



March 7, 2014

Ms. Kate Whitney  
Montana Public Service Commission  
1701 Prospect Avenue  
P.O. Box 202601  
Helena, MT 59620-2601

RE: Docket No. D2013.12.85  
PPLM Hydro Assets Purchase  
MCC Set 7 Data Requests (187-202)

Dear Ms. Whitney:

Enclosed for filing is a copy of NorthWestern Energy's responses to MCC Set 7. A hard copy will be mailed to the most recent service list in this Docket this date. The Montana Public Service Commission and the Montana Consumer Counsel will be served by hand delivery this date. These data responses will also be e-filed on the PSC website and emailed to counsel of record.

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

Sincerely,

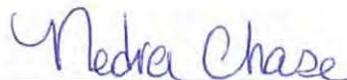
Nedra Chase  
Administrative Assistant  
Regulatory Affairs

NC/nc  
CC: Service List

**CERTIFICATE OF SERVICE**

I hereby certify that a copy of NorthWestern Energy's response to MCC Set 7 Data Requests (187-202) in Docket D2013.12.85, the PPLM Hydro Assets Purchase, has been hand delivered to the Montana Public Service Commission and to the Montana Consumer Counsel this date. These data request responses will be e-filed on the PSC website and served on the most recent service list by mailing a copy thereof by first class mail, postage prepaid. They will also be emailed to counsel of record.

Date: March 7, 2014



\_\_\_\_\_  
Nedra Chase  
Administrative Assistant  
Regulatory Affairs

**Docket No D2013.12.85  
Hydro Assets Purchase  
Service List**

Joe Schwartzenberger  
NorthWestern Energy  
40 E Broadway  
Butte MT 59701

Patrick R Corcoran  
NorthWestern Energy  
40 E Broadway  
Butte MT 59701

Nedra Chase  
NorthWestern Energy  
40 E Broadway  
Butte MT 59701

Al Brogan  
NorthWestern Energy  
208 N Montana Ave Suite 205  
Helena MT 59601

Sarah Norcott  
NorthWestern Energy  
208 N Montana Ave Suite 205  
Helena MT 59601

Kate Whitney  
Montana Public Service Commission  
1701 Prospect Ave Box 202601  
Helena MT 59620-2601

Robert A Nelson  
Montana Consumer Counsel  
111 North Last Chance Gulch Ste1B  
Helena MT 59620-1703

John W Wilson  
J W Wilson & Associates  
1601 N Kent Ste 1104  
Arlington VA 22209

Albert E Clark  
2871 Conway Rd. 127  
Orlando FL 32815

Michael J Uda  
Uda Law Firm, P C  
7W 6<sup>th</sup> Ave Suite 4E  
Helena MT 59601

Roger Kirk/Ben Singer  
Hydrodynamics Inc  
521 E Peach Suite 2B  
Bozeman MT 59715

Joe Hovenkotter Gen Counsel  
Energy Keepers Inc  
110 Main Street Suite 304  
Polson MT 59860

Ranald McDonald  
CSKT Tribal Legal Dept  
P O Box 278  
Pablo MT 59855

Thorvald Nelson  
Holland & Hart LLP  
6380 South Fiddlers Green Circle  
Suite 500  
Greenwood Village CO 80111

Nikolas Stoffel  
Holland & Hart LLP  
6380 South Fiddlers Green Circle  
Suite 500  
Greenwood Village CO 80111

Charles Magraw  
501 8<sup>th</sup> Ave  
Helena MT 59601

Dr Thomas Power  
920 Evans  
Missoula MT 59801

Fred Szufnarowski  
Essex Partnership, LLC  
65 Main St. Suite 22  
Ivoryton, CT 06442

**NorthWestern Energy**  
**Docket D2013.12.85**  
**PPLM Hydro Assets Purchase**

**Montana Consumer Counsel (MCC)**  
**Set 7 (187-202)**

Data Requests served February 21, 2014

**MCC-187**

Regarding: 06-25-2013 Addendum to Report (Exhibit WTR-2.2)  
Witness: Gary Wiseman

In reference to page 3 of Exhibit WTR-2.2, Addendum to Independent Engineering Report, Sale of Kerr project (2015): Please describe the opposing positions of the parties in the arbitration.

**RESPONSE:**

I have no further knowledge regarding the arbitration proceedings beyond what I included in my report.

**NorthWestern Energy**  
**Docket D2013.12.85**  
**PPLM Hydro Assets Purchase**

**Montana Consumer Counsel (MCC)**  
**Set 7 (187-202)**

Data Requests served February 21, 2014

**MCC-188**

Regarding: 06-25-2013 Addendum to Report  
Witness: Gary Wiseman

In reference to page 4 of the Exhibit, FM Global inspections: Please identify each FM Global recommendation that PPLM is not implementing and the reasons for not implementing.

**RESPONSE**

The FM Global recommendations from 2013 inspection visits, which based on my review I understand PPLM is not implementing, are listed below. I have not seen specific documentation of the reasons for not implementing them. As stated in the referenced Addendum, the recommendations may have limited cost effectiveness. Please see the response to Data Request MCC-143. The FM Global recommendations are typical for plants of this type and are not considered to be of concern as the units involved have been operating under the existing conditions for many years without incident.

Thompson Falls

Provide overhead sprinkler fire protection and upgrade alcove enclosures for fire resistance at the Generator Step-up (GSU) transformer.

Remove the combustible insulation above Unit No. 7 generator or provide a fire-retardant coating.

Mystic

Provide additional protective measures for the indoor GSU transformer; choose one of the following options:

- Provide automatic fire protection and build a fire-rated room for the transformer, or
- Construct a 3-hr.-rated room around the transformer, or
- Move the step-up transformer outside away from the building, or
- Replace the GSU transformer insulating oil with less-ignitable fluid.

Provide fire protection for wooden roof of powerhouse: automatic sprinkler system or noncombustible barrier or fire-retardant paint or coating.

Install automatic sprinklers in the Shop Building or consider rerouting the overhead power lines.

Kerr

Provide additional protective relaying for generators.

**NorthWestern Energy**  
**Docket D2013.12.85**  
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**Montana Consumer Counsel (MCC)**  
**Set 7 (187-202)**

Data Requests served February 21, 2014

MCC-188 cont'd

Madison

Provide additional protective measures for the indoor GSU; choose one of the following options:

- Provide automatic fire protection and build a fire-rated room for the transformer, or
- Construct a 3-hr.-rated room around the transformer, or
- Move the step-up transformer outside away from the building, or
- Replace the GSU transformer insulating oil with less-ignitable fluid.

Hauser

Provide fire protection for wooden roof of powerhouse: automatic sprinkler system or noncombustible barrier or fire-retardant paint or coating.

Provide smoke detection and alarm in the Switchgear Building.

Holter

Provide overhead sprinkler fire protection and fire containment walls/doors and fluid containment at alcoves at the GSU transformers.

Replace the GSU transformer insulating oil with less-ignitable fluid.

**NorthWestern Energy**  
**Docket D2013.12.85**  
**PPLM Hydro Assets Purchase**

**Montana Consumer Counsel (MCC)**  
**Set 7 (187-202)**

Data Requests served February 21, 2014

**MCC-189**    Regarding:    06-25-2013 Addendum to Report  
                  Witness:        Gary Wiseman

In reference to page 4 of the Exhibit, 2012 capital and O&M expenditures:

- a.     Please explain the apparently wide disparity between actual 2012 capital and O&M expenditures and corresponding annual expenditures projected from 2017 forward.
- b.     In view of the Actual 2012 capital and O&M expenditures and similar actual expenditures in other recent years, do you fully concur in the much smaller annual expenditures projected for 2017 forward? Please explain.
- c.     What uncertainties exist that could cause the actual capital and O&M expenditures from 2017 forward to be substantially greater than projected expenditures?

RESPONSE:

- a.     Please see the response to Data Request MCC-178 concerning future O&M expenses. Capital expenses are expected to be at a reduced level from 2017 forward since the capital program of rehabilitation and upgrades will be well advanced and items of recent focus will be completed.
- b.     Yes, on the basis of considerations discussed above in part a, above, Stone & Webster, Inc. (CB&I) concurs that reduced annual expenditures are expected for 2017 forward.
- c.     Please see the response to Data Request MCC-181 concerning future capital expenses. The same consideration holds for potential major maintenance expenditures in a given year.

**NorthWestern Energy**  
**Docket D2013.12.85**  
**PPLM Hydro Assets Purchase**

**Montana Consumer Counsel (MCC)**  
**Set 7 (187-202)**

Data Requests served February 21, 2014

**MCC-190**

Regarding: 06-25-2013 Addendum to Report  
Witness: Gary Wiseman

In reference to page 5 of the Exhibit, Kerr ongoing litigation about erosion and flood damage:

- a. What are the claimed or estimated maximum amounts of potential damages and costs that could result from the referenced litigation regarding shore erosion and flood damages related to past operation of the reservoir?
- b. If NWE acquires Kerr, will it become potentially liable for these amounts, and what liability will PPL retain?
- c. If Kerr ownership is transferred to the Tribes as is expected in 2015, will NWE be free of these potential liabilities? Please explain your answers.

