



April 11, 2014

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

RE: Docket D2013.12.85 – Hydro Asset Purchase
NorthWestern Energy (NWE) Data Requests to the Montana Consumer Counsel
(NWE-001-NWE-010)

Dear Ms. Whitney:

Enclosed for filing is one copy of NorthWestern Energy's data requests to the Montana Consumer Counsel (NWE-001-NWE-010).

These data requests will be mailed by first class to the service list in this docket this date. They will be e-filed with the PSC, emailed to the counsel of record, and hard copies hand delivered to the PSC and MCC this afternoon.

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

Sincerely,

Nedra Chase
Administrative Assistant
Regulatory Affairs

NC/nc
Attachments
CC: Service List

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE MONTANA PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER OF the Application for)	
approval to Purchase and Operate PPL)	
Montana's Hydroelectric Facilities, for)	REGULATORY DIVISION
Approval of Inclusion of Generation)	
Asset and Cost of Service in Electricity)	
Supply Rates, for Approval of Issuance of)	DOCKET NO. D2013.12.85
Securities to Complete the Purchase, and)	
for Related Relief)	

**NORTHWESTERN ENERGY'S FIRST SET OF DATA REQUESTS
TO THE MONTANA CONSUMER COUNSEL**

NWE-001

Regarding: Exhibits
Witness: Wilson

Please provide working electronic copies of all exhibits and work papers with all supporting files and links intact for each of the following:

- a. Exhibit JW-1
- b. Exhibit JW-2
- c. Exhibit JW-3
- d. Exhibit JW-4

NWE-002

Regarding: Effect of Recommendations
Witness: Wilson

- a. If the Commission adopted your recommended return on equity and capital structure and your third modification described on pages 62-64 of your testimony and assuming that NorthWestern's estimated load, expenses, and revenue credits for the first year are correct, what would be NorthWestern's return on equity on its \$900 million investment?
- b. If the Commission adopted your recommended return on equity and capital structure and your third modification described on pages 62-64 of your testimony and assuming that NorthWestern's estimated load, expenses, and revenue credits are correct, what would be NorthWestern's return on equity on its \$870 million investment after the Kerr project is transferred to the Confederated Salish and Kootenai Tribes?

- c. If the Commission adopted all of your modifications on pages 61-65 of your testimony and assuming that NorthWestern's estimated load, expenses, and revenue credits are correct, what would be the expected annual revenue requirement and resulting expected return on equity?
- d. Please provide the calculations and documentation that support your responses to subparts a through c of this data request.
- e. Would you agree that if NorthWestern's shareholders bear the risk that carbon costs are not implemented, the shareholders should receive a return greater than the authorized rate of return if carbon costs are actually greater than those estimated by NorthWestern in its analysis?

NWE-003

Regarding: Carbon Tax Adder
Witness: Wilson

Please provide all backup calculations and sources (preferably in spreadsheet form) that support your conclusion on page 16, lines 11-12, that NorthWestern's carbon tax adders to projected power purchase costs total \$1.375 billion from 2021 to 2043.

NWE-004

Regarding: Capital Expenditures
Witness: Wilson

Please confirm that your calculated annual average capital expenditure of \$35.6 million in your testimony on page 37, lines 12-14, includes the capital expenditures for the Rainbow Redevelopment Project, which increased the project's output.

NWE-005

Regarding: Proposal Analysis
Witness: Wilson

Please provide copies of all communications; emails; and notes, records of conversations and meetings, or calls (and any attachments or documents related thereto) between J.W. Wilson & Associates (or representative, employee, principal, or agent thereof) and the Montana Consumer Counsel (or any representative, agent, employee, or consultant thereof) between September 26, 2013 and the present regarding any aspect of NorthWestern's evaluation of, purchase of, or Application for Approval of the Hydros.

NWE-006

Regarding: Exhibits
Witness: Clark

Please provide working electronic copies of all exhibits and work papers with all supporting files and links intact for Exhibit AEC-1.

NWE-007

Regarding: Kerr Facility Acquisition Adjustment
Witness: Clark

- a. If the Commission adopted your recommendation to remove \$89,323,022 less the amount amortized at the time of the sale and assuming that NorthWestern's estimated load, expenses, and revenue credits are correct, what would be your recommended annual revenue requirement after the Kerr project is transferred to the Confederated Salish and Kootenai Tribes?
- b. Please provide the calculations and documentation that support your response to subpart a of this data request.
- c. If the Commission authorized the annual revenue requirement identified in response to subpart a of this data request and assuming that NorthWestern's estimated load, expenses, and revenue credits are correct, what would be NorthWestern's return on equity on its \$870 million investment after the Kerr project is transferred to the Confederated Salish and Kootenai Tribes?
- d. Please provide the calculations and documentation that support your response to subpart c of this data request.

NWE-008

Regarding: Intergenerational Inequity Adjustment
Witness: Clark

- a. If the Commission adopted your recommended annual revenue requirement of \$105,171,964 as stated on page 17, line 15 of your testimony and assuming that NorthWestern's estimated load, expenses, and revenue credits for the first year are correct, what would be NorthWestern's return on equity on its \$900 million investment?
- b. Please provide the calculations and documentation that support your response to subpart a of this data request.
- c. If the Commission adopted your recommended intergenerational inequity adjustment and Kerr facility acquisition adjustment and assuming that NorthWestern's estimated load, expenses, and revenue credits are correct, what would be your recommended annual revenue requirement after the Kerr project is transferred to the Confederated Salish and Kootenai Tribes?
- d. If the Commission authorized the annual revenue requirement identified in response to subpart c of this data request and assuming that NorthWestern's estimated load, expenses, and revenue credits are correct, what would be NorthWestern's return on equity on its \$870 million investment after the Kerr project is transferred to the Confederated Salish and Kootenai Tribes?
- e. Please provide the calculations and documentation that support your response to subparts c and d of this data request.

NWE-009

Regarding: Intergenerational Inequity Adjustment
Witness: Clark

- a. Please explain in detail and provide all calculations to illustrate the process by which rates would be changed to implement your proposal on page 17, lines 5 through 9, to first reduce the current rate base by the net present value amount of the future value of the assets and then to reduce the rate base reduction pro rata.
- b. Would the process described in response to subpart a of this data request require a contested rate case for each rate adjustment?

NWE-010

Regarding: Proposal Analysis
Witness: Clark

- a. Please provide copies of all communications; emails; and notes, records of conversations and meetings, or calls (and any attachments or documents related thereto) between you (or representative, employee, principal, or agent thereof) and the Montana Consumer Counsel (or any representative, agent, employee, or consultant thereof) between September 26, 2013 and the present regarding any aspect of NorthWestern's evaluation of, purchase of, or Application for Approval of the Hydros.

CERTIFICATE OF SERVICE

I hereby certify that a copy of NorthWestern Energy's first set of Data Requests to the Montana Consumer Counsel (NWE-001-NWE-010) in Docket D2013.12.85, the PPLM Hydro Assets Purchase, has been hand delivered to the Montana Public Service Commission and to the Montana Consumer Counsel this date. They will be e-filed on the PSC website and served on the most recent service list by mailing a copy thereof by first class mail, postage prepaid and will also be emailed to counsel of record.

Date: April 11, 2014



Nedra Chase
Administrative Assistant
Regulatory Affairs

**Docket No D2013.12.85
Hydro Assets Purchase
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