

6-2) Regarding NorthWestern's response to Staff Data Request 4-14, please confirm that the \$28.48/MWh avoided cost accounts for the REC value and is net of interconnection and regulation costs. Please also indicate the key differences between this avoided cost and the avoided cost of \$26.86/MWh noted in witness Bleau LaFave's testimony on page 20.

Response: The rate of \$28.48 accounts for the REC value and is net of interconnection and regulation costs. The only difference between the rate of \$28.48 and \$26.86 is that NorthWestern includes Order 69 for qualifying resource calculations. The rate of \$28.48 uses the market price when in a Long-2 position, and the rate of \$26.86 values the energy at zero in a Long-2 position, so that NorthWestern's customers remain indifferent to the energy resource.

