



March 1, 2013

Ms. Kate Whitney
Utility Division
Montana Public Service Commission
1701 Prospect Avenue
PO Box 2022601
Helena, Montana 59620-2601

Re: Docket No. D2012.5.49 Electric Tracker
NorthWestern Energy's Updated Response to PSC Set 2 (006-013)

- **4th Updated Response to Data Request PSC-006**
- **3rd Updated Response to Data Request PSC-008**

Dear Ms. Whitney:

Enclosed for filing is a copy of NorthWestern Energy's updated response to PSC Set 2 Data Requests PSC-006 and PSC-008. These data request responses have been mailed to the service list in this docket and hand delivered to the PSC and MCC. They have been efiled with the PSC.

Should you have questions please contact Joe Schwartzberger at (406) 497-3362.

Sincerely,

A handwritten signature in black ink that reads "Nedra Chase".

Nedra Chase
Administrative Assistant

Enclosures

**A. Service List
D2012.5.49**

**John Alke
Hughes Kellner Sullivan & Alke
40 W. Lawrence Suite A
P O Box 1166
Helena MT 59624-1703**

**Al Brogan
NorthWestern Energy
208 N. Montana Ave Ste 205
Helena MT 59601**

**Nedra Chase
NorthWestern Energy
40 E. Broadway
Butte MT 59701**

**Alan Joscelyn
Gough Shanahan Johnson
& Waterman PLLP
33 S. Last Chance Gulch
Helena MT 59624-1715**

**Charles Magraw
501 8th Ave.
Helena MT 59601**

**Robert Nelson
Montana Consumer Counsel
111 N. Last Chance Gulch
Suite 1B
Helena MT 59620-1703**

**Sarah Norcott
NorthWestern Energy
208 N. Montana Ave Ste 205
Helena MT 59601**

**Dr. Thomas M. Power
920 Evans Ave.
Missoula MT 59801**

**Joe Schwartzenberger
NorthWestern Energy
40 E. Broadway
Butte MT 59701**

**Kate Whitney
Public Service Commission
1701 Prospect Ave.
P O Box 202601
Helena MT 59620-2601**

**John W. Wilson
JW Wilson & Associates
1601 North Kent St. Ste 1104
Arlington VA 22209**

**Mary Wright
Montana Consumer Counsel
111 N. Last Chance Gulch
Suite 1 B
Helena MT 59620-1703**

CERTIFICATE OF SERVICE

I hereby certify that a copy of NorthWestern Energy's 4th update to PSC-006 and 3rd update to PSC-008 in PSC Set 2 Data Requests in Docket D2012.5.49 (Electric Tracker) has been hand delivered to the PSC and MCC. This has also been served by mailing a copy thereof by first class mail, postage prepaid to the service list in this Docket. These updated responses have been e-filed with the PSC.

Date: March 1, 2013



Nedra Chase
Administrative Assistant
Regulatory Affairs

NorthWestern Energy
Docket D2012.5.49
Electric Tracker

Montana Public Service Commission (PSC)
Set 2 (006-013)

Data Requests received July 13, 2012

PSC-006

Regarding: Dave Gates Generation Station (DGGS) Outage
Witness: Cashell

- a. Please provide any off-line and on-line dates for each of the original power turbines at DGGS related to an outage during the tracker period.
- b. Please provide any on-line and off-line dates for each of the replacement turbines at DGGS related to an outage during the tracker period.
- c. Please provide any documentation NWE possesses, correspondence between NWE employees, or correspondence between NWE employees and others related to operational problems of DGGS before the outage occurred.
- d. Please provide any documentation NWE possesses, correspondence between NWE employees, or correspondence between NWE employees and others related to the cause of the DGGS outage, either before or after the outage.
- e. Please describe the steps NWE took to procure regulation service after the DGGS outage.