**RESPONSE:**

- a. Please see the response to Data Request PSC-031. As stated in the referenced addendum, the likely potential liability to NWE is expected to be very limited.
- b. See the response to Data Request PSC-031.
- c. Yes. See the response to Data Request MCC-161.

**NorthWestern Energy**  
**Docket D2013.12.85**  
**PPLM Hydro Assets Purchase**

**Montana Consumer Counsel (MCC)**  
**Set 7 (187-202)**

Data Requests served February 21, 2014

**MCC-191**

Regarding: Due Diligence Report (Exhibit WTR-2.3)  
Witness: Gary Wiseman

In reference to page 4 of Exhibit WTR-2.3, Due Diligence Report, September 6, 2013, Introduction: Please provide a copy of the referenced revised Task 3 (August 27, 2013) of the MSA as well as the original MSA and all other revisions.

**RESPONSE:**

Attached is the redacted public version of MSA NWE Contract No. CLM0002830, effective April 15, 2013, and Task 3 (Mustang II). On January 31, 2014, NorthWestern filed a motion for protective order regarding certain information contained in this Attachment. NorthWestern will update this response by providing this information in the appropriate format after the Commission rules on the motion for protective order.

## SERVICES AGREEMENT

THIS AGREEMENT is made this 15 day of APRIL, 2013, by and between **Stone & Webster, Inc.**, a Louisiana corporation, of 9201 E. Dry Creek Road, Centennial, Colorado, 80112 (**Consultant**), and **NorthWestern Corporation, a Delaware corporation, d/b/a NorthWestern Energy**, with offices at 40 East Broadway Street, Butte, Montana, 59701 (**NWE**).

In consideration of their mutual covenants, the parties hereto set forth and agree as follows:

**1. Services to be Performed**

a. This Agreement shall constitute the basic agreement between the parties for Engineering Technical Consulting Services to be rendered as described on the attached Exhibit A, Description of Services.

b. Consultant acknowledges that it possesses the necessary professional skill and expertise to perform the Services contemplated hereunder.

c. Consultant acknowledges that it is responsible for obtaining information on conditions and circumstances that may affect its performance of the Services, that it has the duty to conduct any necessary site visits prior to commencement of the Services, and further that it has taken all steps necessary to ascertain the nature and location of the Services to be performed and the general and local conditions that can affect its performance of the Services and the cost thereof.

d. The Services shall be performed in accordance with any plans or specifications furnished by NWE, as set forth in the following exhibits, each of which is attached hereto and incorporated herein by reference:

- (1) Exhibit A, Description of Services
- (2) Exhibit B, Technical Work Plan
- (3) Exhibit C, Fee Schedule
- (4) Exhibit X and Y, Insurance Documents

**2. Materials, Equipment and Labor**

Consultant shall furnish and pay for all materials, supplies, labor, transportation, tools, equipment, services and supervision necessary to perform the Services herein described.

**3. Term and Schedule for Performance of Services**

The term of this Agreement shall be a period two years commencing on the date first written above and terminating March 31, 2015. Time is of material importance in the performance of each and every obligation by the Consultant.

**4. Force Majeure**

If either party is prevented in whole or in part from performing its obligations under this Agreement by unforeseeable causes beyond its reasonable control and without its fault or negligence, or orders or requests of state, local, or federal government agency or regulatory body for assistance in responding to an emergency order or disaster, then the party so prevented shall be excused from whatever performance is affected by such cause, to the extent the performance is actually affected; provided that the affected party provides written notice to the other party of the force majeure condition(s) within five (5) business days from the date the

party becomes aware of the impact caused by such condition. Failure on the part of Consultant to give NWE timely written notice shall constitute a waiver of the force majeure claim by Consultant. Consultant shall be entitled to an equitable adjustment to the contract price and/or schedule, as applicable, through a Change Order subject to the provisions of Section 5 hereunder, to the extent Consultant incurs a delay or increased costs as a result of the force majeure event.

#### **5. Changes**

NWE may, by written order to Consultant, at any time during the term of this Agreement and without invalidating the Agreement, make changes within the general scope of the Services and Consultant agrees to perform such changed Services. If such change increases or decreases the cost of or time for performing the services hereunder, then NWE shall make an equitable adjustment in the payment to Consultant and/or the time for performance hereunder. Any adjustment to price shall be based on the reasonable expenditures and savings realized by Consultant in providing the Services, as changed, and take into account Consultant's reasonable profit for such Services. In connection therewith, Consultant shall maintain and upon NWE's request provide an itemized accounting associated with the changed Services; provided however, NWE shall not be entitled to audit the breakdown of any multiplier or rate charged by Consultant.

#### **6. Quality of Service and Quality Assurance**

a. Consultant, and each of its employees, agents, representatives and subcontractors, shall perform all Services with care, skill, and diligence, in accordance with all applicable professional standards currently recognized by such profession. Consultant shall be responsible for the professional quality, technical accuracy, completeness, and coordination of all reports, designs, drawings, plans, information, specifications, and other items and services furnished under this Agreement. Consultant shall employ only competent and skillful workers to perform the Services. Consultant's employees, agents, representatives and subcontractors shall have the qualifications to proficiently perform the Services following current industry-wide standards and required by all applicable governmental regulations.

b. Consultant, and each of its employees, agents, representatives and subcontractors shall conduct themselves in all matters involving NWE in a professional, ethical, moral and legal manner. All office material, correspondence, documents, papers, diagrams, programs, and other personal property located on NWE premises, which is not Consultant's property, are to be treated as the property of NWE and as strictly confidential. Any improper use or disclosure of same, such as reading or in any way breaching the confidence of any material within the operation of NWE, will be deemed a breach of this Agreement and may, at NWE's sole discretion, result in the immediate termination of this Agreement.

c. All Services and workmanship will be subject to inspection and examination by NWE at all times during this Agreement. If any Services specified herein are not in conformance with the requirements of this Agreement, NWE shall have the right to require Consultant to re-perform the Services immediately to conform to the requirements of this Agreement. If the Services to be performed are of such nature that the defect cannot be corrected by re-performance, NWE may reduce the compensation owed to Consultant to reflect the reduced value of services performed and/or terminate this Agreement.

#### **7. Termination**

a. NWE shall have the right to terminate this Agreement should NWE determine that Consultant has materially breached any of its warranties or obligations under this Agreement or that Consultant is materially failing to perform the Services in a timely manner or with the quality required by this Agreement. In the event NWE determines that the Consultant has breached any of its warranties or obligations under this agreement or that Consultant is

failing to perform the services in a timely manner or with the quality required by this agreement, NWE shall provide written notice to Consultant stating the nature of the unsatisfactory condition. Consultant shall have ten (10) business days after receipt of this written notice to either remedy the unsatisfactory condition or provide evidence, acceptable to NWE, that (i) proper corrective action is being taken to remedy the condition or (ii) that no breach has occurred. If Consultant fails to remedy, or to commence and thereafter with due diligence pursue resolution of the unsatisfactory condition with all due speed, then NWE shall have the right to terminate this Agreement without further notice.

b. If NWE so terminates this Agreement, NWE shall pay Consultant for Services satisfactorily performed through the date of termination and NWE shall not be liable for any further payment to Consultant. To the extent services are performed on a lump sum basis, Consultant shall be liable for any direct costs incurred by NWE as a result of the termination. To the extent that a remedy is set forth in this Agreement for a particular subject matter, then that remedy shall be the exclusive remedy for the matter to which it applies. To the extent that a subject matter in this Agreement does not set forth a remedy, then the parties shall retain and have all their rights at law and at equity for such subject matter.

c. NWE shall also have the right, in its sole and absolute discretion, to terminate this Agreement for its convenience upon ten (10) calendar days written notice. In the event of such termination for convenience, Consultant shall be paid for all Services rendered through the termination date and for any direct costs (excluding any anticipated profits) incurred by Consultant as a result of the termination. Such payment shall constitute Consultant's sole right and remedy. NWE shall have the right to terminate for convenience even when a condition of force majeure exists.

#### **8. Ownership of Documents**

All technical or business information, documents, and reports, in whatever medium or format, including but not limited to, data, specifications, drawings, artwork, sketches, designs, plans, records, reports, proposals, software and related documentation, inventions, concepts, research or other information, originated or prepared by or for Consultant in contemplation of, or in the course of, or as a result of, Services performed hereunder ("Prepared Information"), shall be promptly furnished by Consultant to NWE in accordance with the terms of this Agreement or upon NWE's request. To the extent paid-up, all such Prepared Information shall be the exclusive property of NWE and shall be deemed to be works for hire. Consultant hereby assigns to NWE all rights, title, and interest in and to such Prepared Information including, for Prepared Information first conceived under this Agreement, rights to copyright in all copyrightable material and in and to all patents that may be issued thereon. All such Prepared Information shall be deemed proprietary information as defined herein. Neither party grants the other party any express or implied licenses under any patents, copyrights, trade secrets, trademarks, or other intellectual property rights, except to the extent necessary for each party to fulfill its obligations to the other under this Agreement. Consultant agrees not to use any unique design aspects of the Project in any other project without the prior written approval of NWE; however, nothing herein shall be construed to prohibit Consultant from using its general non-Project specific skills, knowledge and experience, including that which was gained by Consultant in connection with performing the Services for NWE, in performing services for other clients.

