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January 7, 2025

Debbie-Anne A. Reese  
Secretary  
Federal Energy Regulatory Commission  
888 First Street, NE  
Washington, DC 20426

**Re: *NorthWestern Colstrip 370Pu LLC***  
**Docket No. ER26-129-000**  
**Response to Deficiency Letter**

Dear Secretary Reese:

In response to the deficiency letter issued by the Federal Energy Regulatory Commission (“FERC” or “Commission”) staff (“Staff”) in the above-captioned docket, NorthWestern Colstrip 370Pu LLC (“NorthWestern Colstrip”) hereby provides additional information that is responsive to Staff’s questions (collectively, the “Response”).

NorthWestern Colstrip attempted to file this Response on December 31, 2025 (the “December 31<sup>st</sup> Filing”); however, for reasons that remain unclear as of the date of this re-filing, the December 31<sup>st</sup> Filing was rejected by FERC’s eTariff filing system without sufficient explanation provided to NorthWestern Colstrip. After many conversations with FERC Staff and FERC Online Support, NorthWestern Colstrip elected to re-file this Response but emphasizes that the delay in getting this filing on file with the Commission should not delay FERC action on this filing, nor should it impact NorthWestern Colstrip’s request for a January 1, 2026 effective date, given that the rejection was outside of NorthWestern Colstrip’s control and without any explanation.

NorthWestern Colstrip again reiterates its request for an effective date of January 1, 2026 for both the Cost-Based Rate Tariff filed in Docket No. ER26-129-000<sup>1</sup> and the Mercuria Master

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<sup>1</sup> *NorthWestern Colstrip 370Pu LLC*, Cost-Based Rate Tariff Filing, Docket No. ER26-129-000 (filed Oct. 14, 2025) (“CBR Tariff Filing”).

Power Purchase and Sale Agreement filed in Docket No. ER26-411-000.<sup>2</sup> As further explained herein, consistent with Commission precedent,<sup>3</sup> good cause exists to waive the Commission's prior notice requirements found at 18 C.F.R. § 35.3(a)(1) in order to grant the requested January 1, 2026 effective date.<sup>4</sup>

## I. BACKGROUND

NorthWestern Colstrip made the Filings in order to seek approval of: (1) a Cost-Based Rate Tariff of general applicability under which NorthWestern Colstrip proposes to make short-term sales (*i.e.*, less than one-year in duration) from its share of the Colstrip Generating Station ("Colstrip") acquired from Puget Sound Energy ("PSE") as of January 1, 2026; and (2) a long-term sales agreement with Mercuria Energy America, LLC from the PSE share of Colstrip that NorthWestern Colstrip acquired from PSE on January 1, 2026.

Staff issued a deficiency letter in response to both Filings on December 23, 2025 (the "Deficiency Letter"). In response to the Deficiency Letter, NorthWestern Colstrip is providing additional information necessary to process the Filings and to assist Staff in understanding the nature of the underlying transaction by which NorthWestern Colstrip owns PSE's share of Colstrip, effective January 1, 2026.

## II. FURTHER EXPLANATION OF THE ACQUISITION OF PSE'S SHARE OF COLSTRIP

Before turning specifically to the questions posed by Staff in the Deficiency Letter, NorthWestern Colstrip must clarify the record in these proceedings as both Staff and the various intervenors seem confused about the nature of the underlying transaction whereby NorthWestern Colstrip acquired PSE's share of Colstrip.<sup>5</sup> The Deficiency Letter provides the following statement before Staff's specific requests for additional information:

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<sup>2</sup> *NorthWestern Colstrip 370Pu LLC*, Edison Electric Institute Master Power Purchase and Sale Agreement and Confirmation, Docket No. ER26-411-000 (filed Oct. 31, 2025) ("Mercuria PPA Filing," and together with the CBR Tariff Filing, the "Filings").