RESPONSE:

- a. See the attached list of outages for each of the three DGGS units during the tracker period.
- b. See the attachment provided in response to part a, above, for a record of the following sequence of events:
 - The Unit 1 outage began on January 31, 2012 and ended on March 31, 2012. The Unit 1A and 1B power turbines that have been operating since March 31 are both borrowed (replacement) turbines.
 - The Unit 2 outage began on January 12, 2012. On February 27, 2012 Unit 2 was put back into service with one borrowed power turbine (A) and one repaired original power turbine (B). On April 22, the borrowed Unit 2A power turbine failed and remains out of service, but the repaired Unit 2B continues to be available.
 - The Unit 3 outage began on January 31, 2012 and ended on April 24, 2012 when the original repaired power turbines 3A and 3B were reinstalled.

NorthWestern Energy
Docket D2012.5.49
Electric Tracker

Montana Public Service Commission (PSC)
Set 2 (006-013)

Data Requests received July 13, 2012

PSC-006 cont'd

- c. Some of the documentation and correspondence requested by this data request may be subject to the attorney/client privilege or the work product doctrine. NorthWestern objects to this data request to the extent that it requests any such documentation or correspondence. NorthWestern will provide a privilege log of any documents or correspondence, if any, that it withholds on the basis of attorney/client privilege or work product doctrine.

The documentation and correspondence that NWE possesses includes Facility Updates about DGGS that are issued multiple times daily plus related emails pertaining to those updates. NWE does not segregate the Facility Updates between those that report problems and those that report normal operations. Montana Rule of Civil Procedure ("M.R. Civ. P.") 34(b)(2)(E)(i) allows NWE to produce documents as they are kept in the usual course of business. The Montana Public Service Commission ("Commission") has adopted M.R. Civ. P. 34 as an administrative rule of the Commission. ARM 38.2.3301(1). Provided on the attached CD are all Facility Updates in NWE's possession that were created between January 1, 2011, when DGGS achieved commercial operation, and January 31, 2012, when the outage began.

In addition to the Facility Updates, NWE possesses additional documentation and correspondence that is responsive to PSC-006c. An email search is under way and additional results will be provided as soon as they are available. The relevant period was determined to be January 1, 2011 through January 31, 2012. The search terms chosen were (Dave Gates Generating Station or DGGS or Mill Creek Generating Station or MCGS) **and** (problem or failure or repair or outage or bearings or inspection or teardown or blades or unavailable). The custodians chosen were Mike Cashell, Bill Rhoads, Jim Williams, John Hines, Bill Thompson, Casey Johnston, Mike McGowan, Mike Voeller, Mike Terry, Andrew McLain, Heather Grahame, and Al Brogan.

Pratt & Whitney Power Systems ("PWPS") has informed NorthWestern that it considers technical information, including analyses, to be confidential and a trade secret. PWPS has further informed NorthWestern that it intends to file a petition to intervene and a motion for a protective order in this docket. NorthWestern is withholding information requested that may contain PWPS's confidential data until the Commission issues a decision on the PWPS motion for a protective order.

- d. Some of the documentation and correspondence requested by this data request may be subject to the attorney/client privilege or the work product doctrine. NorthWestern objects to this data request to the extent that it requests any such documentation or correspondence. NorthWestern will provide a privilege log of any documents or

NorthWestern Energy
Docket D2012.5.49
Electric Tracker

Montana Public Service Commission (PSC)
Set 2 (006-013)

Data Requests received July 13, 2012

PSC-006 cont'd

correspondence, if any, that it withholds on the basis of attorney/client privilege or work product doctrine.

PWPS has informed NorthWestern that it considers technical information, including analyses, to be confidential and a trade secret. PWPS has further informed NorthWestern that it intends to file a petition to intervene and a motion for a protective order in this docket. NorthWestern is withholding information requested that may contain PWPS's confidential data until the Commission issues a decision on the PWPS motion for a protective order.

