

Montana Public Service Commission



Brad Johnson - Chairman
Travis Kavulla - Vice Chairman
Kirk Bushman - Commissioner
Roger Koopman - Commissioner
Bob Lake - Commissioner

October 28, 2016

Michael J. Uda
Uda Law Firm, P.C.
7 West Sixth Avenue
Power Block West, Suite 4H
Helena, MT 59601

RE: Data Requests in Docket D2016.5.39

Dear Mr. Uda:

Enclosed please find Data Requests PSC-036 through PSC-041 of the Montana Public Service Commission to FLS Energy and Cypress Creek Renewables in the above-referenced Docket. Please provide a response by November 14, 2016. If you have any questions, please contact me at (406) 444-6191.

Sincerely,

A handwritten signature in black ink, appearing to read "Neil Templeton".

Neil Templeton
Regulatory Division
Montana Public Service Commission

Enclosure

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

IN THE MATTER OF NorthWestern) REGULATORY DIVISION
Energy's Application for Interim and Final) DOCKET NO. D2016.5.39
Approval of Revised Tariff No. QF-1,)
Qualifying Facility Power Purchase)

DATA REQUESTS PSC-036 THROUGH PSC-041 OF THE MONTANA PUBLIC SERVICE COMMISSION TO FLS ENERGY AND CYPRESS CREEK RENEWABLES

PSC-036

Regarding: Electronic Files
Witness: Schiffman

Please provide Excel files to support your alternative forecast of \$48.32/MWh.

PSC-037

Regarding: Valuing QF-1 Power under Long Conditions
Witness: Schiffman

- a. Please confirm, or deny with explanation that pricing QF power at zero during forecasted Long-2 conditions is logically equivalent to curtailing without compensation under Long-2 conditions.
- b. Please confirm, or deny with explanation that NorthWestern is obliged to preserve consumer indifference with respect to the procurement of QF power, or power from any other source, including its owned or proposed resources.
- c. Please confirm, or deny with explanation, that NorthWestern customers are indifferent between these choices: 1) Purchasing QF power at market price for immediate sale at market price (assuming zero transaction costs); or 2) No purchase of QF power.
- d. Please confirm, or deny with explanation, that NorthWestern customers are not indifferent between these choices: 1) Purchasing QF power at market price for immediate sale at market price (assuming non-zero transaction costs); or 2) No purchase of QF power.

PSC-038

Regarding: Valuing QF-1 Power under Long Conditions

Witness: Schiffman

- a. Please confirm, or deny with explanation that NorthWestern customers incur brokering costs and market price risk associated with buying and selling QF power under long conditions.
- b. Please confirm, or deny with explanation that FLS/Cypress Creek would support the pricing of QF-1 power under long conditions at projected market prices, less a deduction representing the fair value of, at least, NorthWestern's power brokering services and market price risk.
- c. If confirmed at (b), please provide and support an estimate of a reasonable deduction to market to compensate NorthWestern customers for expected cost and risk.

PSC-039

Regarding: Mid-C Energy Price Forecast

Witness: Schiffman

At p.17 you state that NorthWestern's forecast in 2016 is 12% lower than actuals so far. Please provide Excel support for this claim.

PSC-040

Regarding: Annual Changes to QF-1 Rates

Witness: Schiffman

Please describe the FLS/Cypress Creek position on annual updates to QF-1 Tariff rates based upon changes in price indices and other factors in the approved avoided cost calculation.

PSC-041

Regarding: Levelized Costs

Witness: Schiffman

Please describe the FLS/Cypress Creek position on the use of levelized costs to set standard rates in the QF-1 Tariff.