

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)

**DATA REQUESTS OF THE MONTANA CONSUMER COUNSEL
TO NORTHWESTERN ENERGY**

MCC-217

Regarding: Future Event Adjustments
Witness: Robert C. Rowe

In reference to your Rebuttal Testimony at page RCR-16, lines 7-23:

- a. If, in the future, a major repair cost (e.g., \$200 million) becomes essential, which repair cost was not contemplated or included in the Company's evaluation of the hydros acquisition in this case, and the Commission determines that the possibility of such future repair cost should have been known to the Company, is it your opinion that the Commission may require the Company to make the repair and disallow rate recovery of all or part of the cost? Unless your answer is an unqualified "yes," please fully explain your answer.
- b. If there is an early retirement of one or more of the dams due to a structural or equipment failure that is too costly to repair, and if the Commission determines that the Company should have known about the possibility of such an occurrence but did not consider and account for it in evaluating the hydros acquisition, is it your opinion that the Commission may then terminate the Company's future ability to recover all or part of the remaining cost of such dams? Unless your answer is an unqualified "yes," please fully explain your answer

MCC-218

Regarding: MWh Cost of Electricity
Witness: John D. Hines

In reference to Chart 2, shown on page JDH-8 of your Rebuttal Testimony in this docket:

- a. Please explain why you cut this chart off at 2008 and did not show values for subsequent years.
- b. Please provide the corresponding values for each year from 2009 to 2013.

MCC-219

Regarding: Utility's Responsibility in Addressing Risk
Witness: John D. Hines

In reference to page JDH-11, lines 1-2 of your Rebuttal Testimony in this docket:

- a. Do you agree that the utility should bear some or all of the cost responsibility for risks that it undertakes. Unless your answer is an unqualified "yes," please fully explain your answer.
- b. Please list and discuss some of the risks for which the utility should bear cost responsibility.

MCC-220

Regarding: Utility's Responsibility in Addressing Risk
Witness: John D. Hines

On page JDH-21, lines 7-8 of your Rebuttal Testimony, you state: "Even though the Mid Columbia ("Mid-C") market has recently been trading at a relatively low level, at times actual price volatility has been significant."

- a. Please specify what you mean by "recently".
- b. Please admit that average annual Mid-C prices have been below \$40/MWh in all years after 2008.
- c. Please admit that average annual mid-c futures prices are below \$45/MWh in all years through 2020.

MCC-221

Regarding: Risk Free Transaction
Witness: Brian B. Bird

On page BBC-4, lines 14-16 of your Rebuttal testimony, you state “I do acknowledge preapproval allows us to manage risk to an acceptable level for investment by investors, but certainly not to a risk free level.” Please list and discuss the capital investment risks in the hydros that NWE will continue to bear with the prior approval that it seeks in this case.

MCC-222

Regarding: Colstrip IV
Witness: Brian B. Bird

In reference to your Rebuttal testimony at page BBB-7, lines 18-19: What is the carbon loading to CU4 costs (\$ per mwh) in 2021 that would pertain to CU4 production under the same carbon cost assumptions (per ton) that NWE has made for market purchases in this case?

MCC-223

Regarding: Capital Structure
Witness: Brian B. Bird

On page BBB-9, line 19 of your Rebuttal Testimony, you state: “It appears that Dr. Wilson used amounts taken from our investor materials.” Please provide the “investor materials” to which you refer.

MCC-224

Regarding: Selling of Hydros to Others
Witness: Brian B. Bird

In reference to page BBB-14, lines 17-22 of your Rebuttal testimony, please describe the ways in which an out-of-state utility could deliver the electric power produced at the dams to its service area that would allow the utility to claim the dams as firm resources. For the purpose of answering this question you may pick an out-of-state utility (e.g., Puget) as an example to illustrate how the power from the dams could be delivered to its service area.

MCC-225

Regarding: New Hydroelectric Generation
Witness: Ahmad Masud

In reference to pages AM-4, line 18 through AM-5 line 2 of your Rebuttal testimony, please provide and discuss all of the reasons why you consider the Safe Harbor facility to be economically comparable to the hydroelectric assets in this case.