

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

**DATA REQUESTS MCC-030 THROUGH MCC-037  
OF THE MONTANA CONSUMER COUNSEL  
TO NORTHWESTERN ENERGY**

**MCC-030**

Regarding: Disallowance of Power Supply Costs

Witness: John D. Quackenbush

- a. Do you agree that the Montana Public Service Commission has the regulatory authority to disallow imprudently incurred power supply costs incurred by NorthWestern under the Company's existing electricity supply cost tracking mechanism? If not, please explain why you do not so agree.
- b. Do you agree that the Montana Public Service Commission would have the regulatory authority to disallow imprudently incurred power supply costs incurred by NorthWestern under the electricity supply cost tracking mechanism being proposed by the Company in this case? If not, please explain why you do not so agree.
- c. Do you agree that the Montana Public Service Commission would have the regulatory authority to disallow imprudently incurred power supply costs incurred by NorthWestern in general rate proceedings if the Commission were to eliminate altogether the tracking of NorthWestern's electricity supply costs? If not, please explain why you do not so agree.

**MCC-031**

Regarding: Relative Size of Power Costs  
Witness: John D. Quackenbush

At JDQ-23, lines 6-10, you state “The relative size of power costs compared to the total cost of providing electric service is typically large enough to have a significant impact on utility earnings, and thus, influences the potential for frequent filing of full blown rate cases.”

- a. Please state the percentage relationship of power costs to total cost of providing electric service required to produce a significant impact on utility earnings.
- b. Please state NorthWestern’s proposed PCCAM power costs in total and as a percentage of its total cost of providing electric service.

**MCC-032**

Regarding: Sharing Ratios  
Witness: John D. Quackenbush

With reference to JDQ-26, lines 11-16, please identify all regulatory jurisdictions that have “approved adjustment mechanisms with sharing when no adjustment mechanism previously existed.”

**MCC-033**

Regarding: Energy Supply Landscape  
Witness: Kevin Markovich

At KJM-5, line 22, through KJM-6, line 1, you state “Some of the pre-approval dockets are now ten years old, and the energy supply landscape has changed dramatically since then.” Please describe in detail how the energy supply landscape has changed over the past ten years.

**MCC-034**

Regarding: Base PCC Update  
Witness: Kevin Markovich

On page 6 of your additional issues testimony, you state that the Base PCC does not serve as a presumptive base cost, but “will be updated using ... more recent information.” Assuming the Commission implements NorthWestern’s proposed PCCAM effective July 1, 2017, when and how will those base costs be updated with more recent information? Please identify specifically the information that will be updated.

**MCC-035**

Regarding: Exhibit\_(KJM-1)  
Witness: Kevin Markovich

Please transfer the contents of the 2016-2017 actual tracker period (shown in Updated Exhibit (KJM-1)16-17 REV, provided in response to MCC-022b) into NorthWestern’s proposed PCCAM format (shown in Exhibit\_\_(KJM-1) in this Docket), as NorthWestern did in response to PSC-021a for the 2017-2018 forecast period.

**MCC-036**

Regarding: Tracking Gas Costs  
Witness: Crystal D. Lail

At CDL-7, lines 13-20, you describe the historical background of gas cost tracking and you state “However, after the federal government began to deregulate the price of natural gas at the wellhead, a gas cost tracking mechanism became essential to the financial health of local gas distribution companies.”

- a. When did the federal government begin the deregulation of natural gas at the wellhead?
- b. When did NorthWestern’s predecessor, Montana Power Company, begin tracking its gas supply costs?

**MCC-037**

Regarding: NorthWestern's South Dakota PCCAM  
Witness: Crystal D. Lail

At DDL-19, lines 6-9, you state, "the PCCAM [NorthWestern] has proposed in this docket is similar in structure to what is in place in South Dakota, with the exception of the 90/10 sharing mechanism which NorthWestern has proposed in response to this Commission's stated desires."

- a. Please describe in detail how NorthWestern's proposed PCCAM in this case is similar to its electricity supply cost tracking mechanism in South Dakota.
- b. Please provide a copy of NorthWestern's most recent South Dakota electricity supply cost tracker filing.