



July 13, 2012

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

RE: **Docket D2012.5.49 – Electric Tracker Filing**  
**NorthWestern Energy's Responses to PSC Set 1 (001-005)**

Dear Ms. Whitney:

Enclosed for filing are NorthWestern Energy's responses to PSC Set 1 (001-005) data requests in Docket D2012.5.49 Electric Tracker Filing.

Also attached to PSC-001 is a CD that contains all attachments.

These data responses will be efiled with PSC this date, hand delivered to the PSC and MCC and mailed to the service list in this docket.

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

Sincerely,

Connie Moran  
Administrative Assistant  
Regulatory Affairs

Attachments  
CC: MCC

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of NorthWestern Energy's (NWE) responses to PSC Set 1 (001-005) data requests in Docket No. D2012.5.49 has been e-filed with the PSC; hand delivered to the PSC and MCC, and has been served upon the remainder of the service list by postage prepaid via first class mail as follows:

Kate Whitney  
Administrator  
Public Service Commission  
1701 Prospect Ave  
PO Box 202601  
Helena MT 59620-2601

Robert Nelson  
Montana Consumer Counsel  
PO Box 201703  
Helena MT 59620-1703

Nedra Chase  
NorthWestern Energy  
40 East Broadway  
Butte MT 59701

Dr. Thomas M Power  
920 Evans Ave  
Missoula MT 59801

Al Brogan  
NorthWestern Energy  
208 North Montana Suite 205  
Helena MT 59601

Joe Schwartzenberger  
NorthWestern Energy  
40 East Broadway  
Butte MT 59701

Sarah Norcott  
NorthWestern Energy  
208 North Montana Suite 205  
Helena MT 59601

Charles Magraw  
501 8th Ave  
Helena MT 59601

DATED this 13<sup>th</sup> day of July 2012.



Administrative Assistant  
Regulatory Support Services

**NorthWestern Energy**  
**Docket D2012.5.49**  
**Electric Tracker**

**Montana Public Service Commission (PSC)**  
**Set 1 (001-005)**

Data Requests received June 21, 2012

PSC-001

Regarding: Musselshell Wind Projects  
Witness: Frank Bennett (parts a-e)/  
Autumn Mueller (parts a, b)

- a. Please provide copies of all contracts or agreements relating to Musselshell Wind Project LLC and Musselshell Wind Project Two LLC, including all amendments.
- b. Please provide all other documentation and written materials in NWE's possession relating to Musselshell Wind Project LLC and Musselshell Wind Project Two LLC, including transmission system interconnection requests, studies and agreements.
- c. Please provide all invoices for outside legal counsel, engineers, consultants, or others who provided work related to Musselshell Wind Project LLC and/or Musselshell Wind Project Two LLC.
- d. Admit or deny: In NWE's opinion, Musselshell Wind Project LLC and Musselshell Wind Project Two LLC are separate QF projects, each eligible for the QF standard offer rate applicable to projects 10 MW in size or less (tariff schedule QF-1).
- e. If admit, state all of the facts and legal conclusions on which NWE relies in its opinion that Musselshell Wind Project LLC and Musselshell Wind Project Two LLC are separate QF projects, each eligible for the QF standard offer rate applicable to projects 10 MW in size or less.

RESPONSE:

- a. See attachments on the enclosed CD in the folder named "PSC-001a." Attachments 1 through 5 were provided by Frank Bennett of NorthWestern's Energy Supply group, and Attachments 6 through 13 were provided by Autumn Mueller of NorthWestern's Transmission group. Attachment detail is as follows:
  - Attachment 1 - Musselshell PPA
  - Attachment 2 - Musselshell Two PPA
  - Attachment 3 - Musselshell PPA Amendment
  - Attachment 4 - Musselshell Two PPA Amendment
  - Attachment 5 - Musselshell Two Proposed Second PPA Amendment<sup>1</sup>

---

<sup>1</sup>This proposed second amendment is a request to amend the land description of the PPA for Musselshell Two. NorthWestern has not signed this request.

