

**PUBLIC SERVICE COMMISSION
STATE OF MONTANA**

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August 4, 2010

Mr. Joe Schwartzenberger
NorthWestern Energy
40 East Broadway Street
Butte, MT 59701

RE: Data requests in Docket D2010.5.50

Dear Mr. Schwartzenberger,

Enclosed please find data requests of the Montana Public Service Commission to NorthWestern Energy numbered PSC-001 through PSC-025 in the above-referenced Docket. Please begin the response to each new numbered data request on a new page. If you have any questions in regard to PSC-001 through PSC-019, please contact me at (406) 444-6193. If you have any questions in regard to PSC-020 through PSC-025, please contact Will Rosquist at (406) 444-6359.

Sincerely,

Scott Fabel
Rate Analyst
Montana Public Service Commission

Enclosure

Service Date: August 4, 2010

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

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IN THE MATTER OF NorthWestern Energy's) REGULATORY DIVISION
Application for Electric Supply Deferred Cost)
Account Balance and Projected Electric Supply) DOCKET NO. D2010.5.50
Cost

**DATA REQUESTS PSC-001 THROUGH PSC-025 OF THE MONTANA PUBLIC
SERVICE COMMISSION TO NORTHWESTERN ENERGY**

PSC-001

Regarding: Annual Projected Supply Cost
Witness: Frank V. Bennett

- a. Please update actual for estimated months of May and June in Exhibits (FVB-1) for 2010 in Docket D2010.5.50.
- b. Please provide working electronic copies of Exhibit (FVB-1) through Exhibit_(FVB-4) in Docket D2010.5.50 with all supporting files and links intact.

PSC-002

Regarding: Administrative expenses
Witness: Frank V. Bennett

Please provide a detailed breakdown of all costs included in Administrative expense of \$2,131,237 for 2009/2010 tracking period in Docket D2010.5.50.

PSC-003

Regarding: Net Short-term Purchases
Witness: Frank V. Bennett

Please provide a detailed description of all of the short-term transactions for the 2009/2010 tracker period, including date, supplier, cost and quantity in Mr. Bennett's testimony, page FVB 10, line 14-20 filed in Docket D2010.5.50.

PSC-004

Regarding: 2010 Tracking period
Witness: Frank V. Bennett

Please provide all documents and work papers used to calculate the table that summarized the 12 months ended June 2010, as indicated in Mr. Bennett's testimony, page FVB-13, filed in Docket D2010.5.50.

PSC-005

Regarding: 2011 forecast
Witness: Frank V. Bennett

Please provide all documents and work papers used to calculate the table that summarized the 12 months ended June 2011 forecast, as indicated in Mr. Bennett's testimony, page FVB-19, filed in Docket D2010.5.50.

PSC-006

Regarding: Total Sales
Witness: Frank V. Bennett

Please provide all documents, calculations, and work papers that explain the projected Total sales are expected to increase .25 percent or 14,905 MWH in the 2010/2011 tracking period, as indicated in Mr. Bennett's testimony, page FVB-18, line 12-14 filed in Docket D2010.5.50.

PSC-007

Regarding: Deferred Account
Witness: Frank V. Bennett

- a. Please provide all documents and work papers used to calculate the Deferred Account forecast balance of \$6,371,828 under collection, as indicated in Mr. Bennett's testimony, page FVB-7, line 6 filed in Docket D2010.5.50.
- b. Please provide all documents and work papers used to calculate the beginning Deferred Account balance as of July 2009 of \$16,656,253 over collection, as indicated in Mr. Bennett's testimony, page FVB-7, line 4 filed in Docket D2010.5.50.

PSC-008

Regarding: Transmission costs
Witness: Frank V. Bennett

Please provide all documents supporting the transmission costs of \$7,667,096 for the 2009/2010 default supply tracking period.

PSC-009

Regarding: Forecast transmission costs
Witness: Frank V. Bennett

Please provide all documents supporting the forecast transmission costs of \$5,314,418 for the 12- month ended June 2011 found on FVB-19.

PSC-010

Regarding: Puget revenue credits
Witness: Frank V. Bennett

- a. Please provide a detailed explanation of the Puget revenue credits and provide the supporting work papers that show the calculation of the (\$22,306,085) Puget revenue credits figure shown in the table at the top of page FVB-20.
- b. Please provide a detailed explanation of the Puget revenue credits and provide the supporting work papers that show the calculation of the (\$42,273,117) Puget revenue credits figure shown in the table of page FVB-14.

PSC-011

Regarding: Reported DSM Energy Savings and Calculated Lost Revenue
Witness: William M. Thomas

Please provide methodology and detailed description used to develop reported DSM energy saving and calculated lost revenues associated with it for the 2009/2010 tracker period in Docket D2010.5.50.

PSC-012

Regarding: Measurement of Actual results
Witness: William M. Thomas

Please provide detailed explanation of how NWE intends to measure actual results of accumulated energy savings produced by DSM activities in Docket D2010.5.50.

PSC-013

Regarding: Lost Revenue
Witness: William M. Thomas

Please provide all work papers and calculations used to develop proposed lost revenue of \$3,555,817 for 2009/2010, page WMT-31 line 8 in Docket D2010.5.50.

PSC-014

Regarding: Energy Efficient Lighting Program
Witness: William M. Thomas

Please provide all documents and work papers used to calculate the table, as indicated in Mr. Thomas' testimony, page WMT-10, filed in Docket D2010.5.50.

