

Service Date: August 24, 2011

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 Approval of Electricity Supply)
Deferred Cost Account Balance and Projected) DOCKET NO. D2011.5.38
Electric Supply Costs)

**DATA REQUESTS PSC-001 THROUGH PSC-035 OF THE
MONTANA PUBLIC SERVICE COMMISSION
TO
NORTHWESTERN ENERGY**

PSC-001

Regarding: 2010-2011 Tracker Period
Witnesses: Bennett, Hansen, Thomas

- a. Please provide working electronic copies of all Exhibits with all supporting files and links intact.
- b. Please update actual for estimated months of May and June, 2011 in Exhibits FVB-1, FVB-4, and FVB-6.
- c. Please update actual for estimated months of April, May and June, 2011 in Exhibit WMT-1.
- d. Please update actual for estimated months of May and June, 2011 in Exhibit WMT-2.
- e. Please provide electronic copies of the monthly invoices for electric sales, electric purchases, and other costs.

PSC-002

Regarding: QF Projects

Witness: Fine

- a. Please identify and describe the three QF wind projects totaling 28 MW that accepted the standard rate, including their nameplate capacity and locations.
- b. Please provide the standard QF contract terms and conditions distributed in the second quarter of 2011.

PSC-003

Regarding: Basin Creek

Witnesses: Fine, Markovich, and Bennett

Please describe any changes to scheduling and dispatch of the Basin Creek resource that are due to the incorporation of the David Gates Generating Station (DGGS) into NorthWestern's portfolio.

PSC-004

Regarding: Wind Modeling

Witness: Fine

Please provide the 2011 technical report from GENIVAR; a website address that links to the report is satisfactory.

PSC-005

Regarding: Forecasting Wind

Witness: Fine

- a. Please describe in detail how NorthWestern Energy forecasts wind, and schedules expected wind generated energy.
- b. If NorthWestern Energy uses a third party product such as 3-Tier, please describe how NorthWestern Energy incorporates the third party product into its forecast.
- c. Please specify any accuracy parameters that NorthWestern Energy expects to attain in forecasting wind.
- d. Please describe how NorthWestern Energy verifies that its accuracy standards are met. In particular, describe any statistical tests that NorthWestern uses to test the accuracy of wind forecasts.

- e. If NorthWestern Energy uses a third party product to forecast wind, please describe any statistical tests that NorthWestern Energy uses to verify that the product is providing useful benefit.

PSC-006

Regarding: Competitive Solicitations

Witness: Fine

- a. Please describe all RFPs or other competitive resource procurements planned and or tentatively planned during the next two tracker periods.
- b. Please list and describe all competitive resource solicitations NorthWestern Energy has issued in the last five years and indicate whether Qualifying Facilities were invited to participate in those solicitations.
- c. Please provide all documents submitted in response to the October 2008 RFP, including the price and identity of each bidder.

PSC-007

Regarding: Comprehensive Rate Case

Witnesses: Fine, Bennett, Hansen

- a. Please specify when NorthWestern Energy is planning to file its next rate case.
- b. Is NorthWestern Energy planning to file the next rate case as a comprehensive rate case, including cost of service studies for transmission and distribution, energy supply, Colstrip Unit 4 (CU4), and DGGGS?
- c. Please describe in general terms the cost of service studies that will be used to allocate costs or design rates for energy supply, CU4, and DGGGS.

PSC-008

Regarding: Market Purchases

Witness: Markovich

- a. Please describe whether and how NorthWestern Energy changed its hedging strategy in response to low market prices during the 2010-2011 tracker period.
- b. Please describe any program NorthWestern Energy participated in to receive electric supply from the Bonneville Power Administration (BPA) during the 2010-2011 tracker period, and indicate the cost and quantity of electricity received from BPA as a separate line in Exhibit FVB-1 (or identify where in Exhibit FVB-1 those costs are reflected).

- c. Please quantify the cost and amount of any electricity supply resources that NorthWestern displaced with market purchases in response to low market prices during the 2010-2011 tracker period.
- d. Please quantify the extent to which NorthWestern backed down CU4 in response to low market prices during the 2010-2011 tracker period.
- e. Please describe NorthWestern's economic dispatch strategy and how it informs dispatch and curtailment of its electricity supply resources.

PSC-009

Regarding: Peaking Power
Witness: Markovich

Please provide the two 25 MW contracts for heavy load that NorthWestern Energy entered into on September 21, 2010.

PSC-010

Regarding: Citigroup Purchase Power Agreement
Witness: Markovich

Please provide the Citigroup contract that expires on June 30, 2020.

PSC-011

Regarding: Net Short-Term Purchases
Witness: Bennett

- a. Please provide a detailed description of all of the short-term transactions for the 2010-2011 tracker period, including the date, supplier, cost and quantity.
- b. Please explain why NorthWestern forecasts no fixed price transactions from August 2011 to June 2012.

PSC-012

Regarding: 2011 Tracking Period
Witness: Bennett

- a. Please provide all documents and work papers used to calculate the table that summarized the 12 months ended June 2011, as indicated in Mr. Bennett's electricity supply testimony on pages 12-13.

