

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

---

IN THE MATTER OF ENERGY WEST  
MONTANA, INC.'S APPLICATION FOR  
AN ORDER APPROVING ITS  
RECONCILIATION OF THE  
COLLECTIONS AND DISBURSEMENTS  
OF WEST YELLOWSTONE'S NO  
INTEREST LOAN PROGRAM

REGULATORY DIVISION

Docket No. D2017.12.89

---

**ENERGY WEST MONTANA'S RESPONSES TO  
DATA REQUESTS PSC-027 THROUGH PSC-032**

---

Energy West Montana ("EWM") provide the attached responses to the Montana Public Service Commission's Data Requests PSC-027 through PSC-032.

Respectfully submitted this 2nd day of May, 2018.

*s/ Nikolas S. Stoffel*

Nikolas S. Stoffel, #13485

Thorvald A. Nelson, #8666

Holland & Hart LLP

6380 South Fiddlers Green Circle, Suite 500

Greenwood Village, CO 80111

Telephone: (303) 290-1601, 1626, respectively

[nsstoffel@hollandhart.com](mailto:nsstoffel@hollandhart.com)

[tnelson@hollandhart.com](mailto:tnelson@hollandhart.com)

**COUNSEL FOR ENERGY WEST MONTANA,  
INC.**

## **DATA REQUESTS**

**PSC-027:** RE: LIEAP customers in West Yellowstone  
Witness: Henthorne, Rebuttal p 6

- a. Regarding the West Yellowstone customers signed up for LIEAP assistance that are referred to on p. 6, l. 20-21, please confirm that the customers referred to are current natural gas customers of Energy West.
- b. Please specify the number of customers referred to in (a).

**Response to PSC-027:**

- a. Correct.
- b. In 2017, EWM West Yellowstone had two customers who received LIEAP funds from the state. Please see the response to MCC-003.

**PSC-028:** RE: Start-up dates for USB programs  
Witness: Henthorne, Rebuttal p. 7

- a. Please submit a schedule for significant planning dates and start-up dates of initial operation for new USB programs—i.e., low-income discount for LIEAP customers, low-income furnace efficiency, low-income weatherization, and low-income bill assistance—in West Yellowstone.
- b. In the schedule requested in (a), please include the anticipated dates on which contracts with third-party providers will become operational.
- c. For the schedule requested in (a), please explain your reasoning for the order in which new USB programs are scheduled to be operational.
- d. For the schedule requested in (a), please explain the time requirements and necessary steps for making each of the new programs operational.

**Response to PSC-028:**

- a. EWM has not developed a schedule for significant planning or start-up dates of initial operations for new USB programs in West Yellowstone. As explained in Mr. Henthorne's testimony, EWM would implement a low-income discount program for customers signed up for LIEAP assistance immediately. EWM would also promote LIEAP enrollment in West Yellowstone using the over-collected NIP funds and USB collections. Once the Commission approved the establishment of new USB programs, EWM would begin negotiating the agreement with Energy Share to implement a furnace efficiency program, weatherization program, and bill assistance program for West Yellowstone.
- b. Please see response to PSC-029.
- c. The low-income discount program is implemented by EWM and therefore could be implemented immediately. The other USB programs require coordination with Energy Share and potentially other third-parties, so those programs are proposed to be implemented as part of the second phase of establishing EWM's new USB programs for West Yellowstone.
- d. The low-income discount program can be implemented immediately, although increased LIEAP enrollment in West Yellowstone will be vital for that program to reach its full potential. The enrollment period for LIEAP begins in October 2018. The other new USB programs require coordination with third-parties, making the time requirements uncertain. EWM would endeavor to establish the programs before the end of 2018 if not sooner.

**PSC-029:** RE: Service provider procedures and agreements  
Witness: Henthorne, Rebuttal pp 6-7

Please describe the process, including timelines, of how Energy West will develop formal agreements with third-party providers of USB program services.

**Response to PSC-029:**

After receiving the Commission's approval of the proposed USB plan, EWM will initiate negotiations with Energy Share to reach an agreement similar to the existing agreement between EWM and Energy Share for the USB programs in Great Falls. EWM intends to reach an agreement with Energy Share before the next LIEAP enrollment period begins in October 2018. Given the agreement with Energy Share will be modeled on the existing agreement for Great Falls, EWM is optimistic that an agreement can be reached relatively quickly, but the company has not developed a specific timeline for that negotiation given the outcome of this proceeding is uncertain.

At this time, EWM has not identified any other third-party with which a formal agreement is required to establish the USB program services.

**PSC-030:** RE: Budgets for USB programs  
Witness: Henthorne, Rebuttal

- a. Please submit estimated budgets for each of the new USB programs identified or contemplated in your testimony.
- b. If program-specific budgets are not yet available, please describe your plans for developing the budgets, including the dates they will be finalized.

