

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

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IN THE MATTER of the Montana) REGULATORY DIVISION
Public Service Commission's Review of)
Rates to Recover NorthWestern Energy's) DOCKET NO. D2017.5.39
Electricity Supply Costs)

**DATA RESPONSES NWE-001 THROUGH NWE-005
OF THE MONTANA CONSUMER COUNSEL
TO NORTHWESTERN ENERGY**

NWE-001

Regarding: Electronic Files
Witness: Donkin

Please provide electronic, Excel-readable files of all figures, tables, calculations, and ancillary information included in your testimony and exhibits or that you relied on in formulating your opinions or exhibits, with all formulas intact and calculations traceable.

RESPONSE:

Please see attached compact disc.

PSC's Review of Rates to Recover NWE's Electric Supply Costs
D2017.5.39
Data Responses
NWE-001 through NWE-005

NWE-002

Regarding: Previous Testimony Regarding Adjustment Mechanisms
Witness: Donkin

For each time you have testified before a state regulatory body (e.g. state public service or utilities commission) on the subject of tracking fuel expenses, tracking purchased power expenses, or similar tracking or adjustment mechanisms, provide the following:

- a. A complete docket identifier which provides the name of the forum, the name and docket number of the proceeding, the party on whose behalf you testified, and the date.
- b. A complete and accurate copy of your prefiled testimony in the docket.

RESPONSE:

- a. Please see attached compact disk for the attachment containing a listing of jurisdictions, docket numbers, case identifiers, and clients in cases before state regulatory commissions in which Mr. Donkin's testimony addressed tracking or adjustment mechanisms. The applicable dates are not available but in many cases dates can be estimated as to the approximate year from the applicable docket numbers.
- b. Copies of the referenced testimonies are no longer in Mr. Donkin's possession.

PSC's Review of Rates to Recover NWE's Electric Supply Costs
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Data Responses
NWE-001 through NWE-005

NWE-003

Regarding: Support for Tracking Mechanisms
Witness: Donkin

On page 8 of your testimony, you state that you “consider a component of electricity supply costs or credits to be large if it represents more than 5% of the utility’s net earnings.” Please provide the basis for this 5% of net earnings standard.

RESPONSE:

Please see the Commission’s March 6, 2017, Order No. 7528a, in NWE Docket No. D2016.11.88, where in Paragraph 19, the Commission found that expense items are material if they represent more than 5% of a utility’s net income before extraordinary items. Please also see the Commission’s March 6, 2013, Order No. 7252, in MDU Docket No. D2012.10.108, where in Paragraph 9 the Commission determined that expense items are material if they represent more than 5% of a utility’s net income before extraordinary items.

PSC's Review of Rates to Recover NWE's Electric Supply Costs
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NWE-001 through NWE-005

NWE-004

Regarding: Size of Supply Costs- Calculation
Witness: Donkin

- a. List the six NorthWestern PCCAM cost and credit components that you reference on page 8 of your testimony as having costs greater than 5% of 2016 net earnings.
- b. Show your calculation for the six components that results in this 5% or greater result.
- c. List the 15 NorthWestern PCCAM cost and credit components that you reference on page 8 of your testimony as having costs less than 5% of 2016 net earnings.
- d. Show your calculation for the 15 components that results in this 5% or less result.

RESPONSE:

- a. See Exhibit GLD-2. QF Tier II Resources (\$32,527,608 divided by \$165,672,619 = 19.6%), CU4 Variable Costs (\$21,026,321 divided by \$165,672,619 = 12.7%), QF-1 Resources (\$22,818,407 divided by \$165,672,619 = 13.8%), On System Market Purchases (\$19,905,175 divided by \$165,672,619 = 12.0%), Judith Gap (\$15,377,399 divided by \$165,672,619 = 9.3%), and Net Off System Hedges (\$10,488,212 divided by \$165,672,619 = 6.3%).
- b. See a. above.
- c. Spion Kop Credits, Basin Creek Fixed, Basin Creek Variable, Wind Other, DSM Program Costs, MPSC – MCC Taxes, Administrative Costs, Hydros Credits, DGGS Variable Costs, DGGS Transmission Service, DGGS Revenue Credit, NWE Transmission Costs, Operating Reserves, Other Non-QF, and On System Market Sales.
- d. Five percent of \$165,672,619 equals \$8,283,631. Each of the entities listed in c. above represents less than \$8,283,631 of costs or credits.

PSC's Review of Rates to Recover NWE's Electric Supply Costs
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NWE-001 through NWE-005

NWE-005

Regarding: Transition Period Tracking
Witness: Donkin

You state on page 23 of your testimony that “NorthWestern’s existing electricity supply cost tracker should be retained until its elimination is implemented in the Company’s next general rate case.” Your “alternative” recommendation, discussed on page 24 of your testimony, is that the Commission exclude from tracking lines 1-9 of Exhibit__(GLD-2). For your “alternative” recommendation, do you recommend that NorthWestern’s existing electricity supply cost tracker should be retained until NorthWestern’s next general rate case when the expenses in lines 1-9 of Exhibit__(GLD-2) are removed from the tracker and included in fixed cost rates?

RESPONSE:

Yes.