PUBLIC SERVICE COMMISSION
STATE OF MONTANA

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April 1, 2015

Mr. Robert Nelson
Montana Consumer Counsel
111 N. Last Chance Gulch Suite 1B
P.O. Box 201703
Helena, MT 59620-1703

RE: Data requests in Consolidated Dockets D2013.5.34 and D2014.5.47

Dear Mr. Nelson,

Enclosed are data requests of the Montana Public Service Commission to the Montana Consumer Counsel numbered PSC-044 through PSC-048 in the above-referenced Docket. Please begin the response to each new numbered data request on a new page. Please provide responses by April 15, 2015. If you have any questions, please contact me at (406) 444-6191.

Sincerely,

Neil Templeton
Regulatory Division
Montana Public Service Commission

Service Date: April 1, 2015

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

IN THE MATTER OF NorthWestern Energy's Application for Approval of Unreflected Gas Cost Account Balance and Projected Gas Cost, and Gas Transportation Adjustment Clause Balance	)))))	REGULATORY DIVISION DOCKET NO. D2013.5.34
IN THE MATTER OF NorthWestern Energy's Application for Approval of Unreflected Gas Cost Account Balance and Projected Gas Cost and Gas Transportation Adjustment Clause Balance	)))))	REGULATORY DIVISION DOCKET NO. D2014.5.47

DATA REQUESTS PSC-044 THROUGH PSC-048 OF THE MONTANA PUBLIC SERVICE COMMISSION TO THE MONTANA CONSUMER COUNSEL

PSC-044
Regarding: Electronic Worksheets
Witness: Donkin

Please provide working electronic copies of all Exhibits with all supporting files and links intact.

PSC-045
Regarding: Exhibit No.__(GLD-7)
Witness: Donkin

a. You cite NorthWestern's updated attachment to PSC-041(a) as a reference for line 1. The cited file shows a figure of 980,000 Dkt for 2015 rather than 920,000 Dkt. Why does your figure differ from NorthWestern's?

b. Should line 5 refer to NFR production rather than Devon production?

c. Please describe why you did not extend lines 8-10 of this exhibit to column 6.

d. At 19:8-10 you list "Estimate the first year Dkt production volume and first year annual fixed cost revenue requirement for the newly acquired gas producing property" as the first step in calculating a rate for the gas tracker. Why is it necessary to estimate production volume to calculate this rate?

e. If necessary, please submit an amended exhibit.

PSC-046

Regarding: Recommended Rate Treatment of Natural Gas Production Properties
Witness: Donkin

At 30:17-31:5 you argue that the rates used to recover fixed costs in NorthWestern's Battle Creek, NFR, and Devon gas production assets are supported by outdated revenue requirement data. You recommend that "the Commission direct NWE to make a filing as soon as possible that presents actual cost of service support for the rates that have been collected."

a. The fixed cost rate for the Battle Creek assets was addressed and approved by the Commission in Docket No. D2012.9.94, Final Order No. 7249e, ¶¶ 25, 29, and 60. The adjusted rate is discussed in NorthWestern's June 1, 2013 natural gas cost rate adjustment in Docket No. D2012.7.74. Are you recommending that NorthWestern include updated Battle Creek cost of service data in the proposed filing?

b. As a matter of ratemaking convention, is it your view that both the interim rates still in place for the Devon and Bear Paw properties are subject to true-up or revision, as well as the unit rates for Battle Creek, which typically would only be adjusted only in the context of a general rate case? If so, please cite to the authority you rely upon to support the contention that revenue requirement and unit rates established in a general rate case can be modified through an annual tracker.

c. Please describe in detail why the Commission should establish natural gas production asset rates outside of a full rate case that would evaluate costs and revenues from all NorthWestern natural gas utility assets, or combined utility assets.

d. If you are proposing that NorthWestern's natural gas production assets should receive rate treatment (e.g. declining fixed rates due to declining revenue requirements) that differs significantly from the rate treatment applied to its other electric and natural gas plant assets, please describe any outstanding features of natural gas production assets that would warrant differential rate treatment.

PSC-047

Regarding: Refunding Gas Production Cost Overcollections
Witness: Donkin

a. At 31:7-9 you recommend that to the extent gas cost revenues collected from interim rates on NorthWestern's production properties exceed revenues from Commission approved rates established following a contested proceeding, the difference should be refunded to ratepayers. A contested proceeding may involve different test years than those used to calculate the interim bridge rates. Are you proposing that the Commission set rates for each year since purchase for each asset? Please provide more detail on how you believe the Commission should calculate refunds.

b. Can the declining annual revenue requirements found in the spreadsheets provided in NorthWestern's updated responses to PSC-041(a) and PSC-042(a) be used to calculate what you essentially propose on the final page of your narrative testimony, i.e., the difference between 1) the actual cost of service and 2) the supposed cost of service based on a first-year revenue requirement recovered through interim unit rates, which under your proposal would be refunded to consumers?

c. You estimate for the 2014-15 tracker year, the cost to consumers of NorthWestern charging unit rates that are higher than they should be for gas-producing properties is $2.5 million. Please provide an estimate, based on the declining revenue requirements in GLD-6 and GLD-7, and what NorthWestern has actually recovered from consumers, of how much consumers have overpaid (if your advocacy is assumed to be fact) since the assets were put into rates.

PSC-048

Regarding: USB Program Cost Effectiveness
Witness: Donkin

a. NorthWestern has previously contended that while the E+ Energy Audit, which makes up nearly half the natural gas USB spending, saves no energy itself, it opens the door to a host of other cost-effective DSM programs—both electric and gas. How should this be factored into any Commission decision about the cost-effectiveness of this program, both by itself and within the context of natural gas USB programming generally?

b. You contend that the natural gas USB program's costs exceed the net present value of its benefits over time, in violation of the Department of Revenue's rules for the program. In that case, why not order NorthWestern to discontinue cost-ineffective programs completely, rather than merely addressing Lost Revenues?