land - Miles City	\$26,687			
FP-303380	390	Replace roof- Plentywood office		7/22/2015	4,510	
FP-306800	390	Replace shop lighting - Glendive	11,989			
FP-306916	390	Replace roof on Annex - General Office	11,443			
FP-306931	390	Replace boilers - General Office	27,984			
FP-307401	390	Install backup generator - Wolf Point	21,723			
FP-307442	390	Replace roof - storage warehouse - Wolf Point	3,189			
FP-307445	390	Grade & level Wolf Point yard - Wolf Point	39,615			
FP-307446	390	Replace roof on warehouse - Wolf Point	54,026	8/29/2015	43,769	
FP-308740	390	Remodel/Upgrade backup control center		2/13/2015	4,583	
FP-308803	390	Install Card access on title building		1/12/2015	741	
FP-309043	390	Purchase carpet for title building		12/23/2014	(33)	
FP-309063	390	Purchase water fountains - General Office	3,014	4/3/2015	2,154	
FP-310609	390	Install lights at GO parking lots				
FP-311217	390	Build new Poplar warehouse				
FP-100743	391	Office Equipment - Rocky Mountain	4,270			
FP-100754	391	Office Equipment - Badlands	38,430	1/	30,560	
FP-100755	391	Office structure and equipment - General Office	10,605	1/	2,962	
FP-200705	391	Replace Miles City phone system		8/31/2013	(150)	
FP-307063	391	Purchase modular furniture - General Office	4,019			
FP-307210	391	Purchase office furniture - General Office	39,072	2/5/2015	9,805	
FP-308643	391	Purchase lift stations for GO employees		12/8/2014	242	
FP-307600	391	Purchase engineer workstations - Glendive	27,194			
FP-100753	391	Common office equip		1/	2,480	
FP-309203	391	Purchase workstations - General Office	703	4/24/2015	721	
FP-100756	391	Personal Computers - General Office	16,745	1/	(1,335)	
FP-307540	391	Replace data center/networking equipment - General Office	31,440	Multi-Phase	19,035	
FP-307267	391	Replace UPS batteries - General Office	558	5/14/2015	734	
FP-307360	391	Replace scanner in payment processor - General Office	11,163			
FP-307541	391	Replace Exadata expansion - General Office	84,817	6/25/2015	72,548	
FP-308982	391	Purchase copiers - General Office	1,619	2/2/2015	1,543	
FP-100719	392	Vehicles - General Office	132,018	1/	51,124	
FP-307782	393	Purchase Transformer Racks - Wolf Point	24,211			
FP-100718	394	Common minor work equip		1/		
FP-309281	394	Purchase Quantifit Fit Test System - General Office	1,061	2/10/2015	1,102	
FP-100737	394	Minor Work Equipment - Glendive	19,049	1/		
FP-100741	397	Communication Equipment - Badlands	20,023	1/	4,069	
FP-100744	397	Communication Equipment - General Office	75,904	1/	3,395	
FP-100833	397	Electric communication equip		1/	785	
FP-200710	397	Purchase call rec system - Credit Center	4,184	7/2/2015	7,228	
FP-302563	397	Replace - District CISCO VOIP		Multi-Phase		
FP-300071	397	Replace mobile collectors		1/	52,322	
FP-302712	397	Replace phones - Dickinson		12/18/2014	1,574	
FP-302563	397	Purchase CISCO VOIP - General Office	10,224			
FP-307441	397	Upgrade CISCO VOIP - General Office	5,358			
FP-308680	397	AVAYA communications switch upgrade		6/12/2015	8,571	
FP-302381	398	Replace MDU electric SCADE - GO		Multi-Phase		
FP-308827	398	Install network equip at title building		12/5/2014	174	
FP-307584	397	Replace Avaya Switch - General Office	6,140			
FP-308063	397	Replace WAN Routers - General Office	2,233			
FP-100540	397	Replace the MDU GO phone system		6/10/2013	(343)	
FP-307466	398	Purchase Offset Envelope Press - General Office	3,572			
		Total Common	\$774,282		\$324,870	\$0

