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August 28, 2010

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

RE: Docket D2010.5.50 – Electric Supply Deferred Cost Account Balance
PSC Set 1 Data Requests (PSC-001-PSC-025)
Updated Response to PSC-021a

Dear Ms. Whitney:

Enclosed for filing is NorthWestern Energy's updated response to PSC-021a and the protected portions of the Energy Supply Hedging Strategy in Docket N2010.6.57. This is being provided under Protective Order 7093b to the Montana Public Service Commission and the Montana Consumer Counsel. Non-disclosure statements were received from the Montana Consumer Counsel.

If you have any questions, please contact Joe Schwartzberger at (406) 497-3362.

Sincerely,

A handwritten signature in cursive script that reads "Nedra Chase".

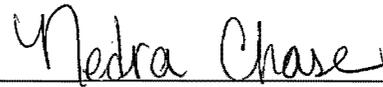
Nedra Chase
Administrative Assistant
Regulatory Affairs

NC/nc
Attachments

CERTIFICATE OF SERVICE

I hereby certify that a copy of NorthWestern Energy's updated response to PSC-021a Data Request Set 1 (PSC-001-PSC-025) in Docket D2010.5.50 Electric Supply Deferred Cost Account Balance has been efiled with the PSC and has been served on the most recent service list by mailing a copy, thereof, by first class mail, postage prepaid.

Date: September 28, 2010



Nedra Chase
Administrative Assistant
Regulatory Affairs

A. Service List D2010.5.50

**Nedra Chase
NorthWestern Energy
40 E Broadway
Butte MT 59701**

**Robert Nelson
Montana Consumer Counsel
111 N Last Chance Gulch
Suite 1B Box 201703
Helena MT 59620-1703**

**Joe Schwartzenberger
NorthWestern Energy
40 E Broadway
Butte MT 59701**

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

**Jason B. Williams
NorthWestern Energy
40 E Broadway
Butte MT 59701**

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

NorthWestern Energy
Docket D2010.5.50
Electric Supply Deferred Cost Account Balance
and
Projected Electric Supply Cost

Montana Public Service Commission (PSC)
Set 1 (001-025)

Data Requests received August 4, 2010

PSC-021

Regarding: Resource needs, resource procurement
Witness: Fine

- a. Please provide a copy of NWE's most recent electricity supply hedging strategy.
- b. Please provide NWE's energy load and resource balance, on a monthly basis, for the upcoming two tracker periods ('10-'11 and '11-'12).
- c. Please provide NWE's peak demand load and resource balance, on a monthly basis, for the upcoming tracker period ('10-'11 and '11-'12).
- d. Please describe all RFPs or other competitive resource procurements planned and or tentatively planned in the next two tracking periods.
- e. Please list all competitive resource solicitations NWE has issued in the last 5 years and indicate whether entities in NWE's Qualifying Facility (QF) queue were invited to participate in those solicitations.

RESPONSE:

- a. NorthWestern believes certain information contained in the electricity supply hedging strategy is protectable and this information has been redacted in the attached public version. NorthWestern has filed a motion for protection of this information. Once an applicable protective order has been issued by the MPSC, NorthWestern will provide the non-public version of this report to the MPSC and intervenors that have provided a properly executed non-disclosure agreement.
- b. The forecasted load and resource balance for the 2010/2011 tracking period has been extracted from Exhibit__(FVB-3)_10-11 and supporting work papers included in folder PSC-001 on the CD attached to PSC-001 in the following table. The values for the 2011/2012 tracking period have not been compiled but are expected to be similar to the 2010/2011 period.

NorthWestern Energy
Docket D2010.5.50
Electric Supply Deferred Cost Account Balance
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Montana Public Service Commission (PSC)
Set 1 (001-025)

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PSC-021 cont'd

| Month | Total Load | Total Resources |
|--------|------------|-----------------|
| Jul-10 | 572,625 | 526,907 |
| Aug-10 | 547,258 | 491,286 |
| Sep-10 | 480,290 | 389,986 |
| Oct-10 | 500,952 | 419,837 |
| Nov-10 | 523,468 | 473,268 |
| Dec-10 | 590,439 | 581,002 |
| Jan-11 | 597,272 | 478,692 |
| Feb-11 | 520,635 | 433,037 |
| Mar-11 | 531,473 | 473,231 |
| Apr-11 | 479,880 | 374,281 |
| May-11 | 485,364 | 411,271 |
| Jun-11 | 503,197 | 447,383 |
| | 6,332,854 | 5,500,182 |

- c. The forecasted peak load and resources for the 2010/2011 tracking period has been extracted from Exhibit__(FVB-3)_10-11 and supporting work papers included in folder PSC-001 on the CD attached to PSC-001 in the following table. The values for the 2011/2012 tracking period have not been compiled but are expected to be similar to the 2010/2011 period.

| Month | Peak Load | Resource Cap. |
|--------|-----------|---------------|
| Jul-10 | 1,125 | 967 |
| Aug-10 | 1,007 | 942 |
| Sep-10 | 949 | 875 |
| Oct-10 | 893 | 877 |
| Nov-10 | 1,023 | 897 |
| Dec-10 | 1,135 | 901 |
| Jan-11 | 1,179 | 719 |
| Feb-11 | 1,004 | 713 |
| Mar-11 | 1,038 | 705 |
| Apr-11 | 850 | 590 |
| May-11 | 850 | 629 |
| Jun-11 | 976 | 688 |

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PSC-021 cont'd

- d. NorthWestern intends to issue an RFP for electric supply in the Fall of 2010.
- e. NorthWestern's Montana Energy Supply conducted an energy auction in November 2006, issued requests for proposals in October 2008 and May 2009, and issued a renewable RFP in August 2008 with another renewable Request for Information (RFI) in August, 2009. Any entity capable of providing the products being solicited was eligible to participate and no one, including QF facilities, was discouraged from participation in these opportunities.

UPDATED RESPONSE: (September 28, 2010)

- a. The attached protected portions of Appendix 1 Energy Supply Hedging Strategy filed under NorthWestern Energy's Electric Procurement Plan Docket N2010.6.57 are being provided under Protective Order No. 7093b, to the Montana Public Service Commission (MPSC) and the Montana Consumer Counsel (MCC).