

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

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IN THE MATTER OF NorthWestern Energy's) REGULATORY DIVISION
Application for Approval of Electricity Supply)
Deferred Cost Account Balance and Projected) DOCKET NO. D2012.5.49
Electric Supply Costs)

**DATA REQUESTS OF THE MONTANA CONSUMER COUNSEL
TO NORTHWESTERN ENERGY**

MCC-058 Regarding: Operational Performance
Witness: William T. Rhoads

Please provide an electronic copy (Excel file) of Exhibit__(WTR-1) with all supporting data, worksheets, formulas and links intact. Also, please define what "2 Unit Availability" stands for.

MCC-059 Regarding: Replacement Regulation Service
Witness: William T. Rhoads

In reference to your rebuttal testimony at page WTR-9, lines 22-23: Please provide a table comparing the total cost per MW of purchased regulation service in each month of the outage with the total cost per MW (operating plus fixed costs) of regulation service from DGGS had DGGS been fully operational.

MCC-060 Regarding: Cost of getting DGGS back in Service
Witness: William T. Rhoads

In reference to your rebuttal testimony at page WTR-10, lines 21-22: You state that "PWPS did this all at its own cost". Was this in accordance with PWPS warranty obligations? Please explain your answer.

NorthWestern Energy
D2012.5.49
Electric Tracker
Data Requests
(MCC-058 through MCC-083)

MCC-061 Regarding: Cost of getting DGGs back in Service
Witness: William T. Rhoads

In reference to your rebuttal testimony at page WTR-11, line 1: You state that “PWPS did this at its own cost, not NWE’s.” Was this in accordance with PWPS warranty obligations or was it contemplated under the warranty that NWE would pay for picking up the turbines from Anaconda, repairing them in Connecticut and returning them to DGGs? Please explain your answer.

MCC-062 Regarding: Cost of getting DGGs back in Service
Witness: William T. Rhoads

In reference to your rebuttal testimony at page WTR 11, lines 3: You state that “This was all at PWPS’s cost, not NWE’s.” Was this in accordance with PWPS’s contractual obligations, or was it contemplated that this would be at NWE’s expense?

MCC-063 Regarding: Modification of a Power Turbine
Witness: William T. Rhoads

In reference to your rebuttal testimony at page WTR-12, line 2: Please fully explain the modification to the power turbine that you say is now in progress. Include in that explanation a full explanation of the specific operational issue(s) that the modification will resolve and an explanation of why that issue(s) was not adequately accommodated in the original design.

MCC-064 Regarding: Extended Warranty
Witness: William T. Rhoads

In reference to your rebuttal testimony at page WTR-13, lines 1-4:

- a. When is the last turbine expected to be modified?
- b. Admit that DGGs will not be under warranty indefinitely after the date specified in response to part (a) of this question, but that the warranty will terminate two years after that date. If you do not so admit, please explain your answer fully.

NorthWestern Energy
D2012.5.49
Electric Tracker
Data Requests
(MCC-058 through MCC-083)

MCC-065 Regarding: Extended Warranty
Witness: William T. Rhoads

In reference to your rebuttal testimony at page WTR-13, lines 13-18: Will the costs of transportation from PWPS facilities to DGGS and the labor costs of installation at DGGS be covered by PWPS? If not, explain why not and identify all additional modification and related costs that PWPS will not cover.

MCC-066 Regarding: Benefits to Customers from the Outage
Witness: William T. Rhoads

In reference to your rebuttal testimony at page WTR-13, line 21: Please provide a table comparing the power replacement costs that NWE proposes to charge to customers against the “benefits” that customers will receive from the outage that supports your claim that “customers have benefitted tremendously from the outage.”

MCC-067 Regarding: Consequential Damages
Witness: William T. Rhoads

Given your position that turbine manufacturers always require a waiver of consequential damages, as indicated in your rebuttal testimony at page WTR-14, lines 20-21:

- a. Did NWE seek replacement power insurance to protect itself and its customers from these unforeseen costs?
- b. If not, why not?
- c. If so, please identify the insurers that were contacted, provide all responses and insurance coverage quotes that were received, and provide the Company’s evaluations of those quotes.

NorthWestern Energy
D2012.5.49
Electric Tracker
Data Requests
(MCC-058 through MCC-083)

- d. Also, in view of the consequential damages waiver and NWE's admittedly "unique application" of the plant (see page WTR-19, lines 19-20 in your rebuttal testimony), provide all evaluations that were undertaken by NWE to determine whether or not to seek replacement power insurance.

MCC-068 Regarding: Replacement Power
Witness: William T. Rhoads

In reference to your rebuttal testimony at page WTR-15, lines 1-4:

- a. Subsequent to the plant failure did NWE seek compensation from PWPS for replacement power costs?
- b. Please fully describe and provide copies of all documents related to such requests and PWPS responses.

MCC-069 Regarding: Extension of Warranty
Witness: William T. Rhoads

- a. In reference to your rebuttal testimony at page WTR-16, lines 4-6: Please provide all documentation of this negotiation including (but not limited to) consideration of extensions for more than one year and the cost thereof.
- b. Please provide documentation of the cost of the original one year warranty; the initial cost PWPS proposed for the one-year extension, and whether the agreed upon price of the one-year extension (\$395,000) was different than PWPS's initial proposal.