MONTANA-DAKOTA UTILITIES CO.
2015 PLANT ADDITIONS
ELECTRIC UTILITY - MONTANA

Project No.	Acct. #	Description	Montana	Actual In-Service Date	Actual Cost Thru 9/30/15	Growth Related
<u>Common - Intangible</u>						
FP-100256	303	Mobile workforce software - General Office	\$26,437	2/1/2013	5,143	
FP-100553	303	Powerplan WIP/FA-UG direct		5/13/2013	120	
FP-101673	303	Customer information system upgrade - General Office	269,957	2/3/2013	136,035	
FP-200714	303	GIS enhance - UG direct		Multi-Phase	252	
FP-200902	303	Upgrade Endpoint program - General Office	10,644	7/31/2015	10,771	
FP-301563	303	GIS data conversion - General Office	116,758			
FP-302615	303	Install human CAP management - direct		Multi-Phase	20,025	
FP-302625	303	ECM upgrade - General Office	9,779			
FP-303201	303	Replace personal Information security		6/25/2015	18,777	
FP-307224	303	Purchase additional CC&B App License - General Office	6,984			
FP-307421	303	PowerPlan CPI tax calculation - General Office	2,954			
FP-307530	303	Purchase Customer Care Software - General Office	1,739			
			<u>\$445,252</u>		<u>\$191,123</u>	<u>\$0</u>
Total			<u>\$102,368,499</u>		<u>\$6,196,185</u>	<u>\$608,386</u>

	Overhead & Underground Lines	
47.11%	418,236	Growth
52.89%	469,469	Replacement
100.00%	<u>887,705</u>	Total

- 1/ These funding projects are blanket projects and are composed of multiple projects throughout the year. Projects within the funding projects are placed in service throughout the year.
2/ In-service date is beyond 12/31/15.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA CONSUMER COUNSEL
DATA REQUEST
DATED AUGUST 28, 2015
DOCKET NO. D2015.6.51**

MCC-073

**Regarding: Adjustment E - Materials and supplies
Witness: Jacobson**

- a. Provide an explanation of how the electric utility-Montana portion of materials and supplies is determined. (See Rule 38.5.143, Statement E, page 1 of 8.)**
- b. To the extent that any portion of the electric utility-Montana materials and supplies are allocated/assigned on a basis other than physical location, provide all supporting documentation for the allocation/assignment(s).**
- c. Provide actual balances for February 2015 through the most recent month available comparable to those shown in Rule 38.5.143, Statement E, page 1 of 8.**

Response:

- a. The materials and supplies represents inventory that is physically located in Montana and is directly assigned to Montana.
- b. Not applicable.
- c. The materials and supplies balances for Montana electric operations for February 2015 to July 2015 were.

February	\$3,032,021
March	2,978,554
April	3,023,477
May	3,043,730
June	3,252,289
July	3,513,453
August	3,546,987
September	3,807,157

Update: Response (c) updated to include material and supplies through September 2015.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA CONSUMER COUNSEL
DATA REQUEST
DATED AUGUST 28, 2015
DOCKET NO. D2015.6.51**

MCC-074

**Regarding: Adjustment F – Fuel Stores
Witness: Jacobson**

Provide a schedule that shows the actual balance for each month from April 2015 through the most recent month available comparable to those shown in Rule 38.5.143, Statement E, page 2 of 8. This schedule should show the volumes and the prices.

Response:

Please see Attachment A.

Update: Response updated to include fuel stores for September 2015.

MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF FUEL STOCKS
PRO FORMA 2015