<sup>3</sup> *E.g. Central Hudson Gas & Elec. Corp.*, 60 FERC ¶ 61,106 at 61,339 (1992) ("When considering requests for waiver related to the provision of new service, we must balance the requirement that utilities promptly file their rates as embodied in the Federal Power Act and the need of utilities to transact business on short notice. Accordingly, we will grant waiver of notice if good cause is shown and the agreement is filed prior to the commencement of service. We will continue to determine whether an agreement is filed prior to the commencement of service based on the original filing date (unless a filing is a patent nullity).") ("*Central Hudson*").

<sup>4</sup> 18 C.F.R. § 35.3(a)(1) ("All rate schedules or tariffs or any part thereof shall be tendered for filing with the Commission and posted not less than sixty days nor more than one hundred-twenty days prior to the date on which the electric service is to commence and become effective under an initial rate schedule or tariff . . .").

<sup>5</sup> NorthWestern Colstrip notes that the original description of the assignment in the CBR Tariff Filing may have lead to parties' confusion on this particular point, and so by providing additional explanation here, seeks to also clarify its

You state that NorthWestern Corporation will acquire Puget Sound Energy, Inc.'s 30%, 370-megawatt (MW) share of Units 3 and 4 of the Colstrip Generating Station in Eastern Montana (Colstrip Generating Station) on January 1, 2026. You explain that NorthWestern Corporation will then assign NorthWestern Colstrip the additional 370 MW from Units 3 and 4 of the Colstrip Generation Station, and the 370 MW will be held 100% by NorthWestern Colstrip.<sup>6</sup>

However, the emphasized portion of the above statement from the Deficiency Letter suggests a fundamental misunderstanding about how (and when) NorthWestern Colstrip acquired the PSE share of Colstrip. To clarify the record in these proceedings and clear up this issue, the assignment described in the original filing letters was an assignment of the contractual right to acquire the PSE share of Colstrip. As a result of the contractual assignment, NorthWestern Corporation did not acquire, hold or transfer ownership of the PSE share of Colstrip, but rather, NorthWestern Colstrip acquired the PSE share directly from PSE, as further explained below.

Units 3 and 4 of Colstrip began generating in 1984 and 1986, respectively. Upon commencement, there were five owners in the plant. Among the original five owners was Puget Sound Power & Light Company (n/k/a Puget Sound Energy). Until January 1, 2026, PSE continues to own 25% of Units 3 and 4 of Colstrip. The other original owners of Colstrip were Washington Water Power Company (n/k/a Avista) with a 15% share, Montana Power Company with a 30% share, Portland General Electric Company with a 20% share, and Pacific Power & Light Company (now PacifiCorp) with a 10% share. The Montana Power Share has changed ownership over time with the current ownership currently split between NorthWestern Corporation d/b/a NorthWestern Energy ("NorthWestern Corporation"), which holds 30% of Unit 4, and Talen Montana, which holds 30% of Unit 3. For purposes of voting and cost allocation, Talen Montana and NorthWestern Corporation have agreed to vote their shares as a single 30% share, and they operate and allocate generation and costs as though each owns 15% of both units.<sup>7</sup>

Under Washington State law, PSE was required to terminate its ownership in Colstrip no later than midnight on January 1, 2026.<sup>8</sup> NorthWestern Colstrip understands that PSE has been attempting to exit Colstrip and sell its share since at least 2019. For example, in 2019, PSE reached an agreement with NorthWestern Corporation and Talen Montana to sell its share in Colstrip Units 3 & 4 for nominal consideration of \$1; however, that transaction did not close due to certain conditions precedent in the underlying transaction document failing to materialize.

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own, prior statements. *See* CBR Tariff Filing at 2 (mistakenly suggesting the assignment would occur *after* NorthWestern Corporation acquires PSE's share of Colstrip, which as demonstrated in this Response, is not the case.).

<sup>6</sup> Deficiency Letter at 1 (emphasis added).

<sup>7</sup> *See* Amended and Restated Project Committee Vote Sharing Agreement (as amended), dated Oct. 16, 2009, attached hereto as Exhibit A.

