

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

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IN THE MATTER OF THE JOINT  
APPLICATION FOR APPROVAL TO  
CHANGE AND ESTABLISH NATURAL  
GAS DELIVERY SERVICE RATES FOR  
ENERGY WEST MONTANA, INC. AND  
CUT BANK GAS COMPANY

UTILITY DIVISION  
  
Docket No. D2017.9.80

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**ENERGY WEST MONTANA’S AND CUT BANK GAS COMPANY’S  
RESPONSES TO DATA REQUESTS PSC-108 THROUGH PSC-109**

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Energy West Montana (“EWM”) and Cut Bank Gas Company (“CBGC”) provide the attached responses to the Montana Public Service Commission’s Data Requests PSC-108 through PSC-109.

Respectfully submitted this 26th day of February, 2018.

*s/ Nikolas S. Stoffel*  
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**COUNSEL FOR ENERGY WEST MONTANA,  
INC. AND CUT BANK GAS COMPANY**

## **DATA REQUESTS**

**PSC-108:** RE: PSC-013 - SAP Annual Licensing Fees  
Witness: Henthorne or Applicable

SAP mentions annual licensing fees. Why does the company that owns the software need a licensing fee?

### **Response to PSC-108:**

The annual license fee enables us to have a specific number of users and meters in our system, and also allows us to receive access to software patches and fixes. Most software products, including the billing and accounting systems that EWM and CBGC had prior to SAP, operate in this same manner, with annual licensing fees paid to use the system and receive product updates and fixes.

**PSC-109:** RE: PSC-014 & PSC-046 - Capgemini settlement  
 Witness: Degenstein/Henthorne or Applicable

Review of PSC-046 indicates a settlement with Capgemini of approximately \$77K. How and where is that settlement accounted for, in the software development cost and/or elsewhere? Did ratepayers or will ratepayers get a credit?

**Response to PSC-109:**

Please refer to the table below. The full settlement reached with Capgemini in June of 2016 was for \$250,000. At the time of the settlement, GNI had outstanding invoices totaling \$702,392.53 related to the software development project. Of this amount, \$529,513.59 had been accrued for in the general ledger in March of 2016 (see rows 93-95 of the Schedule 3 tab of Attachment PSC-046). We agreed to pay \$452,392.53 for these outstanding invoices, which was a discount of \$250,000. Since we already accrued \$529,513.59, a credit for \$77,121.06 was necessary to adjust the accrued amounts down to the actual amount paid.

The outstanding invoices and settlement amounts related to Capgemini all relate to amounts paid for directly by GNI and thus are included in the deferred rent amounts for schedule 3. EWM and CBGC were allocated their 4-factor percentage, as discussed in the response to PSC-064. EWM and CBGC's portion of the \$250,000 settlement was \$65,078.50 and \$5,347.58, respectively.

		4-Factor Allocation	
	GNI	26.0% EWM	2.1% CBGC
Original amount owed for services	\$ 702,392.52	\$ 182,842.61	\$ 15,024.39
Settlement	(250,000.00)	(65,078.50)	(5,347.58)
New amount owed	\$ 452,392.52	\$ 117,764.11	\$ 9,676.81
Amount already accrued in the GL	(529,513.59)	(137,839.80)	(11,326.45)
Credit recorded to the GL	\$ (77,121.07)	\$ (20,075.69)	\$ (1,649.64)

## CERTIFICATE OF SERVICE

I certify that on this, the 26th day of February, 2018, **ENERGY WEST MONTANA'S AND CUT BANK GAS COMPANY'S RESPONSES TO DATA REQUESTS PSC-108 THROUGH PSC-109** was e-filed with the Commission and served via U.S. mail and e-mail, unless otherwise noted, to the following:

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*s/ Adele C. Lee*

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