	<u>Big Stone</u>	<u>Coyote</u>	<u>Heskett</u>	<u>L&C</u>	<u>Glendive</u>	<u>Miles City</u>	<u>Total</u>	<u>Allocate to Montana 1/</u>
January 2014	1,859,878	908,715	1,326,935	407,928	97,010	129,754	4,730,220	1,289,974
February	1,949,192	874,381	1,320,881	407,928	158,772	126,242	4,837,396	1,319,321
March	1,858,340	856,590	1,373,167	407,928	188,487	125,447	4,809,959	1,311,719
April	2,039,562	839,410	1,380,628	407,928	166,023	125,447	4,958,998	1,352,364
May	1,941,749	817,658	1,383,255	407,928	166,023	125,447	4,842,060	1,320,474
June	1,562,070	826,771	1,272,721	407,928	166,023	125,447	4,360,960	1,189,274
July	1,571,464	827,724	1,315,206	407,928	166,023	125,447	4,413,792	1,203,681
August	1,664,841	761,095	1,099,875	407,928	166,023	125,447	4,225,209	1,152,253
September	1,832,659	730,979	752,309	407,928	166,023	125,447	4,015,345	1,094,874
October	2,054,573	747,416	809,070	407,928	166,023	122,516	4,307,526	1,174,701
November	1,652,007	722,388	885,314	407,928	160,610	122,516	3,950,763	1,077,409
December	1,793,959	788,398	1,085,190	407,928	160,610	122,516	4,358,601	1,188,630
January 2015	2,222,570	797,616	1,165,544	407,928	160,610	122,516	4,876,784	1,294,185
February	2,233,187	817,664	1,142,478	407,928	160,610	122,516	4,884,383	1,296,202
March	2,220,768	818,347	1,120,641	407,928	160,610	122,516	4,850,810	1,287,292
April	2,236,825	846,472	1,169,328	407,928	148,286	122,516	4,931,355	1,308,667
May	2,268,501	738,916	1,068,174	407,928	165,561	122,516	4,771,596	1,266,271
June	2,409,559	724,096	1,046,868	407,928	151,150	122,516	4,862,117	1,290,293
July	2,650,725	804,347	1,103,329	407,928	151,150	122,516	5,239,995	1,390,573
August	2,623,510	787,540	1,199,627	407,928	151,150	122,516	5,292,271	1,404,446
September	2,694,552	788,511	1,190,940	407,928	151,150	122,516	5,355,597	1,421,251

1/ Allocated on Factor No. 16, Interconnected System Sales.

	<u>2013</u>	<u>2014</u>	<u>2015</u>
Integrated System KWH sales - Factor No. 16	28.271968%	27.270911%	26.537673%

MONTANA-DAKOTA UTILITIES CO.
FUEL STORES - FUEL OIL
ELECTRIC UTILITY
TWELVE MONTHS ENDED DECEMBER 31, 2014
WORKPAPER

	Big Stone Plant				Coyote Station			
	Per Books 2014 1/		Pro Forma		Per Books 2014 1/		Pro Forma	
	Gallons	Amount	Gallons	Amount	Gallons	Amount	Gallons	Amount
January 2014	41,905	\$138,909			37,071	\$119,132		
February	33,424	110,786			27,466	87,616		
March	32,171	106,630			23,168	74,519		
April	30,941	102,552			22,333	72,256		
May	18,016	59,694			31,510	102,144		
June	61,687	200,434			29,157	93,933		
July	56,866	184,762			31,239	99,507		
August	50,090	162,738			20,620	65,687		
September	44,842	145,682			35,998	112,153		
October	38,374	124,659			26,930	83,908		
November	31,082	100,961			30,430	93,438		
December	29,402	95,498			46,215	124,894		
January 2015	81,187	184,873			64,472	151,485		
February	76,057	173,186			65,869	158,968		
March	54,189	123,371			60,240	145,387		
April	48,068	109,433			62,956	147,755		
May	48,068	109,433			56,862	131,944		
June	48,061	109,417			48,209	111,870		
July	45,816	104,305			54,610	120,663		
August	43,019	91,536			50,401	111,367		
September	28,002	59,606			55,294	124,310		
	Glendive Turbine				Miles City Turbine			
	Per Books 2014 1/		Pro Forma		Per Books 2014 1/		Pro Forma	
	Gallons	Amount	Gallons	Amount	Gallons	Amount	Gallons	Amount
January 2014	30,907	\$97,010			47,848	\$129,754		
February	50,092	158,772			46,553	126,242		
March	56,732	188,487			43,998	125,447		
April	49,970	166,023			43,978	125,447		
May	49,970	166,023			43,978	125,447		
June	49,970	166,023			43,978	125,447		
July	49,970	166,023			43,978	125,447		
August	49,970	166,023			43,978	125,447		
September	49,970	166,023			43,978	125,447		
October	49,970	166,023			42,950	122,516		
November	48,341	160,610			42,950	122,516		
December	48,341	160,610			42,950	122,516		
January 2015	48,341	160,610			42,950	122,516		
February	48,341	160,610			42,950	122,516		
March	48,341	160,610			42,950	122,516		
April	44,632	148,286			42,950	122,516		
May	54,632	165,561			42,950	122,516		
June	49,876	151,150			42,950	122,516		
July	49,876	151,150			42,950	122,516		
August	49,876	151,150			42,950	122,516		
September	49,876	151,150			42,950	122,516		

