



July 21, 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 14 Data Requests (305-354)  
**Updated Response to PSC-353 (b & c)**

Dear Ms. Whitney:

Enclosed for filing is a copy of NorthWestern Energy's updated response to Data Request PSC-353 (b & c) in PSC Set 14 Data Requests (305-354). This updated data response is one of the Post-Hearing Provides referenced during the hearing.

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. This updated 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 updated response to Data Request PSC-353 (b & c) in PSC Set 14 Data Requests (305-354) 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. This updated 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: July 21, 2014



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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 14 (305-354)**

Data Requests served May 23, 2014

PSC-353

Regarding: Choice Customers

Witness: Hines, part a / Mike Cashell, parts b & c

At a listening session in Great Falls, one choice customer expressed concern about the ability to receive energy supply from PPLM if the Hydro transaction were consummated, because of limited transmission availability from Colstrip (PPLM's remaining facilities) to Great Falls.

- a. With respect to energy supply, is there an option for these customers to be served by NWE, instead of PPLM, at a rate that retains these customers' access to low, market-based prices?
- b. With respect to transmission, please explain the difficulties of transmitting energy supply from PPLM's remaining assets at Colstrip to Great Falls. Would these choice customers have transmission access available to them?
- c. How many choice customers remain in Great Falls who would be affected by this issue, and (if it is known to you) what is the total load in question?

RESPONSE:

- a. NorthWestern does not have access to information to support the representation that these customers' rates are low. Further, NorthWestern does not have access to the supply contracts between choice customers and PPLM. The Commission, under § 69-8-201(1) and (2), MCA, has ultimate responsibility for tariffs and determining whether a choice customer can be served by NorthWestern.
- b. Under the open access transmission tariff (OATT), transmission capacity is awarded on a first-come-first-served basis, based on when the transmission request is received in relation to other transmission requests in the transmission queue, which is publicly available. All network customers, including choice customers, have the right to choose which network resources they desire to designate but must follow the terms of the tariff, including transmission availability. Choices for energy supply are made between the network customer and their supplier based on commercial terms, such as price, but the customer must also consider transmission availability. The supply transaction itself does not affect NorthWestern's queue.

Currently there is significant competition for transmission capacity on the NorthWestern transmission system. These requests can affect capacity into and out of the Great Falls area.

**NorthWestern Energy  
Docket D2013.12.85  
PPLM Hydro Assets Purchase**

**Public Service Commission (PSC)  
Set 14 (305-354)**

Data Requests served May 23, 2014

PSC-353 cont'd

If the Hydro assets transfer to NorthWestern, then the Network Customer (Choice Customer) will be required to designate a new network resource. This process is prescribed by the OATT in great detail, and there are limitations, including available capacity on the Transmission System, that must be considered by NorthWestern in this process. We will be notifying Choice Customers of the requirement as appropriate.

- c. Below is a table of existing Choice Customers in the Great Falls area and their Network Designations effective July 1, 2014.

<i>Starting July 1, 2014</i>			
<b>Choice Customer</b>	<b>MW Load</b>	<b>Location</b>	<b>Designation</b>
Benefis Health Systems	4	Great Falls, MT	Colstrip 1&2
City of Great Falls	4	Great Falls, MT	Crooked Falls (Ryan, Rainbow, Cochrane, Morony)
General Mills	4	Great Falls, MT	Crooked Falls (Ryan, Rainbow, Cochrane, Morony)
Great Falls Public Schools	1	Great Falls, MT	Crooked Falls (Ryan, Rainbow, Cochrane, Morony)
Montana Refining Company	4	Great Falls, MT	Crooked Falls (Ryan, Rainbow, Cochrane, Morony)
Suiza Dairy	1	Great Falls, MT	Crooked Falls (Ryan, Rainbow, Cochrane, Morony)
Conoco	14	Great Falls Area	Crooked Falls (Ryan, Rainbow, Cochrane, Morony)
Central Montana Electric Co-Op	2	Great Falls, MT	Power Contract Importing at Crossover
<b>Total</b>	<b>34</b>		

**NorthWestern Energy  
Docket D2013.12.85  
PPLM Hydro Assets Purchase**

**Public Service Commission (PSC)  
Set 14 (305-354)**

Data Requests served May 23, 2014

PSC-353 cont'd

UPDATED RESPONSE (b and c) July 21, 2014:

As of the date of the answers provided above, there have been significant changes in the Transmission Service Request Queue, both northbound into Great Falls and southbound out of Great Falls. In addition, while Mike Cashell was testifying at the Hearing in this case, he indicated that the Transmission Queue is dynamic. The information below speaks to the dynamic nature of the queue.

As of July 17, 2014:

First, northbound into Great Falls, a transmission customer has been awarded 50 MW and has withdrawn its remaining transmission service requests (TSRs) in the queue. A second transmission customer has withdrawn all of its requests for transmission capacity. As a result, there is now available transmission capacity (ATC) northbound into Great Falls on NorthWestern Energy's transmission system. It should be noted that the transmission queue can change quickly and that it is the transmission customer's responsibility to secure ATC when it becomes available.

Southbound out of Great Falls, a transmission customer has withdrawn 230 MW of TSRs.

Also, Mike Cashell, in his testimony at the Hearing in this case indicated that there was a dispute at FERC with a transmission customer involving TSRs made for transmission west to the Bonneville Power Administration. The power would have originated at a new proposed wind generation facility located in north central Montana. As of July 11, 2014, the customer has requested that 12 of its TSRs in the amount of 330 MW be withdrawn from the queue and its security deposits returned.