

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

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)

**RESPONSE OF THE MONTANA CONSUMER COUNSEL
TO MONTANA PUBLIC SERVICE COMMISSION
DATA REQUEST PSC-028**

PSC-028

Regarding: Exhibits, CU4 lost revenues
Witness: Wilson

- a. Please provide electronic copies of Exhibits (JW-1), (JW-2), (JW-3) and (JW-4) with all links intact and all supporting worksheets.
- b. Please provide a copy of NWE's response to Data Request MCC-25 in Docket D2009.5.62, referenced in Dr. Wilson's testimony, p.12, and line 15.
- c. In its January 1, 2009 Monthly Electric Supply Cost Rate Adjustment, filed December 15, 2008, NWE stated that it derived CU4 fixed cost of service rates using calendar year 2007 supply loads. It stated, "This is the best match of loads to the revenue requirement and is similar to treatment utilized in all revenue requirement filings." Please explain whether you disagree with this statement and, if so, why.

RESPONSE:

- a. See attached files: Exhibit__(JW-1).xls, Exhibit__(JW-2).xls, Exhibit__(JW-3).xls, and Exhibit__(JW-4).xlsx.
- b. See attachment PSC-028 (b).
- c. I disagree. The loads in the 1/1/09 filing (filed 12/15/08) were 2007 forecasted test year loads, not actual calendar year loads. More importantly, as explained in detail in my testimony, since CU4 was not even a rate base resource in 2007 and did not become one until January 2009, the tracker year 2008/2009 forecasted test year loads would be a far better fit. The Company's claim of 2007 test year loads simply overcharges consumers and, in effect, assumes a larger revenue requirement for CU4 than was valued by the Commission in the 2008 CU4 case.

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Exhibit (CAH-4),09-10
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Northwestern Energy
Electric Supply Derivation of Rates
Supply Excl CU4 Base Rates - Prior to Cap Adjustment
July 1, 2009

Customer Rate Class	Loss Factor	Electric Supply Retail kWh Sales	Sales Adjusted for Employee Discount	Sales Weighted by Losses	Electric Supply Base Rate After Losses	Electric Supply Revenue Check
Residential	8.5100%	2,287,542,395	2,287,542,395	2,482,212,253	\$ 0.045709	\$ 104,561,275
Residential Employee	8.5100%	4,644,156	2,786,494	3,023,624	\$ 0.027425	\$ 127,366
GS 1 Secondary NonDemand	8.5100%	286,214,491	286,214,491	310,571,345	\$ 0.045709	\$ 13,082,578
GS 1 Secondary Demand	8.5100%	2,484,697,593	2,484,697,593	2,696,145,358	\$ 0.045709	\$ 113,573,042
GS 1 Primary NonDemand	5.5400%	538,398	538,398	568,225	\$ 0.044458	\$ 23,936
GS 1 Primary Demand	5.5400%	334,562,461	334,562,461	353,097,221	\$ 0.044458	\$ 14,873,978
General Service Substation	4.6300%	190,251,919	190,251,919	199,060,583	\$ 0.044074	\$ 8,385,163
General Service Transmission	4.0000%	146,640,634	146,640,634	152,506,259	\$ 0.043809	\$ 6,424,180
Irrigation	8.5100%	86,903,147	86,903,147	94,298,605	\$ 0.045709	\$ 3,972,256
Lighting	8.5100%	57,368,843	57,368,843	62,250,932	\$ 0.045709	\$ 2,622,272
YNP Contract		5,879,364,038	5,877,506,375	6,353,734,405	\$ 0.045537	\$ 267,646,047
Total Electric Supply Load		18,736,477			Rounding Adjustment	\$ (2,155)
		5,898,100,515				\$ 267,643,892
				Supply Excluding CU4 Costs	\$ 268,678,145	
				less: YNP Contract Revenues	\$ (1,034,254)	
				Supply Excluding CU4 Rate Design Revenues	\$ 267,643,892	
				Total Supply Excl CU4 Rate Before Losses	\$ 0.042124	
				Total Supply Excl CU4 Rate After Losses	\$ 0.045523	
				YNP Contract Load	18,736,477	
				YNP May09-Apr10 Contract Supply Rate	0.055200	
				YNP Supply Revenue	\$ 1,034,254	

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NorthWestern Energy
 Electric Supply Derivation of Rates
 Supply Excl CU4 Rate Capped at Residential Increase

