



March 27, 2012

Kate Whitney
Utility Division Administrator
Montana Public Service Commission
1701 Prospect Avenue
P. O. Box 202601
Helena, MT 59620-2601

Re: Renewable Portfolio Standard Compliance Reporting

Dear Ms. Whitney:

In this letter, Hinson Power Company, LLC (“Hinson”) hereby explains that it was not an electricity supplier in Montana for compliance year 2011 for the purposes of Renewable Portfolio Standard (“RPS”) Compliance Reporting, because Hinson did not supply electricity to any retail customers in Montana at any time during calendar year 2010. In addition, Hinson does not currently expect its status as a *non*-electricity supplier in Montana to change for compliance year 2012 and beyond. Nevertheless, at the request of the Commission’s staff, Hinson submits herewith the Montana RPS Compliance Form for Electricity Suppliers for Compliance Year 2011 (the “2011 Form”) for informational purposes. For the avoidance of any doubt and for the sake of clarity, the sales figures listed on the 2011 Form under “2010 Total Retail Sales (kWh)” do not represent retail sales.

The Administrative Rules of Montana provide that an “electricity supplier” includes any corporation selling electricity to a “retail customer” in Montana “that is not a public utility or cooperative utility.” Admin. R. Mont. § 38.5.8302(2)(b) (2011). A “retail customer” is any customer that buys electricity for end-use purposes and “is separately identified in a public utility’s billing system as a person or entity to which bills are sent for service to metered and/or unmetered facilities located on contiguous property.” Admin. R. Mont. § 38.5.8302(2)(d) (emphasis added). A “public utility” is defined as any “corporation...that own[s], operate[s] or control[s] any plant or equipment, any part of a plant or equipment...for the production, delivery, or furnishing for or to other...corporations...[of] ...power in any form or by any agency...” ARM 69-3-101(1).

In calendar year 2010, Hinson sold electricity to only one customer in Montana, Columbia Falls Aluminum Company (“CFAC”). Though CFAC did purchase electricity for end-use purposes, CFAC is only identified in the billing systems of the Bonneville Power Administration (“BPA”) and Hinson – neither of which are public utilities.



Hinson believes that BPA is not a public utility in Montana for the purposes of RPS because it is a federal agency. In order to confirm its belief that BPA is not a public utility, Hinson reached out to the staff at the Commission, and the staff of the Commission confirmed to Hinson that BPA is not a “public utility” under Section 69-3-101 of the Montana Code Annotated.¹ In addition, Hinson itself is not a public utility or a cooperative. Hinson falls outside the definition set forth above; it does not own, operate or control any plant or equipment for the production or delivery to corporations of any power in any form or by any agency.

Hinson was not an electricity supplier in Montana for compliance year 2011 for the purposes of RPS, because it did not supply electricity to any retail customers in Montana during calendar year 2010. It supplied electricity solely to CFAC, which is not a retail customer, as detailed above. Furthermore, as Hinson was not an electricity supplier in Montana for compliance year 2011, it cannot be considered a competitive electricity supplier in Montana for compliance year 2011 either. Accordingly, Hinson requests the Commission to provide written confirmation that Hinson, for the purposes of RPS, was not an electricity supplier in Montana for compliance year 2011.

Please do not hesitate to contact the undersigned should you have any questions. Thank you for your attention to this matter.

Sincerely,

Sarah P. Garman
Corporate Secretary
Hinson Power Company, LLC
c/o Glencore Ltd.
Three Stamford Plaza
301 Tresser Boulevard
Stamford, CT 06901-3244
Tel.: (203) 328-3184
Email: sarah.garman@glencore-us.com

Enclosure

¹ Hinson acknowledges that the communication from the staff of the Commission does not represent the Commission's official interpretation of the definition of “retail customer” or “public utility” in regard to the matter presented in this letter, but it was the sole opinion of the staff of the Commission at the time of the communication.