#### **9. Confidentiality and Conflicts of Interest**

a. Without limiting Consultant's obligations in 6(b) above, each Party agrees to hold in strict confidence and not disclose to any third party any proprietary documents, Prepared Information, or other information, data, findings, results, or recommendations deemed to be confidential by either Party or obtained or developed by Consultant in connection with the Services under this Agreement (collectively "Confidential Information"); provided, however, a

party may disclose Confidential Information ("Disclosing Party") of the other party ("Non-Disclosing Party") to judicial, regulatory, or governmental entities after giving the other party reasonable notice prior to such disclosure. The Disclosing Party shall take all reasonable steps to protect the Confidential Information through protective orders or the equivalent prior to its actual disclosure. Confidential Information shall not include information which: (i) is or becomes publicly available without fault of the receiving party; (ii) is independently developed by the receiving party without use of or access to the Confidential Information; and (iii) was known to the receiving party prior to its receipt of the Confidential Information and is not subject to other restrictions on disclosure or use.

b. In consideration of the mutual covenants contained in this Agreement, Consultant knowingly and voluntarily agrees that during the term of this Agreement, Consultant will not, except as otherwise expressly permitted herein, consult with, render services to, or become employed by any person or entity which was the subject or beneficiary of any Services Consultant provided to or on behalf of NWE pursuant to this Agreement.

c. Consultant further warrants and agrees that it does not and will not have any conflicts of interest regarding the performance of services hereunder.

#### **10. Compensation**

a. NWE shall pay and Consultant shall accept, as full payment for all Services performed and all materials furnished, and for all costs and expenses incurred in the performance of the Services described herein, the sums specified in Exhibit C, Task Cost Schedule, and Exhibit D, Fee Schedule, attached hereto and incorporated herein by this reference. Notwithstanding any language to the contrary, the value of this agreement is an estimated amount and Consultant shall perform the Services on a time and materials basis. Once the allowable compensation is expended, Consultant shall not be required to perform any services until the allowable compensation is further negotiated and agreed upon by the parties in writing.

b. Consultant shall submit monthly invoices for work performed and NWE will pay such invoiced amounts within 30 days of receipt of a properly submitted invoice. NWE's approval of such invoice shall not be unreasonably withheld. Should NWE fail to make a payment within fifteen (15) days of the date due, Consultant shall have the right to suspend performance of the work hereunder. Should NWE fail to make a payment within thirty (30) days of the date due, Consultant shall be entitled to suspend or terminate this Agreement. In the event of such suspension or termination, Consultant shall be entitled to payment for all services performed up to the date of termination, in addition to reasonable direct termination costs.

c. All invoices shall be sent to:

**NorthWestern Corporation**  
**Attn: Accounts Payable – William Rhoads**  
**40 E. Broadway**  
**Butte, MT 59701**  
**Email invoices to: [accountspayable@northwestern.com](mailto:accountspayable@northwestern.com)**

d. All invoices shall reference NWE Agreement #CLM0002830, as well as name the individual identified above. The invoice shall provide such detail as to allow NWE to compute the amount due for Services performed and/or deliverable(s) provided. Consultant understands that its failure to follow this requirement may result in delayed payments by NWE.

e. If services not included within the original scope of work documents are requested by NWE, such additional services shall be agreed to in writing by both parties prior to

commencement of the additional services. Labor and associated costs shall be estimated in accordance with Exhibit E, Fee Schedule, or, if requested by NWE, a lump sum amount, mutually agreeable to both parties, will be shown on the request for additional services.

f. In the event of a dispute regarding an invoice, NWE shall pay the undisputed amount to Consultant pursuant to the terms of the compensation schedule and NWE shall further notify Consultant of the amount(s) in dispute and the basis for the dispute.

g. Final payment shall be made by NWE within thirty (30) days of NWE's written acceptance of the completed Services and Company's receipt of Consultant's invoice pursuant to section 10(d) above.

h. Consultant shall promptly pay when due all Consultant payrolls (including wages and taxes) related to its performance of the Services and shall promptly pay when due all costs for supplies and materials related to its performance of the Services. To the extent paid by NWE Consultant shall not file any lien, or permit any lien to be filed by any of its direct or indirect contractors or agents, with respect to any part of the Services or property of NWE. Upon NWE's request, Consultant shall furnish satisfactory evidence of payment of all wages, taxes, supplies and materials, and all other costs incurred in connection with the performance of the Services.

#### **11. Indemnification, Warranty, Liability, Release and Limitation of Liability**

a. Indemnity. Except to the extent of NWE's negligence, Consultant shall indemnify NWE, its officers, directors and employees from any and all claims, demands, litigation, expenses or liabilities (including costs and attorneys' fees through final appeal) of every kind and character to the extent arising from or incident to the negligent performance of the Services by Consultant, its employees or subcontractors, brought or asserted for injuries to or death of any person or persons, damages to third party property, contamination of or adverse effects on the environment caused by the release of hazardous materials brought onto the site by Consultant, infringement of copyright, trademark, patent or other intellectual property rights, or by Consultant's violation of federal, state or local governmental laws, regulations or ordinances.

#### **b. Warranty.**

1. Consultant warrants that any Services furnished by Consultant hereunder to NWE shall be delivered or performed free of any claim of any person by way of patent, trade secret, copyright, trademark infringement or any other proprietary right of any person. "Services" for the purposes of this Agreement, shall mean or include reports, opinions, and similar such work products which may be construed as "products" or "materials." Consultant warrants and represents that: (i) Consultant has title to and is a lawful owner of all materials and supplies provided hereunder; (ii) to the extent paid by NWE, such materials and supplies are free of any security interests, claims, liens or any other encumbrances whatsoever; (iii) Consultant has good right to assign, transfer and convey them; and (iv) Consultant will warrant and defend the title against all claims and demands of all persons.

2. Consultant warrants all Services provided under this Agreement against defects for a period of one (1) year beginning with NWE's acceptance of the Service, regardless of whether the same were furnished or performed by Consultant or by any of its subcontractors. Upon receipt of written notice from NWE, any such defect or nonconformance shall be promptly corrected at no cost to NWE. Consultant warrants such corrected Services against defects for an additional period of one (1) year; provided in no event shall Consultant's warranty obligations hereunder extend past 24 months from the date of NWE's acceptance of the original Services. If Consultant fails to promptly correct any defect or nonconformance, NWE shall have the right to have the correction made at Consultant's expense.

3. The remedies provided herein shall be in addition to any other remedies that NWE may have under this Agreement; provided however, Consultant's warranty obligations stated in this section 11(b) shall be Consultant's exclusive obligation and shall be in lieu of other warranties and obligations, whether expressed or implied, including any warranty of merchantability or fitness for a particular purpose.

c. Liability, Release and Limitation of Liability.

1. Upon acceptance of final payment for performance of a specific Task Order and other good and valuable consideration under this Agreement, Consultant hereby agrees to release and forever discharge NWE, its directors, officers, and employees of and from any and all claims, demands, actions, causes of action, obligations, and liabilities except for those claims expressly reserved by Consultant under a written claim notice, in law or equity, which Consultant may have or assert against NWE, its directors, officers, agents, servants, and employees.

2. NWE shall not be liable for damages in excess of the amount paid by NWE under this Agreement for non-insurable events.

3. With the exception of (i) Consultant's indemnification obligations for claims related to personal injury, death or third party property damage provided in Section 11.a; (ii) patent, copyright and trademark infringement provided in Section 18; and (iii) any liability for which coverage is available under Consultant's insurance policies required by Exhibits X and Y, the liability of Consultant (including affiliates and sub contractors) for a claim of any kind that may arise under this Agreement shall not exceed the lesser of the compensation received by Consultant under the Task Order or two (2) million dollars. Nothing in this clause shall serve to limit Consultant's insurance obligations as set forth in Exhibits X and Y of this Agreement.

4. Neither party, including its affiliates, employees, officers, directors, agents, and subcontractors, shall be liable to the other for any indirect, incidental, consequential, special, exemplary or punitive damages, such as, but not limited to, loss of revenue, anticipated profits, or business, whether based on contract, indemnity, warranty, tort (including negligence), strict liability, or otherwise.

**12. Insurance**

Without limiting any of Consultant's obligations hereunder, Consultant shall carry insurance coverage in accordance with the requirements stated in Exhibit X, Insurance Requirements of NorthWestern Energy, attached hereto and incorporated herein by reference. Before commencing any of the Services, Consultant shall deliver to NWE's Contract Administration Department in Butte, Montana, an insurance certificate evidencing the required coverage, limits and Additional Insured provisions as required by Exhibit Y, attached hereto and incorporated herein by reference.

**13. Independent Contractor**

It is specifically agreed and acknowledged that in the performance of the Services, Consultant is an independent contractor and not the employee, agent or representative of NWE.