**NorthWestern Energy**  
**Docket D2012.5.49**  
**Electric Tracker**

**Montana Public Service Commission (PSC)**  
**Set 1 (001-005)**

Data Requests received June 21, 2012

PSC-001 cont'd

- Attachment 6 - Musselshell TSR SIS Agreement
  - Attachment 7 - Musselshell FAC Study Agreement
  - Attachment 8 - Musselshell SIS Agreement
  - Attachment 9 - Musselshell Two FAC Study Agreement
  - Attachment 10 - Musselshell Two SIS Agreement
  - Attachment 11 - Musselshell Contract
  - Attachment 12 - Musselshell Two Contract
  - Attachment 13 - Contract with Rocky Mountain Contractors for switchyard construction
- b. See attachments on the enclosed CD in the folder named "PSC-001b." Attachments 1 and 2 were provided by Frank Bennett of NorthWestern's Energy Supply group, and Attachments 3 through 47 were provided by Autumn Mueller of NorthWestern's Transmission group. To minimize confusion, the internal file naming conventions used by the Transmission group for Attachments 3 through 47 warrant an explanation. Attachment documents named "Musselshell Two" actually pertain to the first project with Musselshell Wind Project LLC, and documents named "Musselshell Three" pertain to the second project with Musselshell Wind Project Two LLC. This naming convention transpired because the very first submission named "Musselshell" was completely withdrawn and followed by two more. See the response to part e, below, for further explanation. Attachment detail is as follows:
- Attachment 1 - Documents from Musselshell PPA file
  - Attachment 2 - Documents from Musselshell Two PPA file
  - Attachment 3 - Musselshell Two Interconnection Request
  - Attachment 4 - Musselshell Interconnection Agreement paper file
  - Attachment 5 - Musselshell SGIA paper file
  - Attachment 6 - Musselshell SIS paper file
  - Attachment 7 - Musselshell FAC paper file
  - Attachment 8 - Musselshell Two SIS report
  - Attachment 9 - Musselshell Project Summary
  - Attachment 10 - Musselshell 2 Revised Facilities Study report – Final revised turbines
  - Attachment 11 - Musselshell 2 Revised FAC Study report – Final
  - Attachment 12 - Musselshell Three SIS Report
  - Attachment 13 - Musselshell Three FAC Study report – revised Final
  - Attachment 14 - Musselshell Three FAC Study report – revised Final Revised Turbines

**NorthWestern Energy**  
**Docket D2012.5.49**  
**Electric Tracker**

**Montana Public Service Commission (PSC)**  
**Set 1 (001-005)**

Data Requests received June 21, 2012

PSC-001 cont'd

- Attachment 15 - Musselshell 139 SIS paper file
- Attachment 16 - Musselshell 139 FAC paper file
- Attachment 17 - Musselshell 139 SGIA paper file
- Attachment 18 - Musselshell Meeting Notes paper file
- Attachment 19 - Musselshell 139 Summary
- Attachment 20 - Musselshell Wind 3 Interconnection
- Attachment 21 - Musselshell Wind 3 Site Control
- Attachment 22 - Musselshell 2 6-3-10 meeting minutes
- Attachment 23 - Musselshell Wind Switchyard Construction Meeting Agendas and Notes
- Attachment 24 - Musselshell Wind Switchyard Drawing – Part 1
- Attachment 25 - Musselshell Wind Switchyard Drawing – Part 2
- Attachment 26 - Musselshell Construction 118 and 139 SGIA Task Deadline Sheets
- Attachment 27 - Musselshell Construction Evidence of Site Control
- Attachment 28 - Musselshell Construction Informational Emails
- Attachment 29 - Musselshell Construction Invoices and Detail
- Attachment 30 - Musselshell Construction Meetings
- Attachment 31 - Musselshell Construction Misc. Emails
- Attachment 32 - Musselshell Construction SCADA Connections Wind Farms
- Attachment 33 - Musselshell Wind 2012 Construction Schedule
- Attachment 34 - Musselshell Wind Project 118 - SGIA
- Attachment 35 - Musselshell Wind Project Two 139 - SGIA
- Attachment 36 - Musselshell Two – Final SIS Invoice
- Attachment 37 - Musselshell 2 FAC – Invoice 1-12
- Attachment 38 - Musselshell 2 FAC – Invoice 12-11
- Attachment 39 - Musselshell 2 FINAL FAC – Invoice 1-12
- Attachment 40 - Musselshell 3 139 SIS Refund 1-12
- Attachment 41 - Musselshell 3 139 FAC REFUND 6-12
- Attachment 42 - Musselshell Wind Project SIS – Invoice 11-10
- Attachment 43 - Musselshell Wind Project SIS – Invoice 12-10
- Attachment 44 - Musselshell Wind Project SIS – Invoice 10-10
- Attachment 45 - NWDS Applications Musselshell Project
- Attachment 46 - NW Default Supply (GB-MS-TD-FF) System Impact Study
- Attachment 47 - Musselshell Notes from Meeting Log

