

Service Date: December 15, 2015

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 FILING AND OPPORTUNITY TO COMMENT

On December 9, 2015, NorthWestern Energy (NWE) filed a *Hydroelectric Facilities Purchase Compliance Filing* (Hydro Compliance Filing) with the Public Service Commission (PSC). In 2014, the PSC ordered NWE to make “a final compliance filing in December 2015 to reflect post-closing adjustments, the future conveyance of Kerr to the CSKT, and the actual property tax expense for the Hydroelectric Facilities.” Order 7323k, Dkt. D2013.12.85, ¶ 190 (Sept. 25, 2014). It also ordered NWE to “track revenue credits on a portfolio basis through the electricity supply cost tracker.” *Id.* ¶ 191.

NWE proposes the following adjustments, which increase the Hydros’ revenue requirement by \$24,465,682: A decrease of (\$20,604,912) for expenses associated with Kerr; an increase of \$41,820,651 to account for lower forecasted sales volumes and market prices resulting in lower revenue credits; an increase of \$3,208,800 for state and local property taxes; and an increase of \$41,142 for other post-closing adjustments. Additionally, over a twelve-month period, NWE proposes to refund (\$6,925,834) for Kerr fixed costs collected since Kerr was transferred, and to collect \$14,103,153 for revenue credits that it has over-credited since the Hydros were acquired. These adjustments result in a total revenue increase of \$31,643,001.

The PSC hereby invites interested persons to submit written comments addressing the Hydro Compliance Filing, including requests for discovery, hearing or other contested case procedure(s), **no later than January 4, 2016**, either by mail or delivery to the PSC at 1701 Prospect Avenue, Helena, MT, 59620, or by email to psc_utilitycomment@mt.gov.

BY THE MONTANA PUBLIC SERVICE COMMISSION

BRAD JOHNSON, Chairman
TRAVIS KAVULLA, Vice Chairman
KIRK BUSHMAN, Commissioner
ROGER KOOPMAN, Commissioner
BOB LAKE, Commissioner