1/ Actuals through September 2015.

MONTANA-DAKOTA UTILITIES CO.
 FUEL STORES - BIG STONE, COYOTE, AND LEWIS & CLARK COAL
 ELECTRIC UTILITY
 TWELVE MONTHS ENDED DECEMBER 31, 2014
 WORKPAPER

	Big Stone Plant			Coyote Station			L&C Station			
	Per Books 2014 1/		Pro Forma	Per Books 2014 1/		Pro Forma	Per Books 2014 1/		Pro Forma	
	Tons	Amount	Tons	Amount	Tons	Amount	Tons	Amount	Tons	Amount
January 2014	50,053	\$1,720,969	37,690	\$789,583	16,782	\$407,928	16,782	\$407,928	16,782	\$407,928
February	52,101	1,838,406	37,901	786,765	16,782	407,928	16,782	407,928	16,782	407,928
March	49,619	1,751,710	37,784	782,071	16,782	407,928	16,782	407,928	16,782	407,928
April	55,855	1,937,010	38,260	767,154	16,782	407,928	16,782	407,928	16,782	407,928
May	54,329	1,882,055	35,431	715,514	16,782	407,928	16,782	407,928	16,782	407,928
June	38,985	1,361,636	36,379	732,838	16,782	407,928	16,782	407,928	16,782	407,928
July	39,937	1,386,702	36,828	728,217	16,782	407,928	16,782	407,928	16,782	407,928
August	43,288	1,502,103	35,520	695,408	16,782	407,928	16,782	407,928	16,782	407,928
September	49,230	1,686,977	31,683	618,826	16,782	407,928	16,782	407,928	16,782	407,928
October	56,399	1,929,914	31,984	663,508	16,782	407,928	16,782	407,928	16,782	407,928
November	44,997	1,551,046	29,683	628,950	16,782	407,928	16,782	407,928	16,782	407,928
December	49,225	1,698,461	31,040	663,504	16,782	407,928	16,782	407,928	16,782	407,928
January 2015	58,304	2,037,697	30,406	646,131	16,782	407,928	16,782	407,928	16,782	407,928
February	58,115	2,060,001	31,085	658,696	16,782	407,928	16,782	407,928	16,782	407,928
March	58,115	2,097,397	31,739	672,960	16,782	407,928	16,782	407,928	16,782	407,928
April	58,115	2,127,392	32,726	698,717	16,782	407,928	16,782	407,928	16,782	407,928
May	58,115	2,159,068	28,337	606,972	16,782	407,928	16,782	407,928	16,782	407,928
June	61,085	2,300,142	28,552	612,226	16,782	407,928	16,782	407,928	16,782	407,928
July	67,457	2,546,420	31,117	683,684	16,782	407,928	16,782	407,928	16,782	407,928
August	67,145	2,531,974	30,486	676,173	16,782	407,928	16,782	407,928	16,782	407,928
September	73,622	2,634,946	29,790	664,201	16,782	407,928	16,782	407,928	16,782	407,928

1/ Actuals through September 2015.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA CONSUMER COUNSEL
DATA REQUEST
DATED AUGUST 28, 2015
DOCKET NO. D2015.6.51**

MCC-075

Regarding: Adjustment G - Prepaid insurance

Witness: Jacobson

- a. **Provide a schedule that shows actual prepaid insurance balances for each month from February 2015 through the most recent available.**
- b. **Provide all work papers, analyses, memos and other documentation that support the allocation/assignment of these amounts to the electric utility - Montana.**

Response:

- a. The Prepaid Insurance balances for Montana electric operations for February 2015 to July 2015 were:

February	\$275,519
March	241,392
April	268,693
May	241,124
June	207,427
July	175,042
August	142,658
September	110,273

- b. Please see Statement Workpapers, page G-134.