**14. Laws and Regulations**

a. Consultant shall comply fully with all applicable Workers' Compensation requirements and all other applicable federal, state and local laws, regulations, and ordinances.

b. Consultant shall strictly comply with all applicable environmental laws and regulations.

c. Consultant shall be responsible for payment (if required) of all taxes, assessments, and contributions, whether local, state, or federal in nature, in connection with the performance of the Services, including without limitation, all sales and use tax with respect to labor and materials used to provide the Services, and all social security, Medicare and Medicaid, unemployment insurance, and workers' compensation, and other payroll taxes required to be paid with respect to employees, representatives and direct and indirect agents of Consultant. Consultant shall hold NWE harmless from any and all liability on account of any such taxes or assessments.

d. Consultant shall comply with the Americans With Disabilities Act and all Non-Discrimination, Affirmative Action and Utilization of Minority and Small Business Enterprises statutes, regulations, and ordinances.

e. Consultant shall comply with the Americans With Disabilities Act and all Non-Discrimination, Affirmative Action and Utilization of Minority and Small Business Enterprises statutes, regulations, and ordinances.

f. Consultant shall at all times observe and comply with the Federal Energy Regulatory Commission's Standards of Conduct for Transmission Providers (18 C.F.R. Part 358 et seq.) and NorthWestern Energy's corresponding internal policies and procedures.

**15. NWE's Representative**

NWE's Representative for the purposes of this Agreement shall be William Rhoads or such other person as NWE shall designate in writing. Whenever approval or authorization from or communication or submission to NWE is required by this Agreement, such communication or submission shall be directed to NWE Representative and approvals or authorizations shall be issued only by such representative.

**16. Access to Services; Use of Completed Portions**

a. NWE at all times shall have access to the Services whenever it is in progress, provided NWE shall not interfere with nor direct the Services. Any questions involving scope, method or performance of the Services shall be reviewed and resolved with NWE Representative. To the extent paid-up, all field data and notes are the property of NWE.

b. To the extent paid-up, NWE shall have the right to take possession of or use any fully completed portions of any work notwithstanding that the time for completing the entire project or such portion may not have expired; but taking such possession and use shall not be deemed an acceptance of any work not fully completed in accordance with the Agreement documents.

**17. Safety**

a. NWE considers the safety and welfare of all persons, and the preservation of property, paramount in the conduct of business.

b. Consultant shall comply with the Occupational Safety and Health Act of 1970, as amended, and all applicable laws, ordinances, rules and regulations bearing on the safety of persons or property or their protection from damage, injury or loss.

c. Consultant shall take all necessary precautions in performing the work hereunder to prevent injury to persons or damage to property.

**18. Intellectual Property and Computer System Damages Indemnity**

Whenever Consultant is required to use any design, device, material, or process covered by letters, patent, trademark, or copyright, Consultant shall indemnify and save

harmless NWE from any and all claims for infringement by reason of the use of such protected design, device, material or process in connection with the Agreement and shall indemnify NWE for any costs, expenses and damages which it may be obliged to pay by reason of such infringement at any time during the prosecution or after the completion of the Services; provided, however, that Consultant has no such liability for equipment, design, material or processes furnished by NWE.

Whenever Consultant is required to perform Services on or to NWE's computer network, or whenever Consultant is granted access by NWE to its computer network, Consultant shall maintain the most current and updated versions of Microsoft Windows, including all currently released patches, of anti-virus and spam filters, and of detection and isolation software available, and as may be required by NWE's IT Department to ensure Consultant does not spread viruses or spam to or through NWE's computer network. Consultant shall be responsible for payment of any and all damages caused by the spread of any computer hardware, software, or email viruses that can be traced to the Consultant's access to or work on NWE's computer network.

#### **19. Survival**

Each of the terms, conditions and obligations set forth in Sections 2, 6(b), 8, 9, 11 and 22, and each of Consultant's indemnification and warranty obligations set forth in this Agreement shall survive the termination or expiration of this Agreement for the maximum period allowed under applicable law.

#### **20. Examination of Consultant's Records**

a. Upon reasonable notice, NWE or its representative shall have the right to examine any books, records, or other documents of Consultant directly relating to the performance of the Services and the costs thereof; provided in no event shall NWE have the right to audit the breakdown of any rate or multiplier of Consultant. Such examination will occur during normal business hours; however, should an emergency situation exist, immediate access will be granted.

b. Consultant shall cooperate in this effort and make employees, records and facilities reasonably available. NWE reserves the right to make extracts or copies of Consultant records, as NWE, in its sole discretion, deems necessary or desirable and at NWE's sole cost and expense.

#### **21. Assignment**

Consultant shall not assign this Agreement to a third party in whole or in part without the prior written consent of NWE, which consent shall not be unreasonably withheld.

#### **22. Disputes, Forum and Applicable Law**

a. This Agreement shall be governed in all respects by the laws of the State of Montana.

b. 1. When a Dispute has arisen and negotiations between the parties have reached an impasse, either party may give the other party written notice of the Dispute. In the event such notice is given, the parties shall attempt to resolve the Dispute promptly by negotiations between representatives who have authority to settle the controversy and who are at a higher level of management than the persons with direct responsibility for the matter. Within ten (10) days after delivery of the notice, the receiving party shall submit to the other a written response. Thereafter, the representatives shall confer in person or by telephone promptly to attempt to resolve the dispute. All reasonable requests for information made by one party to the other will be honored.

2. If the dispute has not been resolved by negotiation between the representatives within thirty (30) days of the notice, or if the parties have failed to confer within twenty (20) days after delivery of the notice, the parties shall endeavor to settle the dispute by non-binding mediation. The mediation shall consist of both parties agreeing to one neutral mediator, providing the mediator with simultaneous, non-shared written position statements, and day-long mediation at the chosen mediator's desired location.

3. Should the mediation not lead to settlement of the dispute, then either party may proceed to a court of competent jurisdiction.

4. All negotiations and proceedings pursuant to this process are confidential and shall be treated as compromise and settlement negotiations for purposes of applicable rules of evidence and any additional confidentiality protections provided by applicable law.

c. Any action or proceeding seeking to enforce any provision of, or based on any right arising out of, this Agreement may be brought against either of the parties in the courts of the State of Montana, or, if it has or can acquire jurisdiction, in the United States District Court for the District of Montana and each of the parties consents to the jurisdiction of such courts (and of the appropriate appellate courts) in any such action or proceeding and waives any objection to venue laid therein. Process in any action or proceeding referred to in the preceding sentence may be served on either party anywhere in the world.

### **23. Notices**

Notices required or permitted to be given under this Agreement will be in writing and deemed to be properly given if (a) delivered in person, (b) sent by facsimile with confirmation, (c) deposited in the United States mail with first class postage prepaid certified mail, return receipt requested, or (d) delivered by private, prepaid courier and addressed to the appropriate Party Representative at the address set forth below:

#### **CONSULTANT**

Stone & Webster, Inc.  
9201 E. Dry Creek Road  
Centennial, CO 80112  
Attn: Tim Sweeney  
Phone: 303-741-7700  
Mobile: 303-362-3005

#### **NWE**

NorthWestern Energy  
40 E. Broadway  
Butte, MT 59701  
Attn: William Rhoads  
Phone: 406-497-3496  
Mobile: 406-491-1802

### **24. Subcontractors**

Consultant may employ subcontractors to perform any work hereunder only with the prior written consent of NWE. Consultant shall be as fully responsible for the acts or omissions of any subcontractor as it is for its own acts or omissions.

### **25. Headings**

The headings used in this Agreement are for convenience only and shall not be construed as a part of the Agreement or as a limitation on the scope of the particular paragraphs to which they refer.

### **26. Waiver**

A waiver by NWE of any default or breach by Consultant of any covenants, terms or conditions of this Agreement shall not limit NWE's right to enforce such covenants, terms or conditions or to pursue NWE's rights in the event of any subsequent default or breach.

**27. Severability**

If any portion of this Agreement shall be held to be void or unenforceable, the balance thereof shall continue to be effective.

**28. Binding Effect**

This Agreement shall be binding upon and shall inure to the benefit of the heirs, legal representatives, successors and assigns of the parties.

**29. Amendments**

This Agreement shall not be modified, amended or changed in any respect except by a written document signed by all parties.

**30. Counterparts; Copies**

This Agreement may be executed in counterparts, which together shall constitute one instrument. Copies of this fully executed instrument shall have the same force and effect as the original.

**31. No Third Party Beneficiary**

This Agreement is for the exclusive benefit of the parties and shall not constitute a third party beneficiary agreement and shall not be relied upon or enforced by a third party.

**32. Authority**

Each party represents that it has full power and authority to enter into and perform this Agreement and the person signing this Agreement on behalf of each party has been properly authorized and empowered to sign this Agreement.

