

PUBLIC SERVICE COMMISSION
STATE OF MONTANA

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March 27, 2015

Mr. Joe Schwartzenberger
Regulatory Affairs Department
NorthWestern Energy
40 East Broadway
Butte, MT 59701

RE: Data requests in Consolidated Dockets D2013.5.33 and D2014.5.46

Dear Mr. Schwartzenberger,

Enclosed please find data requests of the Montana Public Service Commission to NorthWestern Energy (NWE) numbered PSC-007 through PSC-030 in the referenced Docket. Please begin the response to each new numbered data request on a new page. Please provide responses by April 17, 2015. If you have any questions, please contact me at (406) 444-6191.

Sincerely,

A handwritten signature in black ink that reads "Neil Templeton".

Neil Templeton
Regulatory Division
Montana Public Service Commission

Service Date: March 27, 2015

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

IN THE MATTER OF NorthWestern) REGULATORY DIVISION
Energy's 2012-2013 Electricity Supply)
Tracker) DOCKET NO. D2013.5.33
)
IN THE MATTER OF NorthWestern) DOCKET NO. D2014.5.46
Energy's 2013-2014 Electricity Supply)
Tracker)

DATA REQUESTS PSC-007 THROUGH PSC-030 OF THE
MONTANA PUBLIC SERVICE COMMISSION
TO
NORTHWESTERN ENERGY

PSC-007

Regarding: Outage Replacement Power
Witness: Markovich

- a. According to an email from Kevin Markovich, after the outage NorthWestern went to the market and bought 65 MW of on-peak, system, index based power. Please provide all contracts associated with this purchase and identify the amount paid for this quantity of power and amount of energy (MWh) received, by month.
- b. Please provide a copy of every purchase power agreement, including any contract for electric supply, which NorthWestern entered into from January 1, 2013 through June 30, 2014.

PSC-008

Regarding: Labor Costs During CU4 Outage
Witness: Bennett

Have the savings associated with furloughing employees identified in response to MCC-059 flowed through to ratepayers? If so, please identify the line(s) in Mr. Bennett's Exhibits where this amount is contained.

PSC-009

Regarding: CU4 Availability

Witness: Markovich

NorthWestern spokesperson Claudia Rapkoch was quoted in a July 3, 2014 article in the Missoula Independent: “Even with these occasional incidents that Colstrip has had, its track record is it’s available 82 percent of the time when we need it, and that's pretty remarkable. . . . it’s actually the most available unit that’s out there for us.”

- a. Please provide supporting calculations for the 82 percent figure, including an explanation of the methodology and all underlying data used to calculate it.
- b. Was CU4 actually the “most available unit” on NorthWestern’s system as of July 2014?
- c. Please explain why output from CU4 decreased substantially in May and June 2014.

PSC-010

Regarding: PPL Contracts

Witness: Bennett

- a. Please identify the line on page 3 of Exhibit FVB-1 that contains the PPL 09 RFP.
- b. Please identify the amount paid to PPL and the amount of energy (MWh) received pursuant to the PPL 09 RFP, by month from July 2012 through June 2014.
- c. Please identify the amount paid to PPL and the amount of energy (MWh) received pursuant to the purchase described in MCC-029, by month from December 2012 through May 2014.
- d. Please identify amounts paid to PPL and energy (MWh) received pursuant to any other agreements with PPL, by month from July 2012 through June 2014.

PSC-011

Regarding: Citigroup Contracts

Witness: Bennett

- a. Please identify the line on page 3 of Exhibit FVB-1 that contains the Citigroup 08 RFP.
- b. Please identify the amount paid to Citigroup and the amount of energy (MWh) received from Citigroup pursuant to the Citigroup 08 RFP, by month from July 2012 through June 2014.

- c. Please identify amounts paid to Citigroup and energy (MWh) received pursuant to any other agreements with Citigroup, by month from July 2012 through June 2014.