<sup>8</sup> *See* RCW 19.405.030(1)(a) ("On or before December 31, 2025, each electric utility must eliminate coal-fired resources from its allocation of electricity.").

Since that initial, failed attempt to sell its interests in Colstrip, PSE has consistently marketed its share and, despite multiple other agreements to dispose of its share of Colstrip that also ultimately failed for various reasons, has been unable to complete a transaction to sell its share of Colstrip, even for nominal (or no) consideration. In the most recent attempt to sell its share of Colstrip, PSE and NorthWestern Corporation entered into an Abandonment and Acquisition Agreement on July 30, 2024.<sup>9</sup> Section 2.2 of the Puget A&A Agreement states, “No purchase price whatsoever shall be payable by NorthWestern for or in connection with the abandonment by PSE or the acquisition by NorthWestern of the PSE Colstrip Units 3&4 Interests.”<sup>10</sup> Section 3.1 of the Puget A&A Agreement was modified via letter agreement between PSE and NorthWestern Corporation to occur at precisely 12:00:00 am PT on January 1, 2026.<sup>11</sup> Thus, as of the time of the original December 31<sup>st</sup> Filing, PSE continued to own its share of Colstrip, and transferred it directly to NorthWestern Colstrip effective at midnight, January 1, 2026.

Prior to entering into the Puget A&A Agreement, each of PSE and NorthWestern Corporation performed their own valuation of the PSE share of Colstrip and came to the same conclusion—namely, that the appropriate value for this asset was zero dollars (\$0), which is also how each of PSE and NorthWestern Colstrip will record the asset on their respective books for accounting purposes. This valuation methodology considered numerous factors including the lack of willing buyers for the PSE share of Colstrip, multiple failed attempts to sell this same asset for nominal (or no) consideration, net book value of this fully depreciated asset, limited transmission options to move the output of Colstrip, significant environmental compliance costs that were anticipated at the time of entering into the Puget A&A Agreement, and other market information available to the parties at the time of entering into the Puget A&A Agreement.

At the time of entering into the Puget A&A Agreement, NorthWestern Corporation anticipated the potential need to assign the Puget A&A Agreement to an affiliate. As a result, Section 11.5 of the Puget A&A Agreement provided for assignment to affiliates without need for PSE’s consent. Subsequent to entering into the Puget A&A Agreement (but prior to closing under the Puget A&A Agreement), NorthWestern Corporation exercised its right to transfer by assigning the rights and obligations under the Puget A&A Agreement to NorthWestern Colstrip. Specifically, the Board of Directors of NorthWestern Energy Group, the common parent of NorthWestern Corporation and NorthWestern Colstrip, authorized assignment of the Puget A&A Agreement from NorthWestern Corporation to NorthWestern Colstrip on October 29, 2025.<sup>12</sup>

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<sup>9</sup> See Colstrip Units 3&4 Interests Abandonment and Acquisition Agreement, by and between NorthWestern Corporation and Puget Sound Energy, Inc., dated as of July 30, 2024, attached hereto as Exhibit B (“Puget A&A Agreement”).

<sup>10</sup> *Id.* at § 2.2 (No Purchase Price).

<sup>11</sup> See Letter Agreement re: Closing Timing under the Abandonment and Acquisition Agreement Between Puget Sound Energy, Inc. and NorthWestern Energy, dated October 1, 2025, attached hereto as Exhibit C.

<sup>12</sup> See *Authority to Assign the Rights to Acquire Puget Sound Energy’s Interest in Colstrip Units 3 and 4 to a Direct Subsidiary of NorthWestern Energy Group, Inc.*, Resolution of the Board of Directors of NorthWestern Energy Group, Inc., Oct. 29, 2025, attached hereto as Exhibit D.