**33. Integration**

This Agreement constitutes the entire agreement of the parties. Covenants or representations not contained or incorporated therein shall not be binding upon the parties.

~~~~~

IN WITNESS WHEREOF, the parties hereto have caused this Agreement (reference NWE Agreement #CLM0002830) to be executed in duplicate the day and year first above written.

| NorthWestern Corporation d/b/a<br>NorthWestern Energy<br>(NWE) | Stone & Webster Inc.<br>(Consultant)   |
|----------------------------------------------------------------|----------------------------------------|
|                                                                |                                        |
| By <i>William T. Rhoads</i>                                    | By <i>Timothy W. Sweeney</i>           |
| Printed Name <i>WILLIAM T. RHOADS</i>                          | Printed Name <i>Timothy W. Sweeney</i> |
| Title <i>GENERAL MGR, GENERATION</i>                           | Title <i>DIRECTOR - P65</i>            |
| Date <i>4/22/13</i>                                            | Date <i>4/15/13</i>                    |



Public Version

Docket No. D2013.12.85  
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Page 11 of 18

CLM0002830

Exhibit A  
To the Agreement  
Between  
NorthWestern Energy  
And  
Stone & Webster, Inc.

**Description of Services**

Vendor will be NorthWestern's (NWE) Consulting Engineer to assist, monitor, review, and provide technical input to NWE's development of projects described from time to time in Task Orders to this agreement.



Public Version

Docket No. D2013.12.85  
Data Request No. MCC-191  
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Page 12 of 18

CLM0002830

Exhibit B  
To the Agreement  
Between  
NorthWestern Energy  
And  
Stone & Webster, Inc.

Task Orders  
(To be added agreed from time to time between the parties)



CLM0002830

Exhibit C  
To the Agreement  
Between NorthWestern Energy  
And  
Stone & Webster, Inc.

Fee Schedule

| # | Classifications and Hourly Rates                                                                                                                                                                                                                                                                               | Hourly Rate |
|---|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------|
| Y | Construction Engineer, Construction Engineer Manager, Construction Mgr 3-5, Construction Site Mgr, Director, Engineer 5-6, Engineering Mgr 3-5, Engineering Technologist 4-6, Estimating Mgr 3-4, Project Controls Mgr 3-5, Project Engineer 5-6, Project Mgr, QA Mgr 3-5, Sourcing Mgr, Subcontract Admin Mgr | ██████████  |
| X | Construction Engineer 4, Cost Analyst 5, Designer 2, Engineering Mgr 2, Estimating Mgr 2, Estimator 5, Materials Mgr 3, Project Controls Mgr 2, Project Engineer 4, QA Mgr 2, Scheduler 5, Site Superintendent 3                                                                                               | ██████████  |
| W | Construction Engineer 3, Cost Analyst 4, Designer Project 1, Designer 4, Engineer 4, Estimator 4, Field Engineer 4, Project Controls Cost Scheduling 4, Project Accounting Mgr 1, Project Controls Mgr 1, Project Engineer 3, Scheduler 4, Site Superintendent 2, Subcontract Admin Mgr 2                      | ██████████  |
| V | Construction Engineer 2, Construction Field Mgr 3, Consultant 3, EHS Mgr 1, Engineer 3, Estimator 3, Field Engineer 3, Project Accountant 4, Scientist 4                                                                                                                                                       | ██████████  |
| U | Admin Mgr 2, Consultant 5, Consulting Mgr 2-4, Cost Analyst 3, Designer 3, EH&S Specialist 3, Project Controls Cost Scheduler 3, Project Accountant 3, QA Specialist 3                                                                                                                                         | ██████████  |
| T | Construction Engineer 1, Construction Field Mgr 2, Drafter 4, EH&S Specialist 2, QC Mgr 1, Scheduler 3, Subcontract Admin 3                                                                                                                                                                                    | ██████████  |
| S | CAE Analyst 2, Construction Tech Support 4, Consultant 5, Cost Analyst 2, Estimator 2, Field Engineer 1, Project Accountant 2, QA Specialist 2, Scientist 3, Technician 4                                                                                                                                      | ██████████  |
| R | Designer 2, Drafter 3, Engineer 2, Material Management 1, Project Controls scheduler 2, QC Coordinator 2, Subcontract Administrator 2                                                                                                                                                                          | ██████████  |
| Q | Admin Exec Assistant 4, EH&S Specialist 1, Scientist 2, Subcontract Administrator 1                                                                                                                                                                                                                            | ██████████  |
| P | Admin Assistant 3, Consultant 4, Cost Analyst 1, Designer 1, Drafter 2, Engineer 1, Estimator 1, Project Controls Scheduler 1, Project Accountant 1, QC Coordinator 1, Technician 3                                                                                                                            | ██████████  |
| O | Admin Assistant 2, Estimating Clerk 2, QC Tech 3, Sourcing Clerk 3, Subcontract Assistant 2, Technician 2                                                                                                                                                                                                      | ██████████  |
| N | Admin Assistant 1, Document Processor 2, Drafter 2, IMS Support Tech 1, Payroll Clerk 2, Project Controls Assistant 1 & 2, Sourcing Clerk 2, Technician 1                                                                                                                                                      | ██████████  |
| M | Clerical Assistant 1, Records Mgmt Specialist 1-2, Student CO-OP Intern                                                                                                                                                                                                                                        | ██████████  |

The job descriptions above are representative of the positions in each of our current Position Classification Codes, but are not all inclusive. A complete listing of Position Classification Codes is available upon request.

The rates above include an allowance for salary, benefits, overhead, payroll taxes and fee. These rates are firm through December 2013 billing period. Effective with the January 2014 billing period, and each January thereafter, the rates are subject to adjustment.

These rates are net of any host country taxes, value added taxes, or other local fees.

Reasonable and justifiable expenses incurred for the benefit of the work, including travel and living expenses of personnel away from their place of assignment, nonlocal communication charges, postage, mailing, courier service, subcontractor costs if required and other items of a like direct nature will be for NWE's account.

Computer, other support equipment, and reprographics charges will be at S&W rates at the time of usage.

Public Version  
Exhibit X  
To the Agreement  
Between  
NorthWestern Energy  
And  
Stone & Webster, Inc.

**Insurance Requirements of NorthWestern Corporation  
d/b/a NorthWestern Energy**

1. Prior to commencement of performance under this Agreement, Consultant shall secure and maintain all insurance required as evidenced by Exhibit Y (enclosed herein).
2. Consultant shall maintain in effect at all times during the performance of the work, insurance in accordance with the applicable laws relating to workers' compensation and employers' liability insurance, regardless of whether such coverage or insurance is mandatory or merely elective under the law.
3. Insurance coverage and limits shall be at a level agreed on by Company and Consultant (as shown on Exhibit Y, enclosed herein) for the risks associated with the project contemplated by this Agreement. Required insurance coverages are to be purchased at Consultant's own expense. Required limits may be met by any combination of primary umbrella/excess liability insurance.
4. If the scope of work is significantly expanded, the Company reserves the right to increase the required coverage or require additional endorsements or policies of insurance to the extent agreed and commercially available. Such increased and/or additional coverages and corresponding compensation changes are subject to mutual agreement by the parties and shall be documented by means of contract amendment or a new contract.
5. Consultant shall notify the Company of any erosion of required aggregate limits under any of the insurance policies.
6. Consultant shall maintain such insurance in full force and effect at all times until:
  - 6.1. all the Consultant's obligations under this Agreement have been fully performed, all of the work has been accepted by Company and all operations by the Consultant and its subcontractors and suppliers (including but not limited to removal of equipment and other property) on or about the site of the work have been concluded;
  - 6.2. in the instance of completed operations and products liability coverage, until the expiration of one (1) year after all Consultant's obligations under this Agreement have been fully performed; and
  - 6.3. in the instance of professional liability coverage, three (3) years from performance of the services.
7. Consultant is obligated to ensure that any required policies of insurance that Consultant carries as insurance or against liability for property damage or bodily injury (including death) shall be placed with such insurers having an A.M. Best rating of A-/VII. or better; and:
  - 7.1. required General Liability, Auto liability and Excess/Umbrella liability insurance policies shall name Company as an additional insured if, and only to the extent that, the injury or damage is caused by Consultant's acts or omissions or the acts or omissions of those acting on Consultant's behalf. and
