



NorthWestern Corporation  
d/b/a NorthWestern Energy  
40 E Broadway  
Butte MT 59701  
Telephone: (406) 497-3000  
Facsimile: (406) 497-2131  
[www.northwesternenergy.com](http://www.northwesternenergy.com)

September 9, 2009

Ms Kate Whitney  
Montana Public Service Commission  
1701 Prospect Avenue  
P.O. Box 202601  
Helena, MT 59620-2601

RE: Docket No. 2008.5.45 and D2009.5.62  
Electric Supply Trackers  
MCC Set 1 Data Requests (001-041)  
Updates to MCC-001, MCC-003 and MCC-017

Dear Ms. Whitney

Enclosed for filing are eleven copies of NorthWestern Energy's updated responses to MCC-001, MCC-003 and MCC-017. These updated data responses will be efiled at the PSC. The hard copy will be mailed to the service list in this Docket this date.

Should you have questions please contact Joe Schwartzenberger at 406 497-3362.

Sincerely,

Nedra Chase  
Administrative Assistant  
Regulatory Affairs

NC/nc  
CC: Service List

**A. Service List D2008.5.45  
D2009.5.62 combined  
Electric Trackers**

**Charles Magraw  
Law Office  
501 8th Ave  
Helena MT 59601**

**Robert A. Nelson  
Montana Consumer Counsel  
616 Helena Ave 3rd Flr  
P O Box 201703  
Helena MT 59620-2601**

**Dr. Thomas M. Power  
920 Evans Ave  
Missoula MT 59801**

**Kate Whitney  
Montana PSC  
1701 Prospect Ave  
P O Box 202601  
Helena MT 59620-2601**

**John W. Wilson  
JW Wilson & Associates  
1601 N Kent Ste 1104  
Arlington VA 22209**

**NorthWestern Energy**  
**Docket D2009.5.62 & D2008.5.45**  
**Electric Supply Tracker**

**Montana Consumer Counsel (MCC)**  
**Set 1 (001-041)**

Data Requests received July 31, 2009

MCC-001 RE: 2007/2008 Default Supply Tracking Period.  
 Witness: Frank V. Bennett

Please provide an electronic working copy of Exhibit\_\_(FVB-1) 07-08, with all links intact, including all workpapers.

**RESPONSE:**

Please see the response to PSC-001(b). Please see the attached invoices for the 07-08 tracker period. Due to the voluminous nature of these documents one copy has been provided to the MPSC and one to the MCC. Certain invoices contain detailed confidential customer information which has been redacted.

**UPDATED RESPONSE:** (September 9, 2009)

The copy of the July 2007 BPA invoice originally submitted included an accounting ticker tape summary calculation sheet which covered some of the values on the invoice. NWE is resubmitting a copy of this invoice page without the information covered (see Updated Response Attachment 1), and provides the following summary table to further document the invoice detail:

BPA INVOICE July 2007			
	VOL-Mwh	\$	
Sales for Resale	(117)	\$ (1,530.00)	
Sales for Resale-Judith Gap	(3,184)	(134,469.00)	
<b>Total Sales for Resale</b>	<b>(3,301)</b>	<b>\$(135,999.00)</b>	
Energy Purchases	3,927	\$ 208,035.00	
Energy Comp Reserves		44,991.00	
Capacity Reserves		73,333.00	
Wind following put option		32,000.00	
<b>Total Power Purchases</b>	<b>3,927</b>	<b>358,359.00</b>	
<b>Invoice JUL07-PWR01-M01-10262</b>			
<b>Total Paid BPA</b>		<b>32,000.00</b>	
<b>Invoice JUL07-PWR02-M01-10262</b>			
Sales for Resale		(135,999.00)	
Power Purchase		358,359.00	
Prepayment		(196,941.00)	Balance of a \$500K prepayment made 6/11/07
Adjustment for Invoice 1		(32,000.00)	
<b>Total received from BPA</b>		<b>(6,581.00)</b>	
Note: there was a typo on the Accounting Summary page (77,333 vs. 73,333)			
This was corrected in the August Tracker File			

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The Energy Authority, NWE's real time trading/check-out agent, provided oversight and review of the majority of NWE's energy purchases and sales. In July 2007 the volumes on the Portland invoice were different than those provided by the Energy Authority. NWE consistently used the Energy Authority volumes and expenses. As of the first quarter of 2008, NWE performs this function.

