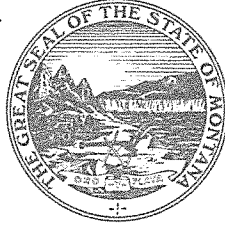


Montana Public Service Commission



Brad Johnson - Chairman
Travis Kavulla - Vice Chairman
Roger Koopman - Commissioner
Bob Lake - Commissioner
Tony O'Donnell - Commissioner

December 1, 2017

Nik S. Stoffel
Thorvald A. Nelson
Holland & Hart LLP
6380 Fiddlers Green Circle, Suite 500
Greenwood Village, CO 80111

RE: Data Request in Docket D2017.9.80

Dear Messrs. Stoffel and Nelson:

Enclosed please find Montana Public Service Commission data requests PSC-044 to PSC-059 to Energy West Montana, Inc. and Cut Bank Gas Company regarding the application and supporting testimonies in the above-referenced docket. If you could please respond by December 15, 2017, it would be greatly appreciated. If you have any questions, please contact me at (406) 444-6184.

Sincerely


Dagan Lynch
Rate Analyst
Montana Public Service Commission

Enclosure

cc: Service List

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

IN THE MATTER OF the Joint Application) REGULATORY DIVISION
for Approval to Change and Establish Natural)
Gas Delivery Service Rates for Energy West) DOCKET NO. D2017.9.80
Montana, Inc. and Cut Bank Gas Company)

**DATA REQUESTS PSC-044 THROUGH PSC-059 OF THE
MONTANA PUBLIC SERVICE COMMISSION TO
ENERGY WEST MONTANA AND CUT BANK GAS COMPANY**

PSC-044

Regarding: Acquisition Fees
Witness: Applicable

Please confirm EWM or CBGC are in no way seeking any merger related costs from Docket D2016.11.91 in this rate filing.

PSC-045

Regarding: SAP Asset
Witness: Henthorne or Applicable

- a. What is the embedded financing rate in the sale leaseback of the SAP asset?
- b. Please provide the terms of the Verilease agreement with GNI.
- c. Does the sale leaseback increase the Company’s leverage in any way? Please explain why or why not.
- d. What are the tax consequences of the sale lease back and how are those savings passed onto rate payers?

PSC-046

Regarding: SAP Asset
Witness: Henthorne or Applicable

- a. Please provide the analysis and work papers performed to develop the market value of the SAP asset. If none are available, please explain why?
- b. Does the SAP software contain a residual value guarantee and if so what is that amount?

PSC-047

Regarding: SAP Asset
Witness: Henthorne

On page 9 of your Direct Testimony, you state EWM is open to presenting the capital lease obligation in alternative ways. As an alternative would the Company consider eliminating any request for an accounting order and place the SAP asset into rate base and use the embedded interest rate of the lease agreement in the cost of capital calculation?

PSC-048

Regarding: SAP Asset
Witness: Henthorne

- a. What other types of training does EWM include as a regulatory asset (as referenced on page 15 of Mr. Henthorne's testimony)? For example, is training for the Company's linemen included as a regulatory asset?
- b. If the Company does not include other types of training for its employees, please explain why the SAP training would be considered different.

PSC-049

Regarding: SAP Asset
Witness: Henthorne

- a. How was the time frame for the accounting order derived?
- b. How would the SAP asset be affected if an accounting order is not granted?

PSC-050

Regarding: Payroll
Witness: Henthorne

- a. How many Company officers have been added to EWM and CBGC as of today's date, and how many are still employees? Please list names and positions held and for how long.
- b. Of the increase in payroll, what amount is allocated to each Company officer?
- c. Please provide a worksheet showing the allocation of Company officer salaries by name, including the positions each officer holds in other entities and the allocation amount of their salary to each entity.

PSC-051

Regarding: Advances for Construction
Witness: Henthorne

Please confirm EWM and CBGC are not seeking a return on the customer advances that were converted to contributions in aid of capital. If so, please explain why.

PSC-052

Regarding: Rate Case Expense
Witness: Henthorne

- a. On pages 14 and 15 of Mr. Henthorne's testimony, he states EWM is asking to include the average balance of the regulatory asset in rate base. What asset is Mr. Henthorne referring to? Please answer this data request as it relates to CBGC as well.
- b. If Mr. Henthorne is referring to the cost of the rate case, please explain why the cost of the rate case would be in rate base. Please answer this data request as it relates to CBGC as well.

PSC-053

Regarding: Page 17 of 45
Witness: Henthorne

Please clarify what Mr. Henthorne means with the term "properly" on page 17, lines 16-17 of Mr. Henthorne's Testimony.

PSC-054

Regarding: Operating and Maintenance Expenses
Witness: Henthorne

Regarding Exhibit JDH-EWM-9 and the correlating CBGC exhibit, please detail the property that is insured. Please include the total policy premium and how that premium is allocated to all other properties and service areas on the policy.

PSC-055

Regarding: Operating and Maintenance Expenses
Witness: Henthorne

Regarding Exhibit Great Falls, JDH-EWM-9, page 8 of 8. Explain the reclassification under account 912 to the account 903.

PSC-056

Regarding: Operating and Maintenance Expenses
Witness: Henthorne

Regarding Exhibit JDH-EWM-9, please detail the injuries' and damages' expenses for all service areas. Please answer this data request as it relates to CBGC, as well.

PSC-057

Regarding: Operating and Maintenance Expenses
Witness: Henthorne

Regarding Exhibit JDH_EWM-9, please detail the inputs into the Outside Services Employed adjustment of \$476,918.

PSC-058

Regarding: PSC/MCC Tax
Witness: Henthorne

Please explain the benefit to rate payers of collecting the PSC/MCC as a separate component from the Company's tariffs.

PSC-059

Regarding: SME Pipeline
Witness: Jed D. Henthorne

Have any other states allowed the SME pipeline asset to be treated as EWM is pondering in this filing? If so, please provide examples.