



April 5, 2013

Ms. Kate Whitney
Utility Division
Montana Public Service Commission
1701 Prospect Avenue
PO Box 202601
Helena, Montana 59620-2601

**Re: Docket No. D2012.5.49 Electric Tracker
NorthWestern Energy's 1 Set of Data Requests to the Montana Consumer Counsel
(NWE-001-NWE-012)**

Dear Ms. Whitney:

Enclosed for filing is a copy of NorthWestern Energy's first set of data requests to the Montana Consumer Counsel (001-012).

This set of data requests is being hand delivered to the Montana Public Service Commission ("PSC") and the Montana Consumer Counsel, mailed to the service list in this docket, and efiled with the PSC.

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

Sincerely,

A handwritten signature in blue ink that reads "Tracy Lowney Killoy".

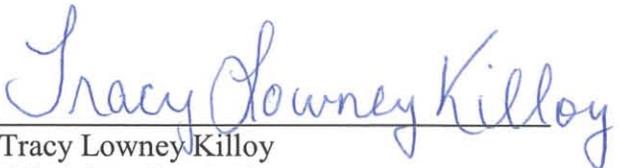
Tracy Lowney Killoy
Administrative Assistant

Enclosures

CERTIFICATE OF SERVICE

I hereby certify that a copy of NorthWestern Energy's 1st set of data requests to the Montana Consumer Counsel (001-012) in Docket No. 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 by hand-delivering to the Montana Public Service Commission and the Montana Consumer Counsel. They have also been efiled with the PSC.

Date: April 5, 2013



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Administrative Assistant
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A. Docket D2012.5.49
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- a. Define the term “hedging.”
- b. Describe your understanding of the purpose of hedging.
- c. Define the term “Hedging Gains and Losses.”
- d. If, instead of entering off-system, fixed-price purchases, NWE had entered on-system, fixed-price purchases at the same volumes and prices, would NWE have incurred “hedging losses”?
- e. If, instead of coupling fixed-price purchases at Mid-Columbia with index-priced or spot market sales at Mid-Columbia, NWE had delivered the energy purchased at Mid-Columbia to its on-system load, would NWE have incurred “hedging losses”?

NWE-003

Regarding: Hedge Tracking
Witness: Donkin

On page 11, lines 5-9 of your prefiled direct testimony, you note you are surprised NWE does not closely follow with detailed calculations on how its electricity supply hedges are performing.

- a. Should both on-system and off-system resources and transactions be included in the calculations you envision?
- b. Should on-system and off-system resources be evaluated differently?
- c. If your answer to part b is yes, please explain why.

NWE-004

Regarding: Hedge Tracking
Witness: Donkin

On page 11, lines 3-14 of your prefiled direct testimony you discuss hedge tracking.

- a. Do you believe the resources and transactions in the NWE Electricity Supply portfolio should be evaluated individually as opposed to collectively?
- b. Would evaluating the resources in the NWE Electricity Supply portfolio individually as opposed to collectively result in more or less risk to customers?

NWE- 005

Regarding: NWE Electricity Supply Portfolio
Witness: Donkin

Regarding the NWE Electricity Supply Portfolio for the 2011/2012 tracking period:

- a. Prior to the beginning of the 2011/2012 tracking period, did NWE control all of the necessary supply to meet the projected needs of customers?
- b. If the answer to part a is no, and NWE subsequently purchased additional fixed-price energy, would those transactions have increased or decreased risk to customers?
- c. If the answer to part a is no, and NWE subsequently sold additional fixed-price energy, would those transactions have increased or decreased risk to customers?

NWE-006

Regarding: Hedging Outcomes
Witness: Donkin

On page 17, lines 5-7 of your prefiled direct testimony you state that NWE is more likely to be the loser over time in its hedging deals with counter parties who really want to win their bets with NWE.

- a. What is the basis or reasoning behind that statement?
- b. What steps can a counter party take to help them win their bets with NWE?
- c. When NWE enters into a hedge by buying fixed-price energy, does it also have the opportunity (recognizing the bid/ask spread) to instead sell a like amount of energy?

NWE-007

Regarding: Off-System, Fixed-Price Hedging
Witness: Donkin

On page 9, lines 10-12 of your prefiled direct testimony, you state that your expectation is “that NWE’s off-system, fixed-price electric price hedges result from either transactions using brokers, or bi-lateral negotiations.”

- a. What is the basis for this statement?
- b. Has NWE entered into fixed-price, off-system purchases through competitive solicitations?

NWE-008

Regarding: Exhibits JTS-1, JTS-2, JTS-3
Witness: Stamatson

Please provide working electronic copies, with all links intact, of Exhibits JTS-1, JTS-2, and JTS-3 and all other supporting workbooks and work papers.

NWE-009

Regarding: Lost Revenue Calculations
Witness: Stamatson

Please specifically identify, either through color coding or specific worksheet tab and cell references, any and all changes that were made to NorthWestern's lost revenue calculations exhibits, including Exhibit __ (WMT-5) or Exhibit __ (WMT-3-S) and all supporting workbooks from which their values are derived, to produce Exhibits JTS-1, JTS-2, and JTS-3.

NWE-010

Regarding: Experience
Witness: Stamatson

Describe your experience in Demand-Side Management, estimation of energy savings, and calculation of lost revenue associated with DSM.

NWE-011

Regarding: Lost Revenue Calculations
Witness: Wilson

Please provide your estimate, including all supporting data and calculations, of the electric DSM lost revenues associated with energy savings produced from NorthWestern's facilities.

NWE-012

Regarding: Power Turbine Sales Contracts
Witness: Wilson

- a. Please provide any contracts that you are aware of involving the sale of power turbines to a utility that do not include a waiver of consequential damages.
- b. Please admit that it is standard industry practice for turbine manufacturers to require a waiver of consequential damages in their turbine sales contracts.