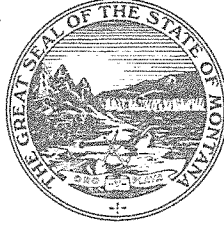


# Montana Public Service Commission

November 17, 2017



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

Mr. Jed Henthorne  
President and General Manager  
Energy West Montana, Inc.  
Cut Bank Gas Company  
P.O. Box 2229  
Great Falls, Montana 59403

RE: Docket No. D2017.9.80 Discovery Audit

Dear Mr. Henthorne:

This letter is to confirm an on-site discovery audit of Energy West Montana Inc. (EWM) and Cut Bank Gas Company (CBGC) to be conducted by Public Service Commission (PSC) staff at the EWM office in Great Falls, Montana, December 11, 2017, starting at 11:00 a.m., through December 14, 2017. Please identify a primary contact person from your Company to assist us in answering questions and providing materials as requested, as soon as possible. We cordially request a room to work from with WiFi access that can accommodate nine or more people.

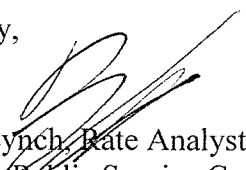
This audit will include a review of all items which are relevant to Docket No. D2017.9.80, as well as a general review of the overall gas operations of EWM and CBGC. In order to prepare for the audit, please make sure these items are available upon our arrival on the morning of December 11, 2017. If the items will be unavailable please explain why as soon as possible prior to the discovery audit. Please provide the following information for EWM and CBGC, as applicable:

1. Board of Directors' minutes for 2014, 2015, 2016 and year-to-date 2017.
2. Internal audit reports from 2014, 2015, 2016 and year-to-date 2017.
3. External audit reports from 2014, 2015, 2016 and year-to-date 2017.
4. Special project reports prepared in-house for the years 2014, 2015, 2016 and year-to-date 2017.
5. Please provide a list of all clubs and organizations for which dues or memberships were paid by EWM or CBGC to be included in recovery for the rate case.
6. Please provide a listing of all outside firms or individuals retained by EWM or CBGC during 2014, 2015, 2016 and year-to-date 2017, that have provided services and had expenses allocated to the various operating divisions.
7. Outside consultant reports for the years 2014, 2015, 2016 and year-to-date 2017.

8. Business plans for the years 2014, 2015, 2016 and year-to-date 2017.
9. Please provide copies of 2014, 2015 and 2016 Montana Corporate License Tax returns.
10. Please provide copies of 2014, 2015 and 2016 Federal Income Tax returns.
11. Please be prepared to discuss, for each income statement pro-forma adjustment to the 2016 historical test year as presented in JDH-EWM-6, the rate making treatment reason/logic for including each adjustment and the detailed financial information and calculations used to derive the income statement and revenue requirement impact of each adjustment.
12. Please be prepared to discuss, for each rate base pro-forma adjustment to the 2016 historical test year as presented in JDH-EWM-3, the rate making treatment reason/logic for including each adjustment and the detailed financial information and calculations used to derive the rate base impact of each adjustment.
13. Please be prepared to discuss, for each rate base pro-forma adjustment to the 2016 historical test year as presented in JDH-CBG-3, the rate making treatment reason/logic for including each adjustment and the detailed financial information and calculations used to derive the rate base impact of each adjustment.
14. Please be prepared to discuss, for each income statement pro-forma adjustment to the 2016 historical test year as presented in JDH-CBG-4, the rate making treatment reason/logic for including each adjustment and the detailed financial information and calculations used to derive the income statement and revenue requirement impact of each adjustment.
15. Please be prepared to discuss in detail the 2014 through 2016 PSC annual reports and the 2016 historical test year financial information presented in both JDH-CBG-4 and JDH-EWM-6.

If I can be of further assistance, please contact me at the email address or phone listed below.

Sincerely,



Dagan Lynch, Rate Analyst  
Montana Public Service Commission  
P.O. Box 202601  
Helena, MT 59620-2601  
Phone: 406.444.6184 Fax: 406.444.7618 Email: [dlynch@mt.gov](mailto:dlynch@mt.gov)

cc: Commissioners  
Will Rosquist  
MCC