



March 8, 2013

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
NorthWestern Energy's Responses to MCC Set 2 (044-045) Data Requests**

Dear Ms. Whitney:

Enclosed for filing is a copy of NorthWestern Energy's response to MCC Set 2 (044-045) data requests. This set of data request responses has been mailed to the service list in this docket and hand delivered to the PSC and MCC. They have been efiled with the PSC.

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

Sincerely,

A handwritten signature in cursive script that reads "Nedra Chase".

Nedra Chase
Administrative Assistant

Enclosures

CERTIFICATE OF SERVICE

I hereby certify that a copy of NorthWestern Energy's responses to MCC Set 2 Data Requests (044-045) in Docket D2012.5.49 Electric Tracker has been served by mailing a copy thereof by first class mail, postage prepaid to the service list in this Docket and hand delivered to the PSC and MCC. These responses have also been efiled with the PSC.

Date: March 8, 2013



Nedra Chase
Administrative Assistant
Regulatory Affairs

**A. Service List
D2012.5.49**

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NorthWestern Energy
Docket D2012.5.49
Electric Tracker
Montana Consumer Counsel (MCC)

MCC Set 2 (044-045)

Data Requests served February 20, 2013

MCC-044 RE: Basin Creek and Automatic Generation Control
WITNESS: Kevin Markovich

On page 5, line 8 of the Supplemental Testimony of Kevin J. Markovich, Mr. Markovich states that the Basin Creek plant is not capable of being on Automatic Generation Control (AGC) therefore; all dispatch would have to be performed manually. However, Docket No. D2004.3.45, Order No. 6557c, page 9, paragraph 21 states that "NWE asserts that a benefit of integrating wind with a natural gas plant with automatic generation controls is in the rating matrix for evaluating all bids." This is confirmed in the Microsoft Excel file titled *Dispatchable Analysis R2 Final 5-18-04.xls*. Furthermore, on the tab titled *Rating*, Basin Creek scored a 2 out of a possible 2 for Automatic Generation Control Ability with respect to Project Price Value. Please state why AGC was so important during the RFP from which Basin Creek was chosen but Mr. Markovich states that Basin Creek is not capable of being on AGC?

RESPONSE:

Mr. Markovich is familiar with Basin Creek as it exists today and as it is operated. Mr. Markovich was not involved with the 2004 RFP and has no specific knowledge of the testimony provided in Docket No. D2004.3.45.

NorthWestern Energy
Docket D2012.5.49
Electric Tracker
Montana Consumer Counsel (MCC)

MCC Set 2 (044-045)

Data Requests served February 20, 2013

MCC-045 RE: Basin Creek and Regulation Services
 WITNESS: Casey Johnston

On page 4, line 11 of the Supplemental Testimony of Casey E. Johnston, Mr. Johnston states that NWE uses the Dave Gates Generating Station (DGGS) to provide regulation service in its Balancing Authority. In Docket No. D2004.3.45, Order No. 6557c, page 12, paragraph 29 states that, with respect to the Basin Creek Project, "NWE preferred the reciprocating engines alternative for several reasons. First, the technology would allow NWE to efficiently provide operating reserves and load following, which are ancillary services that are especially needed in the default supply portfolio...." Is Basin Creek capable of providing regulation services and if so, why is it not being used to provide regulation services?

RESPONSE:

Operating reserves are defined by the North American Electric Reliability Corporation (NERC) as that capability above firm system demand required to provide for regulation, load forecasting error, equipment forced and scheduled outages, and local area protection. They consist of spinning and non-spinning reserves.

Each balancing authority area must maintain minimum **operating reserve** which is the sum of the following:

- (a) **Regulating Reserve.** Sufficient spinning reserve, immediately responsive to automatic generation control (AGC) to provide sufficient regulating margin to allow the balancing authority area to meet NERC's *Control Performance Standard Criteria (CPS1/CPS2)*.

Plus (b) **Contingency Reserve.** An amount of spinning and nonspinning reserve, sufficient to meet the Disturbance Control Standard (DCS). Contingency Reserve is utilized for the unexpected loss of generation within the balancing authority area that is serving firm load.

Basin Creek provides contingency reserves, not regulating reserves.