- b. Please provide all documents and work papers used to calculate the table that summarized the 12 months ended June 2011, as indicated in Mr. Bennett's CU4 testimony on pages 4-5.
- c. Please provide all documents and work papers used to calculate the table that summarized the 12 months ended June 2011, as indicated in Mr. Bennett's DGGS testimony on page 4.

PSC-013

Regarding: 2012 Tracking Period

Witness: Bennett

- a. Please provide all documents and work papers used to calculate the table that summarized the 12 months ended June 2012, as indicated in Mr. Bennett's electricity supply testimony on pages 15-17.
- b. Please provide all documents and work papers used to calculate the table that summarized the 12 months ended June 2012, as indicated in Mr. Bennett's CU4 testimony on page 6.
- c. Please provide all documents and work papers used to calculate the table that summarized the 12 months ended June 2012, as indicated in Mr. Bennett's DGGS testimony on pages 5-6.

PSC-014

Regarding: Deferred Account

Witness: Bennett

- a. Please provide all documents and work papers used to calculate the Deferred Account forecast balance of \$20,715,501 under collection, as indicated in Mr. Bennett's electricity supply testimony on line 18 of page 6.
- b. Please provide all documents and work papers used to calculate the beginning Deferred Account balance as of July 2010 of \$6,980,033 under collection, as indicated in Mr. Bennett's electricity supply testimony on line 15 of page 6.

PSC-015

Regarding: CU4 Deferred Value

Witness: Bennett

- a. Please provide all documents and work papers used to calculate the Deferred Value forecast balance of \$24,472,321 over collection, as indicated in Mr. Bennett's CU4 testimony on line 14 of page 4.

- b. Please provide all documents and work papers used to calculate the beginning Deferred Account balance as of June 2010 of \$7,944,355 over collection, as indicated in Mr. Bennett's CU4 testimony on line 11 of page 4.

PSC-016

Regarding: DGGs Deferred Value
Witness: Bennett

Please provide all documents and work papers used to calculate the beginning Deferred Account balance as of June 2011 of \$942,215 under collection, as indicated in Mr. Bennett's DGGs testimony line 20 of page 3.

PSC-017

Regarding: Administrative expenses
Witness: Bennett

Please provide a detailed breakdown of all costs included in Administrative expense of \$2,050,405 for the 2010-2011 tracker period.

PSC-018

Regarding: Transmission Costs
Witness: Bennett

- a. Please provide all documents supporting the transmission costs of \$4,878,139 for the 2010-2011 default supply tracker period.
- b. Please provide all documents supporting the forecast transmission costs of \$168,833 for the 12 months ended June 2012 found in Exhibit FVB-16.

PSC-019

Regarding: Puget revenue credits
Witness: Bennett

Please provide a detailed explanation of the Puget revenue credits and provide the supporting work papers that show the calculation of the (\$21,771,863) Puget revenue credits figure shown in the table in Mr. Bennett's CU4 testimony on page 4.

PSC-020

Regarding: Non-Base Energy Requirements

Witness: Bennett

- a. Please explain how NorthWestern estimated net non-base transactions for the 2011-2012 tracker period.
- b. Please explain the decrease of approximately 11 percentage points for projected net non-base transactions, from 25.65% of annual supply requirements during the 2010-2011 tracker period to 14.2% during the 2011-2012 tracker period.

PSC-021

Regarding: Plants Owned

Witness: Bennett

- a. Please explain why supply from CU4 dropped to 57,818 MWh in April 2011.
- b. Please explain why supply from DGGS increased to 26,981 MWh in April 2011.

PSC-022

Regarding: Wind Other Costs

Witness: Bennett

- a. Please list and describe all costs considered "Invenergy costs" on line 18 of page 9.
- b. Please explain the difference between "wind modeling" and "3-Tier services," and provide any invoices related to these services.
- c. Please provide all invoices and contracts associated with services provided by Fergus Electric to met tower sites during the 2010-2011 tracker period.
- d. Please provide all invoices, contracts and other documents associated with "site rents" and "other direct wind costs" during the 2010-2011 tracker period.

PSC-023

Regarding: Line Losses

Witnesses: Bennett, Hansen

- a. Please describe how NorthWestern Energy monitors, studies and quantifies actual line losses on its system.

- b. Please provide paper and working electronic copies of all working papers and calculations used to derive the loss factors on page 3 of Exhibit CAH-2.
- c. Please provide NorthWestern Energy's most recent study of actual, physical line losses.
- d. Please provide NorthWestern Energy's actual line losses in megawatt-hours by month during the 2010-2011 tracker period.

PSC-024

Regarding: Billing Cycle Adjustment
Witnesses: Bennett, Hansen

- a. Please list, describe and quantify everything that accounts for the difference in Exhibit FVB-1 between "total delivered supply" on line 51 of page 3 and "total sales" on line 7 of page 1.
- b. Please provide paper and working electronic copies of all working papers and calculations used to adjust for the difference between billing cycles and calendar months.

PSC-025

Regarding: Typical Bill Application
Witness: Hansen

Please provide working electronic copies of NorthWestern Energy's Typical Bill Computation spreadsheet with all supporting files and links intact.