The July 2007 Powerex invoice includes an adjustment for 8,600 MWh to remove the non-regulated CU4 portion of the netted bill. The summary table shown below outlines the invoice values:

POWEREX INVOICE July-07			
	Mwh	\$	
Invoice PWX0036452			
<b>Power Purchases Energy Supply</b>	<b>8,600</b>	<b>\$ 473,860.00</b>	
invoice PWX0036451			
<b>Power Purchases Energy Supply</b>	<b>21,454</b>	<b>\$ 1,312,153.96</b>	
<b>CU4 Power Purchases</b>	<b>17,200</b>	<b>\$ 654,546.00</b>	
<b>Total Power Purchases</b>	<b>47,254</b>	<b>\$ 2,440,559.96</b>	
<b>Power Sales Energy Supply</b>	<b>(20,120)</b>	<b>\$(1,282,680.00)</b>	
<b>CU4 Power Sales</b>	<b>(8,600)</b>	<b>\$ (303,150.00)</b>	
<b>Total Sales for Resale</b>	<b>(28,720)</b>	<b>\$(1,585,830.00)</b>	
TOTAL OF BOTH INVOICES			
<b>Power Purchases Energy Supply</b>	<b>30,054</b>	<b>\$ 1,786,013.96</b>	
<b>Power Sales Energy Supply</b>	<b>(20,120)</b>	<b>\$(1,282,680.00)</b>	
<b>CU4 Net Purchases</b>	<b>8,600</b>	<b>\$ 351,396.00</b>	
<b>TOTAL INVOICES</b>		<b>\$ 854,729.96</b>	
			<b>CU4 is reported net on NorthWestern's books because it is a non-regulated entity This item is not included in the Electric Supply Tracker</b>

Similar to the Portland invoice described above, the Energy Authority provided different detailed volumes and expenses different than those shown on the PPL invoice. The net purchases and sales on the PPL invoice ties to the net purchase number received from the Energy Authority. As stated above, NWE consistently used Energy Authority numbers, which are reflected on the first Accounting Summary page.

Seattle City Light invoices reflect both electric supply purchases and reserve sharing purchases by the NWE Transmission function (when there are reserve sharing purchases). The July 2007 Seattle City Light purchases invoice volumes have been reduced by 9 MWh to eliminate these reserve sharing purchases. As shown on the table below, transmission related to electric supply is than added to reflect total tracker costs.

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	SEATTLE CITY LIGHT		
Invoice L022319	Vol -	Dollars	
	Mwh	\$	
Energy Sales	(3,125)	(17,797.00)	
Energy Purchases	5,893	142,198.18	
Eliminate from Tracker	<u>(9)</u>	<u>(462.18)</u>	Reserve Sharing for El. Transmission
	5,884	141,736.00	
Add Invoice L022317		<u>270.00</u>	Transmission for El. Supply
Total in Supply Tracker		142,006.00	

Each month, there are two Accounting Summary pages provided with supporting invoices. The first summarizes power sales and purchases and is the first page of each monthly section, followed by purchase a sale invoices. The second Accounting Summary page labeled "Other Costs" is followed by supporting invoices.

For example, total July 2007 power purchase and other expenses (shown on the Other Costs Accounting Summary page) of \$36,898,120.27 less total sales for resale (shown on the first Accounting Summary page) of \$3,594,287.84 equals Total Electric Expenses of \$33,303,832.43 shown at the top of each Accounting Summary page. (Please note that an estimated version of the Other Costs Summary page was inadvertently attached to the original response. The actual final version is attached, see Updated Response Attachment 2.)

