NorthWestern Energy
Delivering a Bright Future

September 23, 2016

Mr. Will Rosquist
Administrator, Regulatory Division
Montana Public Service Commission
1701 Prospect Avenue
PO Box 2022601
Helena, Montana 59620-2601

Re: Docket No. D2016.5.39
QF-1 Avoided Cost Rate Filing
PSC Set 2 Data Requests (021-022)
Updated response to PSC-021e

Dear Mr. Rosquist:

Enclosed for filing is a copy of NorthWestern Energy's updated response to PSC-021e in PSC Set 2 Data Requests in Docket No. D2016.5.39. It has been hand delivered to the Montana Public Service Commission and the Montana Consumer Counsel this date. It has also been e-filed on the PSC website, emailed to counsel of record, and sent via First Class Mail to the remainder of the service list.

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

Sincerely,

Tracy Lowney Killoy

Tracy Lowney Killoy
Administrative Assistant

CERTIFICATE OF SERVICE

I hereby certify that a copy of NorthWestern Energy's updated response to PSC-021e in PSC Set 2 Data Requests in Docket No. D2016.5.39, the QF-1 Avoided Cost Rate Filing, has been hand-delivered to the Montana Public Service Commission and the Montana Consumer Counsel this date. It has also been e-filed on the Commission website, emailed to counsel of record, and sent via First Class Mail to the attached service list.

Date: September 23, 2016

Tracy Lowney Killoy

Tracy Lowney Killoy
Administrative Assistant
Regulatory Affairs

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Docket No. D2016.5.39

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NorthWestern Energy
Docket No. D2016.5.39
Application for Approval of Avoided Cost Tariff Schedule QF-1

Montana Public Service Commission
Set 2 (021-022)

Data Requests received August 29, 2016

PSC-021

Regarding: Follow-Up to Response to PSC-004
Witness: Mueller

Section 4.1 of NorthWestern's Small Generator Interconnection Procedures, included as Attachment N to NorthWestern's FERC Electric Tariff, states:

> Reasonable Efforts The Transmission Provider shall make reasonable efforts to meet all time frames provided in these procedures unless the Transmission Provider and the Interconnection Customer agree to a different schedule. If the Transmission Provider cannot meet a deadline provided herein, it shall notify the Interconnection Customer, explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process.

a. Is it NorthWestern's position that Section 4.1 of its Small Generator Interconnection Procedures allows NorthWestern to follow interconnection process timeframes that deviate from the specific timeframes in its tariff if the Interconnection Customer agrees to those timeframes? If not, please explain.

b. Is it NorthWestern's position that because the timeframes contained in the Attachment to the response to data request PSC-004 were provided to and discussed with representatives of Cypress Creek and FLS Energy that these entities agreed to those timeframes? If not, please explain.

c. Please provide any written documentation NorthWestern possesses showing that Cypress Creek and FLS Energy specifically agreed to the process and timeframes contained in the Attachment to the response to data request PSC-004.

d. Does "a deadline provided herein" refer to a deadline in the agreed to "different schedule", to the five-day deadline of Section 3.5.7, or a deadline described elsewhere in the tariff?

e. For all instances where NorthWestern failed to "meet a deadline provided herein", please provide, or identify previously provided communications from NorthWestern to its interconnection customers that "explain the reason for the failure to meet the deadline, and provide an estimated time by which it will complete the applicable interconnection procedure in the process."

PSC-021 cont'd

RESPONSE:

a. Yes.

b. Yes.

c. Please see the "PSC-021c" folder on the attached CD for emails responsive to this request. The difficulties of scheduling the required work for numerous proposed 3 MW projects was discussed with each developer early in the process; some discussions were in face–to-face meetings, which were not recorded or transcribed. NorthWestern provided a copy of its timelines (see Attachment provided in response to Data Request PSC-004d) to Amy Berg Pickett of Cypress Renewables as an email attachment on December 29, 2014 (among the emails provided in above-referenced folder). NorthWestern held an in-person meeting with Casey May from FLS Energy on October 14, 2015, prior to receiving any interconnection requests from FLS. The purpose of this meeting was to discuss NorthWestern's process for interconnection and timelines. NorthWestern also provided a written copy of the PSC-004d Attachment to Mr. May and reviewed the document with him, along with answering his questions about the interconnection queue and construction timing.

d. There are numerous default deadlines in the tariff which are referenced in Section 4.1. See the Attachment provided in response to Data Request PSC-004d for a printed summary of default deadlines.

e. NorthWestern does not believe it missed an applicable deadline.

UPDATED RESPONSE (September 23, 2016):

e. At the request of the Commission staff, NorthWestern supplements its response as follows:

Section 4.1 of NorthWestern's Small Generator Interconnection Procedures allows NorthWestern to follow interconnection time frames that deviate from the specific timeframes in its tariff when necessary (please see response to part a above). All of the Interconnection Customers which applied for interconnection on NorthWestern's distribution system were notified, in advance, and in accordance with Section 4.1, of the work flows which NorthWestern could meet (please see response to Data Request PSC-004a), and the Interconnection

PSC-021 cont'd

Customers agreed with the alternative work flows (please see the response to part b above).

NorthWestern and the Interconnection Customers agreed to alternative work flows prior to any of the default deadlines in Section 4.1. The agreed-upon alternative work flows superseded the default deadlines, and therefore, NorthWestern does not believe it missed an applicable deadline.