**Montana Renewable Portfolio Standard (RPS)
Compliance Form for Electricity Suppliers
Compliance Year 2011**

1 **Electricity Supplier:** Hinson Power Company, LLC
 2 **Competitive Electricity Supplier?*** Yes No

2010 Total Retail Sales (kWh):

3	January	744,000.00
4	February	672,000.00
5	March	743,000.00
6	April	720,000.00
7	May	744,000.00
8	June	720,000.00
9	July	744,000.00
10	August	744,000.00
11	September	720,000.00
12	October	744,000.00
13	November	721,000.00
14	December	744,000.00
15	Total:	8,760,000.00

2011 Renewable Energy Credits (RECs)[±]

16	Procurement Requirement:	0.00
17	2009 Carry-Over Applied:	0.00
18	2010 Carry-Over Applied:	0.00
19	Procured in 2011:	0.00
20	Total Retired for 2011:	0.00
21	Balance:	0.00

[±] All RECs used to comply with the RPS must be tracked and verified through the Western Renewable Energy Generation Information System (WREGIS) or the Midwest Renewable Energy Tracking System (MRETS). To demonstrate compliance with this requirement, please attach a report generated by WREGIS or MRETS setting forth the sources and quantities of RECs procured and retired for compliance year 2011.

2012 Renewable Energy Procurement Plan

22	Expect to be a Competitive Electricity Supplier?	<input type="checkbox"/> Yes <input type="checkbox"/> No
23	Estimate of total retail sales to retail customers (kWh):	
2012 RECs:		
24	Estimate of Quantity Needed:	
25	Anticipated Sources:	

(Copy this page as needed)

2010 Retail Sales (kWh) 2010 Individual Load (kW)

26	Retail Customer: <u>Columbia Falls Aluminum Company, LLC</u>		
27	January	744,000.00	1,200.00
28	February	672,000.00	1,200.00
29	March	743,000.00	1,200.00
30	April	720,000.00	1,200.00
31	May	744,000.00	600.00
32	June	720,000.00	600.00
33	July	744,000.00	600.00
34	August	744,000.00	600.00
35	September	720,000.00	600.00
36	October	744,000.00	600.00
37	November	721,000.00	1,200.00
38	December	744,000.00	1,200.00
39	Total/Average:	8,760,000.00	900.00

40	Retail Customer: _____		
41	January	0.00	0.00
42	February	0.00	0.00
43	March	0.00	0.00

44	April	0.00	0.00
45	May	0.00	0.00
46	June	0.00	0.00
47	July	0.00	0.00
48	August	0.00	0.00
49	September	0.00	0.00
50	October	0.00	0.00
51	November	0.00	0.00
52	December	0.00	0.00
53	Total/Average:	0.00	0.00
54	Retail Customer:		
55	January	0.00	0.00
56	February	0.00	0.00
57	March	0.00	0.00
58	April	0.00	0.00
59	May	0.00	0.00
60	June	0.00	0.00
61	July	0.00	0.00
62	August	0.00	0.00
63	September	0.00	0.00
64	October	0.00	0.00
65	November	0.00	0.00
66	December	0.00	0.00
67	Total/Average:	0.00	0.00

**Competitive Electricity Supplier Attestation Clause and
Consent to Release of Retail Customer Load Information**

Electricity Supplier: Hinson Power Company, LLC

* As an officer of the above-named electricity supplier, and based on the information in this report, including each customer's individual load in 2010, I hereby attest that it was / was not a competitive electricity supplier in compliance year 2011.

As an officer of the above-named electricity supplier, I hereby consent to the release of its retail customer load information by a public utility to the Montana Public Service Commission for purposes of verifying the information in this report.

Signature of Officer:

Name of Officer:

Sarah Garman

Date:

27-Mar-12

Comments: Hinson submits this form as requested by the staff at the Montana Public Service Commission for informational purposes only. The sales and load figures submitted herein are from one customer in Montana. Hinson believes that this customer was not a retail customer for the purposes of the Montana Renewable Portfolio Standards. Please refer to the cover letter to this form for detailed explanation regarding this matter. Therefore, the sales figures in this filing should not be interpreted as sales for retail. If you have any questions, please contact the undersigned above.