# POWER BILL

Attachment 1

Purchaser: NORTHWESTERN ENERGY COMPANY  
Invoice Number: JUL07-PWR02-M01-10262  
Issue Date: August 08, 2007

Billing Period: July 2007  
Period Ending: July 31, 2007

## GENERATION

Rate Schedule	Service Description	Contract Number	Service Amount	Service Unit	Rate	Revenue \$
FPS-07	Energy Comp Reserves	11852	373,000	kWh @	0.1206200	44,991
FPS-07	Capacity Reserves	11852	2,640,000	kWh @	0.0277778	73,333
FPS-07	Energy Comp Hrly	93445	177,000	kWh @	0.0380000	6,726
FPS-07	Energy Comp Hrly	93445	563,000	kWh @	0.0400000	22,520
FPS-07	Energy Comp Hrly	93445	170,000	kWh @	0.0410000	6,970
FPS-07	Energy Comp Hrly	93445	322,000	kWh @	0.0420000	13,524
FPS-07	Energy Comp Hrly	93445	397,000	kWh @	0.0450000	17,865
FPS-07	Energy Comp Hrly	93445	15,000	kWh @	0.0460000	690
FPS-07	Energy Comp Hrly	93445	100,000	kWh @	0.0470000	4,700
FPS-07	Energy Comp Hrly	93445	48,000	kWh @	0.0530000	2,544
FPS-07	Energy Comp Hrly	93445	761,000	kWh @	0.0550000	41,855
FPS-07	Energy Comp Hrly	93445	145,000	kWh @	0.0560000	8,120
FPS-07	Energy Comp Hrly	93445	70,000	kWh @	0.0570000	3,990
FPS-07	Energy Comp Hrly	93445	312,000	kWh @	0.0580000	18,096
FPS-07	Energy Comp Hrly	93445	220,000	kWh @	0.0600000	13,200
FPS-07	Energy Comp Hrly	93445	25,000	kWh @	0.0610000	1,525
FPS-07	Energy Comp Hrly	93445	90,000	kWh @	0.0620000	5,580
FPS-07	Energy Comp Hrly	93445	10,000	kWh @	0.0630000	630
FPS-07	Energy Comp Hrly	93445	114,000	kWh @	0.0650000	7,410
FPS-07	Energy Comp Hrly	93445	70,000	kWh @	0.0730000	5,110
FPS-07	Energy Comp Hrly	93445	10,000	kWh @	0.0800000	800
FPS-07	Energy Comp Hrly	93445	308,000	kWh @	0.0850000	26,180
FPS-07	Purchased Power Put Option	11808	1	Mo @	32,000.0000000	32,000
	Energy Purchase Hrly	11808	-3,184,000	kWh @	0.0422326	(134,469)
	Energy Purchase Hrly	93445	-81,000	kWh @	0.0100000	(810)
	Energy Purchase Hrly	93445	-36,000	kWh @	0.0200000	(720)
	Prepayment Credit	11852	1	Mo @	-196,941.0000000	(196,941)

FINAL

208,035 ✓

1,530 ✓

1 ✓

<b>Total</b>	<b>\$25,419</b>
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*Checked  
MJK  
8/15/07*

Questions concerning this POWER BILL may be directed to Joan Traversie, (503) 230-3339. Mail inquiries may be directed to Bonneville Power Administration; Customer Billing - KSB; PO Box 2784; Portland, OR 97208-2784.