  - 7.2. apply severally and not collectively to each insured against whom claim is made or suit is brought, except that the inclusion of more than one insured shall not operate to increase the insurance company's limits of liability as set forth in the insurance policy.

- 7.3. include within automobile coverage(s), coverage symbol 1 "Any Auto" or owned, non-owned, hired and borrowed vehicles.
- 7.4. be primary insurance with respect to the interest of the Company as additional insured and any insurance maintained by Company is excess and not contributory insurance with the insurance required hereunder.
- 7.5. include a waiver of the insurer's right of subrogation against NorthWestern Corporation. Consultant also hereby waives all rights of subrogation under Consultant's required workers compensation, employer's liability, general liability, auto liability and excess/umbrella liability policies against NorthWestern Corporation. Such waiver does not apply to Consultant's professional liability policy(ies).
8. Consultant shall provide not less than 30 days notice of cancellation of any required policy. Such notice shall be given to the Certificate Holder who shall be NorthWestern Energy, attention: Contract Administration Department, 40 East Broadway, Butte, Montana 59701. Vendor shall instruct and require its insurance agent/broker to complete and return an insurance certificate, in an ACORD form, as evidence that insurance policies providing the required coverage, limits and evidencing additional insured status where required by written contract are in full force and effect. Vendor shall be fully responsible for all deductibles and self-insured retentions related to insurance provided herein.
9. The insurance requirements of this Agreement and acceptability to the Company of insurers and insurance to be maintained by Consultant, its subcontractors/suppliers, are not intended to and shall not in any manner limit or qualify the liabilities and obligations assumed by the insured under this Agreement. Consultant is fully and solely responsible for the level of insurance coverage it requires of its subcontractors and suppliers.



CLM0002830

Exhibit Y  
To the Agreement  
Between  
NorthWestern Energy  
And  
Stone & Webster, Inc.

**GENERAL INSURANCE REQUIREMENTS  
PROFESSIONAL SERVICES**

On an ACORD Form, please provide evidence of the following coverages:

\$1,000,000 General Liability per occurrence and in the aggregate

\$1,000,000 Automobile Liability per occurrence and in the aggregate

Statutory Workers' Compensation

Employers' Liability - \$500,000 each accident; \$500,000 disease - policy limit; and \$500,000 disease – each employee

\$1,000,000 Professional Liability including Errors and Omissions per claim and in the aggregate

\$5,000,000 Excess/Umbrella Liability per occurrence and in the aggregate

The insurance certificate shall evidence that NorthWestern Corporation is named as an additional insured with respect to required automobile, general liability and excess/umbrella liability policies.



Public Version  
 NorthWestern Energy  
 40 East Broadway  
 Butte MT 59701

Docket No. D2013.12.85  
 Data Request No. MCC-191  
 Attachment  
 Page 17 of 18

## Change to Service Release P.O.

### Vendor Address

STONE & WEBSTER INC  
 9201 EAST DRY CREEK RD  
 CENTENNIAL, CO 80112

### Ship To:

NorthWestern Energy  
 ATTN: William Rhoads  
 40 East Broadway St  
 Butte MT 59701

### Information

PO Number 120052  
 Revision 00001  
 Date 06/18/2013  
 Vendor No. 122096  
 Currency USD  
 Payment Terms Net 30 Days  
 Buyer/Phone Corbitt, Stacey / 406-497-2456  
 Delivery Date 06/18/2013  
 Incoterms FOB NWE

Page 1 of 1

| Item | Material/Description                                                                                                                                                                                                                                                                                          | Quantity | UM | Net Price  | Net Amount |
|------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------|----|------------|------------|
| 0010 | Task #3 - Mustang II<br>For internal use only: Order(s) 32203<br>Release order against contract CLM0002830 Item 00001<br><br>Ship to:<br>NorthWestern Energy<br>ATTN: William Rhoads<br>40 East Broadway St<br>Butte MT 59701<br><br>*** Net price changed ***<br><br>The item covers the following services: | 1        | EA | 216,000.00 | 216,000.00 |
| 0010 | Task #3 - Support Mustang II                                                                                                                                                                                                                                                                                  | 216,000  | EA | 1.00       |            |

### INSTRUCTIONS TO VENDOR:

Please sign below to indicate your acceptance of this purchase order.

SIGNATURE(S)

*August Wiseman* 8/26/13  
 Contractor Date

*W Rhoads* 8/27/13  
 Company Date

*Rev August 20, 2013 (Hydro due diligence)*  
June 17, 2013

**Scope of Work for Task Order 3  
Under CLM0002830**

**Stone & Webster, Inc. (SWI) Independent Engineer Scope  
Mustang II**

SWI will provide Independent Engineer's services with technical/environmental input to support NWE's efforts on Mustang II.

Items to be addressed by SWI will include:

- Review/update of power plant closure cost estimates by NWE,
- Review/update of SWI previous findings concerning time sensitive items, particularly related to environmental regulations and their impact to cost assumptions,
- Review Dorsey's assumptions related to environmental issues, particularly how they might relate to air and pond management, and
- Address strategies for BACT.
- *Hydro assets due diligence and support to PSC review*

The estimated budget for the work is \$216,000. The work will be carried out under the terms and conditions of our existing Services Agreement CLM0002830 with NWE on a time and materials basis.

**NorthWestern Energy**  
**Docket D2013.12.85**  
**PPLM Hydro Assets Purchase**

**Montana Consumer Counsel (MCC)**  
**Set 7 (187-202)**

Data Requests served February 21, 2014

**MCC-192**

Regarding: Due Diligence Report  
Witness: William Rhoads

In reference to page 4 of the Exhibit, Introduction: Please provide estimates of the maximum cost exposure associated with the potential contamination in the reservoirs at Thompson Falls and Black Eagle.

**RESPONSE:**

Please see the responses to Data Requests MCC-067, PSC-031, and PSC-080.

**NorthWestern Energy**  
**Docket D2013.12.85**  
**PPLM Hydro Assets Purchase**

**Montana Consumer Counsel (MCC)**  
**Set 7 (187-202)**

Data Requests served February 21, 2014

**MCC-193**

Regarding: Due Diligence Report  
Witness: Gary Wiseman

In reference to page 7 of the Exhibit, Hydro Organization: Please list each of the non-FERC environmental requirements for each dam for which you believe compliance is not so effective.

**RESPONSE:**

As stated in the referenced report on page 7, it should be more effective if management and responsibility for the following aspects at the plants were better consolidated and coordinated: underground storage tank rules, storm water management, waste and drinking water requirements, Spill Prevention Control and Countermeasure plans, and hazardous waste requirements.

**NorthWestern Energy**  
**Docket D2013.12.85**  
**PPLM Hydro Assets Purchase**

**Montana Consumer Counsel (MCC)**  
**Set 7 (187-202)**

Data Requests served February 21, 2014

**MCC-194**

Regarding: Due Diligence Report  
Witness: Gary Wiseman

At page 8 of the Exhibit, Condition of Assets, you state that concrete of the Hauser spillway is showing its age, including downstream pier bases and ogee surfaces of spillway. What is the range of potential reconstruction/ rehabilitation costs (in current dollars) that may be required to fix this problem at some point during the next 30 years?

**RESPONSE:**

Potential future cost of any reconstruction/rehabilitation measures is unknown and would depend on weathering effects on the structure and the resulting extent and/or severity that may occur. This item is known, considered, and monitored and while notable is not a current concern. Any such costs are expected to be covered in projected maintenance budgets.

**NorthWestern Energy**  
**Docket D2013.12.85**  
**PPLM Hydro Assets Purchase**

**Montana Consumer Counsel (MCC)**  
**Set 7 (187-202)**

Data Requests served February 21, 2014

**MCC-195**

Regarding: Due Diligence Report  
Witness: Gary Wiseman

In reference to page 9 of the Exhibit, Regulatory Dam Safety: What is the current status of the seismic evaluation of structures at Kerr that was to be completed in 2013?

**RESPONSE:**

The URS Corporation interim report of January 7, 2014 documents the seismic adequacy of the embankment dam and right non-overflow sections. The consultant is completing dynamic analyses of the arch dam, spillway piers, and thrust blocks. A complete and comprehensive report covering all structural sections is to be completed by March 31, 2014.

**NorthWestern Energy**  
**Docket D2013.12.85**  
**PPLM Hydro Assets Purchase**

**Montana Consumer Counsel (MCC)**  
**Set 7 (187-202)**

Data Requests served February 21, 2014

**MCC-196**

Regarding: Due Diligence Report  
Witness: Gary Wiseman

At page 9 of the Exhibit, Regulatory Dam Safety, you note that the rock at the left abutment of Madison remains an item of concern. If these abutment rock conditions become intolerably unstable what is the potential range of costs that may be required to deal with the problem for the long term?

**RESPONSE:**

Potential cost is not known and has not been considered since rock at the left abutment has been satisfactorily stabilized. As stated in the referenced report, the left abutment is an item of note. It is not nor is it expected to become "intolerably unstable." The rockfall occurred in 2010 and rock at the left abutment was stabilized for the long term. Please see the response to Data Request PSC-024. This item was mentioned in the subject report because at the time, available documentation indicated that FERC wanted to review supplemental stability analysis of the overhanging, anchored rock block at the left abutment. Subsequently, PPLM provided Addendum 1 to the Rockfall Remediation Report, which addressed this item and documented that the subject rock mass is stable.

**NorthWestern Energy**  
**Docket D2013.12.85**  
**PPLM Hydro Assets Purchase**

**Montana Consumer Counsel (MCC)**  
**Set 7 (187-202)**

Data Requests served February 21, 2014