An email search is under way for documents responsive to this request. Results will be provided as soon as they are available. The relevant period was determined to be January 12, 2012 through August 8, 2012. The search terms chosen were (Dave Gates Generating Station or DGGS or Mill Creek Generating Station or MCGS) **and** (problem or failure or repair or outage or bearings or inspection or teardown or blades or turbine or unavailable) **and** (cause or root or borescope or vibration or cutaway or warranty or evaluation or damage or Pratt). The custodians chosen were Mike Cashell, Bill Rhoads, Jim Williams, John Hines, Bill Thompson, Casey Johnston, Mike McGowan, Donna Haeder, Mike Voeller, Mike Terry, Andrew McLain, Heather Grahame, and Al Brogan.

- e. Upon notification that the DGGS units would need to be taken offline and due to the emergency nature of the outage, NorthWestern contacted the three entities that had recently submitted bids in response to NWE's Request for Proposals ("RFP") for regulation service to be provided in 2013. NorthWestern identified the amount of regulating reserve immediately available and associated costs from each provider. In addition, NorthWestern discussed terms that would allow for gradually reducing the contracted regulation capacity and service provided as the DGGS units became operational. NorthWestern was able to procure regulation service and execute contracts with two of the three entities. The contract regulation was operational within 52 hours of the DGGS units being taken offline.

UPDATED RESPONSE (September 6, 2012):

- c. See the attached CD for additional documents responsive to this request. Attachments 36 through 39 contain emails and attachments, and Attachment 40 contains monthly DGGS reports from January 2011 through January 2012.

NorthWestern Energy
Docket D2012.5.49
Electric Tracker

Montana Public Service Commission (PSC)
Set 2 (006-013)

Data Requests received July 13, 2012

PSC-006 cont'd

SECOND UPDATED RESPONSE (November 8, 2012):

- c. See the folder named PSC-006c on the enclosed CD for additional documents responsive to this request. Attachment 41 is an Excel file of the DGGs Daily Reports for 2011. Attachment 42 is an Excel file of the DGGs Daily Reports from January 1, 2012 through September 4, 2012. To access the reports for each day, select the "Daily Report" tab at the bottom of each file and then select the date box in Row 1, Column D. Then click inside the formula bar above, type in the report date you would like to view, and hit "Enter."

THIRD UPDATED RESPONSE (February 1, 2013):

c. & d.

See the attached Privilege Log which describes emails and attachments that a NorthWestern attorney has identified as privileged due to either attorney/client privilege or the work product doctrine.

Additional documents responsive to these requests will be provided after the Commission issues a decision on PWPS's Second Supplemental Motion for Protective Order that was filed with the Commission on January 15, 2013.

FOURTH UPDATED RESPONSE (March 1, 2013):

- c. See the public versions of Attachments 43 through 47 in the folder named PSC-006c on the enclosed CD. Attorneys representing PWPS made the redaction decisions for these documents in conformance with the Commission's Protective Order No. 7219f, service date February 15, 2013. Unredacted copies of the pages containing protected information will be provided on yellow paper under separate cover to the Commission and to parties on the service list who properly execute and submit the related non-disclosure agreement. See also Attachments 48 and 49 in that same folder. They required no protection.
- d. See the public versions of Attachments 1 through 3 in the folder named PSC-006d on the enclosed CD. Attorneys representing PWPS made the redaction decisions for these documents in conformance with the Commission's Protective Order No. 7219f. Unredacted copies of the pages containing protected information will be provided on yellow paper under separate cover to the Commission and to parties on the service list who properly execute and submit the related non-disclosure agreement.

To the best of NorthWestern's knowledge, this completes the response to PSC-006.

NorthWestern Energy
Docket D2012.5.49
Electric Tracker

Montana Public Service Commission (PSC)
Set 2 (006-013)

Data Requests received July 13, 2012

PSC-008

Regarding: DGGS Warranties and Insurance
Witness: Cashell

- a. Please provide the Pratt & Whitney warranty, including any amendments, supplements, or extensions, that applies to DGGS.
- b. Please provide any other insurance or warranty product purchased by, offered to, or sought out by NWE that provides or could have provided coverage to DGGS.
- c. Please provide any documentation NWE possesses, correspondence between NWE employees, or correspondence between NWE employees and others related to warranty and insurance coverage of DGGS.

