

May 9, 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 10 Data Requests (131-195)
SECOND UPDATED RESPONSE TO PSC-156a

Dear Ms. Whitney:

Enclosed for filing is a copy of NorthWestern Energy's 2nd updated response to PSC-156a Data Request. A hard copy will be mailed to the most recent service list in this Docket this date. This updated Data Request response will also be e-filed on the PSC website and emailed to counsel of record.

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

Sincerely,

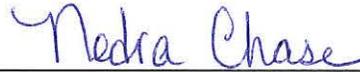
Nedra Chase
Administrative Assistant
Regulatory Affairs

NC/nc
CC: Service List

CERTIFICATE OF SERVICE

I hereby certify that a copy of NorthWestern Energy's 2nd updated response to PSC-156a in PSC Set 10 Data Requests (131-195), Docket D2013.12.85, the PPLM Hydro Assets Purchase has been hand delivered to PSC and MCC this date. This 2nd updated Data Request response 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: May 9, 2014



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 10 (131-195)

Data Requests served February 21, 2014

PSC-156

Regarding: 2013 Plan, Updated Forward Price Information
Witness: Stimatz

- a. Provide the same forward price information provided in response to data request PSC-011b, Attachment 2, updated to reflect market expectations on or about February 7, 2014. Provide additional updates on or about the same day in each subsequent month until the hearing in this proceeding.
- b. Confirm that the forward natural gas price curves referred to on p. 5-2 in Volume 1 are the same as those used in Exhibit_(JMS-2) to estimate Mid-C market prices? If different forward natural gas prices are used in the resource procurement plan, please provide supporting documentation for those forward prices, including the date on which the forward prices were assembled and the source(s) of the forward prices.
- c. Provide a MS Excel version of the AECO Forecast Changes table on p. 193 of 408, in Volume 2, Chapter 1, of the 2013 Plan. If NorthWestern has data for time periods after May 28, 2013, provide that data.

RESPONSE:

- a. Please see Attachment, the forward price information updated to reflect market expectations on or about February 7, 2014 as requested. See also Attachment - First Update, which provides the requested forward price information updated to reflect market expectations as of March 5, 2014. Please note that NorthWestern is relying on the "fair use" exemption of federal copyright law to supply these attachments for purposes of this docket only. No copies should be made, nor should the parties receiving this copyrighted information use it for any purposes other than for this docket. These documents have not been e-filed on the Commission website. NorthWestern will continue to update this Attachment on or about the 7th of each month until the hearing in this proceeding as requested.

The forecasts are different due to the PowerSimm modeling feature that maintains structural relationships between related variables such as electricity and natural gas prices. This relationship is known as the implied market heat rate and must be kept within a reasonable range for planning work so that modeled generating resources are dispatched realistically and can, therefore, be properly evaluated. Although the mean natural gas price forecast referred to on page 5-2 in Volume 1 is structurally related to the

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PSC-156 cont'd

electricity price forecast, which is based on the June 7, 2013 forward price curve, it is actually derived as a function of this model attribute.

- b. Please see the Excel file titled PSC-156(b)_PowerSimm Mean Monthly Nat Gas Price Forecast__Vol 2 Ch 3.xlsx in the "PSC-156" folder on the CD attached to PSC-147.
- c. Please see the Excel file titled PSC-156(c)_Term Trading Price Meeting AECO Forwards.xlsx in the "PSC-156c" folder on the attached copyright protected CD. NorthWestern is relying on the "fair use" exemption of federal copyright law to provide this information for purposes of this docket only. No copies should be made, nor should the parties receiving this information use the copyrighted material for any purposes other than for this docket.

UPDATED RESPONSE (April 8, 2014):

- a. Please see Attachment - Second Update, which provides the requested forward price information updated to reflect market expectations as of April 7, 2014. Please note that NorthWestern is relying on the "fair use" exemption of federal copyright law to supply this attachment for purposes of this docket only. No copies should be made, nor should the parties receiving this copyrighted information use it for any purposes other than for this docket. This document has not been e-filed on the Commission website. NorthWestern will continue to update this Attachment on or about the 7th of each month until the hearing in this proceeding as requested.

SECOND UPDATED RESPONSE (May 9, 2014):

- a. Please see Attachment - Third Update, which provides the requested forward price information updated to reflect market expectations as of May 7, 2014. Please note that NorthWestern is relying on the "fair use" exemption of federal copyright law to supply this attachment for purposes of this docket only. No copies should be made, nor should the parties receiving this copyrighted information use it for any purposes other than for this docket. This document has not been e-filed on the Commission website. NorthWestern will continue to update this Attachment on or about the 7th of each month until the hearing in this proceeding as requested.

PSC-156a **Third Updated Attachment** is Copyright Protected, therefore, it has not been e-filed.

Paper copies have been provided under the Fair Use Doctrine for purposes of this docket only.