**MCC-197**

Regarding: Due Diligence Report  
Witness: Gary Wiseman

At page 10 of the Exhibit, License Resource Management, you state that a review of each license and the compliance obligations that are required was completed. Please provide a copy of that review.

RESPONSE:

Please see the response to Data Request PSC-038.

**NorthWestern Energy**  
**Docket D2013.12.85**  
**PPLM Hydro Assets Purchase**

**Montana Consumer Counsel (MCC)**  
**Set 7 (187-202)**

Data Requests served February 21, 2014

**MCC-198**

Regarding: Due Diligence Report  
Witness: Gary Wiseman

At page 12 of the Exhibit, Missouri-Madison 2188, you state that one potential future concern for the Missouri-Madison 2188 license is the upcoming determination of the status of Arctic Grayling. If fish ladders are required, what is the potential cost range (in current dollars) of constructing fish ladders for Missouri-Madison?

**RESPONSE:**

The statement in the Due Diligence Report was, "PPLM believes that if the Arctic Grayling is listed it would be approximately five (5) years of monitoring and studies before obligations will need to be met and that there is potential for alternative protection **besides** (emphasis added) a fish ladder." NWE did not include a capital expenditure allowance for any mitigation for Arctic grayling in the financial models for the reasons stated in the response to Data Request PSC-031. However, the potential cost of responding to a listing was discussed during due diligence. NWE estimated that costs could range from \$5,000,000 to \$7,000,000, to be incurred for the most part between 2018 and 2026.

**NorthWestern Energy**  
**Docket D2013.12.85**  
**PPLM Hydro Assets Purchase**

**Montana Consumer Counsel (MCC)**  
**Set 7 (187-202)**

Data Requests served February 21, 2014

**MCC-199**

Regarding: Due Diligence Report  
Witness: William Rhoads

In reference to page 14 of the Exhibit, Environmental Aspects: If Black Eagle is determined to be in the ACM Superfund site, what is the potential range of possible costs that could occur for the owner of the dam, and what are the possible operational impacts for this dam and for other dams?

**RESPONSE:**

See the responses to Data Requests MCC-192, MCC-067, PSC-031, and PSC-080 for NorthWestern's assessment and cost allowance for contaminants associated with the Anaconda Copper Mining and Refinery Site adjacent to Black Eagle.

NorthWestern does not foresee that dam operations would be impacted by a determination that the Black Eagle Development is in the ACM Superfund boundary. Black Eagle, similar to the other projects downstream, is a run-of-river operation where inflows equal outflows. Essentially, what comes into the project flows out of the project and the operation does not contribute to retention aspects of the project reservoir. Therefore, the projects' operation should not be impacted by any remediation plans. Short-term conditions could arise for reservoir sediment management, if necessary, that could include temporary reservoir level reduction, but this would not be expected to be a permanent condition.

**NorthWestern Energy**  
**Docket D2013.12.85**  
**PPLM Hydro Assets Purchase**

**Montana Consumer Counsel (MCC)**  
**Set 7 (187-202)**

Data Requests served February 21, 2014

**MCC-200**

Regarding: Due Diligence Report  
Witness: Gary Wiseman

At page 15 of the Exhibit, Environmental Aspects – Rainbow, you note that costs of sampling and any necessary remediation of soils under or surrounding the powerhouse have not been included in the quote presented here. What is the potential range of costs that could be associated with these soils issues if extensive remediation is required?

**RESPONSE:**

As explained in the response to Data Request PSC-080, NorthWestern allowed \$1,000,000 in its 2015 capital budget forecast for environmental costs associated with the demolition of the old powerhouse at Rainbow. We do not expect the soil remediation costs associated with the demolition of the old Rainbow powerhouse to exceed the amount of this allowance. In addition, PPLM has advised us that it is not aware of any significant soil contamination and it has not maintained any reserves for this purpose.

**NorthWestern Energy**  
**Docket D2013.12.85**  
**PPLM Hydro Assets Purchase**

**Montana Consumer Counsel (MCC)**  
**Set 7 (187-202)**

Data Requests served February 21, 2014

**MCC-201**

Regarding: Response to PSC-034  
Witness: Patrick DiFronzo, Joseph Stimatz

Please provide the detail of the components comprising Res. Supply-Energy rates in cells E19, H19, K19, N19, and Q19 on page 1 of Attachment 1 of the response to PSC-034 and explain what is driving the changes from period to period in the “Without Hydro Assets” scenarios.

**RESPONSE:**

The components of cells E19 and H19 of page 1, Attachment 1 are detailed in the file “Exhibit\_(PJD-2)\_Hydro Assets.xls” in the “Patrick DiFronzo” folder on the CD labeled “Witnesses’ Electronic Supporting Data” that was provided on December 23, 2013. Specifically, the current rate from cell E19 is derived in the tab “5) Current Rate Sum,” cell R15. The value in H19 is derived in cell T16 on the tab “1) Est Hydro Rate Sum.”

The components of cells K19, N19, and Q19 referenced above are shown in Attachment 2 of the response to Data Request PSC-034. The value in K19 is derived in cell T16 of the tab “Est Rate Sum Jul 14.” Similarly, the values in N19 and Q19 are derived on the tabs “Est Rate Sum Jan 15” and “Est Rate Sum Jul 15.”

The changes from period to period in the “Without Hydro Assets” scenarios are driven by changes in forecasted net electricity purchase costs. These forecasted costs are a combination of existing power purchase agreements and forecasted market purchases needed to meet load requirements. For the July 1, 2014 projected rates, the component associated with these purchase costs is shown in cell D16 of the tab “Est Rate Sum Jul 14.” This value is derived in cell L15 of the tab “Elec Supply Rate Jul 14.” The total forecasted net purchases amount for July 2014-June 2015 is shown in cell J43 of that tab, and the detail behind this amount is shown in the tab “Supply Jul 14 – Jun 15.” The derivation of the rates for January 2015 and July 2015 follows the same pattern.

**NorthWestern Energy**  
**Docket D2013.12.85**  
**PPLM Hydro Assets Purchase**

**Montana Consumer Counsel (MCC)**  
**Set 7 (187-202)**

Data Requests served February 21, 2014

**MCC-202**

Regarding: PPL Data Room documents  
Witness: Various

Please provide the documents identified in the attachment "Requested PPL Data Room Documents." If some of the documents listed have already been provided elsewhere, please state so and indicate where those documents may be found.

**Requested PPL Data Room Documents**

| <u>Index No.</u> | <u>Title</u>                                                              |
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| 1.1.2            | Project Mustang CIM                                                       |
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| 3.2.10           | PPLM Capital Detail 11-1-12 Budget                                        |
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| 6.1.3.3.4        | Mystic Final Programmatic Agreement                                       |
| 6.1.3.6.1        | FERC 2011 Annual Flow Window Excursion Report for Holter, Hauser & Morony |
| 6.1.3.7          | Missouri Madison Flow Restoration Plan                                    |
| 6.1.3.7.1        | Flow Restoration Plans for Madison, Hauser, Holter & Morony               |
| 6.1.3.7.2        | Order Modifying & Approving Flow Restoration Plans                        |
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| 8.2.1            | Morony Rotor Crack Claim                                                  |
| 8.2.2            | Montana Property Claims                                                   |
| 8.2.3            | Montana-AEGIS Liability Claims as of Dec 1, 2012                          |
| 8.2.4            | Montana - WC Claims as of Dec 15, 2012                                    |
| 8.2.5            | Workers comp accrual 2011-2012                                            |
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| 13.1.2.24        | Hydro Morony Ryan & Cochrane FERC 2012 Dam Safety Inspection        |
| 13.1.2.25        | Hydro TFalls FERC 2012 Dam Safety Inspection                        |

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| 13.1.15.7        | Morony Waste Gate Strategy                                                    |
| 13.1.15.8        | Mt Hydro TURB. GEN Annual Maintanance Strategy rev1                           |
| 13.1.15.9        | Transformer Equipment Strategy DRAFT                                          |
| 15.Newfoundland  | Newfoundland QA Log 12_28_12                                                  |
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| 16.5.99.8        | BLACK EAGLE DAM TAIL RANCE - PPLM00473-000481                          |
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| 16.5.99.10       | EPA Letter Re Parametrix 2005 Report                                   |
| 16.5.99.11       | EPA tetraTech 2004 Study                                               |
| 16.5.99.12       | EPA URS 2009 Study                                                     |
| 16.5.99.13       | EXAMINATION OF SEDIMENTS AT RAINBOE - PPLM016414-016478                |
| 16.5.99.14       | FINAL ENVIROMENTAL IMPACT STATEMENT MISSOURI-MADISON PPLM016972-017787 |
| 16.5.99.15       | Former GF Refinery VCRA                                                |
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| 16.5.99.17       | GREAT FALLS RESERVIOR SEDIMENT CORING PROJECT - PPLM011322-011498      |
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| 16.5.99.19       | MDEQ 2002 Study                                                        |
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| 16.6.1.1.4.26    | Kirkwood RV dump station-2006                                |
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| 16.6.1.1.4.28    | USFS-Mystic-2011                                             |
| 16.6.1.1.4.29    | Permit termination Agreement                                 |
| 16.6.1.1.4.30    | 2188 revised 5 year fisheries paln                           |
| 16.6.1.1.4.31    | Madison flow excursion self report to FERC                   |
