



July 24, 2015

Ms. Kate Whitney
Utility Division
Montana Public Service Commission
1701 Prospect Avenue
PO Box 2022601
Helena, Montana 59620-2601

**Re: Docket Nos. D2013.5.33/D2014.5.46 Electric Tracker
PSC Set 6 Data Requests (041-049)**

Dear Ms. Whitney:

Enclosed for filing is a copy of NorthWestern Energy's responses to PSC Set 6 Data Requests in Docket Nos. D2013.5.33/D2014.5.46. It has been hand delivered to the Montana Public Service Commission and the Montana Consumer Counsel this date. It has been mailed to the service list in this docket, e-filed on the PSC website, and emailed to counsel of record.

Should you have questions please contact Joe Schwartzberger at (406) 497-3362.

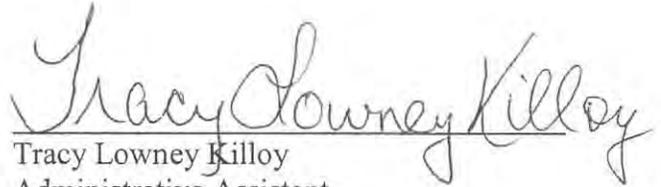
Sincerely,

Tracy Lowney Killoy
Administrative Assistant

CERTIFICATE OF SERVICE

I hereby certify that a copy of NorthWestern Energy's responses to PSC Set 6 Data Requests (041-049) in Docket Nos. D2013.5.33/D2014.5.46 has been hand delivered to the Montana Public Service Commission and to the Montana Consumer Counsel this date. It has been e-filed on the PSC website, emailed to counsel of record, and served on the most recent service list by mailing a copy thereof by first class mail, postage prepaid.

Date: July 24, 2015

A handwritten signature in cursive script that reads "Tracy Lowney Killoy". The signature is written in black ink and is positioned above the printed name and title.

Tracy Lowney Killoy
Administrative Assistant
Regulatory Affairs

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D2013.5.33/D2014.5.46
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NorthWestern Energy
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Montana Public Service Commission
Set 6 (041-049)

Data Requests received June 24, 2015

PSC-041

Regarding: Transmission Costs
Witness: Markovich

Please explain why transmission costs spiked in April 2014.

RESPONSE:

\$173,160 of point-to-point transmission service on the NorthWestern Energy transmission system was purchased to accommodate a 52 MW off-system sale of excess energy to the Western Area Power Administration ("WAPA") at Crossover during April 2014.

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PSC-042

Regarding: Spion Kop Variable Cost Revenues

Witness: Bennett

Please explain the source and nature of the “Spion Kop Variable Cost Revenues” that appear on line 44, page 2 of Exhibit_(FVB-8)13-14 in Docket D2014.5.46.

RESPONSE:

The Prefiled Direct Testimony of Patrick J. DiFronzo in the Spion Kop Docket No. D2011.5.41 discussed the variable costs associated with the annual property tax expense adjustments, and the Prefiled Direct Testimony of Frank V. Bennett (Annual Spion True-up section in Docket No. D2013.5.33) also discusses the Spion Kop variable costs – namely lost revenues and incremental property taxes associated with the Spion Kop fixed costs.

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PSC-043

Regarding: DGGGS Variable Costs
Witness: Bennett

- a. Please explain the source and nature of the May 2014 "MPSC-Related Fuel Adjustment" that appears on line 56, page 2 of Exhibit_(FVB-6)13-14 in Docket D2014.5.46.
- b. Please explain why the calculation of DGGGS "Energy Supply Cost" and "Revenue Credits" appears to change (resulting in a lower credit) after March and April 2014. *See e.g.* lines 51 & 70 on page 2 of Exhibit_(FVB-6)13-14 Updated, Dkt. D2014.5.46.

RESPONSE:

- a. Pages FVB-2 and FVB-3 of the Prefiled Direct Testimony of Frank V. Bennett (Annual DGGGS True-up section in Docket No. D2014.5.46) explain the correcting entry to adjust fuel costs to actual market prices approved under Final Order No. 7219h, Docket No. D2012.5.49. The entry was booked in May 2014.
- b. The calculation of Energy Supply Cost and Revenue Credits changes after March and April 2014 because that is when NorthWestern corrected its calculation to reflect actual market prices. See also the response to part a, above.

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PSC-044

Regarding: DGGS Transport Constraints
Witness: Mike Barnes

Was the February 2014 through June 2014 timeframe the first time that NorthWestern's DGGS plant has been subject to "transport constraints" as an "interruptible natural gas transport customer"? If not, please list and describe prior instances. *See* DR PSC-015a.