Update: Response (a) updated to include prepaid insurance through September 2015.

**MONTANA-DAKOTA UTILITIES CO.
MONTANA CONSUMER COUNSEL
DATA REQUEST
DATED AUGUST 28, 2015
DOCKET NO. D2015.6.51**

MCC-077

Regarding: Adjustment J – Provision for pensions and benefits

Witness: Jacobson

- a. Provide a schedule that shows the actual balance of the provision for pensions and benefits for each month from December 2014 through the most recent month available.**
- b. Provide a schedule that shows the budgeted/projected balances for each month from January 2015 through December 2015.**

Response:

- a. Please see Attachment A for actual balances through July 2015. In addition, see Statement Workpapers E-11.
- b. Montana-Dakota does not project individual budget balances for pensions and benefits and therefore, projected balances after July 2015 are not available at this time.

Update: Response (a) updated to include provision for pension and benefits through September 2015.

**MONTANA-DAKOTA UTILITIES CO.
PROVISION FOR PENSIONS AND BENEFITS
ELECTRIC UTILITY**

	Pension Costs	Deferred Pension	Additional Minimum		Total Provision For Benefits
			Centennial Energy	MDU EC	
December 2014	\$103,850,820	(\$68,504,692)	\$9,262,884	\$1,691,706	\$46,300,718
January 2015	103,850,820	(67,315,629)	9,262,884	1,691,706	47,489,781
February	103,850,820	(67,434,879)	9,262,884	1,691,706	47,370,531
March	103,850,820	(67,554,129)	9,262,884	1,691,706	47,251,281
April	103,850,820	(67,673,379)	9,262,884	1,691,706	47,132,031
May	103,850,820	(67,779,205)	9,262,884	1,691,706	47,026,205
June	103,850,820	(67,895,770)	9,262,884	1,691,706	46,909,640
July	103,850,820	(67,138,505)	9,262,884	1,691,706	47,666,905
August	103,850,820	(67,255,070)	9,262,884	1,691,706	47,550,340
September	103,850,820	(67,371,635)	9,262,884	1,691,706	47,433,775

	Pension Costs State	Pension Costs Federal	Def Pension State	Def Pension Federal	Total DIT for Pension and Benefits
December 2014	1,638,757	19,116,037	(3,115,980)	(36,347,787)	(18,708,973)
January 2015	1,642,335	19,157,774	(3,115,981)	(36,347,787)	(18,663,658)
February	1,645,913	19,199,512	(3,115,981)	(36,347,787)	(18,618,342)
March	1,649,491	19,241,249	(3,115,981)	(36,347,787)	(18,573,027)
April	1,653,069	19,282,987	(3,115,981)	(36,347,787)	(18,527,711)
May	1,656,245	19,320,026	(3,115,981)	(36,347,787)	(18,487,497)
June	1,659,742	19,360,824	(3,115,981)	(36,347,787)	(18,443,202)
July	1,663,240	19,401,621	(3,115,981)	(36,347,787)	(18,398,907)
August	1,666,737	19,442,419	(3,115,981)	(36,347,787)	(18,354,611)
September	1,670,234	19,483,217	(3,115,981)	(36,347,787)	(18,310,316)

