



October 24, 2012

Ms. Kate Whitney
Utility Division
Montana Public Service Commission
1701 Prospect Avenue
PO Box 2022601
Helena, Montana 59620-2601

**Re: Docket No. D2012.5.49 Electric Tracker
NWE's Updated Response to PSC Set 3 (014-032) Data Requests**

- PSC-017b
- PSC-018d

Dear Ms. Whitney:

Enclosed for filing is a copy of NorthWestern Energy's updated response to PSC-017b and PSC-018d in PSC Set 3 Data Requests. The attachments described below are being provided under the terms of Protective Orders No. 7219c and 7219d:

**PSC-017b Attachment 1 and Attachment 3
PSC-018d Attachment Pages 4 and 5**

The updated responses have been mailed to the service list in this Docket. They have also been e-filed with the PSC. The protected attachments are being provided to the parties who signed the non-disclosure agreements.

Should you have questions please contact Joe Schwartzberger at (406) 497-3362.

Sincerely,

Nedra Chase
Administrative Assistant

Enclosures

CERTIFICATE OF SERVICE

I hereby certify that a copy of NorthWestern Energy's updated response to PSC Set 3 Data Requests PSC-017b and PSC-018d in the Electric Tracker Docket No. D2012.5.49 has been served by mailing a copy thereof by first class mail, postage prepaid to the service list in this Docket. The updated responses have also been e-filed with the PSC.

Date: October 24, 2012



Nedra Chase
Administrative Assistant
Regulatory Affairs

A. Service List
D2012.5.49

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Dr. Thomas M. Power
920 Evans Ave.
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John W. Wilson
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NorthWestern Energy
Docket D2012.5.49
Electric Tracker

Montana Public Service Commission (PSC)
Set 3 (014-032)

Data Requests received August 16, 2012

PSC-017

Regarding: Dave Gates & Regulation Service
Witness: Fine, Cashell

- a. Please provide any documents that describe the forced outages that have occurred at the Dave Gates gas turbines since they became commercial operable.
- b. Please provide the bids received in response to NWE's 2011 regulation service RFP and any subsequent RFP for regulation service, as well as a summary of projected costs for regulation contracts through June 30, 2013.
- c. Please provide a spreadsheet showing NWE's monthly CPS2 score and the amount of regulating reserves available to NWE by month during the 2011-2012 tracker period.
- d. Please provide a spreadsheet showing NWE's 10-minute CPS2 scores beginning the day before the outage at DGGs and continuing for one month thereafter.

RESPONSE:

- a. See Attachment 1, a list of outages for each of the three DGGs units from January 1, 2011 through August 31, 2012, and Attachment 2, a slide presentation about the DGGs outages that was given to the Commission on February 23, 2012. See also the response to Data Request PSC-006.
- b. Attachment 1 is a spreadsheet displaying two of the three bids received in the 2011 RFP process. The spreadsheet shows the capacity, cost, and terms offered on an annual basis. Projected costs through June 30, 2013 would be approximately half of the cost displayed in the "Total Annual Cost (for full contract amount)" column of the supplied spreadsheet. Attachment 2 contains two of the three bids received in response to the RFP.

The third bid has been omitted from Attachment 2 and information regarding it has been redacted from Attachment 1 because Powerex Corp. has indicated that it plans to file a Motion for Protective Order pertaining to this information. NorthWestern will update this response by providing this information in the appropriate format after the Commission rules on any motions and issues a decision or after NorthWestern is informed that Powerex will not file a Motion for Protective Order.

- c. See attached for the requested monthly CPS2 scores. From July 1, 2011 through June 30, 2012, NorthWestern had approximately 105 MW of regulation capacity available to it

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Docket D2012.5.49
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**Montana Public Service Commission (PSC)
Set 3 (014-032)**

Data Requests received August 16, 2012

PSC-017 cont'd

from the DGGS facility, excluding the outages listed in Attachment 1 provided in response to part a, above.

- d. By definition CPS2 is a monthly score; as such NorthWestern does not log a 10-minute CPS2 score in its database. Monthly CPS2 scores are provided in the response to part c, above.

UPDATED RESPONSE (October 24, 2012):

- b. The following attachments will be provided on yellow paper to parties that sign the appropriate non-disclosure agreement in conformance with Protective Order No. 7219d, service date October 12, 2012:
- An unredacted version of Attachment 1, displaying bid information for Powerex Corp., and
 - Attachment 3, Powerex's bid proposal submitted in response to NorthWestern's 2011 regulation service RFP.

**NORTHWESTERN
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**DOCKET NO.
D2012.5.49**

**ANNUAL ELECTRIC SUPPLY COST
RATE ADJUSTMENT FILING**

**PSC-017b
ATTACHMENT 1**

**PROPRIETY INFORMATION
PROVIDED UNDER
PROTECTIVE ORDER NO. 7219d**

**NORTHWESTERN
ENERGY**

**DOCKET NO.
D2012.5.49**

**ANNUAL ELECTRIC SUPPLY COST
RATE ADJUSTMENT FILING**

**PSC-017b
ATTACHMENT 3**

**PROPRIETY INFORMATION
PROVIDED UNDER
PROTECTIVE ORDER NO. 7219d**

NorthWestern Energy
Docket D2012.5.49
Electric Tracker

Montana Public Service Commission (PSC)
Set 3 (014-032)

Data Requests received August 16, 2012

PSC-018

Regarding: Hedging
Witness: Markovich

- a. Is NWE seeking MPSC authorization to engage in financial hedging for electric supply?
- b. Did NWE financially hedge any amount of electric supply for the 2011-2012 or 2012-2013 tracker periods?
- c. For each month during the 2011-2012 tracker period, please provide a list of the forecasted supply needs that were fixed price hedged, detailing the counterparty, transaction type, trade date, start date, end date, terms, price, quantity. See e.g. Response to MCC-010, D2011.5.38 (Sept. 7, 2011).
- d. Please provide a copy of NWE's most recent hedging strategy.

RESPONSE:

- a. No.
- b. No.
- c. See the response to Data Request MCC-005.
- d. See attached for the most recent public version of this document. NorthWestern has filed a Motion for Protective Order regarding certain information contained in this document and will provide this information in the appropriate format after the Commission rules on the motion and issues a decision.

UPDATED RESPONSE (October 24, 2012):

- d. In conformance with Protective Order No. 7219c, service date October 12, 2012, unredacted copies of pages 197 and 198 of NWE's most recent hedging strategy will be provided on yellow paper to the parties that sign the appropriate non-disclosure agreement. These are pages 4 and 5 of the original Attachment to this subpart.

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**ANNUAL ELECTRIC SUPPLY COST
RATE ADJUSTMENT FILING**

**PSC-018d
Attachment Pages 4 and 5
Volume 1- Appendix 1, Hedging Strategy**

**PROPRIETY INFORMATION
PROVIDED UNDER
PROTECTIVE ORDER NO. 7219c**