

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 )  
Application for Approval to Purchase and )  
Operate PPL Montana's Hydroelectric Facilities, ) REGULATORY DIVISION  
for Approval of Inclusion of Generation Asset )  
Cost of Service in Electricity Supply Rates, for ) DOCKET NO. D2013.12.85  
Approval of Issuance of Securities to Complete )  
the Purchase, and for Related Relief )

**DATA REQUESTS OF THE MONTANA CONSUMER COUNSEL**

**MCC-095** Regarding: SSW Independent Engineer's Report (Exhibit WTR-2.1)  
Witness: Gary Wiseman or most appropriate witness

The legal notice on page 4 of the Report states that this report does not necessarily represent the views of NorthWestern Energy, and that NorthWestern Energy has not passed upon the accuracy or adequacy of the information in the Report. Is that still your current position? If so, whose views does the Report represent, and what credence does NorthWestern believe should be given to the accuracy and adequacy of the information in the Report? Does the legal disclaimer also represent Shaw's position?

**MCC-096**  
Regarding: Executive Summary  
Witness: Gary Wiseman

On page 4 of the Report, it is stated that this is Shaw's Report. Is it therefore not NorthWestern's Report, or is it also NorthWestern's Report?

**MCC-097**  
Regarding: Executive Summary  
Witness: Gary Wiseman

Please identify the Merrill Data Room and provide the questions that you refer to. (page 4 of the Report).

**MCC-098**

Regarding: Executive Summary  
Witness: Gary Wiseman

Please identify the Mustang/Newfoundland clean room, as mentioned on page 4 of the Report, and explain the difference between the documents in the Merrill Room and those in the Mustang/Newfoundland clean room. Also explain why this report does not reflect any assessment of clean room data, and whether you have reviewed that clean room data.

**MCC-099**

Regarding: Executive Summary  
Witness: Gary Wiseman

Please explain in detail what you mean by “aging equipment and structures.” (page 4 of the Report)

**MCC-100**

Regarding: Executive Summary  
Witness: Gary Wiseman or most appropriate witness

On page 5 of the Report, it is stated that NWE is assessing the potential impact of litigation concerning the State of Montana’s claim to the riverbeds and reservoirs. Please provide that assessment.

**MCC-101**

Regarding: Facility Overview  
Witness: Gary Wiseman

In reference to Black Eagle Dam, page 9 of the Report: Does the so-called “Project 2188 operating license” indicate that the license for some of these facilities is likely to reach beyond their useful lives (without major rebuild) as generating facilities? What obligations and potential costs does NWE retain after it is determined that a project’s useful life as an active generating facility has come to an end.

**MCC-102**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

Please identify and list each Category 1 Highlighted Potential Failure Mode. (Page 14 of the Report).

**MCC-103**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

Identify the independent consultant referred to, his employer and the date of his evaluation, as mentioned on page 18 of the Report. Please list and describe each instance in the past five (5) years in which SSW or CBI or any affiliate thereof has been retained by PPL or any of its affiliates.

**MCC-104**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

Please state the estimated cost of carrying out each recommendation, as mentioned on pages 20-21 of the Report.

**MCC-105**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

On page 21 of the Report, it is stated that the concrete condition of the Arch Dam and Spillway appears fair to good and immediate remedial measures are not required. Within what period of time is it likely that remedial measures may be required and what is the estimated cost (current dollars) of those measures?

**MCC-106**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

In reference to page 26 of the Report, please identify and fully describe each liability and/or expense obligation related to Kerr Dam that may remain with NWE after the dam

is sold to the Indian Tribes. Please identify each PFM and or risk reduction measures and estimated cost thereof that may be undertaken before Kerr Dam is sold to the Tribes.

**MCC-107**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

In reference to page 32 of the Report (Hebgen Lake): Please identify the independent consultant (and employer) and the date of his most recent evaluation.

**MCC-108**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

Please provide the estimated cost of resolving each of the Class 1 and 2 PFMs listed on page 32 of the Report.

**MCC-109**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

Please provide the estimated cost of complying with each of the recommendations stated on pages 33 and 34 of the Report, and the portion of those estimated costs that are expected to be covered by PPLM before the sale to NWE.

**MCC-110**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

In reference to page 34 of the Report, please provide the estimated costs of curing each Hebgen deficiency and the portion of each cost that is likely to be an NWE cost.

**MCC-111**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

In reference to page 34 of the Report: Is the seepage flow to the left of the spillway a matter that will likely require attention in the future? What is the estimated cost of curing this problem?

**MCC-112**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

Please define the term “phreatic surface” and what it means to be below the design basis value, as mentioned on page 34 of the Report (Outlet Pipe and Appurtenances).

**MCC-113**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

On page 36 of the Report, you say that “flow rate appears to be affected by reservoir level and spillway use.” Please explain what this may mean as regards potential impact on future operation and potential power generation.