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10		CAPPED RATES	Energy	Current	Proposed	Proposed	\$ Change	% Change	\$ at Res Cap	Capped	Capped	Capped											
11			(mWh)	Revenue	Rates	Revenue			-5.28%	\$ Change	% Change	kWh Rates											
12		Residential																					
13		Residential	2,287,542	\$ 110,385	0.045709	\$ 104,561	\$ (5,824)	-5.28%	\$ 104,561	\$ 105,815	-4.14%	0.046257											
14		Res Employee	4,644	\$ 134	0.027425	\$ 127	\$ (7)	-5.28%	\$ 127	\$ 129	-4.14%	0.027754											
15		Total Residential	2,292,187	\$ 110,520		\$ 104,689	\$ (5,831)	-5.28%	\$ 104,689	\$ 105,944	-4.14%												
16		General Service 1																					
17		GS1 Sec NonDmd	286,214	\$ 12,494	0.045709	\$ 13,083	\$ 589	4.71%	\$ 11,835	\$ 11,977	-4.14%	0.041845											
18		GS1 Sec Dmd	2,484,698	\$ 119,899	0.045709	\$ 113,573	\$ (6,326)	-5.28%	\$ 113,573	\$ 114,934	-4.14%	0.046257											
19		GS1 Prim NonDmd	538	\$ 25	0.044458	\$ 24	\$ (1)	-5.27%	\$ 24	\$ 24	-4.14%	0.044989											
20		GS1 Prim Dmd	334,562	\$ 14,338	0.044458	\$ 14,874	\$ 536	3.74%	\$ 13,581	\$ 13,744	-4.14%	0.041081											
21		Total GS-1	3,106,013	\$ 146,756		\$ 141,554	\$ (5,202)	-3.54%	\$ 139,013	\$ 140,679	-4.14%												
22		General Service 2																					
23		GS2 Substation	190,252	\$ 8,852	0.044074	\$ 8,385	\$ (467)	-5.27%	\$ 8,385	\$ 8,486	-4.14%	0.044601											
24		GS2 Transmission	146,641	\$ 6,782	0.043809	\$ 6,424	\$ (358)	-5.27%	\$ 6,424	\$ 6,501	-4.14%	0.044332											
25		Total GS-2	336,893	\$ 15,634		\$ 14,809	\$ (824)	-5.27%	\$ 14,809	\$ 14,986	-4.14%												
26		Irrigation																					
27		Irrigation	86,903	\$ 3,793	0.045709	\$ 3,972	\$ 179	4.71%	\$ 3,593	\$ 3,636	-4.14%	0.041845											
28		Total Irrigation	86,903	\$ 3,793		\$ 3,972	\$ 179	4.71%	\$ 3,593	\$ 3,636	-4.14%												
29		Lighting																					
30		Lighting	57,369	\$ 2,504	0.045709	\$ 2,622	\$ 118	4.71%	\$ 2,372	\$ 2,401	-4.14%	0.041845											
31		Total Lighting	57,369	\$ 2,504		\$ 2,622	\$ 118	4.71%	\$ 2,372	\$ 2,401	-4.14%												
32		Total Rate Schedule	5,879,364	\$ 279,207		\$ 267,646	\$ (11,561)	-4.14%	\$ 264,476	\$ 267,646													
33																							
34		Capped Rate Adjustment Factor																					
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NorthWestern Energy
Electric Supply Derivation of Rates
Supply Excl CU4 Revenue at Current Rates

	Load Statistics	Current Rates 6/1/09	Current Supply Excl CU4 Revenue
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Residential

Residential	2,287,542	0.048255	\$ 110,385
Residential Employee	4,644	0.028953	\$ 134
Total Residential			\$ 110,520

General Service 1

GS-1 Sec Non-Demand	286,214	0.043652	\$ 12,494
GS-1 Sec Demand	2,484,698	0.048255	\$ 119,899
GS-1 Pri Non-Demand	538	0.046932	\$ 25
GS-1 Pri Demand	334,562	0.042855	\$ 14,338
Total GS-1			\$ 146,756

General Service 2

GS-2 Substation	190,252	0.046528	\$ 8,852
GS-2 Transmission	146,641	0.046247	\$ 6,782
Total GS-2			\$ 15,634

Irrigation

Irrigation	86,903	0.043652	\$ 3,793
Total Irrigation			\$ 3,793

Lighting

Lighting	57,369	0.043652	\$ 2,504
Total Lighting			\$ 2,504

Total Rate Schedule	5,879,364		\$ 279,207
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Northwestern Energy
 Electric Supply Derivation of Rates
 Colstrip Unit 4 Fixed Cost of Service Rates
 January 1, 2009

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NorthWestern Energy
Electric Supply Derivation of Rates
Total Colstrip Unit 4 Rate Revenue Summary

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NorthWestern Energy
Electric Supply Derivation of Rates
Total Proposed Supply Rate
July 1, 2009

	Supply Excl CU4 Rates	MCC-025 CU4 Fixed Rates	CU4 Variable & Price Stability Rates	Proposed Total Supply Rates
Residential				
Residential	0.046257	0.012951	(0.004487)	0.054721
Residential Employee	0.027754	0.007771	(0.002692)	0.032833
Total Residential				
General Service 1				
GS-1 Sec Non-Demand	0.041845	0.012951	(0.004487)	0.050309
GS-1 Sec Demand	0.046257	0.012951	(0.004487)	0.054721
GS-1 Pri Non-Demand	0.044989	0.012596	(0.004364)	0.053221
GS-1 Pri Demand	0.041081	0.012596	(0.004364)	0.049313
Total GS-1				
General Service 2				
GS-2 Substation	0.044601	0.012488	(0.004326)	0.052763
GS-2 Transmission	0.044332	0.012412	(0.004300)	0.052444
Total GS-2				
Irrigation				
Irrigation	0.041845	0.012951	(0.004487)	0.050309
Total Irrigation				
Lighting				
Lighting	0.041845	0.012951	(0.004487)	0.050309
Total Lighting				
Average Billed Rate	0.045523	0.012898	(0.004469)	0.053952
Total Supply Rate	45.52		8.43	53.95