



January 17, 2014

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

RE: Docket No. D2013.12.85
PPLM Hydro Assets Purchase
PSC Set 4 Data Request (067)

Dear Ms. Whitney:

Enclosed for filing is a copy of NorthWestern Energy's response to PSC-067 in PSC Set 4. A hard copy will be mailed to the most recent service list in this Docket this date. The Montana Public Service Commission and the Montana Consumer Counsel will be served by hand delivery this date. This data response will also be e-filed on the PSC website and emailed to counsel of record.

Should you have questions please contact Joe Schwartzberger at 406 497-3362.

Sincerely,

Nedra Chase
Administrative Assistant
Regulatory Affairs

NC/nc
CC: Service List

CERTIFICATE OF SERVICE

I hereby certify that a copy of NorthWestern Energy's response to PSC Set 4 data request No. PSC-067 in Docket D2013.12.85, the PPLM Hydro Assets Purchase, has been hand delivered to the Montana Public Service Commission and to the Montana Consumer Counsel this date. It will be e-filed on the PSC website and served on the most recent service list by mailing a copy thereof by first class mail, postage prepaid. It will also be emailed to counsel of record.

Date: January 17, 2014



Nedra Chase
Administrative Assistant
Regulatory Affairs

Docket No D2013.12.85
Hydro Assets Purchase
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NorthWestern Energy
Docket D2013.12.85
PPLM Hydro Assets Purchase

Public Service Commission (PSC)
Set 4 (067)

Data Request served January 9, 2014

PSC-067

Regarding: Modeled Resource Portfolios
Witness: Dave Fine

Explain why NorthWestern did not model the resource portfolios defined in data request PSC-047a, or similarly structured portfolios, in its 2013 resource plan given that NorthWestern's 2011 resource plan concluded that similar portfolios were preferred (see Table 31, 2011 Electricity Supply Resource Procurement Plan, Volume 1, p. 185)?

RESPONSE (January 17, 2014):

NorthWestern did not model these resource portfolios primarily due to the following three items:

1. The timing of implementing new electricity supply procurement modeling software (Ascend Analytics PowerSimm Modeling Software);
2. NorthWestern's empirical knowledge and experience that the resource portfolios in question from the 2011 Plan would have produced similar results in the 2013 Plan; and,
3. The evolution and timing of the PPL Montana Hydros acquisition, including the use of PowerSimm and Ascend Analytics to simultaneously prepare the filing.

Along with the implementation, training and conversion to PowerSimm, NorthWestern and its modeling consultant Ascend Analytics faced numerous challenges in the fourth quarter of 2013 to complete the work necessary to support the filing of the 2013 Plan and the hydro application. With the simultaneous advent of the acquisition of the PPL Montana Hydros, including the hydro resources into the PowerSimm model caused NorthWestern to focus its efforts on evaluating the CCCT option which had been identified in the 2011 Plan as a preferred resource. In evaluating and considering resource planning alternatives to the baseload hydro assets to include in the 2013 Plan, NorthWestern, with the input of its advisors, only selected the CCCT because we already knew from the 2011 Plan that it was the most competitive new baseload thermal option to compare to the hydro resource alternative.

Therefore, given the timing, NorthWestern relied on its empirical knowledge and experience that the resource portfolios in question from the 2011 Plan would have produced similar results in the 2013 Plan and chose not to model and include these particular portfolios in the 2013 Plan.