

NorthWestern[™] Energy

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October 14, 2011

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

RE: Docket No. D2011.6.53
CREP Petition
MCC Set 1 Data Request (001-005) Responses

Dear Ms. Whitney:

Enclosed for filing is one copy of NorthWestern Energy's responses to MCC Set 1 Data Requests(001-005). Copies of the responses are being mailed to the service list in this docket and efiled with the PSC.

Please call Joe Schwartzenberger at 497-3362 if you have any questions.

Sincerely,



Tracy Lowney Killoy
Administrative Assistant
Regulatory Affairs

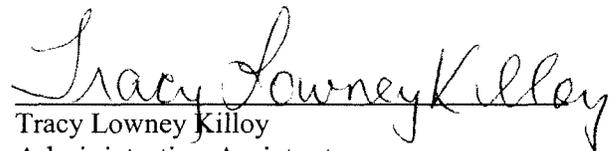
Enclosures

cc: Service List

CERTIFICATE OF SERVICE

I hereby certify that a copy of NorthWestern Energy's ("NWE") Responses to MCC Set 1(001-005) Data Requests in Docket No. D2011.6.53 has been hand delivered to the Montana Public Service Commission (PSC) and has been e-filed electronically on the PSC website. A hard copy has been mailed to the attached service list on this date by first class mail.

Date: October 14, 2011


Tracy Lowney Killoy
Administrative Assistant
Regulatory Affairs

Docket Service List
Docket N2011.6.53

Robert Nelson
Montana Consumer Counsel
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Helena MT 59620

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Tracy Lowney Killoy
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Jeff Fox
Renewable Northwestern project
615 S. Black Ave.
Bozeman MT 59715
(interested person)

NorthWestern Energy
Docket D2011.6.53
Petition CREP Waiver

Montana Consumer Counsel (MCC)
Set 1 (001-005)

Data Requests received September 30, 2011

MCC-001. RE: Turnbull Power

WITNESS: Dave Fine

- a. Please provide the expected diurnal power delivery over the course of the year from Turnbull power.
- b. Please provide the price of power from Turnbull.

RESPONSE:

- a. Turnbull is anticipated to produce and deliver power during the irrigation season that runs approximately May through September each year. NorthWestern, through communication with Turnbull, will create hourly schedules for power delivery with little expected deviation. Power delivery schedules will be adjusted based on changes to the water delivery schedule in the irrigation canal.
- b. The 20-year levelized price of power is \$69.50/MWH. The price paid to Turnbull for commercial power delivered in 2011 was \$65.25/MWH.

NorthWestern Energy
Docket D2011.6.53
Petition CREP Waiver

Montana Consumer Counsel (MCC)
Set 1 (001-005)

Data Requests received September 30, 2011

MCC-002. RE: Ciboria
WITNESS: Dave Fine

- a. Please describe the nature of the Ciboria project, in terms of prime mover, size, and expected diurnal pattern of power delivery over the course of the year.
- b. Please provide the bid price of power from Ciboria.

RESPONSE:

- a. Prime mover: Wind.
Size: Up to 7 different sites, each sized at 5 MW for a potential total of 35 MW.
The expected diurnal pattern of power delivery over the course of the year is that it will be variable.
- b. Ciboria submitted the following pricing as part of their proposal:

Year	20-year	10-year
	(\$/MWh)	(\$/MWh)
2010	49.00	69.00
2011	49.00	69.00
2012	49.00	69.00
2013	49.00	69.00
2014	49.00	69.00
2015	59.00	79.00
2016	59.00	79.00
2017	59.00	79.00
2018	59.00	79.00
2019	59.00	79.00
2020	69.00	
2021	69.00	
2022	69.00	
2023	69.00	
2024	69.00	
2025	79.00	
2026	79.00	
2027	79.00	
2028	79.00	
2029	79.00	

NorthWestern Energy
Docket D2011.6.53
Petition CREP Waiver

Montana Consumer Counsel (MCC)
Set 1 (001-005)

Data Requests received September 30, 2011

MCC-003. RE: Alternative Resource Benchmark Power Price
WITNESS: Steve Lewis

- a. What was the benchmark price of alternative resources used to calculate a cutoff price for bid resources?
- b. Which alternate resources were used as a base for calculating the benchmark price?

RESPONSE:

- a. During the evaluation phase, the prices from the respondents were compared against the QF-1 rates proposed by NWE in Docket No. D2008.12.146. This price was not used as a cut-off price to suspend consideration during screening although it was factored into the decision process and became more of a cutoff price and negotiating tool when discussing the final pricing and agreement with Turnbull Hydro.

Each project was compared to the appropriate option under the proposed QF-1 rate structure as described above. This comparison is in the attached workbook.

- b. See response to Data Request MCC-003(a), above.