PSC-012

Regarding: Tiber and Turnbull Contracts

Witness: Bennett

- a. Please identify the line on page 3 of Exhibit FVB-1 that contains Turnbull.
- b. Please identify the amount paid to Turnbull and the amount of energy (MWh) received from Turnbull, by month from July 2012 through June 2014.
- c. Please identify the line on page 3 of Exhibit FVB-1 that contains Tiber.
- d. Please identify the amount paid to Tiber and the amount of energy (MWh) received from Tiber, by month from July 2012 through June 2014.

PSC-013

Regarding: Supply Amounts and Expenses by Counterparty

Witness: Bennett

- a. Please provide a list of each counterparty (i.e., buyer or seller) identified in the "Revised Updated Attachment" to MCC-004, Attachment 2 to MCC-024, and Attachment 1 to MCC-078.
- b. Please identify the specific line(s) on page 3 of Exhibit FVB-1 that contain energy received from each counterparty identified in response to subpart a.
- c. For each counterparty identified in response to subpart a, please identify the amount paid and the amount of energy (MWh) received, by month from July 2012 through June 2014.
- d. Please provide the same information for each of the counterparties listed in response to MCC-054 that you provided in the "Revised Updated Attachment" to MCC-004, and explain why the transactions shown in response to MCC-054 do not appear in the "Revised Updated Attachment" to MCC-004.
- e. Please provide the information requested in the first sentence of MCC-084 for the 2012-2013 tracker period, as well as the amount paid to and the amount of energy (MWh) received from each counterparty, by month.

PSC-014

Regarding: Qualifying Facilities
Witness: Bennett

- a. Please explain the reason(s) for volatility in the QF-1 unit price during 2013.
- b. Please explain why output from QF Tier II contracts dropped substantially in June 2014.
- c. Please provide a complete list of the qualifying facilities that provided electric supply to NorthWestern from July 2012 through June 2014, indicating the name, owner, size, and location. Additionally, for each QF, please provide the term of the contract, identify any ancillary services that were provided by NorthWestern, and provide contract prices, indicating the base rate paid to the QF and any rates or payments paid by the QF to NorthWestern.

PSC-015

Regarding: DGGs Variable Cost Volatility
Witness: Bennett

- a. Please explain and itemize the factors that caused such volatility in the "Total DGGs Variable Cost Allocation" from February 2014 through June 2014.
- b. Please explain why DGGs fuel costs increased substantially from February 2014 through June 2014.

PSC-016

Regarding: Total Administrative Expenses
Witness: Bennett

Please explain and itemize the factors that caused "Total Administrative Expenses" to be \$445,224 in December 2013.

PSC-017

Regarding: Third Party Administrative Expenses
Witness: Bennett

- a. In the attachments provided in response to MCC-038 and MCC-077, "Other Costs" are accounted for in two columns, one labeled "SAP BOOK" and the other "Tracker." Please explain the meaning of each of these, and whether NorthWestern is seeking to cost-recovery of both columns in this proceeding.

- b. Please provide a list of the 25 contractors or parties listed under “Other Costs” in the attachments provided in response to MCC-038 who received the most tracker-related compensation from NorthWestern during each of the relevant tracker periods.
- c. Please provide a list of the 25 contractors or parties listed under “Other Costs” in the attachments provided in response to MCC-077 who received the most tracker-related compensation from NorthWestern during each of the relevant tracker periods.
- d. For the contractors or parties identified in (a) and (b), please describe briefly the work of each of them (or the product for which NWE was paying); describe whether the payment was of a recurring nature or for project-specific work; and identify what the project was.
- e. Referring to the “NorthWestern Energy Hours Statement – Hydro Hours Report” in the response to MCC-077, “Attachment 6 December 2013,” page 127, please explain why these costs associated with Ascend Analytics’ work should not be considered shareholder-borne costs like other professional fees associated with the Hydro acquisition.

PSC-018

Regarding: Carrying Costs

Witness: Bennett

Please explain and itemize the factors that caused the “Total Carrying Costs” expense to be substantially more than previously forecasted for the 2013-2014 tracker period.

PSC-019

Regarding: Total Delivered Supply Expense

Witness: Bennett

Please explain and itemize the factors that caused the actual “Total Delivered Supply” expense to be substantially more than previously forecasted for the 2013-2014 tracker period.

