

Montana Public Service Commission



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

September 9, 2016

Mr. Joe Schwartzberger
Regulatory Affairs Department
NorthWestern Energy
11 East Park
Butte, MT 59701

RE: Data Requests in Docket D2016.5.39

Dear Mr. Schwartzberger:

Enclosed please find Data Requests PSC-023 through PSC-027 of the Montana Public Service Commission to NorthWestern Energy in the above-referenced Docket. Please provide a response by September 30, 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

Service Date: September 9, 2016

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-023 THROUGH PSC-027 OF THE MONTANA PUBLIC
SERVICE COMMISSION TO NORTHWESTERN ENERGY**

PSC-023

Regarding: Response to VS-009
Witness: Unknown

Please identify the language in Docket D2015.7.59, Final Order 7450a, in which the Commission adopted and approved the use of a production cost model to estimate avoided costs.

PSC-024

Regarding: Derivation of Electricity Pricing Differentials
Witness: Hansen

- a. Please specify completely the mathematic relations between forecast Mid-C, NorthWestern purchase, and NorthWestern sale prices. Fully describe all variables and parameters included in these specifications, e.g. forecasted electricity prices, tariff rates, loss functions, discount sharing factors, and stochastic parameters.
- b. Please provide workpapers to illustrate the derivation of NorthWestern purchase and sale prices from forecast Mid-C prices over the 25-year term contemplated in this docket. Excel files with active functions are preferred, but if these are not available, Excel-readable PowerSimm files showing all relevant input and output variables and parameters will be accepted.
- c. Please provide rationale to support your specification of the mathematic relation between Mid-C prices and NorthWestern's purchase and sale prices.

PSC-025

Regarding: Response to PSC-019

Witness: Bushnell

- a. Would it be reasonable to use NWE's response to PSC-019(c) to update the WI-1 tariff?
- b. If the answer to part (a) of this question is no, please explain why it is preferable to use dated cost information in the WI-1 tariff when more current cost information is available.

PSC-026

Regarding: Response to PSC-020

Witness: Bushnell

In response to PSC-020(a), you state NWE did not propose to update the CR-1 tariff because the CR-1 tariff no longer has any effect on QF-1 rates. Would it be reasonable to eliminate the CR-1 tariff and any references to it in the standard QF-1 tariff? If not, please explain.

PSC-027

Regarding: Valuation of QF-1 Power

Witness: Hansen

- a) Does NorthWestern model the value of QF-1 power the same as it models the value of power from its own or proposed resources? For instance, does NorthWestern model the value of its proposed resources at zero under Long-2 conditions?
- b) Please describe your accommodation in modeling practice, if any, to PURPA's "rates shall not discriminate" provision. (18 CFR § 292.304 (a)(1)(ii)).
- c) If NorthWestern has ever modeled the value of its own or proposed resources in similar fashion to its QF-1 proposal in this proceeding, please provide evidence.