

# 2010 Natural Gas Biennial Procurement Plan

## TABLE OF CONTENTS

<b>SUBJECT</b>	<b>PAGE</b>
<b>INTRODUCTION</b> .....	1
Implementation of the 2008 Plan .....	1
Relationship between the 2008 and current Plan .....	2
<b>SECTION 1. GOALS AND OBJECTIVES</b> .....	3
<b>SECTION 2. SEPARATION OF NATURAL GAS SUPPLY, TRANSMISSION AND STORAGE</b> .....	4
Code of Conduct and Functional Separation .....	4
<b>SECTION 3. NWE NATURAL GAS SYSTEM</b> .....	5
Pipeline Interconnections .....	5
On-System Storage .....	5
<b>SECTION 4. RESOURCE NEEDS ASSESSMENT</b> .....	8
Existing Energy Supply Requirements .....	8
Energy Supply Load Sensitivity and Shape .....	9
Current Supply Components .....	10
Energy Supply Storage Utilization .....	11
Peak Day Supply Adequacy .....	12
<b>SECTION 5. LONG TERM HEDGING</b> .....	13
Ownership of Natural Gas Reserves and Production .....	13

<b>SECTION 6. DEMAND SIDE MANAGEMENT .....</b>	<b>15</b>
Natural Gas Demand Side Management (DSM) Program.....	15
Green Blocks Programs .....	17
Natural Gas DSM Assessment.....	18
Natural Gas DSM Plan: DSM Potential and Annual DSM Goals .....	18
Natural Gas DSM Programs.....	21
<b>SECTION 7. MODELING AND ANALYSIS .....</b>	<b>23</b>
Natural Gas Price Market Trends .....	24
<b>SECTION 8. RISK MANAGEMENT AND MITIGATION .....</b>	<b>28</b>
Hedging Plan Going Forward from January 2011.....	28
Storage.....	29
Asset Monetization .....	29
Hedging .....	32
Call Option Study.....	33
Liquidity .....	33
<b>SECTION 9. TRANSPARENCY AND DOCUMENTATION.....</b>	<b>34</b>