**NorthWestern Energy**  
**Docket D2012.5.49**  
**Electric Tracker**

**Montana Public Service Commission (PSC)**  
**Set 1 (001-005)**

Data Requests received June 21, 2012

PSC-001 cont'd

- c. NorthWestern objects to Data Request PSC-001c to the extent that it requests information not relevant to the Musselshell Wind Projects and to the extent that it requests information that is protected by attorney client privilege or the work product doctrine. Without waiving this objection, NorthWestern responds as follows:

Please see the attachment on the enclosed CD in the folder named "PSC-001c." It is a legal invoice from Davis Wright Tremain (Seattle). Items on the invoice that are not related to Musselshell Wind Project LLC or Musselshell Wind Project Two LLC have been redacted. NorthWestern Supply has not employed engineers, consultants, or others to provide work related to Musselshell Wind Project LLC or Musselshell Wind Project Two LLC. NorthWestern Transmission has employed contractors who are providing construction services related to transmission facilities needed for interconnection of the Musselshell projects. NorthWestern has not provided, but will provide, construction invoices if the Commission requests them.

- d. NorthWestern admits that Musselshell and Musselshell 2 are separate QF projects, each eligible for the QF standard offer rate.
- e. NorthWestern relied on the representations of Volkswind USA, ("Volkswind") the original owner of Musselshell Wind Project, LLC ("Musselshell") and Musselshell Wind Project Two, LLC ("Musselshell Two"). Volkswind initially requested a contract for a 20 MW QF. NorthWestern informed Volkswind that only QFs equal to or smaller than 10 MW were eligible for long-term contracts at standard offer rates. Volkswind changed its plans. Volkswind formed two entities, Musselshell and Musselshell Two. Volkswind informed NorthWestern that it had two separate QFs that are more than one mile apart.

NorthWestern relied on the QF self-certification forms ("Form 556") filed with FERC as they existed at the time it entered into the contracts. Musselshell Wind originally filed a Form 556 for a 20 MW QF in March 2010. Musselshell filed a new Form 556 for a 10 MW QF in January 2011; Musselshell Two filed a Form 556 for a 10 MW QF in January 2011. FERC rejected Musselshell's new form and required it to amend its original self-certification. Musselshell filed an amended Form 556 for a 10 MW QF in February 2011. Using the distance calculator on the FAA website, NorthWestern verified that the closest turbines from each project were more than one mile apart.

**NorthWestern Energy**  
**Docket D2012.5.49**  
**Electric Tracker**

**Montana Public Service Commission (PSC)**  
**Set 1 (001-005)**

Data Requests received June 21, 2012

PSC-001 cont'd

NorthWestern relied on interconnection activity. Musselshell initially requested an interconnection for a 20 MW project. It amended its interconnection request and reduced the project size to 10 MW. Musselshell Two submitted a separate interconnection request.

NorthWestern relied on the actions of Musselshell and Musselshell Two, which observed the formalities of separate legal entities.

NorthWestern relied on legal advice from James Mitchell of Davis, Wright, Tremain (Seattle).

