

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

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

PREHEARING MEMORANDUM OF NORTHWESTERN CORPORATION

INTRODUCTION

NorthWestern Corporation, d/b/a NorthWestern Energy (“NorthWestern”) filed with the Montana Public Service Commission (“Commission”) on May 3, 2016, its biennial Application for Approval of Avoided Cost Tariff Schedule QF-1 (“Application”). The Application requests Commission approval of new avoided cost rates for Qualifying Facilities (“QFs”) entitled to the Commission-established standard rates for QFs up to 3 megawatts in size. The Commission has set a contested case hearing in this matter beginning at 9:00 a.m. on Wednesday, January 18, 2017. In accordance with ¶ 18 of Procedural Order No. 7500a, NorthWestern files this Prehearing Memorandum.

CONTESTED ISSUES

There is only one set of contested issues before the Commission in the contested case hearing scheduled to begin on January 18, 2017: the establishment of new avoided cost rates for the Commission-established standard rates set forth in NorthWestern’s QF-1 tariff. The Commission’s Order No. 7500, suspending NorthWestern’s obligations under QF-1 Option 1(a) standard rates for solar projects larger than 100 kilowatts, is not at issue in the January 18, 2017,

hearing. Petitions for reconsideration of Order No. 7500 were previously filed and denied. Nor is the propriety of the Commission's Legally Enforceable Obligation ("LEO") standard at issue in this proceeding, notwithstanding the Federal Energy Regulatory Commission's ("FERC") dislike of the standard. Unless and until a court agrees with FERC's position and enjoins the Commission from enforcing its LEO standard, the Commission is entitled to follow its established policy.

WITNESSES

NorthWestern will call the witnesses in its Direct Case identified below in the approximate order described. The order of witnesses will only change if a travel issue develops for a witness which needs to be accommodated. After the close of the Interveners' cases, NorthWestern will call the witnesses in its Rebuttal Case identified below, subject to the same caveat identified above. NorthWestern's witness providing Additional Issues testimony will be called as part of its Direct Case.

Direct Case

1. John D. Hines
2. John B. Bushnell (Including Supplemental)
3. Luke P. Hansen
4. Autumn M. Mueller
5. Bleau J. LaFave

Rebuttal Case

1. John B. Bushnell
2. Luke P. Hansen

3. Bleau J. LaFave
4. Michael R. Cashell

EXHIBITS


NorthWestern will introduce into evidence the prefiled testimony and exhibits of each witness as they are called to the stand. The testimony and exhibits of each witness will be designated as a single separate hearing exhibit, sequentially numbered in the order they testify. NorthWestern reserves the right to offer additional exhibits into evidence during redirect should it be necessary after the cross examination of its witnesses. Any exhibits used by NorthWestern during its cross examination of Intervener witnesses will be identified and offered when used.

DISCOVERY

NorthWestern will move into evidence the following discovery responses, each of which was either referenced or directly incorporated into the prefiled testimony of its witnesses in the places identified below. Its offer will be without designation other than the identification of the discovery response. NorthWestern will object to attempts to introduce into evidence discovery responses which were neither referenced nor directly incorporated into the prefiled testimony of a witness.

Data Request No.	Witness Name
PSC-017d	John B. Bushnell, Prefiled Rebuttal Testimony, pp. JBB-6, JBB-18
NWE- 001	John B. Bushnell, Prefiled Rebuttal Testimony, p. JBB-7, and Michael R. Cashell, Prefiled Rebuttal Testimony, p. MRC-7

Respectfully submitted this 17th day of January 2017.

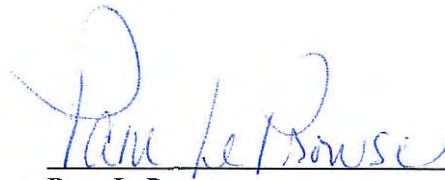


John Alke
Attorney for NorthWestern Energy

CERTIFICATE OF SERVICE

I hereby certify that an unsigned copy of the Prehearing Memorandum of NorthWestern Corporation in Docket No. D2016.5.39, the QF-1 Avoided Cost Rate Filing, has been emailed to counsel of record on this day. A signed copy will be hand-delivered to the Montana Public Service Commission and the Montana Consumer Counsel on Tuesday, January 17th. It will also be e-filed on the Commission website, and sent via UPS overnight delivery on January 17, 2017 to the attached service list.

Date: January 16, 2017



Pam LeProwse
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Docket No. D2016.5.39**

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