**MONTANA-DAKOTA UTILITIES CO.
SUMMARY OF PROVISION FOR PENSION AND BENEFITS
DECEMBER 2014 - SEPTEMBER 2015**

	Total Company		Montana	
	Net Pension	DIT - Pension and Benefits	Net Pension	DIT - Pension and Benefits
December 2014	\$46,300,718	(\$18,708,973)	\$3,893,229	(\$1,574,960)
January 2015	\$47,489,781	(\$18,663,658)	\$3,944,971	(\$1,550,388)
February	47,370,531	(18,618,342)	3,935,065	(1,546,624)
March	47,251,281	(18,573,027)	3,925,159	(1,542,859)
April	47,132,031	(18,527,711)	3,915,253	(1,539,095)
May	47,026,205	(18,487,497)	3,906,462	(1,535,755)
June	46,909,640	(18,443,202)	3,896,779	(1,532,075)
July	47,666,905	(18,398,907)	3,959,685	(1,528,395)
August	47,550,340	(18,354,611)	3,950,002	(1,524,716)
September	47,433,775	(18,310,316)	3,940,319	(1,521,036)

**MONTANA-DAKOTA UTILITIES CO.
MONTANA CONSUMER COUNSEL
DATA REQUEST
DATED AUGUST 28, 2015
DOCKET NO. D2015.6.51**

MCC-078

Regarding: Adjustment K - Injuries and damages

Witness: Jacobson

Provide the actual balance of the provision for injuries and damages for each month from December 2014 through the most recent month available.

Response:

Please see Attachment A. In addition, see Statement Workpapers E-13.

Update: Response updated to include injuries and damages for September 2015.

MONTANA-DAKOTA UTILITIES CO.
PROVISION FOR INJURIES AND DAMAGES
DECEMBER 2014 - SEPTEMBER 2015

Actual Balances	Provision for Injuries and Damages	DIT on Injuries and Damages	Liability Balance	Insurance Receivable	DIT on Insurance Receivable	Insurance Receivable Balance	Total Provision for Injuries and Damages	Total DIT on Injuries and Damages	Total
December 2014	(\$3,736,057)	1,419,702	(\$2,316,355)	4,400,366	(1,672,139)	2,728,227	\$664,309	(252,437)	\$411,872
January 2015	(\$1,710,594)	650,026	(\$1,060,568)	4,535,505	(1,723,492)	2,812,013	\$2,824,911	(\$1,073,466)	\$1,751,445
February	(1,651,323)	627,503	(1,023,820)	4,550,028	(1,729,011)	2,821,017	2,898,705	(1,101,508)	1,797,197
March	(1,991,727)	756,856	(1,234,871)	4,892,067	(\$1,858,985)	\$3,033,082	2,900,340	(1,102,129)	1,798,211
April	(1,978,015)	751,646	(1,226,369)	5,032,730	(1,912,437)	3,120,293	3,054,715	(1,160,791)	1,893,924
May	(245,739)	93,381	(152,358)	5,057,168	(1,921,724)	3,135,444	4,811,429	(1,828,343)	2,983,086
June	(1,107,496)	420,848	(686,648)	1,309,601	(497,648)	811,953	202,105	(76,800)	125,305
July	(1,089,236)	413,910	(675,326)	1,485,626	(564,538)	921,088	396,390	(150,628)	245,762
August	(1,080,181)	410,469	(669,712)	919,092	(349,255)	569,837	(161,089)	61,214	(99,875)
September	(1,084,911)	412,266	(672,645)	947,537	(360,064)	587,473	(137,374)	52,202	(85,172)

**MONTANA-DAKOTA UTILITIES CO.
MONTANA CONSUMER COUNSEL
DATA REQUEST
DATED AUGUST 28, 2015
DOCKET NO. D2015.6.51**

MCC-079

Regarding: Adjustment N - Customer advances-construction

Witness: Jacobson

Provide a schedule that shows the actual balance of customer advances for construction for each month from February 2015 through the most recent month available comparable to the amounts shown in Rule 38.5.143, Statement E, page 8 of 8.

Response:

Below are the customer advances adjusted for refunds and forfeitures related to Plant in Service for February through July of 2015. The refund shown in Adjustment N in the month of February should have been shown in the month of March as well as forfeiture of \$3,099.

February	\$1,365,004
March	764,184
April	758,854
May	758,854
June	758,854
July	758,854
August	758,854
September	758,854

Update: Response updated to include customer advances through September 2015.