NorthWestern relies on recent FERC decisions. FERC recently ruled that the one-mile rule in 18 C.F.R. §292.204(a)(2) (2011) establishes a safe harbor and that QFs separated by one mile are separate QFs. Northern Laramie Range Alliance, 139 FERC ¶ 61,190 (June 8, 2012); Northern Laramie Range Alliance, 138 FERC ¶ 61,171 (March 15, 2012).

Also see Attachments 9 and 19 provided in response to part b, above, for project summary sheets.

**NorthWestern Energy**  
**Docket D2012.5.49**  
**Electric Tracker**

**Montana Public Service Commission (PSC)**  
**Set 1 (001-005)**

Data Requests received June 21, 2012

PSC-002

Regarding: Musselshell Wind Projects  
Witness: Frank Bennett (parts a, b, c, e)/  
Autumn Mueller (parts a-e)

- a. Regarding any contract(s) described in PSC-002 (a), state and describe (including dates and parties) what, if any assignment of contractual rights or obligations have occurred since contract inception.
- b. Regarding all contracts described in PSC-002 (a), state and describe all modifications or changes to each contract since contract inception.
- c. Assuming that NWE had contractual authority to limit the assignment or transfer of contractual rights or obligations held by other parties to the contract(s), describe what, if any, diligence NWE performed prior to authorization and provide copies of any written materials related to NWE's research.
- d. In a recent FERC Form 556 filing, reporting a December 20, 2011 transfer of the Musselshell projects the applicant stated in response to question 7(h) for both projects:

*The facility consists of seven (7) 1.428 MW Wind Turbine Generators connected via an underground 34.5 kV collection system. The collector system steps up to transmission voltage, 100 kV, at a project substation, located next to a new switchyard facility to be constructed by NorthWestern Energy.*

Are there two separate substations and switchyard facilities for the two QFs, or one of each serving both?

- e. In either case, describe each facility, including NWE's construction and O&M cost responsibility. Each description should include a detailed map or diagram showing turbines and other relevant structures.

RESPONSE:

- a. *Frank Bennett response:* NorthWestern believes that the MPSC is referring to PSC-001a in the above data request. Neither Musselshell PPA is subject to an assignment. The parties to the contracts are still the same: NorthWestern Energy and Musselshell Wind Project, LLC or Musselshell Wind Project Two, LLC. The changes in ownership were the result of a transfer of ownership in the LLCs. Article 14 of the PPAs does not require NorthWestern's written approval of such transfers.

**NorthWestern Energy**  
**Docket D2012.5.49**  
**Electric Tracker**

**Montana Public Service Commission (PSC)**  
**Set 1 (001-005)**

Data Requests received June 21, 2012

PSC-002 cont'd

*Autumn Mueller response:* No assignments have taken place on the Small Generator Interconnection Agreements ("SGIA") for these projects.

- b. *Frank Bennett response:* The PPA with Musselshell has been amended to change the nameplate capacity from 9.2 MW to 10 MW. The PPA with Musselshell Two has been amended to change the nameplate capacity from 9.2 MW to 10 MW. NorthWestern has received a second amendment request from Musselshell Two to amend the land description of the PPA, but at the time of this response NorthWestern had not signed or agreed to that request. This proposed second amendment has been provided as Attachment 5 in response to Data Request PSC-001a.

*Autumn Mueller response:* The SGIAs for these projects were executed on December 9, 2011. This customer requested a change in turbine type on December 21, 2011. The parties agreed to replace the turbine data in the agreement and not execute a new agreement, but rather replace the page with the revised turbine information in the agreement. This took place on December 28, 2011. This customer has again asked that the turbine detail be amended in the agreement to reflect the appropriate number and size of turbines. NorthWestern is currently working on modifying the agreements accordingly.

- c. *Frank Bennett response:* See the response to Data Request PSC-002a.

*Autumn Mueller response:* There has been no assignment for the SGIAs for these projects. However, Article 7 of the SGIA outlines the requirements for assignment.

- d. *Autumn Mueller response:* There is one substation serving both projects. The detail for these projects is provided in the Facilities Study reports that were provided as Attachments 10 and 14 in response to Data Request PSC-001b.

