

UNITED STATES OF AMERICA
FEDERAL ENERGY REGULATORY COMMISSION

NorthWestern Corporation

Docket No. EL09-29-000

Mountain States Transmission Intertie, LLC
NorthWestern Corporation

Docket No. EL09-30-000

SUPPLEMENTAL NOTICE OF TECHNICAL CONFERENCE

(March 5, 2009)

By notice issued on February 25, 2009, Commission Staff established an informal technical conference in the above-referenced proceedings to be held on Thursday, March 12, 2009, at 1:00 pm (EDT), at the offices of the Federal Energy Regulatory Commission, 888 First Street, NE, Washington, DC 20426 (February 25 Notice).

The technical conference will afford Commission Staff and interested persons an opportunity to informally discuss issues associated with the Mountain States Transmission Intertie, LLC (MSTI) and Collector Projects proposed in the above-mentioned dockets. As indicated in the February 25 Notice, Commission Staff is now providing further details relating to the issues to be discussed at the conference.¹

Rates and Service on the MSTI and Collector Projects

- Explain the proposed rate structures for the Collector Project and for MSTI.
- Explain how transmission rates will be calculated for transmission service on the NorthWestern Corporation (Northwestern) system in relation to transmission service on the Collector Project and/or MSTI, and explain whether the proposals will result in rate pancaking (i.e., separate rates for service on each entity or segment) or a form of “And” pricing.
- What cost-based alternatives to the MSTI project, not affiliated with NorthWestern, do customers have in the relevant geographic area?
- Identify any benefits to customers (other than the MSTI customers) associated with closing the 500kV loop in the Pacific Northwest. Describe how those benefits, if any, are reflected in the “negotiated” rates to MSTI customers.

¹ On March 3, 2009, NorthWestern filed an answer to protests in Docket Nos. EL09-29-000 and EL09-30-000. We note that NorthWestern answered some the protestor’s and Staff’s concerns in that answer; however, Staff would still like to further discuss the topics listed in the instant notice, even where there is overlap with the answers already provided.

Distinctions Between the MSTI and Collector Projects

- Setting aside the statement that MSTI is a stand-alone entity, what distinguishes the Collector Project from MSTI?
- Explain how and by whom service on MSTI will be scheduled, generation using the line will be dispatched, and the line will be maintained.
- Discuss the affiliation between NorthWestern and MSTI and distinguish it from the affiliate concerns addressed in *Chinook Power Transmission, LLC*, 126 FERC ¶ 61,134 (2009).

Open Season Issues

- To the extent the Collector Project or MSTI are sized with greater capacity than is requested in the open season, who will pay for the excess capacity? What rights will be associated with such additional payments? If projects are sized at less than the capacity requested in the open season, how will requests for capacity be rationed?
- Will customers have exit rights if the offered capacity is greater than or less than what they requested in the open season? If so, what are those exit rights? Are there any penalties for withdrawing?
- Explain whether and under what circumstances NorthWestern will permit customers to opt out of the Collector cluster study.
- Describe NorthWestern's pre-open season industry interest contact process and the results of those contacts.

Queue Issues

- Provide details about the current transmission service requests in NorthWestern's queue, including, but not limited to, the amount, when and how they were submitted, the terms of the requests, and any commitments made by those customers or NorthWestern with respect to those transmission service requests.
- Explain the reasoning for the preference afforded to MSTI customers that are currently in NorthWestern's queue, and whether those customers have entered into binding agreements to date.

System Configuration and Siting Issues

- Describe the physical configuration of the Collector and MSTI Projects and how they are interconnected to the NorthWestern system, and each other.
- Describe the paths and sources of energy that may flow onto or from the Collector Project and MSTI through NorthWestern's existing system or from other systems.
- Describe any filings related to the Collector and MSTI Projects that have thus far been filed with Montana or Idaho state agencies.
- Has NorthWestern or MSTI obtained rights to eminent domain through all or any part of the MSTI project area?

Requested Waivers

- Explain the basis for and justification supporting the requests for waivers for the Collector Project, and specifically the waiver of the requirement to file unexecuted service agreements with the Commission and the waiver of the requirement regarding posting of transmission service request studies information.

The Petitioners² should be prepared to address these issues, as well as the concerns raised in the protests or by interested persons at the technical conference. Petitioners are also invited to provide additional support for the filings.

All interested persons are permitted to attend. For further information please contact either Timothy Duggan at (202) 502-8326 or e-mail Timothy.Duggan@ferc.gov, or Katie Detweiler at (202) 502-6426 or e-mail Katie.Detweiler@ferc.gov.

Kimberly D. Bose,
Secretary.

² Petitioners are NorthWestern Corporation and Mountain States Transmission Intertie, LLC.