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| Plan | Forecast Used |
| 2003 | <p>NWPCC</p> <p>NWE filed first Resource Procurement Plan in 2003. This plan used forecasts from NWPCC for electricity and natural gas.</p> <p>Commission found this to be reasonable</p> |
| 2005 | Cambridge Energy Research Associates (CERA) |
| 2007 | <p>Lands Energy</p> <p>Due to CERA adding non-disclosure language that would prohibit sharing their forecasts with the PSC, NWE stopped using CERA forecasts. The NWPCC forecasts from the 5th Power Plan were considered but deemed low and not reflective of current market conditions. NWE contracted with Lands Energy to develop natural gas and electricity forecasts. This method used NYMEX forward market prices for the near term and escalated these by the Consumer Price Index (CPI).</p> |
| 2009 | <p>Lands Energy</p> <p>Lands Energy provided forward prices for the near-term. After 2013, these were escalated by using a 3-year GDP Implicit Price Deflator.</p> |
| 2011 | <p>Lands Energy</p> <p>PSC comments on the 2011 Plan suggested that NWE should consider others, like NWPCC or EIA. In docket D2012.1.3, the commission accepted the forward market price component of NorthWestern’s natural gas price forecast (with adjustments for transportation), but rejected the CPI escalation, instead requiring that NorthWestern use the 2012 EIA AEO reference natural gas price forecast escalation.</p> |
| 2013 | <p>NWE in-house forecasts</p> <p>NWE used Mid-C and AECO forward prices, which were escalated using the GDP price deflator through the end of the study horizon.</p> <p>The Commission comments on the 2013 Plan criticized NorthWestern’s continued use of its “in-house” forecasting method. These comments caused NorthWestern to re-evaluate its forecasting method.</p> |
| 2015 | <p>NWE</p> <p>In early 2015, NWE used natural gas and electricity forward price curves through 2020. After 2020, based on prior PSC guidance, these were escalated by using the rate of change from the EIA 2015 AEO Henry Hub natural gas price forecast. NWE looks at the point where liquidity, the interest and transactional trading volumes, of either MID-C On-Peak or Off-Peak daily futures drops off. At which point, electricity and natural gas prices are escalated.</p> |
| 2018 | <p>NWE is planning to use the same method used in the 2015 Plan.</p> <p>For the near-term, using forward price strips for Natural Gas, Mid-C On-Peak, and Off-Peak electricity. As of December 2017, liquidity ends after 2020, so EIA 2018 AEO will be used to start escalating all three at that point. We will review this again when we pull final strips for the 2018 plan.</p> |