- e. *Frank Bennett response:* NorthWestern's Energy Supply group filed for transmission service request and followed the Balancing Authority Area system impact studies for both Musselshell and Musselshell Two. There were no additional costs identified for the facilities to serve retail load. Project maps were provided in response to Data Request PSC-001b. The Musselshell map is page 1 of Attachment 1 to that response, and the Musselshell Two map is page 1 of Attachment 2.

**NorthWestern Energy**  
**Docket D2012.5.49**  
**Electric Tracker**

**Montana Public Service Commission (PSC)**  
**Set 1 (001-005)**

Data Requests received June 21, 2012

PSC-002 cont'd

*Autumn Mueller response:* O&M costs for the project are detailed in each section of the Facilities Study reports, explaining who has the cost responsibility for each section. For example, in the Musselshell project #118 Facilities Study report (provided as Attachment 10 in response to PSC-001b) the Substation Section – Operation and Maintenance Section on page 12 shows that “NorthWestern Energy will be responsible for operating and maintaining all equipment located inside NorthWestern’s Musselshell Wind Project, LLC, Interconnection 100 kV Substation.”

**NorthWestern Energy**  
**Docket D2012.5.49**  
**Electric Tracker**

**Montana Public Service Commission (PSC)**  
**Set 1 (001-005)**

Data Requests received June 21, 2012

PSC-003

Regarding: Musselshell Wind Projects and QF Queue  
Witness: Frank Bennett

- a. If NWE Energy Supply listed either of the Musselshell projects within a queue (QF queue) of potential QF projects, please provide a timeline describing its progress within the QF queue.
- b. If both Musselshell projects held positions in the QF queue, please describe the queue progress of any project holding a queue position between the Musselshell projects.
- c. If only one Musselshell project held a position in the QF queue, please describe the queue progress of any project that held a primary position in the queue.

**RESPONSE:**

- a. NorthWestern's Energy Supply group has not had a QF queue since it processed the backlog of requests maintained during the QF Tri-Docket (Combined Docket Nos. D2003.7.86, D2004.6.96, and D2005.6.103). Following the processing of requests in the QF Tri-Docket, all projects have been processed on a first come-first served basis. Musselshell first expressed an interest in a QF PPA during April of 2010.
- b. Please see the response to part a, above.
- c. Please see the response to part a, above.

**NorthWestern Energy**  
**Docket D2012.5.49**  
**Electric Tracker**

**Montana Public Service Commission (PSC)**  
**Set 1 (001-005)**

Data Requests received June 21, 2012

PSC-004

Regarding: Shared Facilities of Musselshell Wind Projects  
Witness: Autumn Mueller

If Musselshell Wind Project LLC and Musselshell Wind Project Two LLC share any facilities not already described, please describe the facilities and shared functions.

RESPONSE:

All facilities shared are detailed in the Facilities Study reports, which are Attachments 10 and 14 provided in response to Data Request PSC-001b. These two projects are sharing a substation, but have separate metering for each project so that each project's individual output can be accurately shown.

**NorthWestern Energy**  
**Docket D2012.5.49**  
**Electric Tracker**

**Montana Public Service Commission (PSC)**  
**Set 1 (001-005)**

Data Requests received June 21, 2012

PSC-005

Regarding: Musselshell Wind Projects  
Witness: Frank Bennett (parts a & c)/Autumn Mueller (part b)

- a. Please provide detailed explanation of any factors not already described that NWE considered when it decided to sign the Musselshell QF contracts.
- b. Explain NWE's current understanding of the status of these projects, including whether financing for the project(s) has been obtained and, if so, when construction will begin.
- c. What steps, if any, has NWE made to acquire Musselshell Wind Project LLC or Musselshell Wind Project Two LLC?

RESPONSE:

- a. None.
- b. Musselshell Wind Project LLC and Musselshell Wind Project Two LLC are currently under construction. NorthWestern has received a letter of credit as security for each project as required by the SGIAs, and NorthWestern is issuing monthly invoices to the customer for construction work being done on these projects.
- c. NorthWestern has not made an attempt to acquire the Musselshell facilities.