RESPONSE:

- a. The following warranty information was publicly filed in Docket No. D2008.8.95:

10.0 WARRANTIES

10.1 ;::The warranty period for the Goods and/or Services covered under the Purchase Order will be twelve (12) months from Substantial Completion but in no event later than twenty-two (22) months from Delivery or storage of the Goods ("Warranty Period"). Seller warrants that the Goods supplied hereunder are suitable for the purpose as defined in the Purchase Order and are free from all latent or patent defects in material and workmanship, and conform to the Purchase Order Requirements, provided that Purchaser installs, maintains, and operates the Goods in accordance with Seller's instructions. If during the Warranty Period the Goods are found to be defective or otherwise fail to conform to the Purchase Order Requirements, Seller agrees to repair, replace, or make good the item(s) supplied hereunder, as Seller reasonably determines is appropriate under the circumstances, at no additional cost to Purchaser. All removal and installation labor that requires fewer than eight {8} man-hours to complete will be borne by Purchaser. For all other warranty items removal and installation costs, and all shipping costs of the Goods (provided written shipping instructions are followed), shall be borne by Seller. Seller does not warrant the Equipment or any repaired or replacement parts against normal wear and tear, type of fuel, detrimental air inlet conditions or erosion, corrosion or material deposits from fluids contrary to Seller's operation and maintenance manuals or severe environment. The warranties and remedies set forth herein shall not apply to failures or defects to the extent caused by: (i) the storage installation, operation, and maintenance of the Goods by or on behalf of Purchaser contrary

NorthWestern Energy
Docket D2012.5.49
Electric Tracker

Montana Public Service Commission (PSC)
Set 2 (006-013)

Data Requests received July 13, 2012

PSC-008 cont'd

to the operation instruction manuals (including revisions thereto) provided by Seller and/or its subcontractors, as applicable and/or (ii) modification of the Goods that is not approved by Seller or that is contrary to Seller's written instructions. Purchaser shall keep proper records of operation and maintenance during the Warranty Period. These records shall be kept in the form of logsheets and copies shall be submitted to Seller upon request.

10.2 Any Goods repaired or replaced pursuant to this Article 10.0, prior to the start of Warranty Period, shall be fully warranted during the Warranty Period, or, if repaired or replaced during the Warranty Period, shall be warranted for an additional period of twelve (12) months from the completion of such repair or replacement, provided, however in no event shall warranty coverage extend beyond eighteen (18) months from the initiation of the Warranty Period.

10.3 Seller warrants that during the Warranty Period all Services will be performed in a workmanlike manner and that recommendations for corrective action made in connection with technical investigations or inspections or the like will be based on its best judgment in light of the facts then known and shall be rendered in a competent and diligent manner, consistent with the Purchase Order Requirements, accepted industry practice, and any applicable professional codes or standards. Any Services performed which do not conform to such practice, codes, standards, or Purchase Order Requirements shall, upon notice from Purchaser, be corrected by Seller in a prompt manner at Seller's sole cost and expense.

10.4 THE WARRANTIES SET FORTH HEREIN ARE EXCLUSIVE AND IN LIEU OF ALL OTHER WARRANTIES, EXPRESS OR IMPLIED. ALL OTHER WARRANTIES INCLUDING WITHOUT LIMITATION ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR FITNESS FOR A PARTICULAR PURPOSE (AS SUCH TERMS ARE DEFINED BY NEW YORK LAW OR THE UNIFORM COMMERCIAL CODE) ARE HEREBY DISCLAIMED BY SELLER.

PWPS has informed NorthWestern that it considers technical information, including any other warranty information, to be confidential and a trade secret. PWPS has further informed NorthWestern that it intends to file a petition to intervene and a motion for a protective order in this docket. NorthWestern is withholding information requested that may contain PWPS's confidential data until the Commission issues a decision on the PWPS motion for a protective order.

