

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

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

**MONTANA CONSUMER COUNSEL RESPONSE TO OBJECTIONS
AND MOTION TO COMPEL**

On January 24, 2014, Montana Consumer Counsel (MCC) served data requests to NorthWestern Energy (NWE) regarding its application in this proceeding. NWE objects to MCC-080 and to MCC-091. MCC responds to these objections and requests the Commission to compel responses, as set forth below.

MCC-080

MCC-080 states as follows:

Regarding: Updated LT Rev Req Model (Exhibit__(TEM-2))
Witness: Travis E. Meyer

In your testimony starting at page TEM-15 you discuss differences between your Exhibit__(TEM-1) and Mr. DiFronzo's Cost of Service (COS) Model. One of the differences is that the COS Model calculates revenue credits during the period October 1, 2014 through September 30, 2015 instead of calendar year 2014. Please provide a run of the LT Rev Req Model utilizing the same revenue credits as in Mr. DiFronzo's COS Model and all other inputs adjusted accordingly.

NWE objects that it did not perform such an analysis. Such an analysis is essential to considering whether NWE's preapproval request would result in just and reasonable

rates and is in the public interest. The inquiry seeks information that is critical in undertaking a valid comparison of the impact of revenue credits as claimed by NWE. NWE states in the testimony that is the subject of this data request that the COS model calculates revenue credits that are 2.7 million higher from the October 1, 2014 period through September 30, 2015 period as compared with the LT Rev Req Model based upon the calendar year 2014. If NWE's assertion is predicated on some factual basis, data for the COS projections is available that can be applied to the LT Rev Req Model.

Further, NWE misapprehends its obligations under M.R.Civ.Pro. 34(a). Documents requested must be produced whenever a party has the practical ability to obtain the documents. See *Van Cleave v. Travelers Property Cas. Co.*, 2005 ML 2035, p. 6, citing cases. Rule 34(a)(1)(A) requires production of any designated documents or electronically stored information, including graphs, charts, data or data compilations, stored in any medium from which information can be obtained either directly, or if necessary, after translation by the responding party into a reasonably usable form. NWE's obligations to produce the information requested by MCC fall well within the scope of Rule 34.

If NWE chooses to stand on its objection, then NWE's Application should be rejected.

MCC-091

MCC-091 states as follows:

Regarding: Exhibit__(PJD-2)
Witness: Patrick J. DiFronzo

Exhibit__(PJD-2), page 1 summarizes the estimated total electricity supply rates including the Hydros. Column D shows the Estimated Electric Supply Rates (excluding generation assets) for the period October 2014 thru September 2015 using Retail KWh sales for the period November 2013 thru October 2014. The same periods were used for the calculation of rates for Column R that shows the Hydro Assets' Fixed Rates. Variable Rates for the other generation assets (Colstrip IV, Dave Gates, and Spion Kop) are estimates for the period November 2013 thru October 2014 using Retail KWh for the same period. Please provide an exhibit using the same time period as for the other Variable Rates for the calculation of Column D, Electric Supply Rates (excluding generation assets).

NWE again objects that the request requires NWE to undertake an analysis that it did not make in evaluating the Hydros acquisition and that the request is irrelevant. The request is similar to the request set forth in MCC-080 and is highly relevant. NWE states that the analysis requested is irrelevant because it, "...essentially assumes that the Hydros would be put into rates beginning November 1, 2013," and that it "...would also require one to assume that the purchase power costs associated with a number of PPLM contracts no longer exist as of November 1, 2013. This is unrealistic given the terms of the current agreements." The request is merely seeking to compare alternative *estimated* electricity supply rates over a homogenous time frame. Otherwise, by NWE's logic, the application should be rejected on the grounds that it uses *forecasted* cost information on the Hydros and other resources, which may or may not be realistic, and *assumes* the costs of the Hydros would be put into rates at a future date. The inquiry

seeks information that is critical in undertaking a valid comparison of electricity supply costs. If the impacts on ratepayers of NWE's request in this Application are too speculative to assess and provide in data responses, then its request should be denied. As set forth above, this information is well within the scope of NWE's obligations to produce information.

The Commission should compel NWE to completely and satisfactorily respond to MCC-080 and MCC-091 as described above.

Respectfully submitted February 10, 2014.

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