NorthWestern Corporation completed the assignment of its rights and obligations under the Puget A&A Agreement to NorthWestern Colstrip on December 19, 2025.<sup>13</sup> Thus, because the assignment from NorthWestern Corporation to NorthWestern Colstrip of the rights and obligations under the Puget A&A Agreement was completed before the closing took place, NorthWestern Corporation never purchased, leased, acquired, merged, or consolidated any assets of any kind under the Puget A&A Agreement. Furthermore, per the terms of the Assignment Agreement, NorthWestern Colstrip replaced NorthWestern Corporation as a party to the Puget A&A Agreement before closing on the PSE share of Colstrip took place.

### III. RESPONSES TO DEFICIENCY LETTER

With the above factual context in mind, NorthWestern Colstrip next provides specific responses to Staff's Deficiency Letter questions.

#### A. Deficiency Letter Question 1.a.:

1. You state that NorthWestern Corporation will acquire Puget Sound Energy, Inc.'s 30%, 370-megawatt (MW) share of Units 3 and 4 of the Colstrip Generating Station in Eastern Montana (Colstrip Generating Station) on January 1, 2026. You explain that NorthWestern Corporation will then assign NorthWestern Colstrip the additional 370 MW from Units 3 and 4 of the Colstrip Generating Station, and the 370 MW will be held 100% by NorthWestern Colstrip. You state that the acquisition is being made at no purchase cost to NorthWestern Corporation or its affiliates.
  - a. Please describe, in detail, the ownership arrangements, the timing of such arrangements, and any rights or veto powers granted to any party that are disproportionate to that ownership arrangement with respect to the Colstrip Generating Station. For example, do any of the owners hold special share classes with different rights that do not match their economic interest? Specifically, please include detailed information regarding: (1) the timing and structure of the anticipated transfer of Puget Sound Energy, Inc.'s interest in the Colstrip Generating Station to NorthWestern Corporation; and (2) the timing of the transfer or assignment of the ownership interest in the Colstrip Generating Station between NorthWestern Corporation and NorthWestern Colstrip.

#### B. NorthWestern Colstrip Response to Deficiency Letter Question 1.a.:

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<sup>13</sup> See Assignment and Assumption of Abandonment and Acquisition Agreement, dated Dec. 19, 2025, attached hereto as Exhibit E (Section 2 specifically notes that NorthWestern Colstrip assumes all rights and obligations of NorthWestern Corporation under the Puget A&A Agreement, particularly including its status as a party to that agreement.) ("Assignment Agreement").

NorthWestern Colstrip fundamentally disagrees with Staff's characterization of the relevant transaction, as described in Staff's Deficiency Letter. As has already been explained in detail in Section II above and in prior filings, the ownership transfer did not occur in two steps, but instead, PSE transferred its interest directly to NorthWestern Colstrip. NorthWestern Corporation did not acquire ownership of PSE's share of the Colstrip Generating Station, so did not transfer any ownership interest in the PSE share of Colstrip to NorthWestern Colstrip.

Staff's reference to the "timing and structure" of the anticipated transfer of PSE's interest in Colstrip to NorthWestern Corporation misstates the facts in that NorthWestern Corporation never accepted a transfer of any assets from PSE. Rather, NorthWestern Corporation merely executed an agreement (the Puget A&A Agreement, executed on July 30, 2024) for the future transfer (as of midnight on January 1, 2026) of PSE's share of Colstrip. However, NorthWestern Corporation did not close the transaction because it relinquished and assigned its rights and obligations under the Puget A&A Agreement to NorthWestern Colstrip, effective as of December 19, 2025. Thus, the only relevant transaction for the PSE share of Colstrip is the transfer from PSE directly to NorthWestern Colstrip under the terms of the Puget A&A Agreement, to which NorthWestern Colstrip became the counterparty prior to closing. NorthWestern Colstrip has filed herewith a complete copy of the Puget A&A Agreement<sup>14</sup> and the Assignment and Assumption Agreement by which NorthWestern Corporation transferred its rights to NorthWestern Colstrip,<sup>15</sup> should Staff have additional questions about the timing, structure, or price of the sale of the PSE Colstrip interests to NorthWestern Colstrip.

