

Docket Number: EL15-009
Subject Matter: Staff's Data Request 1
Request to: NorthWestern Corporation dba NorthWestern Energy
Request from: South Dakota Public Utilities Commission Staff
Date of Request: 3/11/15
Responses Due: 3/25/15

1.1. Why is NorthWestern just now filing for recovery of reagent costs incurred since January?

Reagent costs are not passed on to customers until they are recovered through the electric fuel and purchased power adjustment (EFPPA) tracker as proposed in EL15-009. NorthWestern files an update to the EFPPA for Commission approval four times per year (effective dates: February 1, May 1, August 1 and November 1). The EFPPA rate that is currently charged to customers became effective February 1, 2015 and contained actual costs through December of 2014. The filing that NorthWestern will make on May 1, 2015 will contain the appropriate costs through March 31, 2015. If the Commission approves our request as contained in EL15-009, May 1, 2015 would be the first time customers will be billed for these reagent costs.

1.2. Explain the reasoning behind why NorthWestern wishes to slowly implement fuel increases as opposed to fully implement them as the costs are incurred.

The fuel increases will be implemented gradually due to the nature of the EFPPA recovery. If approved, reagent costs will be booked to the EFPPA each month as incurred. The EFPPA recovery is based on trailing 12 month costs. In June of 2015, the Big Stone plant emissions control upgrade will become operational, which will require the use of the identified reagents. The first full month of production that will include the use of the reagents will be July of 2015. The August 1, 2015 filing will contain costs through June of 2015 and will not include the first full month of costs since those costs will be incurred starting July 1, 2015. Moving forward one year, the August 1, 2016 filing will contain costs from July 1, 2015 through June 30, 2016. This will be the first filing that will contain a full 12 month of costs. Based on this current operational date, the filing should state that August 1, 2016 will be the first time the full costs will be included in the EFPPA instead of November 1, 2016.

1.3. Would NorthWestern provide the total costs for treated water used in the calendar year 2014 for Aberdeen Unit #2 and Huron Unit #2.

For 2014, NorthWestern expensed \$32,136 for treated water for Aberdeen Unit #2. There were not many dispatch calls for generation in 2014.

For Huron #2 there were zero dollars expensed in 2014. Huron has its own water treatment facility and there is little expense on an annual basis. Also there was minimal generation for Huron #2 for 2014.