PSC-026

Regarding: Rate Design
Witness: Hansen

- a. Please explain the rationale for capping supply rates so that the percentage rate increase for each customer class is no greater than the Residential customer rate class increase.
- b. Please explain NorthWestern Energy's position regarding whether it should continue to apply the residential cap to supply rates in future tracker dockets.
- c. Please provide the most recent study and documentation of how NorthWestern Energy's supply costs vary seasonally.

- d. Please explain NorthWestern Energy's position regarding the appropriate forum for addressing cost of service and rate design issues related to electric supply rates (i.e., tracker proceedings or general rate case proceedings).
- e. Please describe whether and how NorthWestern could improve the rate design for any customer class.

PSC-027

Regarding: Demand-Side Management (DSM) Savings

Witness: Thomas

- a. Please describe in detail the methods used to estimate the reported DSM energy savings for the 2010-2011 tracker period.
- b. Please describe in detail the statistical methods used to verify reported DSM savings.
- c. Please fully explain and provide complete documentation of the 8.63 aMW of reported DSM energy savings during the 2010-2011 tracker period.
- d. Please describe in detail how verified changes to reported DSM savings are used to update lost revenue calculations, and how lost revenue imbalances are addressed.
- e. Please explain whether and to what extent NorthWestern Energy will carry forward any of the 8.63 aMW of reported DSM energy savings or any of the 0.57 aMW of reported Universal System Benefits (USB) reported savings from the 2010-2011 tracker period into the 2011-2012 tracker period, or count those savings toward subsequent savings targets.

PSC-028

Regarding: DSM Programs

Witness: Thomas

- a. Please explain the difference between the E+ New Homes Program and the E+ Residential New Construction Electric Savings Program on lines 17-18 of Exhibit WMT-1.
- b. Please describe the Department of Environmental Quality Appliance Rebate Program, including program eligibility criteria, rebate size, funding source(s), and cost-effectiveness.
- c. Please describe the ENERGY STAR 80 Plus Program, including program eligibility criteria, rebate size, funding source(s), and cost-effectiveness.

PSC-029

Regarding: DSM Budget

Witness: Thomas

Please provide paper and working electronic copies of all documents supporting the projected cost of \$8,063,519 for DSM programs and labor during the 2011-2012 tracker period with all supporting files and links intact.

PSC-030

Regarding: Cost-Effectiveness Tests

Witness: Thomas

- a. Please provide paper and working electronic copies of all work papers, calculations, analyses and cost-effectiveness tests that NorthWestern used to initially determine whether to implement the following DSM programs: (1) E+ Commercial Electric Rebate Program for New Construction; (2) E+ Residential Electric Savings Program; (3) E+ Commercial Electric Program for Existing Facilities; (4) E+ New Homes; (5) E+ Electric Motor Rebate; (6) E+ Irrigator Program; and (7) Bozeman Building Blocks.
- b. Please provide paper and working electronic copies of any work papers, calculations analyses and cost-effectiveness tests NorthWestern has used to determine whether to implement any behavior-based or information-based DSM programs.
- c. Please list and describe any DSM programs or measures NorthWestern has or will consider during the 2010-2011 and 2011-2012 tracker periods.

PSC-031

Regarding: USB Savings

Witness: Thomas

- a. Please provide a detailed breakdown of the mix of USB and DSM funding for any program that is funded by both sources.
- b. Please quantify how much, if any, of NorthWestern's payments to the Northwest Energy Efficiency Alliance come from USB funds.
- c. Please explain the rationale for recovering lost revenues for energy savings acquired through USB programs.
- d. Please explain NorthWestern's position regarding whether it should continue to recover lost revenues for savings achieved through USB programs.
- e. Please explain the rationale for counting USB savings toward DSM goals.

PSC-032

Regarding: Green and Building Blocks Programs

Witness: Thomas

- a. Please provide the ratio, formula or method used to credit the energy savings from Green Blocks to the following three programs: (1) E+ Energy Audit for the Home; (2) E+ Residential Electric Savings Program; and (3) E+ Residential Natural Gas Rebate Program?
- b. Please explain how the Building Blocks program in Bozeman differs from the Green Blocks programs in Helena and Missoula.
- c. Please provide the interim report submitted by the National Center for Appropriate Technology.

PSC-033

Regarding: E+ Lighting Programs

Witness: Thomas

- a. Please explain when and how NorthWestern Energy will modify its E+ Lighting program eligibility criteria to reflect the beginning of the effects of Federal Regulations on compact fluorescent lights (CFLs) and other lighting technologies.
- b. Please explain whether and how NorthWestern Energy will claim savings from previously-installed CFLs after the federal regulations go into effect.

PSC-034

Regarding: Exhibit Corrections

Witness: Thomas

Please correct any typos on page 2 of Exhibit WMT-3.

PSC-035

Regarding: Capitalizing DSM Program Costs

Witness: Thomas

Please explain whether and how NorthWestern or the Montana Power Company ever capitalized DSM costs in the past, providing detail as to the methods, rates of return and depreciation schedules used.