**MCC-114**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

Please explain what it means to be CEII classified, as mentioned on page 37 of the Report. What information other than the cursory information referred to would be useful and why would it be useful?

**MCC-115**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

In reference to page 39 of the Report (Madison Dam): Please identify the independent consultant (and employer) of the Report, and the date of the most recent evaluation.

What is the estimated cost of resolving each of the indicated PFMs and the portion of this cost that is expected to be covered by PPLM.

**MCC-116**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

Please provide the estimated cost of complying with each of the recommendations mentioned on page 40 of the Report and the portion of those costs that will be covered by PPLM.

**MCC-117**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

On page 41 of the Report, you use the term “Barring unusual events.” Please provide examples of the “unusual events” that could occur.

**MCC-118**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

In reference to page 45 of the Report (Hauser Dam): Please identify the independent consultant referred to (and employer) and the date of his most recent evaluation.

**MCC-119**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

Please provide the estimated cost of resolving each of the listed PFMs, as listed on pages 45-46 of the Report, and the portion of these costs that will be covered by PPLM.

**MCC-120**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

Please provide the estimated cost associated with each of the recommendations listed on pages 46-47 of the Report, and the portion of that cost that has been or will be covered by PPLM.

**MCC-121**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

In reference to page 48 of the Report: Please describe a spillway piezometer and fully explain why piezometers S4 and S6 were not repaired or replaced.

**MCC-122**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

In reference to page 49 of the Report (Holter Dam): Please identify the referenced independent consultant (and employer) and the date of his most recent evaluation.

**MCC-123**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

Please provide the estimated cost of resolving each PFM listed on page 50 of the Report, and the portion of those costs that have been or will be covered by PPLM.

**MCC-124**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

Please provide the estimated cost of complying with each recommendation listed on pages 50-51 of the Report, and the portion of that cost that has been or will be covered by PPLM.

**MCC-125**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

In reference to page 54 of the Report (Black Eagle Dam): Please identify the independent consultant (and employer) and the date of his most recent evaluation. Please provide the estimated cost of resolving each PFM and the portion of that cost hat has been or will be covered by PPLM.

**MCC-126**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

Please provide the estimated cost of complying with each recommendation listed on page 56 of the Report, and the portion of that cost that has been or will be covered by PPLM.

**MCC-127**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

In reference to page 57 of the Report (Rainbow Dam): Please identify the referenced independent consultant and the date of his most recent evaluation. Please provide the estimated cost of resolving each of the listed PFMs and the portion of those costs that has been or will be covered by PPLM.

**MCC-128**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

Please provide the evaluation of long-term remedial alternatives, as referenced on page 58 of the Report (Diversion Dam), and identify the preferred alternatives, the estimated cost of each of these alternatives, and the portion of those costs that has been or will be covered by PPLM.

**MCC-129**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

Please describe more fully and completely the vertical alignment data at CP-1 that is below the minimum threshold value, as mentioned on page 58 of the Report. Please provide the estimated cost or range of potential costs that may be required in order to correct for the suspected actual movement. When may this be expected?

**MCC-130**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

In reference to page 59 of the Report, please provide the estimated cost of repairing or replacing the Manifold shell for units 7 and 8. Please indicate when or in what time frame this repair or replacement needs to be done. Also, what was the cost of replacing the referenced downstream concrete filled crib apron?

**MCC-131**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

In reference to page 59 of the Report: What was the cost of the repairs to the concrete surfaces of the waste gate outlet channels that was done in 2010?

**MCC-132**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

In reference to page 61 of the Report (Cochrane Dam): Identify the referenced independent consultant (and employer) and the date of his most recent evaluation.

**MCC-133**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

Please provide the estimated costs of complying with each recommendation listed on pages 62-63 of the Report, and the portion of that cost that has been or will be covered by PPLM.

**MCC-134**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

In reference to page 64 of the Report (Ryan Dam): Please identify the referenced independent consultant (and employer) and the date of his most recent evaluation. In this case, the referenced failure modes are not listed or explained. Please correct this omission by listing and explaining each of the Class I and II failure modes for Ryan Dam, the estimated cost of resolving each of them and the portion of those costs that has been or will be covered by PPLM.

**MCC-135**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

Please provide the cost estimates for complying with each of the recommendations listed on page 67 of the Report, and the portion of these costs that has been or will be covered by PPLM.

**MCC-136**

Regarding: Dam and Reservoir  
Witness: Gary Wiseman

In reference to page 68 of the Report (Morony Dam): Please identify the independent consultant (and employer) and the date of his most recent evaluation. Please provide the estimated cost of resolving each of the listed PFMs and the portion of those costs that has been or will be covered by PPLM.

**MCC-137**

Regarding: Operating Performance  
Witness: Gary Wiseman

Please provide the estimated costs for the reservoir bed dredging and spillway upgrade at Thompson Falls that are planned for the future as referenced on page 71 of the Report. Please provide the estimated cost of the transmission line rebuild at Mystic Lake Dam.