JULY 2007

**Electric Tracker**

TOTAL ELECTRIC COST REVENUES  
TOTAL ELECTRIC EXPENSES  
ADJUSTMENT

	MWH	BOOK \$
	505,894	31,752,108.95
	573,758	33,303,832.43
	-67,864	-1,551,723.48

**Other Costs**

<b>Tullett Prebon</b>		<b>555300</b>	<b>3,840.00</b>
Nexant	DSM	17054	130,500.00
Mkt Promo/Trade Show	DSM	17054	36.00
Meals/Travel/Lodging	DSM	17054	47.77
Capital City Publishing	DSM	17055	438.30
The Missoulian	DSM	17055	1,241.72
Hyalite Publishing	DSM	17055	187.50
Montana Newspaper Assn.	DSM	17055	2,631.56
KEMA	DSM	17056	4,118.50
National Center for Approp	DSM	17059	3,391.28
KEMA	DSM	17061	340.00
National Center for Approp	DSM	17063	61,499.00
Valley Foods IGA	DSM	17063	29,000.00
Invenergy-Prevailing Wage Settlement	Wind	17124	39,160.03
Invenergy-Impact Fee	Wind	17124	65,605.00
Fergus Electric Coop	Wind	17124	30.98
Evolution Markets	Wind - Green Tags	17013	44,888.00
The Energy Authority		17200	35,975.00
ICE		17001	1,250.00
DTN		17001	1,023.00
TFS		17001	510.00
Power Costs Inc		17004	63,334.00
Reverse UPS cost booked in June		17014	-10.84
Lands Energy		17015	11,266.98
3 Tier Environ		17015	2,600.00
MPSC TAX			61,009.67
MCCELEC TAX			16,639.01
Transmission	Outside Contractor		93,644.04
Ancillary			146,000.00
Ancillary True-up of May-07	Booked \$146,000: Actual \$139,536.78		-6,463.22
DSM Lost Revenues	Tracker year 7/07 thru 6/08		240,888.00
<b>TOTAL EXPENSES</b>		<b>687906</b>	<b>36,898,120.27</b>



**TRACKER YEAR JUL 2008- JUN 2009**

**CORRECTED QF ANALYSIS**

	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Total
QF Tier II	36,224	10,976	57,760	76,883	73,854	71,219	74,704	62,152	71,400	69,117	75,808	128,326	808,423
QF Tier II Stipulation Adjust													
QF Tier II	1,231,978.47	373,293.76	1,964,417.60	2,614,790.83	2,511,774.54	2,422,158.19	2,540,683.04	2,113,789.52	2,428,314.00	2,350,657.20	2,578,230.08	4,364,361.78	27,494,449.01
QF Tier II 08/09 Stipulation Adjust	-	-	-	-	-	-	-	-	-	-	-	(416,731.00)	(416,731.00)
	34.01	34.01	34.01	34.01	34.01	34.01	34.01	34.01	34.01	34.01	34.01	34.01	34.01

Jun-09 Numbers include the QF Adjustment of 53,471 Mwh @ \$34.01/Mwh = Total \$1,818,549  
 This is the amount allowed in the Electric Supply Tracker, however Mid C price is \$41.8036/Mwh so \$7.7936/Mwh is disallowed  
 Volumes for these purchase should be included in short term supply purchases, so disallowance is a dollar adjustment only in the amount of \$416,731.59

**TRACKER EXHIBIT**

	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Total
QF Tier II	36,224	10,976	57,760	76,883	73,854	71,219	74,704	62,152	71,400	69,117	75,808	128,326	808,423
QF Tier II Stipulation Adjust												53,471	53,471
QF Tier II	809,111.47	373,293.76	1,964,417.60	2,614,790.83	2,511,774.54	2,422,158.19	2,540,683.04	2,113,789.52	2,428,314.00	2,350,657.20	2,578,230.08	4,364,361.78	27,071,582.01
QF Tier II 08/09 Stipulation Adjust	-	-	-	-	-	-	-	-	-	-	-	(416,731.00)	(416,731.00)
QF Tier II 07/08 Stipulation Adjust	22.34	34.01	34.01	34.01	34.01	34.01	34.01	34.01	34.01	34.01	34.01	(184,606.00)	(184,606.00)
												34.01	33.49

The Exhibit has the purchase volumes in the wrong area - these volumes should be in the Net Base Contracts.  
 The total July-08 dollars in the exhibit include an adjustment from Jun-08 of \$422,867 that should be in Net Base Market Contracts

year tracker

**TRACKER YEAR JUL 2007- JUN 2008**

<b>CORRECTED QF ANALYSIS</b>	<b>Jul-07</b>	<b>Aug-07</b>	<b>Sep-07</b>	<b>Oct-07</b>	<b>Nov-07</b>	<b>Dec-07</b>	<b>Jan-08</b>	<b>Feb-08</b>	<b>Mar-08</b>	<b>Apr-08</b>	<b>May-08</b>	<b>Jun-08</b>	<b>Total</b>
QF Tier II	50,424	36,066	67,175	70,932	70,547	74,368	67,907	69,825	75,376	69,067	76,260	81,068	809,015
QF Tier II Stipulation Adjust												-	-
QF Tier II	1,683,144.93	1,203,889.42	2,242,301.50	2,367,701.38	2,354,858.86	2,482,403.84	2,266,735.66	2,330,758.50	2,516,050.88	2,305,456.46	2,545,558.80	2,706,049.84	27,004,910.07
QF Tier II 08/09 Stipulation Adjust	-	-	-	-	-	-	-	-	-	-	-	(190,671.84)	(190,671.84)
	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38