Regarding Staff's additional questions about "the ownership arrangements, the timing of such arrangements, and any rights or veto powers granted to any party that are disproportionate to that ownership arrangement with respect to the Colstrip Generating Station," NorthWestern Colstrip has attached hereto the Ownership and Operation Agreement for Colstrip Units #3 & #4 (the "O&O Agreement"), which governs the joint ownership and operation of Colstrip Units 3 and 4.<sup>16</sup> Under the O&O Agreement, there are no special share classes among Owners and Owners' voting rights match their economic interest. Under the O&O Agreement, all owners are entitled to cast a vote in proportion to their "Project Share" which is equal to the "sum of the percentages of undivided interest in the Project."<sup>17</sup>

However, at present, the O&O Agreement also provides that certain decisions must go before the Project Committee for approval, with each party to the original O&O Agreement having the right to appoint a single member to the Project Committee and such member being required to

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<sup>14</sup> See [Exhibit B](#).

<sup>15</sup> See [Exhibit E](#).

<sup>16</sup> Ownership and Operation Agreement for Colstrip Units #3 & #4, by and between Montana Power Co., Puget Sound Power & Light Co., Washington Water Power Co., Portland General Electric Co., and Pacific Power & Light Co., dated as of May 6, 1981, as amended, attached hereto as [Exhibit F](#) ("O&O Agreement").

<sup>17</sup> *Id.* at §§ 2(b), 17(f).

vote the entire “Project Share” it represents.<sup>18</sup> Under Section 17(f) of the O&O Agreement, for those matters that must go before the Project Committee, approval requires a vote of the “Operator” (currently, Talen Montana) plus at least two other Project Committee members representing at least 55% of the total Project Share.<sup>19</sup> As a result, under the current O&O Agreement, Talen Montana, in its capacity as Operator under the O&O Agreement, has a unique vote and approval right for those matters listed in the O&O Agreement that must go before the Project Committee, including for things like changes to construction and operating budgets and changes, award of contracts or payment of claims in excess of \$500,000, insurance coverages, disposition of surplus property, settlement of claims against the project in excess of \$500,000, etc.<sup>20</sup>

C. Deficiency Letter Question 1.b.:

- b. Please also provide the original cost undepreciated, estimated if not known, of the interest in the Colstrip Generating Station transferred to NorthWestern Colstrip, as defined in the Commission’s Uniform System of Accounts, or the original book value, as applicable.

D. NorthWestern Colstrip Response to Deficiency Letter Question 1.b.:

Again, NorthWestern Colstrip notes that Staff’s question 1.b appears to rely upon a fundamental misunderstanding of facts surrounding the acquisition of the PSE share of Colstrip. Namely, Staff’s question refers to “the interest in the Colstrip Generating Station **transferred** to NorthWestern Colstrip.”<sup>21</sup> However, the use of “transferred” in the past tense suggests that a transfer of assets had occurred as of the date of the Deficiency Letter, which, as described in detail in Sections II and III.B above, is not the case. As has already been noted in detail above, no transfer of assets had occurred as of the date of the December 31<sup>st</sup> Filing. Rather, the transfer of assets occurred at midnight on January 1, 2026. The “transfer” that has been completed is NorthWestern Corporation’s transfer of its rights and obligations under the Puget A&A Agreement, which occurred on December 19, 2025. But, again, that “transfer” was merely to grant NorthWestern Colstrip the future right to acquire the PSE share of Colstrip under the terms of the PSE A&A Agreement, and through December 31, 2025, PSE remained the existing owner of its share of Colstrip.

Despite what NorthWestern Colstrip believes is a misunderstanding of the relevant facts, in an effort to provide a complete and thorough response, NorthWestern Colstrip notes that PSE reported an original cost of \$541,638,546 for its shares of Units 3&4 on its books, which costs date back to the commencement of operations of these units in 1984 and 1986, respectively. However,

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<sup>18</sup> *Id.* at § 17(a).

<sup>19</sup> *Id.* at § 17(f).

<sup>20</sup> *Id.* at §§ 17(f)(i)-(xi).