NorthWestern Energy
CREP Price Update - With Comparison to QF Rates proposed by NWE
in Docket No. D2008.12.146
 All values in \$/MWh

Proposal	Description	20-Year Levelized Price	Price Comparison	Comparative Rate (including \$6.25/MWh REC Value)	Cost Savings
1	SVO Peaker, 2.3 MW	\$309.54	QF-1 Rate, Option 1	\$ 68.59	\$ (240.95)
2	Small Hydro - Irrigation 10 MW - NWE Delivered	\$78.93	QF-1 Rate, Option 1 Seasonally Shaped	\$ 71.17	\$ (7.76)
	Small Hydro - Irrigation 10 MW - WAPA Delivered	\$75.79	QF-1 Rate, Option 1 Seasonally Shaped	\$ 71.17	\$ (4.62)
3	Biomass, 5 MW	\$148.42	QF-1 Rate, Option 1	\$ 68.59	\$ (79.82)
4	Wind, 20 MW	\$118.04	QF-1 Rate, Option 3	\$ 59.08	\$ (58.96)
5	Ciboria Wind - original, 25 MW	\$59.13	QF-1 Rate, Option 3	\$ 59.08	\$ (0.05)
5 Revised	Ciboria Wind, Revised, 35 MW	\$53.91	QF-1 Rate, Option 3	\$ 59.08	\$ 5.17
5 Revised	Ciboria Wind, Revised, 25 MW	\$62.94	QF-1 Rate, Option 3	\$ 59.08	\$ (3.86)
6	Small Wind, 0.5 MW	\$78.47	QF-1 Rate, Option 3	\$ 59.08	\$ (19.39)

Notes:

- 1) QF-1 Rate, Option 1 is \$51.15/MWh for LLH and \$99.41/MWh for HLH. HLH is 6x16 for Dec-Feb and Jul-Aug only.
- 2) QF-1 Rate, Option 3 is the wind only rate of \$52.83/MWh for raw wind.

NorthWestern Energy
Docket D2011.6.53
Petition CREP Waiver

Montana Consumer Counsel (MCC)
Set 1 (001-005)

Data Requests received September 30, 2011

MCC-004. RE: Invenergy

WITNESS: Dave Fine

- a. Please provide the diurnal pattern of power delivery proposed in the Invenergy submittal in the 2009 RFI.
- b. Please provide the price bid by Invenergy in its 2009 submittal.

RESPONSE:

Invenergy has advised NWE that it intends to file a motion for protective order (Motion) addressing, among other things, the type of information for which protection will be requested. Once Invenergy's Motion is filed, NWE will update this response redacted to reflect the Motion. As necessary, NWE will once again update this response to reflect the Commission order that addresses the Motion.

NorthWestern Energy
Docket D2011.6.53
Petition CREP Waiver

Montana Consumer Counsel (MCC)
Set 1 (001-005)

Data Requests received September 30, 2011

MCC-005. RE: Network transmission cost
WITNESS: John Leland

- a. What is the current embedded cost of network transmission service for delivery of community energy resources?
- b. How much network transmission capacity is currently available to Northwestern generation and load service for use in delivering new resources to native load customers at embedded cost rates?
- c. What is the cost of network transmission service for incremental resources to serve native load after the existing capacity identified in response to MCC-005(b) is used up?
- d. Please identify how much network capacity was available at the time of the 2008 RFP, and any reservations or allocations that have been made, and the parties that have made those reservations or received those allocations, since that time that would explain the difference, if any, between the answer to MCC-005(a) and MCC-005(c).

RESPONSE:

- a. The electric transmission embedded cost of service as presented on Statement L, Page 2 of 10, Line 33, Column C in NWE's rebuttal filing in Docket D2009.9.129 is \$48,432,851. The rate that is derived by dividing the embedded cost of service by the Test Year 2008 loads for non-choice customers as presented on Statement H, Page 3, is \$8.42/ MWh.
- b. The amount of transmission available varies around the system. NWE's ability to deliver new resource to native load customers depends on the location and size of the new project in relation to native load, other resources and network transmission in the area. A determination whether sufficient transmission capacity exists at a particular location would be identified when the project is designated by Energy Supply to serve network load. After designation, a transmission study would be conducted to determine if sufficient transmission capacity would exist after connecting the project, and, if not, the type and cost of the mitigation required to deliver the project output reliably and safely to network load would be determined.

NorthWestern Energy
Docket D2011.6.53
Petition CREP Waiver

Montana Consumer Counsel (MCC)
Set 1 (001-005)

Data Requests received September 30, 2011

MCC-005 cont'd

- c. The new embedded rate for transmission service after existing transmission capacity is used up is dependent on the type and cost of the transmission enhancement necessary to maintain system reliability.
- d. This is unknown. The answer varies by location. See the response to Data Request MCC-005(b), above.