

Service Date: December 23, 2013

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

IN THE MATTER OF the Application of) REGULATORY DIVISION
NorthWestern Energy for Hydro Assets)
Purchase) DOCKET NO. D2013.12.85

**NOTICE OF APPLICATION AND INTERVENTION DEADLINE
AND INITIAL PROCEDURAL SCHEDULE**

On September 26, 2013, NorthWestern Corporation doing business as NorthWestern Energy (NorthWestern) executed a Purchase and Sale Agreement with PPL Montana, LLC to purchase its hydroelectric generating facilities in Montana. On October 11, 2013, NorthWestern notified the Montana Public Service Commission (PSC) that it would file an application seeking preapproval of the purchase no later than December 24, 2013. *See* Dkt. N2013.10.74. The PSC issued a *Notice of Opportunity for Early Intervention* on December 6, 2013.

On December 20, 2013, NorthWestern filed its *Application for Hydro Assets Purchase* (Application). In its Application, NorthWestern requests preapproval to purchase the Hebgen Lake storage reservoir and the following hydroelectric generating facilities:

- Madison Dam
- Hauser Dam
- Holter dam
- Black Eagle Dam
- Rainbow Dam
- Cochrane Dam
- Ryan Dam
- Morony Dam
- Kerr Dam
- Thompson Falls Dam
- Mystic Dam

NorthWestern “may apply to the [PSC] for approval of an electricity supply resource that is not yet procured.” *See* Mont. Code Ann. § 69-8-421 (2013). The PSC may approve or deny the Application in whole or in part, and “may consider all relevant information known up to the time that the administrative record in the proceeding is closed.” *Id.* The PSC must either find that preapproval is in the “public interest” and that the procurement is consistent with certain statutes and administrative rules, or describe why these findings could not be reached. *Id.* The PSC may include a provision for allowable “generation assets cost of service,” and make other

findings that it determines are necessary. *See id.* at § 69-8-103 (defining “generation assets cost of service”). Within 45 days of receiving the Application, the PSC must determine whether it is “adequate and in compliance with . . . minimum filing requirements.” *Id.* at § 69-8-421. The PSC “shall issue an order within 270 days of receipt of an adequate application” unless it determines that “extraordinary circumstances” necessitate additional time. *Id.*

In the Application, NorthWestern states that it has agreed to pay \$900 million plus or minus closing adjustments for the hydroelectric facilities. The 2014 test period revenue requirement is \$128,402,190. This consists of costs of \$66,570,901 and a return of \$61,831,289. This revenue requirement results in an increase of 4.22% or \$3.53 per month for an average residential customer using 750 kilowatt-hours per month.

A copy of the Application is available for inspection online at <http://psc.mt.gov> under Docket D2013.12.85, or at the business offices of the PSC, 1701 Prospect Avenue, P.O. Box 202601, Helena, Montana 59620-2601; NorthWestern, 40 East Broadway Street, Butte, Montana 59701 and 208 North Montana, Suite 205, Helena, Montana 59601; and the Montana Consumer Counsel (MCC), 111 North Last Chance Gulch, Suite 1B, P.O. Box 201703, Helena, Montana 59620-1703, telephone (406) 444-2771. The MCC is available to assist and represent the interests of the consuming public in this matter.

A person that is directly affected by the Application and wants to be a party to this proceeding (who did not petition for early intervention) must file a petition to intervene no later than **January 10, 2014** (intervention deadline). By the intervention deadline, the petitioner must: (1) Submit the petition electronically (e-file) on the PSC’s website at <http://psc.mt.gov> (“Account Login/Registration” under “Electronic Documents” tab); and (2) physically deliver or mail the original petition to the PSC at the address above; and (3) serve a hard copy of the petition on NorthWestern and the MCC. The PSC will not post an e-filed petition to its website until it receives the original.

The PSC and any party may submit preliminary data requests to NorthWestern no later than **January 3, 2014**. NorthWestern must respond to preliminary data requests within ten (10) days of the service date of the data requests or by **January 10, 2014**, whichever is earlier. If an initial data request is objectionable or seeks confidential information, NorthWestern must respond accordingly and proceed to object or file a motion for protective order no later than the

deadline to respond; if necessary, NorthWestern must file an updated response within seven (7) days of the PSC ruling on the objection or motion for protective order.

The PSC hereby requests that all parties to this Docket attend a scheduling conference on **January 13, 2014**, at 1:30 p.m. at the PSC's business offices at the above address, either in person or by telephone. Admin. R. Mont. 38.2.2701 (2013).

An interested person who does not wish to intervene may mail or deliver written comments to the PSC at the above address, or submit the comments electronically on the PSC's website at <http://psc.mt.gov> ("Comment on Proceedings").

BY THE MONTANA PUBLIC SERVICE COMMISSION

W. A. (BILL) GALLAGHER, Chairman
BOB LAKE, Vice Chairman
KIRK BUSHMAN, Commissioner
TRAVIS KAVULLA, Commissioner
ROGER KOOPMAN, Commissioner