



February 14, 2014

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

RE: Docket No. D2013.12.85
PPLM Hydro Assets Purchase
PSC Set 2 Data Requests (036-058)
Updated Response to PSC-047

Dear Ms. Whitney:

Enclosed for filing is a copy of NorthWestern Energy's updated response to PSC-047 in PSC Set 2 Data Requests. A hard copy will be mailed to the most recent service list in this Docket this date. The Montana Public Service Commission and the Montana Consumer Counsel will be served by hand delivery this date. These data responses will also be e-filed on the PSC website and emailed to Counsel of Record.

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

Sincerely,

Nedra Chase
Administrative Assistant
Regulatory Affairs

NC/nc
CC: Service List

CERTIFICATE OF SERVICE

I hereby certify that a copy of NorthWestern Energy's updated response to PSC-047 in PSC Set 2 Data Requests for 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. PSC-047 update 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. PSC-047 update will also be emailed to counsel of record.

Date: February 14, 2014

A handwritten signature in cursive script that reads "Nedra Chase". The signature is written in black ink and is positioned above a horizontal line.

Nedra Chase
Administrative Assistant
Regulatory Affairs

Docket No D2013.12.85
Hydro Assets Purchase
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NorthWestern Energy
Docket D2013.12.85
PPLM Hydro Assets Purchase

Public Service Commission (PSC)
Set 2 (036-058)

Data Requests served January 2, 2014

PSC-047

Regarding: 2013 Resource Plan, Alternatives To Hydros
Witness: Fine

Please provide PowerSimm model results for the following resource portfolios and carbon cost input assumptions:

a. Portfolios:

1. Current + 1 PW FT8 SCCT in 2020
2. Current + 2 PW FT8 SCCT in 2020
3. Current + 1 GE LMS 100 SCCT in 2020
4. Current + 1 GE 7FA.04 ACC in 2020
5. Current + 1 PW FT8 SCCT in 2020 + 100 MW wind in 2020
6. Current + 2 PW FT8 SCCT in 2020 + 100 MW wind in 2020
7. Current + 1 GE LMS 100 SCCT in 2020 + 100 MW wind in 2020
8. Current + 1 GE 7FA.04 ACC in 2020 + 100 MW wind in 2020

b. Carbon cost input assumptions:

1. Model all portfolios (including those above) with an initial carbon cost distribution mean of \$15/ton and max of \$30/ton starting in 2021
2. Model all portfolios (including those above) with an initial carbon cost distribution mean of \$10/ton and max of \$20/ton starting in 2021
3. Model all portfolios (including those above) with an initial carbon cost distribution mean of \$15/ton and max of \$30/ton starting in 2026
4. Model all portfolios (including those above) with an initial carbon cost distribution mean of \$10/ton and max of \$20/ton starting in 2026
5. Model all portfolios (including those above) without incorporating carbon emission costs

Summarize the modeling results in tables similar to Figure 6-1, p. 6-5, in Volume 1 of the 2013 Electricity Supply Resource Procurement Plan (2013 Plan). Provide detailed results similar to those included in Volume 2, Chapter 4, of the 2013 Plan.

RESPONSE (January 24, 2014):

NorthWestern is working with the Commission staff to narrow the scope of this data request. NorthWestern understands that staff's consideration is being informed by the Commission's consultant's report and that some delays have been caused by this. NorthWestern is confident that it and the staff will be able to reach an agreement on the proper scope. However, to avoid waiving any objection, NorthWestern objects to this data request because it is beyond the proper

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PSC-047 cont'd

scope of data requests in that it requires NorthWestern to undertake an analysis that it did not make in evaluating the acquisition or preparing its Application and to produce documents that do not currently exist. NorthWestern further objects that this data request is unreasonable and unduly burdensome in that it will require NorthWestern to incur significant expense to respond.

UPDATED RESPONSE (February 14, 2014):

As set out in the attachment to NorthWestern Energy's Motion for Leave to Respond to Evergreen Economics' Memorandum ("Motion") filed with the Commission on January 29, 2014, NorthWestern and the MPSC Staff agreed to modify the original PSC-047 data request as follows:

"As a result of the January 24, 2014 discussion with Staff regarding this section of the Evergreen Memorandum and NorthWestern's response to MPSC No. PSC-047 we agreed to the following:

For MPSC Data Request No. PSC-047, we agreed to limit and provide PowerSimm modeling results for only portfolio numbers 3, 7 and 8, as modified below:

- 3. Current + 1 GE LMS 100 SCCT in 2018*
- 7. Current + 1 GE LMS 100 SCCT in 2025 + 100 MW wind in 2025*
- 8. Current + 1 GE 7FA.04 ACC in 2025 + 100 MW wind in 2025*

Per our discussion, the three additional portfolios will be run in stochastic modes and will be based on the same set of carbon assumptions used in the 2013 Plan. This consistency will allow results of the additional modeling to be compared with the earlier modeling results as included in both the 2103 Plan and the Hydros application."

By Notice of Commission Action dated February 5, 2014, the Commission granted NorthWestern's Motion.

Accordingly, the modified additional modeling information required by this data request was filed by NorthWestern with the Commission on February 14, 2014 under separate cover letters in two dockets, as follows:

1. A supplement to NorthWestern's 2013 Electricity Supply Resource Procurement Plan ("2013 Plan") in Docket No. N2013.12.84, which updates the 2013 Plan to reflect the additional modeling described above; and,

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PSC-047 cont'd

2. A supplement to the Application of NorthWestern for the Hydro Assets Purchase in Docket No. D2013.12.85, which includes the following:
 - a. Exhibit__(APP-4S) as a supplement to Exhibit__(APP-4), NorthWestern's 2013 Plan, updating the 2013 Plan to reflect the additional modeling described above;
 - b. Prefiled Supplemental Testimony of John D. Hines, summarizing the additional modeling results and the basis for these updates; and
 - c. Prefiled Supplemental Testimony of Joseph M. Stimatz, which addresses in detail the additional modeling.