MCC-070 Regarding: PWPS Warranty
Witness: William T. Rhoads

In reference to your rebuttal testimony at page WTR-18, lines 1-2: You say that PWPS was not obligated to repair or replace the failed components "within any specific time frame." Were they obligated to repair or replace failed components

NorthWestern Energy
D2012.5.49
Electric Tracker
Data Requests
(MCC-058 through MCC-083)

within a reasonable time frame and as expeditiously as possible? If not, explain why not.

MCC-071 Regarding: Modified Power Turbine Test
Witness: William T. Rhoads

In reference to your rebuttal testimony at page WTR-18, lines 9-11:

- a. Please fully explain the extent to which NWE (or some other party) will be ultimately responsible for the validation process and specify the time frame in which that process will be undertaken and completed.
- b. Please specify the procedures that will be used to test for validation and fully explain how (and by whom) these procedures were developed and confirmed to be appropriate.
- c. To the extent that the proposed inlet module hardware modification is not fully validated at the site this summer, please discuss and explain how this matter will move to resolution.
- d. Please provide a complete description (with diagram) of the proposed inlet module hardware modification.

MCC-072 Regarding: PWPS Warranty
Witness: William T. Rhoads

In reference to your rebuttal testimony at page WTR-22, lines 5-8:

- a. Please define what you mean by “many years.”
- b. If the validation process referred to in the prior question (MCC-69) is completed this summer, and the remaining power turbines are modified and installed in the latter half of 2013, as planned, will there be warranty protection beyond 2015? If “yes”, please explain your answer.

NorthWestern Energy
D2012.5.49
Electric Tracker
Data Requests
(MCC-058 through MCC-083)

MCC-073 Regarding: Exhibit WTR-3
Witness: William T. Rhoads

Please explain why the warranty on all DGGS plant equipment, other than the power turbines, was extended for only four months (i.e., it is now expired except for the Unit#3 Brush generator which will expire on May 1, 2014.)

MCC-074 Regarding: Exhibit WTR – 2
Witness: William T. Rhoads

Please provide copies of all notes, minutes or any other documentation related to:

- a. Jan. 31, 2012 PWPS recommendation to shut down DGGS;
- b. Feb. 2, 2012 Bob Rowe telephone conference with Pratt & Whitney CEO;
- c. Feb. 10, 2012 Bob Rowe letter to Pratt & Whitney CEO; and
- d. Feb. 23, 2012 NWE meeting with MPSC on DGGS;

MCC-075 Regarding: Qualifications
Witness: Fred Lyon

In reference to your testimony at page FL-2, lines 20-21:

Please identify each law firm and consulting firm that you have worked with, your position with the firm, and the period of time that you were with the firm.

MCC-076 Regarding: PWPS/NWE Purchase Agreement
Witness: Fred Lyon

Please explain what law governs the PWPS/NWE Purchase Agreement.

NorthWestern Energy
D2012.5.49
Electric Tracker
Data Requests
(MCC-058 through MCC-083)

MCC-077 Regarding: Other Agreements
Witness: Fred Lyon

Please produce full and complete copies, including exhibits, of all agreements to which you refer at pages 9 – 11 of your testimony.

MCC-078 Regarding: NWE Engagement
Witness: Fred Lyon

When were you first retained by NorthWestern Energy?

MCC-079 Regarding: Exhibit__(FL-1)
Witness: Fred Lyon

In reference to your Exhibit FL-1 at pages 2-3:

- a. With regard to the items listed as “Representative Experience”, please identify each instance in which Pratt & Whitney was a party to the matter and the nature of Pratt & Whitney’s interest or involvement.
- b. Please identify by name, location and owner(s), each of the electricity generating plants referred to under “Types of Projects.”

MCC-080 Regarding: Exhibit__(KJM-2)
Witness: Kevin J. Markovich

With respect to Exhibit__(KJM-2):

- a. Provide copies of all workpapers used or relied on to produce Exhibit__(KJM-2).
- b. Provide on compact disk, in Excel format with all formulas and links intact, the spreadsheets that were used to produce Exhibit__(KJM-2).

NorthWestern Energy
D2012.5.49
Electric Tracker
Data Requests
(MCC-058 through MCC-083)

MCC-081 Regarding: Fixed Price Hedges at Mid-C
Witness: Kevin J. Markovich

At KJM-4, lines 1-2, Mr. Markovich states that “NWE closely follows how its electric supply hedges and hedging programs are performing.” For each month during the period July 2011 through June 2012, please provide for all NWE “Off System Transactions” the same type of information that appears at lines 6-21 and lines 66-81, of Mr. Bennett’s Exhibit ____(FVB-2)12_13, pages 3 and 4.

MCC-082 Regarding: Off-System Counter Parties
Witness: Kevin J. Markovich

Please provide copies of all invoices by and between NWE and counter parties for each off-system fixed price transaction for each month from July 2011 through the present.

MCC-083 Regarding: Exhibit __ (KJM-2)
Witness: Kevin J. Markovich

Using actual MWh data, actual “Hedged Price” data, and actual “Mid C Price” data, and the same methodology that was used to produce Exhibit __ (KJM-2), provide similar calculations of the monthly “Actual Cost” amounts, the monthly “Non-Hedged Cost” amounts, and the monthly “Difference” amounts, for NWE’s PPL 7-Year Contract.