<sup>21</sup> Deficiency Letter at 2 (emphasis added).

this share has been fully depreciated on PSE's books, meaning PSE currently lists their shares of Colstrip as having a net book value of \$0. At closing, NorthWestern Colstrip similarly recorded a net book value of \$0. Furthermore, as noted in Section II above, the current net book value was just one of the many factors each of PSE and NorthWestern Corporation considered when determining how to value PSE's interests in Colstrip.

#### **IV. CONTENTS OF THIS FILING**

As directed by Staff in the Deficiency Letter, NorthWestern Colstrip is hereby re-filing the tariff record that was filed in this docket covered by the Deficiency Letter, including the original, unedited version of Attachment A to the CBR Tariff Filing.

In addition to those tariff records, NorthWestern Colstrip has also attached the following exhibits, as referenced throughout the body of this Response:

- Exhibit A – Amended and Restated Project Committee Vote Sharing Agreement, with Amendments.
- Exhibit B – Colstrip Units 3&4 Interests Abandonment and Acquisition Agreement (“Puget A&A Agreement”).
- Exhibit C – Letter Agreement Amending Closing Date Under Puget A&A Agreement.
- Exhibit D – Board Resolution of NorthWestern Energy Group.
- Exhibit E – Assignment and Assumption of Abandonment and Acquisition Agreement.
- Exhibit F – Ownership and Operation Agreement for Colstrip Units #3 & #4, with Amendments.<sup>22</sup>

#### **V. REQUESTED EFFECTIVE DATE, REQUEST FOR WAIVER OF PRIOR NOTICE REQUIREMENTS, AND ADDITIONAL REQUESTS FOR WAIVER**

##### **A. Requested Effective Date and Request for Waiver of Prior Notice Requirements.**

In accordance with Commission precedent, NorthWestern Colstrip hereby requests waiver, for good cause shown, to allow both the Filings to go into effect as of January 1, 2026, as originally requested in the Filings. The Commission's prior notice regulations state that:

All rate schedules or tariffs or any part thereof shall be tendered for filing with the Commission and posted not less than sixty days nor more than one hundred-twenty

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<sup>22</sup> Note that Exhibit F excludes Exhibit B to the original O&O Agreement because such Exhibit B contains confidential financial information of the parties to the O&O Agreement that is not relevant for purposes of this filing.

days prior to the date on which the electric service is to commence and become effective under an initial rate schedule or tariff . . . or unless a different period of time is permitted by the Commission.<sup>23</sup>

The Commission, in *Central Hudson*, established a “good cause” requirement for seeking waiver of the Commission’s prior notice requirements for new service schedules or agreements. Specifically, the Commission stated that:

When considering requests for waiver related to the provision of new service, we must balance the requirement that utilities promptly file their rates as embodied in the Federal Power Act and the need of utilities to transact business on short notice. Accordingly, we will grant waiver of notice if good cause is shown and the agreement is filed prior to the commencement of service. We will continue to determine whether an agreement is filed prior to the commencement of service based on the original filing date (unless a filing is a patent nullity).<sup>24</sup>

In a recent case before the Commission involving issues similar to those presented by these Filings, the Commission waived the 60-day prior notice requirement and granted a party’s requested effective date that preceded an amendment filing, despite a subsequent deficiency letter that amended the actual filing date. Specifically, in that proceeding, Stanton Clean Energy, LLC (“Stanton”) filed a cost-based power-purchase agreement (“PPA”) and a cost-based tariff in support of the PPA.<sup>25</sup> The executed PPA was filed by Stanton on April 30, 2024, with a requested effective date of May 1, 2024, in accordance with the start date of the PPA.<sup>26</sup> The Commission granted the requested effective date of May 1, 2024, despite a subsequent deficiency letter issued on June 21, 2024, which resulted in a new, amended filing date of October 29, 2024 when Stanton submitted its response. The Commission concluded that good cause existed to grant the waiver and establish May 1, 2024 as the effective date, in part, on the basis that “the Commission generally grants waiver of the 60-day prior notice requirement where the rate change and effective date are prescribed by contract.”<sup>27</sup>