**Response to PSC-030:**

- a. EWM has not prepared estimated budgets for each of the new USB programs identified or contemplated in Mr. Henthorne's rebuttal testimony.
- b. As explained in Mr. Henthorne's rebuttal testimony, EWM is willing to establish and promote the USB program offerings in West Yellowstone. However, the extent to which there is any demand for these programs remains unclear, and the relatively small population of low-income customers in West Yellowstone leads the company to believe that it may not be possible to spend all of the over-collected NIP funds and future USB collections within West Yellowstone. At this time, EWM intends to fund each USB program with the over-collected funds and future USB collections as the demand for each program requires. If demand ultimately is such that the over-collected balance will be completely spent in West Yellowstone, EWM will prepare budgets for each program and will use those programs to determine the USB rate for West Yellowstone going forward. Information regarding the status of the programs and disbursements of the over-collected NIP funds and USB collections will be provided in EWM's annual USB filings, beginning in June 1, 2019.

**PSC-031:** RE: West Yellowstone USB rate establishment  
Witness: Henthorne, Rebuttal

On p. 4, EWM agrees with MCC that the Commission should waive the 1.12% requirement in ARM 38.5.7020(2) and establish USB funding levels for West Yellowstone at the statutory minimum of 0.42% of annual revenues. EWM's USB rate in its other territories is higher than .42%, with the highest USB rate in Great Falls and Cascade.

- a. In response to MCC-003, you indicate that low income eligible households are approximately 17.2% of total EWM West Yellowstone customers. What percentage of customers in EWM's Great Falls territory are low income eligible households?
- b. EWM's USB programs in Great Falls serve a similar percentage of eligible low income customers as EWM's proposed West Yellowstone USB programs, please explain why the USB rate is proposed to generate .42% of retail sales in West Yellowstone, while Great Falls has a rate approved to generate 1.25% (with actual collections in the years 2007-2017 averaging 1.73%)?

**Response to PSC-031:**

- a. EWM estimates approximately 15%. See Attachment PSC-031.
- b. Percentages can be misleading. For example, 17.2% of EWM's customers in West Yellowstone is 106, while that same percentage of EWM's customers in Great Falls is 5,106. Additionally, EWM and the MCC agree that EWM has an over-collected balance of \$109,764.87 in NIP funds that should be used for USB programs in West Yellowstone.

**PSC-032:** RE: Current and future USB rates  
Witness: Henthorne, Rebuttal

- a. What would the USB charge be for West Yellowstone if the Commission accepts EWM's and MCC's proposed rate of .42% of retail sales? Please show your calculations.
- b. On p. 4-5 of your testimony, you state that EWM does not intend .42% of retail sales to be the permanent funding level for West Yellowstone's USB programs. How does EWM expect the rate to be changed to once the West Yellowstone USB programs are established, and when does EWM predict that a rate change might be necessary?

**Response to PSC-032:**

- a. Based on current tariffs and normalized sales volumes, the rate per CCF would be \$0.00501. See Attachment PSC-032.
- b. EWM would file an application with the Commission to change the USB rate for West Yellowstone once the West Yellowstone programs are established and the level of participation in the programs has increased to the point of completely drawing down the over-collection. As explained in Mr. Henthorne's testimony, it is unclear how much demand there will be for the new USB programs in West Yellowstone. Given that uncertainty, EWM has not attempted to predict when the rate change might be necessary.

## CERTIFICATE OF SERVICE

I certify that on this, the 2nd day of May, 2018, **ENERGY WEST MONTANA'S RESPONSES TO DATA REQUESTS PSC-027 THROUGH PSC-032** were e-filed with the Commission and served via U.S. mail and e-mail, unless otherwise noted, to the following:

Will Rosquist  
Montana PSC  
1701 Prospect Avenue  
PO Box 202601  
Helena, MT 59620-2601  
[wrosquist@mt.gov](mailto:wrosquist@mt.gov)  
via UPS Overnight Mail for delivery 5/3/18

Robert Nelson  
Jason Brown  
Montana Consumer Counsel  
111 N. Last Chance Gulch  
Suite 1B, P.O. Box 201703  
Helena, MT 59601  
[robnelson@mt.gov](mailto:robnelson@mt.gov)  
[jbrown4@mt.gov](mailto:jbrown4@mt.gov)

Jed Henthorne  
President and General Manager  
Energy West Montana, Inc.  
PO Box 2229  
Great Falls, MT 59403-2229  
[jhenthorne@egas.net](mailto:jhenthorne@egas.net)

Thorvald A. Nelson  
Nikolas S. Stoffel  
Holland & Hart LLP  
6380 South Fiddlers Green Circle  
Suite 500  
Greenwood Village, CO 80111  
[tnelson@hollandhart.com](mailto:tnelson@hollandhart.com)  
[nsstoffel@hollandhart.com](mailto:nsstoffel@hollandhart.com)

Kevin Degenstein  
Chief Operating Officer  
Chief Compliance Officer  
Gas Natural Inc.  
PO Box 2229  
Great Falls, MT 59403-2229  
[kdegenstein@egas.net](mailto:kdegenstein@egas.net)

For electronic service only:  
[aclee@hollandhart.com](mailto:aclee@hollandhart.com)  
[ssnow@mt.gov](mailto:ssnow@mt.gov)

*s/ Adele C. Lee*

---