PSC-015

Regarding: Demand Side Management
Witness: William M. Thomas

Please provide working electronic copies of Exhibit_ (WMT-2) and Exhibit_ (WMT-3) in Docket D2010.5.50 with all supporting files and links intact.

PSC-016

Regarding: DSM Targets, Reported Savings, Budget and Spending
Witness: William M. Thomas

Please fully explain and provide complete documentation of the 5.77 (aMW) reported DSM energy savings in 2009-2010.

PSC-017

Regarding: DSM Targets, Reported Savings, Budget and Spending
Witness: William M. Thomas

Please explain whether and to what extent any of the 5.77 (aMW) of reported DSM energy savings and/or any of the 1.16 (aMW) reported USB energy savings in 2009-2010 are expected to carry forward into additional 2010-2011 and subsequent year target savings.

PSC-018

Regarding: Typical Bill Application
Witness: Cheryl Hansen

Please provide working electronic copies of Appendix B to NWE's Electric Default Supply Tracker Filing, Typical Bill Computation, with all supporting files and links intact in Docket D2010.5.50.

PSC-019

Regarding: Default Supply
Witness: Cheryl Hansen

Please provide working electronic copies of Exhibit_ (CAH-1) through Exhibit_ (CAH-5) in Docket D2010.5.50 with all supporting files and links intact.

PSC-020

Regarding: Wind forecasting
Witness: Fine

In Docket Nos. D2008.5.45/D2009.5.62 data request PSC-025 asked NWE whether it could demonstrate conclusively that the 3-Tier forecast system, when combined with discretionary actions by real-time schedulers, results in lower wind integration costs than would be the case without the 3-Tier system.

- a. Please explain any guarantees 3-Tier provides NWE with regard to the accuracy of its forecasts, compared to persistence forecasts.
- b. Please explain how 3-Tier demonstrates to NWE that it is satisfying the terms of any accuracy guarantee.
- c. Has the accuracy of the 3-Tier forecast system improved over time? If so, please demonstrate any improved accuracy.
- d. Please explain whether NWE has studied whether, on an after-the-fact basis, the adjustments NWE's real-time schedulers make to 3-Tier's forecasts have improved the accuracy of Judith Gap schedules and/or whether NWE plans to conduct such a study.
- e. Please provide any guidelines, criteria, procedures or internal NWE policies that NWE's real-time schedulers apply when deciding whether or not to modify the 3-Tier forecast.

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.

PSC-022

Regarding: Portfolio management activity
Witness: Fine/Bennett

- a. Please describe NWE's current policies for managing its QF queue, particularly whether/how junior projects that are ready to proceed to development can move past senior projects that are stalled in terms of development.

- b. If NWE continues to feel that a QF queue continues to be necessary, please explain why.
- c. With regard to the August 2009 renewable RFI, and the on-going negotiations with two projects, please describe the status of the negotiations and the date by which NWE intends to decide whether to acquire the projects.
- d. If NWE has conducted (either internally or through consultants) an economic analysis of the cost-effectiveness of the two renewable projects with which it is in negotiations, please provide a complete copy of that analysis.
- e. On p 5 of his testimony, Mr. Fine states, "Specifically, NWE is: evaluating mid to long-term contract power delivery and equity purchase opportunities..." Please explain more fully what this means and describe the evaluation process.

PSC-023

Regarding: Rate design, tracker implementation

Witness: Unknown

- a. If, in Docket No. D2009.9.129, the PSC decides to re-bundle supply rates with delivery rates, how would the process of tracking electricity supply costs change? Please explain the reason for each change identified.
- b. Please explain NWE's position on changing the frequency of rate changes related to electricity supply cost tracking from monthly to quarterly, semi-annually, or annually.
- c. If monthly rate adjustments had not occurred during the 2009-10 tracking period what would the cumulative over- or under-collection of electricity supply costs have been on July 1, 2010?

PSC-024

Regarding: Results of 2009-10 tracking period, p. FVB-13

Witness: Bennett

- a. Please explain and provide supporting calculations for the operating reserves and wind firming cost credits shown for Basin Creek.
- b. Please provide the supporting calculations for the \$2,994,007 operating reserves cost.
- c. Please provide invoices and supporting calculations for the \$4,367,045 imbalance cost and the \$7,667,096 transmission cost.
- d. With regard to the imbalance and transmission cost referred to in part "d," please state whether these costs are charged to NWE's supply function by NWE's Transmission function based on the NWE FERC jurisdictional Open Access Transmission Tariff.

PSC-025

Regarding: 2010 – 2011 tracker period

Witness: Bennett

- a. On p. FVB-17 you explain that NWE proposes to monitor the cumulative ending deferred balance and may submit CU4 monthly variable rate adjustments if needed to

- keep the cumulative deferred account balance from increasing to an excessive amount. Please quantify what NWE would consider an excessive amount.
- b. Please explain how NWE's projected market purchases are affected by the termination of the Puget contract.
 - c. What is the projected net impact on total portfolio costs of the termination of the Puget contract and any reduced market purchases, at current market price projections?
 - d. When you testify on p. FVB-17, lines 8-11, that when the Puget revenue credit goes to zero in the middle of the 2010-'11 tracker period, all else equal, an under collection would develop absent an adjustment in the variable cost rate, does your "all else equal" condition mean holding market purchases equal to pre-Puget termination amounts?