RESPONSE:

No, DGGS has been curtailed on weather-related events several times and occasionally forced off natural gas due to localized gas compressor problems since it began commercial operation but prior to February 2014. A list of the times when the plant was forced to switch to liquid fuel (diesel) follows:

- January 21, 2011 @ 21:21 – gas compressor down
- February 01, 2011 @ 05:56 – curtailed gas fuel
- March 28, 2011 @ 21:15 – gas compressor down
- December 5, 2013 @ 07:30 – curtailed gas fuel
- December 7, 2013 @ 09:23 – curtailed gas fuel
- December 8, 2013 @ 12:25 – curtailed gas fuel

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PSC-045

Regarding: Spot Market Transactions

Witness: Bennett, part a / Markovich, part b

- a. Please explain the January 2013 entry for \$(2,046,704) on line 82, page 4 of Exhibit (FVB-1)_12-13 in Docket D2013.5.33, and why there is no corresponding entry on page 3 at line 20.
- b. Why were net spot market transactions negative from January through May, 2013, and again in April 2014? If NorthWestern was long on energy during those months, please attribute (prorating if necessary) that surplus energy to particular generating resources.

RESPONSE:

- a. The January 2013 values recorded in the tracker model were incorrect; the costs on line 82 should have been recorded on line 83 which match the volumes on line 21.
- b. During some months index-based sales that are used to effectuate Mid C hedge transactions are entered into just prior to the start of the month, and they end up being classified as spot sales. Off system purchases and sales should net to zero each month regardless of the line item where they are shown.

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PSC-046

Regarding: DSM Program & Labor Costs
Witness: Bennett

Please provide a detailed breakdown of the \$2,379,492 incurred for DSM program and labor costs in August 2012, as well as supporting work papers.

RESPONSE:

The detailed breakdown is reflected in the table below. The work papers are the invoices provided on CD in response to Data Request MCC-038.

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Description	Account #	Expense
Direct Materials/Paper Billing	17054	\$38.73
Travel/Meals	17054	\$89.81
Office Supplies	17054	\$27.20
Trade Show supplies	17054	\$48.75
SBW Consulting Inc.	17054	\$425,731.01
KEMA	17055	\$365,766.66
Paulsen Marketing	17055	(\$160.65)
Prepaid Postage	17055	\$90.90
KEMA	17056	\$20,824.70
Direct Materials	17056	\$749.26
KEMA	17059	\$4,873.00
The Prep Department	17059	\$121.20
Direct Materials/Paper Billing	17059	\$25.45
KEMA	17060	\$550,998.70
CTA Architects Engineers	17060	\$16,444.00
National Center for Approp Tech	17060	\$240,260.00
KEMA	17062	\$2,150.00
The Prep Department	17062	\$168.00
KEMA	17063	\$25,425.07
ST Vincent Healthcare	17063	\$54,000.00
State of MT A&E Div	17063	\$98,000.00
Supervalu Inc.	17063	\$94,000.00
CTA Architects Engineers	17063	\$12,415.00
ECOVA Inc	17063	\$20,860.00
Portland Energy Conservation, Inc	17063	\$7,046.00
St Patrick Hosiptal	17063	\$255,000.00
National Center for Approp Tech	17063	\$73,331.00
CTA Architects Engineers	17064	\$5,030.00
ECOVA Inc	17064	\$2,015.00
KEMA	17064	\$90,536.74
McKinstry Essention	17064	\$419.00
National Center for Approp Tech	17064	\$8,556.00
Direct Materials/Paper Billing	17064	\$417.88
Travel	17067	\$25.00
Northwest Energy Efficiency Alliance	17067	\$4,168.38
		<u>\$2,379,491.79</u>

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PSC-047

Regarding: Estimating Imbalance Expenses

Witness: Bennett

Why did NWE stop estimating future imbalance expenses in July 2012?

RESPONSE:

NorthWestern stopped estimating imbalance for the 2012/2013 tracking period because the model used for the tracker matches estimated resources with the forecasted retail customer load that NorthWestern is required to serve. This is a balanced model. To project excess purchases or excess sales creates an arbitrary, speculative state in the model.

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PSC-048

Regarding: Estimate of MCC Tax Collection
Witness: Bennett

Was the December 2013 estimate of "MCC Tax Collection" (\$0) on line 39, page 1 of Exhibit_(FVB-2)13-14 in Docket D2013.5.33 a typo? If so, please provide the correct estimate.

RESPONSE:

Yes, the cell including the December 2013 value of zero is missing a formula. The estimated tax is \$14,605.

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PSC-049

Regarding: Estimated vs. Actual Costs

Witness: Bennett, part a / Markovich, part b

- a. Please explain why actual "Carrying Costs" incurred from June 2013 through June 2014 were \$1.9 million more than previously estimated.
- b. Please explain why actual "Total Delivered Supply" costs incurred from June 2013 through March 2014 were \$31.2 million more than previously estimated.

RESPONSE:

- a. The carrying cost increase is detailed in the response to Data Request PSC-018 which includes a table that reflects the changes in each cost category that impact the carrying cost.
- b. See the responses to Data Requests PSC-018 and PSC-019 in this docket.