- b. NorthWestern carries property insurance on DGGs through FM Global, policy number FS152. This policy covers the assets of NorthWestern along with extra expenses subject to the policy terms and conditions, including the deductible.

NorthWestern Energy
Docket D2012.5.49
Electric Tracker

Montana Public Service Commission (PSC)
Set 2 (006-013)

Data Requests received July 13, 2012

PSC-008 cont'd

Although NWE has not identified any other warranty product, PWPS has informed NorthWestern that it considers technical information, including any other warranty information, to be confidential and a trade secret. PWPS has further informed NorthWestern that it intends to file a petition to intervene and a motion for a protective order in this docket. NorthWestern is withholding information requested that may contain PWPS's confidential data until the Commission issues a decision on the PWPS motion for a protective order.

- c. Some of the documentation and correspondence requested by this data request may be subject to the attorney/client privilege or the work product doctrine. NorthWestern objects to this data request to the extent that it requests any such documentation or correspondence. NorthWestern will provide a privilege log of any documents or correspondence, if any, that it withholds on the basis of attorney/client privilege or work product doctrine.

PWPS has informed NorthWestern that it considers technical information, including any warranty information, to be confidential and a trade secret. PWPS has further informed NorthWestern that it intends to file a petition to intervene and a motion for a protective order in this docket. NorthWestern is withholding information requested that may contain PWPS's confidential data until the Commission issues a decision on the PWPS motion for a protective order

Please see the attached letter from FM Global dated March 30, 2012. Two email searches are under way for additional documents responsive to this request. Results will be provided as soon as they are available. The search terms chosen for the first search were (Dave Gates Generating Station or DGGGS or Mill Creek Generating Station or MCGS) **and** (FM Global) **and** (insurance coverage). The custodians chosen were Mike Cashell, Bill Rhoads, Jim Williams, John Hines, Bill Thompson, Casey Johnston, Mike McGowan, Donna Haeder, Mike Voeller, Mike Terry, Andrew McLain, Heather Grahame, and Al Brogan. The search terms chosen for the second search were (Dave Gates Generating Station or DGGGS or Mill Creek Generating Station or MCGS) **and** (warranty) **and** (Pratt & Whitney or PWPS **not** insurance). The custodians chosen were Mike Cashell, Bill Rhoads, Jim Williams, John Hines, Bill Thompson, Casey Johnston, Mike McGowan, Donna Haeder, Mike Voeller, Mike Terry, Andrew McLain, Heather Grahame, and Al Brogan.

NorthWestern Energy
Docket D2012.5.49
Electric Tracker

Montana Public Service Commission (PSC)
Set 2 (006-013)

Data Requests received July 13, 2012

PSC-008 cont'd

UPDATED RESPONSE (November 8, 2012):

- c. See Attachments 1 through 4 inside the folder named PSC-008c on the enclosed CD. They are PDF files of emails and attachments pertaining to insurance coverage of DGGS.

SECOND UPDATED RESPONSE (February 1, 2013):

- c. The Privilege Log provided as an Attachment in the Third Updated Response to Data Request PSC-006 also includes the PSC-008c emails and attachments that a NorthWestern attorney has identified as privileged due to either attorney/client privilege or the work product doctrine.

Additional documents responsive to this request will be provided after the Commission issues a decision on PWPS's Second Supplemental Motion for Protective Order that was filed with the Commission on January 15, 2013.

THIRD UPDATED RESPONSE (March 1, 2013):

- c. See the public versions of Attachments 5 and 6 in the folder named PSC-008c on the enclosed CD. Attorneys representing PWPS made the redaction decisions for these documents in conformance with the Commission's Protective Order No. 7219f, service date February 15, 2013. Unredacted copies of the pages containing protected information will be provided on yellow paper under separate cover to the Commission and to parties on the service list who properly execute and submit the related non-disclosure agreement. See also Attachment 7 in that same folder on the CD. It required no protection.

To the best of NorthWestern's knowledge, this completes the response to PSC-008.