The Commission has also found that, where customers had actual notice of a proposed effective date for a tariff or rate change, such actual notice was sufficient to establish “good cause” to waive the Commission’s 60-day prior notice requirement. For example, in *New York Indep. Sys. Operator, Inc., et al.*, the Commission concluded that good cause existed to waive the 60-day prior notice requirement (and grant a retroactive effective date) where an initial filing by Niagara Mohawk Power Corp. d/b/a National Grid on March 29, 2013, with a requested effective date of

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<sup>23</sup> 18 C.F.R. § 35.3(a)(1) (emphasis added).

<sup>24</sup> *Central Hudson* at 61,339.

<sup>25</sup> *Stanton Clean Energy, LLC*, 189 FERC ¶ 61,236 (2024).

<sup>26</sup> *Id.* at P 29.

<sup>27</sup> *Id.* at P 29, n. 54 (citing *Central Hudson* at 61,338).

July 1, 2013, was ultimately rejected by the Commission but re-filed by National Grid on December 6, 2013 with the same (July 1, 2013) requested effective date.<sup>28</sup> In the order on rehearing, the Commission explained that, “[B]y its March 29, 2013 filing, National Grid gave adequate notice to its customers” of the proposed changes to its formula rate through which National Grid intended to recover additional costs from customers.<sup>29</sup> The Commission also found support to waive the prior notice requirement because National Grid’s subsequent, December 6, 2013 filing “did not change the essence” of the originally-proposed cost recovery mechanism in the March 29, 2013 filing.<sup>30</sup>

Consistent with the Commission precedent described above, NorthWestern Colstrip submits that good cause exists for granting waiver of the prior notice requirements and setting the Filings to be effective as of January 1, 2026, for each (and all) of the following reasons: (1) all interested parties had actual notice of the proposed effective date for the Filings, given that they were previously filed with the Commission with sufficient prior notice of the requested January 1, 2026 effective date; (2) this Response does not propose any changes or amendments to the rates, terms, and conditions contained in the tariff records of the original Filings; (3) the proposed effective date of January 1, 2026 aligns with the contractual expectation of NorthWestern and its customer (Mercuria Energy America, LLC (“Mercuria”)), as the Mercuria PPA became effective as of January 1, 2026 (which Mercuria PPA relies on the rates established in the CBR Tariff Filing); and (4) the only customer that could potentially be impacted by a shortened notice period (Mercuria) is a party to the Mercuria PPA that was the basis of the Mercuria PPA Filing and has expressed to NorthWestern Colstrip support for the January 1, 2026 effective date.

NorthWestern Colstrip also suggests that good cause exists to grant the requested waivers because doing so would ensure that NorthWestern Colstrip has authority to sell the output from the PSE share of Colstrip as of the date agreed upon in the Mercuria PPA, and having such authority to make sales ensure that the Colstrip plant—an operating coal plant—remains online, consistent with the President’s policy directives to support the American coal industry.<sup>31</sup> In particular, the Coal EO notes that:

It is the policy of the United States that coal is essential to our national and economic security. It is a national priority to support the domestic coal industry by removing Federal regulatory barriers that undermine coal production, encouraging the utilization of coal to meet growing domestic energy demands, increasing

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<sup>28</sup> *E.g. New York Indep. Sys. Operator, Inc., et al.*, 146 FERC ¶ 61,065 (2014), *reh’g denied*, 150 FERC ¶ 61,207 (2015).

<sup>29</sup> 150 FERC ¶ 61,207 at P 15.

<sup>30</sup> *Id.* at P 16.

<sup>31</sup> *E.g., Reinvigorating America’s Beautiful Clean Coal Industry and Amending Executive Order 14241*, Executive Order 14261, issued April 8, 2025, available at: <https://www.whitehouse.gov/presidential-actions/2025/04/reinvigorating-americas-beautiful-clean-coal-industry-and-amending-executive-order-14241/> (the “Coal EO”).