**MCC-138**

Regarding: Operating Performance  
Witness: Gary Wiseman

On page 71 of the Report, it is stated that “considering the upcoming change in ownership” there are no major upgrades planned for Kerr Dam. But for the expected change in ownership, what upgrades might reasonably be considered for Kerr Dam?

**MCC-139**

Regarding: Operating Performance  
Witness: Gary Wiseman

Please provide the estimated costs for each of the Hebgen Lake projects listed on page 71 of the Report.

**MCC-140**

Regarding: Operating Performance  
Witness: Gary Wiseman

On page 71 of the Report, you state that although the Madison plant has 4 horizontal Francis units that have been in service since 1906, turbine runners have not been replaced. When is it likely that such replacement may be appropriate? What is the

estimated cost of such replacement? What is the estimated cost of the planned Madison/Hebgen control scheme upgrade?

**MCC-141**

Regarding: Operating Performance  
Witness: Gary Wiseman

What is the estimated cost of each of the planned projects at the Hauser, Holter, Black Eagle, and Cochrane dams, as listed on page 72 of the Report?

**MCC-142**

Regarding: Operating Performance  
Witness: Gary Wiseman

What is the estimated cost of upgrading waste gates at the Ryan Dam, as mentioned on page 73 of the Report? Will all 6 of the now inoperable gates be upgraded?

**MCC-143**

Regarding: Operating Performance  
Witness: Gary Wiseman

On page 76 of the Report, you state that 14 of the FM Global recommendations have been declined by PPLM. Please explain and describe the circumstances under which FM Global was retained to make recommendations for the hydro plants. Please list each of the declined recommendations and the reasons for declination. Has NWE evaluated these recommendations and determined whether or not NWE will accept them. Please provide the estimated costs of each of the declined recommendations.

**MCC-144**

Regarding: Operating Performance  
Witness: Gary Wiseman

On page 81 of the Report, you state that after 2017, the 2017 generation values can be projected into the succeeding years. What is the degree of certainty that you would attribute to such projections? How does the degree of certainty decline as we move further into the future?

**MCC-145**

Regarding: Environmental Compliance  
Witness: Gary Wiseman

In reference to page 91 of the Report: Why have Mystic Lake Dam hazardous materials inspection reports not been made available to you? If made available, are hazardous materials inspection reports something that you would review as part of due diligence? Would it be desirable to know if any spills have taken place since the 2010 renewal of the SPCC plan?

**MCC-146**

Regarding: Environmental Compliance  
Witness: Gary Wiseman

On page 91 of the Report, you state that according to a 2001 survey most Mystic Dam and powerhouse steel components were found to be coated in lead based paint, and that most structural building components were also found to be coated in lead based paint. Please provide a copy of that survey. You then go on to describe OSHA requirements when lead is present, but state that it is unknown if the facility is in compliance with these requirements. May it be important to know if the facility is in compliance with these requirements? Why or why not?

**MCC-147**

Regarding: Environmental Compliance  
Witness: Gary Wiseman

On pages 91-92 of the Report, you state that a 2000 asbestos survey identified locations at Mystic that contain asbestos, but you conclude that it is unknown whether any of the asbestos in the identified areas has been removed or otherwise abated. Why is this unknown? Please provide a copy of the asbestos survey.

**MCC-148**

Regarding: Environmental Compliance  
Witness: Gary Wiseman

On pages 91 and 92 of the Report, you state that PPLM showed little if any concern about the asbestos and lead based paint matters in their September, 2010 environmental audit. Please explain why, in view of the facts and legal requirements that you have presented, this lack of apparent concern by PPLM about these asbestos and lead based paint issues warrants downplaying them in your due diligence report.

**MCC-149**

Regarding: Environmental Compliance  
Witness: Gary Wiseman

On pages 93 of Report, you state that the Mystic FERC license requires fishery and wildlife protection plans plus monitoring and reporting. However, you state that these plans were not made available for your review. Why were these plans and associated reporting not made available for your review?

**MCC-150**

Regarding: Environmental Compliance  
Witness: Gary Wiseman

On page 94 of the Report, you describe the required Biological evaluation required under the wildlife plan, but you state that the current status of the biological evaluation is unknown and you also state that PPLM's Forest Service permit for these lands has not been made available for review. Did you request to review these materials? If not, why not? If so, why were they not provided? You also state that the required surveys and procedures under the Wilderness Occupancy and Use Plan have not been made available for review. Why were they not made available?

**MCC-151**

Regarding: Environmental Compliance  
Witness: Gary Wiseman

On page 96 of the Report, you appear to further cast doubt on whether PPLM is in compliance regarding its Septic System Maintenance Plan, its Historic Properties management Plan, Erosion Control Measures Plan and Air Quality matters by noting that key required documents pertaining to these matters have not been made available for your review and evaluation. Please describe all good faith efforts that you have made to obtain these key documents for your review and the reasons given in each instance for PPLMs failure to provide the desired documents.