PSC-020

Regarding: Actual Output of Scheduled Amounts

Witness: Bennett

In response to MCC-075, you state that your exhibits reflect “the actual output of NorthWestern’s scheduled amounts each month.” Please describe the difference, if any, between “the actual output of NorthWestern’s scheduled amounts” and the metered output or actual metered production from the plant.

PSC-021

Regarding: Judith Gap Expenses
Witness: Bennett

Please identify the contract rate(s) paid to Judith Gap for electric supply, and any other payment arrangements that exist between the parties to that power purchase agreement. Alternatively, please provide the power purchase agreement and any other contracts applicable to purchases from Judith Gap.

PSC-022

Regarding: Off System, Term Index Price Purchases
Witness: Bennett

Please explain the June 2014 entry for \$2,389,852 on line 78, page 2 of Exhibit (FVB-1)_13-14 in Docket D2014.5.46, and why there is no corresponding entry on page 1 at line 18.

PSC-023

Regarding: DSM Lost Revenue Adjustment
Witness: Bennett

Please explain the timing of the “DSM Lost Revenue Adjustments” in your exhibits and provide specific references to the calculation of those figures in testimony and exhibits provided by Mr. Thomas.

PSC-024

Regarding: Actual Retail Sales in 2012
Witness: Bennett, etc.

Please explain and account for the discrepancies between: (1) The “Total Delivered Supply” reported in this Docket for the second half of 2012 and Docket D2012.5.49 for the first half of 2012; (2) the 2012 retail sales reported in Docket N2014.1.3; and (3) the retail sales reported in the 2012 Annual Report of NorthWestern Energy.

PSC-025

Regarding: Spion Kop variable revenues
Witness: Markovich

Please explain the ongoing rationale – other than Final Order 7159 – for including variable revenues (i.e., federal production tax credits) in the Spion Kop fixed rate, which

is not trued-up, while including variable expenses (i.e., state property taxes and lost revenues) in the Spion Kop variable rate, which is trued-up?

PSC-026

Regarding: Follow-up to PSC-002c
Witness: Markovich

Please explain whether and how “the issue of serving load in Mountain Time while scheduling load in Pacific Time” may result in costs or benefits for Montana ratepayers.

PSC-027

Regarding: Intra-Hour Scheduling
Witness: Markovich

From July 2012 through June 2014, please identify the number of times that NorthWestern Energy Supply scheduled a generating resource to dispatch or change its dispatch for an interval shorter than an hour, the quantity of power that was scheduled on each occasion, and the generating resource(s) involved.

PSC-028

Regarding: Basin Creek & DGGS
Witness: Markovitch

- a. Please expand the spreadsheet provided in response to MCC-055 to include Basin Creek’s operations from July 2012 through June 2014, and please provide an electronic copy.
- b. Please explain how Energy Supply makes a decision as to whether to dispatch Basin Creek in a particular hour, including an identification of the numerical factors (such as the variable cost of dispatching the resource) that are involved in its decision.
- c. Please identify Basin Creek’s total operating capacity.
- d. Please provide a spreadsheet similar to the one provided in response to sub-part a. showing DGGS hourly average dispatch from July 2012 through June 2014, and please provide an electronic copy.
- e. What is the variable cost (or benefit) of increasing (or decreasing) the dispatch of DGGS?

PSC-029

Regarding: Intra-Hour Transactions

Witness: Markovitch (for a) and Unknown (for b)

- a. Please identify the number of times and, for each instance, the quantity of purchases NorthWestern Energy Supply made from the market of intra-hour energy products from July 2012 through June 2014.
- b. Please identify the number of times and, for each instance, the quantity of transactions when NorthWestern Transmission customers submitted an intra-hour transmission schedule through the NWMT OATT from July 2012 through June 2014.

PSC-030

Regarding: DSM & USB Advertising Expenses

Witness: Unknown

Should NWE make any adjustment to its recovery of DSM and USB advertising expenses to account for the possibility that it could also be considered a brand-building exercise on the company's part?