(184,606.16) Adjustmen

Jun-08 Numbers include the QF Adjustment of 7,273 Mwh @ \$33.38/Mwh = Total \$242,772.74

Volumes for these purchase should be included in short term supply purchases, so disallowance is a dollar adjustment only in the amount of \$190,671.84

<b>TRACKER EXHIBIT</b>	<b>Jul-07</b>	<b>Aug-07</b>	<b>Sep-07</b>	<b>Oct-07</b>	<b>Nov-07</b>	<b>Dec-07</b>	<b>Jan-08</b>	<b>Feb-08</b>	<b>Mar-08</b>	<b>Apr-08</b>	<b>May-08</b>	<b>Jun-08</b>	<b>Total</b>
QF Tier II	50,424	36,066	67,175	70,932	70,547	74,368	67,907	69,825	75,376	69,067	76,260	73,782	801,729
QF Tier II Stipulation Adjust												7,273	7,273
QF Tier II	1,683,144.93	1,203,889.42	2,242,301.50	2,367,701.38	2,354,858.86	2,482,403.84	2,266,735.66	2,330,758.50	2,516,050.88	2,305,456.46	2,545,558.80	2,706,049.84	27,004,910.07
QF Tier II 08/09 Stipulation Adjust	-	-	-	-	-	-	-	-	-	-	-	(6,065.68)	(6,065.68)
	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	33.38	36.68	33.68

809,002.00

Jun-08 Numbers include the QF Adjustment of 7,273 Mwh @ \$59.60/Mwh = Total \$433,470.8 Error in using ST Sales pricing rather than QF Stipulation pricing  
 This is the amount NWE allowed in the Electric Supply Tracker, however Mid C price is \$58.766/Mwh so \$0.834/Mwh is disallowed  
 Booked a Disallowance as dollar adjustment only in the amount of \$427,405.12 - 433,470.80 = -\$6,065.68  
 Reporting was different for this tracker year - reported volumes for Jun-08 as actual purchases (not QF total for the month) vs. the 2008-2009 Tracker Year. Jun-09 Volumes should be 81,068  
 Because the volumes were reported net, an adjustment to the dollars was made in July 2008 to match revenues and volumes  
 Revenue Adjustment was for \$422,834, but these dollars were taken from the Net Base Market Contracts so impact to tracker was zero.  
 Difference in original disallowance and updated amount was booked in the 2008-09 Tracker Year (184,606.16)  
 Will book the interest on this disallowance at a future date.

it needed

**NorthWestern Energy**  
**Docket D2009.5.62 & D2008.5.45**  
**Electric Supply Tracker**

**Montana Consumer Counsel (MCC)**  
**Set 1 (001-041)**

Data Requests received July 31, 2009

MCC-017      RE:    FVB-15 lines 1-4  
                  Witness: Frank V. Bennett

Please fully explain why CU4 variable cost revenues of \$12,620,304 are subtracted from revenues (i.e., treated as an expense) in computing the CU4 over collection.

RESPONSE:

The CU4 revenues have been updated to 12 months of actual values to -\$10,960,161. This amount, represented as a negative value, is an amount that NWE owes the customer. Please see the updated Exhibit\_\_(FVB-2\_Rev\_1).08-09 attachment to PSC-001(b).

UPDATED RESPONSE: (September 9, 2009)

For further clarification please refer to Exhibit\_\_(FVB-2) 08-09, page 6. The amount of \$14,353,082 on line 40 is the total net owed to ratepayers, the amount of \$12,620,304 on line 16 is the 10 months actual, 2 months estimated amount given back during the 08-09 tracker period and the resulting difference of \$1,732,778 on line 44 is the remaining amount still owed to the ratepayer. Refer to Exhibit\_\_(CAH-2.) 09-10 and Exhibit\_\_(CAH-3) 08-09 to follow the inclusion of this amount in the deferred rate derivation for the 09-10 tracker period.