American coal exports, and ensuring that Federal policy does not discriminate against coal production or coal-fired electricity generation.<sup>32</sup>

Granting the requested January 1, 2026 effective date, by approving the Filings as just and reasonable under Section 205 of the Federal Power Act, are squarely in line in the President's policy directives in the Coal EO. Without the authorizations NorthWestern Colstrip seeks in these Filings, the future of the Colstrip becomes increasingly uncertain and could significantly jeopardize the long-term economic viability of this coal plant.

Furthermore, as of the date of this Response, NorthWestern Colstrip has not entered into any other agreements for service under the CBR Tariff other than the Mercuria PPA included with the Mercuria PPA Filing (and likely will not do so until it has regulatory certainty on the CBR Tariff Filing), and therefore, no other customer, or potential customer, of NorthWestern Colstrip could be harmed by setting the tariff records in the Filing as effective as of January 1, 2026.

Thus, similar to the conclusion reached in similar proceeding—*Stanton Clean Energy* noted above—NorthWestern Colstrip requests that the Commission waive the prior notice requirements and make both Filings effective as of January 1, 2026, as originally requested.

B. Request for Additional Waivers, To the Extent Necessary.

To the extent that this Response fails to contain any information otherwise required for compliance with the Commission's regulations, NorthWestern Colstrip respectfully requests that compliance with such regulations be waived in order to allow the Commission to expeditiously act on the Filings and grant the requested effective date of January 1, 2026.

C. Request for Shortened Comment Period.

As described above, given the difficulties NorthWestern Colstrip has experienced with the Commission's eTariff filing software in attempting to make this Response filing on December 31, 2025, particularly including the lack of sufficient explanation for why the December 31<sup>st</sup> Filing was rejected, NorthWestern Colstrip respectfully requests that the Commission grant a shortened comment period of not more than fourteen (14) days for this Response. Without a shortened comment period, it is unlikely that FERC Staff could act on this Response by the requested January 30, 2026 date. Recognizing that the one week delay in getting this filing on file with the Commission is through no fault of NorthWestern Colstrip, good cause exists to shorten the comment period in order to provide NorthWestern Colstrip the certainty it desperately needs within the timeframe requested for action, as described below.

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<sup>32</sup> *Id.* at Sec. 2.

## VI. REQUEST FOR EXPEDITED ACTION

NorthWestern Colstrip also respectfully requests expedited Commission action on this filing by not later than January 30, 2026. As explained above and in the Filings, NorthWestern Colstrip took ownership of PSE's share of Colstrip effective as of midnight on January 1, 2026. However, until the Commission resolves and acts upon these Filings, NorthWestern Colstrip lacks any regulatory certainty as to the validity and effective date of the transaction it has already entered into with Mercuria, or any future transaction it might seek to enter into to recover a portion of NorthWestern Colstrip's costs of owning PSE's share of Colstrip. Such uncertainty significantly negatively impacts NorthWestern Colstrip's ability to market this new generation output, thereby saddling NorthWestern Colstrip with costs with which it has no clear mechanism for recovering, given that it may not recover these costs from retail rate payers as was described in length in the Filings.

Furthermore, as the Colstrip plant is an operating, jointly-owned coal plant, there are very real operational and reliability consequences associated with delayed FERC action on these Filings. Namely, under the O&O Agreement, none of the joint owners of Colstrip have the right to unilaterally curtail operations or output from the plant, meaning each joint owner (including NorthWestern Colstrip as of midnight on January 1, 2026) must take its share of the output generated from the plant. Therefore, as of January 1, 2026, NorthWestern Colstrip was obligated to do something with its share of the output from the Colstrip plant, otherwise there would have been real operational and reliability issues.

## VII. CONCLUSION

NorthWestern Colstrip respectfully requests that, based on the extensive, additional information provided in this Response, the Commission expeditiously approve the Filings as just and reasonable under Section 205 of the Federal Power, with an effective date of January 1, 2026.

Sincerely,

/s/ Chris Zentz

Chris Zentz

Partner