| 16.6.1.1.4.32    | northshorecompletionfiling                                   |
| 16.6.1.1.4.33    | FERC order approving soil erosion control plan               |
| 16.6.1.1.5       | 2188 Flow excursion Below Madison (2)                        |
| 16.6.1.1.6       | PPL Montana 2013 General public Use Policy                   |
| 16.8.2           | PPLMT Insurance Coverage Description 052213                  |
| 16.8.3.2         | PPLHauserLakeRskRpt060513                                    |
| 16.8.3.3         | PPLHolterRskRpt060313                                        |
| 16.8.3.4         | PPLKerrPPRskRpt050613                                        |
| 16.8.3.5         | PPLMadisonPPRskRpt053113                                     |
| 16.8.3.6         | PPLMysticLakeRskRpt053113                                    |

**Requested PPL Data Room Documents**

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| 16.9.5.1                | Motion for hearing status                                                 |
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| 16.9.5.5                | Plaintiffs Motion for entry of Class Cert order                           |
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| 16.9.5.9                | mattson-allison recusal                                                   |
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| 16.9.9.3                | Plaintiff's Preliminary Pretrial Statement                                |
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| 16.9.9.6                | Walsh Construction Company Preliminary Pretrial Statement                 |
| 16.9.18.1               | Dkt# 49 Scheduling order                                                  |
| 16.9.18.2               | Dkt#64 Order Denying Motion to Strike Jury Demand                         |
| 16.9.20.1               | Andritz Complaint                                                         |
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| 16.9.20.3               | Andritz PPL Montana - [19] Motion to Dismiss First Amended Complaint      |
| 16.9.20.4               | Andritz PPL Montana - [1] Notice of Removal_46471579_1-c                  |
| 16.9.20.5               | Andritz PPL Montana - [20] Brief in Support of Motion to Dismiss First... |
| 16.9.20.6               | Andritz PPL Montana - [21] Motion to Dismiss First Amended Complaint B... |
| 16.9.20.7               | Andritz PPL Montana - [22] Brief in Support of Motion to Dismiss First... |
| 16.9.20.8               | Andritz PPL Montana - [15] Plaintiff's First amended Complaint_4661754... |
| 16.13.2                 | Hydro Monthly Gen-Budget and actual thru May 2013                         |
| 16.13.3                 | Hydro Monthly Generation-2012 Actuals                                     |
| 16.13.4                 | P-2188-07 Hauser DSIR 2012                                                |
| 16.13.5                 | P-2188-09 Hebgen DSIR 2012                                                |
| 16.13.6                 | P-2188-05 Black Eagle DSIR 2012                                           |
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| 16.13.10                | P-0005 Kerr DSIR 2012                                                     |
| 16.13.11                | P-2188-01 Morony DSIR 2012                                                |
| 16.13.12                | P-2188-02 Ryan DSIR 2012                                                  |
| 16.13.13                | P-2188-03 Cochrane DSIR 2012                                              |
| 16.13.14                | P-2188-04 Rainbow DSIR 2012                                               |
| 16.13.15                | P-2188-06 Holter DSIR 2012                                                |
| 16.13.16                | P-2301 Mystic DSIR 2012                                                   |
| 16.13.17.1              | Owners I P F Black Eagle 2012                                             |
| 16.13.17.2              | Owners I P F Cochrane 2012                                                |
| 16.13.17.3              | Owners I P F Hauser 2012                                                  |
| 16.13.17.4              | Owners I P F Hebgen 2012                                                  |
| 16.13.17.5              | Owners I P F Holter 2012                                                  |
| 16.13.17.6              | Owners I P F Kerr 2012                                                    |

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| 16.13.17.7       | Owners I P F Madison 2012                                |
| 16.13.17.8       | Owners I P F Morony 2012                                 |
| 16.13.17.9       | Owners I P F Mystic 2012                                 |
| 16.13.17.10      | Owners I P F Rainbow 2012                                |
| 16.13.17.11      | Owners I P F Ryan 2012                                   |
| 16.13.18         | 2013 Hydro Operational Performance                       |

**NorthWestern Energy**  
**Docket D2013.12.85**  
**PPLM Hydro Assets Purchase**

**Montana Consumer Counsel (MCC)**  
**Set 7 (187-202)**

Data Requests served February 21, 2014

MCC-202 cont'd

RESPONSE:

On March 3, 2014, NorthWestern filed an objection to this data request. Without waiving said objection, NorthWestern responds as follows:

The attached Public Data Room Documents CD contains a file named MCC\_202\_0000000. Each page of this 4,093-page document file is identified by Data Room Document No. in the left footer and Bates No. in the right footer. This CD also includes a folder containing Additional Public Documents that are each identified by their Data Room Nos.

The requested documents that are CEII are protected under Order No. 7323 and are being provided on a protected CD to the Commission and to the parties who signed the appropriate non-disclosure agreement. The documents that are included on this protected CD are listed on Attachment 1.

Not relevant information has been redacted from two additional requested documents that are provided here as Attachment 2. The documents are "8.2.3 AEGIS Liability Claims as of Dec. 1, 2012" and "16.3.11 PPLM Monthly Consolidated Income Statement 2011-2013 updated 4.29 (supercedes 3.1.31)."

A number of data room documents in all three categories – public, CEII-protected, and redacted for either relevancy or trade secret information – were requested by both the MCC and the Commission. All of those "duplicate request" documents were provided in response to Data Request PSC-130. See Attachment 3 for a list of them. On March 6, 2014, NorthWestern filed a motion for protective order regarding the redacted trade secret information contained in certain of these documents and will update this response by providing this information in the appropriate format after the Commission rules on the motion for protective order.

Finally, certain data room documents requested by both the MCC and the Commission were provided previously in response to other data requests in this docket. See Attachment 2 provided in response to Data Request PSC-130 for a list of these documents and the associated data request numbers.

| Name                                         | Date modified    | Type               | Size      |
|----------------------------------------------|------------------|--------------------|-----------|
| 13.1.2.1 2008 Cochrane Ninth P12 Inspect...  | 3/5/2014 7:50 PM | Adobe Acrobat D... | 25,251 KB |
| 13.1.2.2 2008 Mystic Ninth P12 Inspection... | 3/5/2014 7:50 PM | Adobe Acrobat D... | 15,640 KB |
| 13.1.2.3 2008 Rainbow Ninth P12 Inspecti...  | 3/5/2014 7:50 PM | Adobe Acrobat D... | 8,313 KB  |
| 13.1.2.4 2009 Black Eagle Ninth P12 Inspe... | 3/5/2014 7:50 PM | Adobe Acrobat D... | 9,805 KB  |
| 13.1.2.5 2009 Morony Ninth P12 Inspectio...  | 3/5/2014 7:50 PM | Adobe Acrobat D... | 11,335 KB |
| 13.1.2.6 2009 Ryan Ninth P12 Inspection ...  | 3/5/2014 7:50 PM | Adobe Acrobat D... | 10,777 KB |
| 13.1.2.7 2010 Hauser Ninth P12 Inspectio...  | 3/5/2014 7:50 PM | Adobe Acrobat D... | 9,594 KB  |
| 13.1.2.8 2010 Hebgen Ninth P12 Inspectio...  | 3/5/2014 7:50 PM | Adobe Acrobat D... | 17,455 KB |
| 13.1.2.9 2010 Holter Ninth P12 Inspection... | 3/5/2014 7:50 PM | Adobe Acrobat D... | 11,954 KB |
| 13.1.2.10 2010 Madison Ninth P12 Inspect...  | 3/5/2014 7:50 PM | Adobe Acrobat D... | 19,075 KB |
| 13.1.2.11 2011 Kerr Tenth P12 Inspection ... | 3/5/2014 7:50 PM | Adobe Acrobat D... | 37,508 KB |
| 13.1.2.12 2011 Kerr Annual FERC Inspecti...  | 3/5/2014 7:50 PM | Adobe Acrobat D... | 1,390 KB  |
| 13.1.2.13 2011 Thompson Falls Annual FE...   | 3/5/2014 7:50 PM | Adobe Acrobat D... | 1,711 KB  |
| 13.1.2.14 2011 Thompson Falls Tenth P12...   | 3/5/2014 7:50 PM | Adobe Acrobat D... | 57,921 KB |
| 13.1.2.15 2012 Holter Annual FERC Inspec...  | 3/5/2014 7:50 PM | Adobe Acrobat D... | 3,147 KB  |
| 13.1.2.16 2011 Madison Annual FERC Insp...   | 3/5/2014 7:50 PM | Adobe Acrobat D... | 5,287 KB  |
| 13.1.2.17 2011 Hebgen Annual FERC Insp...    | 3/5/2014 7:50 PM | Adobe Acrobat D... | 8,230 KB  |
| 13.1.2.18 2011 Hauser Annual FERC Inspe...   | 3/5/2014 7:50 PM | Adobe Acrobat D... | 1,675 KB  |
| 13.1.2.19 2012 Mystic Annual FERC Inspe...   | 3/5/2014 7:50 PM | Adobe Acrobat D... | 4,560 KB  |
| 13.1.2.20.3 Hydro Black Eagle Part 12 Co...  | 3/5/2014 7:50 PM | Adobe Acrobat D... | 90 KB     |
| 13.1.2.20.6 Hydro Cochrane Part 12 Com...    | 3/5/2014 7:50 PM | Adobe Acrobat D... | 79 KB     |
| 13.1.2.20.7 Hydro Great Falls Developmen...  | 3/5/2014 7:50 PM | Adobe Acrobat D... | 506 KB    |
| 13.1.2.20.16 Hydro Hauser Part 12 Comm...    | 3/5/2014 7:50 PM | Adobe Acrobat D... | 761 KB    |
| 13.1.2.20.17 Hydro Hebgen Part 12 Com...     | 3/5/2014 7:50 PM | Adobe Acrobat D... | 244 KB    |
| 13.1.2.20.34 Hydro Holter Part 12 Comme...   | 3/5/2014 7:50 PM | Adobe Acrobat D... | 690 KB    |
| 13.1.2.20.44 Hydro Kerr Part 12 Comment...   | 3/5/2014 7:50 PM | Adobe Acrobat D... | 792 KB    |
| 13.1.2.20.50 Hydro Madison Part 12 Com...    | 3/5/2014 7:50 PM | Adobe Acrobat D... | 216 KB    |
| 13.1.2.20.56 Hydro Morony Part 12 Com...     | 3/5/2014 7:50 PM | Adobe Acrobat D... | 113 KB    |
| 13.1.2.20.59 Hydro Mystic Part 12 Comm...    | 3/5/2014 7:50 PM | Adobe Acrobat D... | 304 KB    |
| 13.1.2.20.64 Hydro Rainbow Part 12 Com...    | 3/5/2014 7:50 PM | Adobe Acrobat D... | 144 KB    |
| 13.1.2.20.65 Hydro Rainbow Part 12 Suppl...  | 3/5/2014 7:50 PM | Adobe Acrobat D... | 1,112 KB  |
| 13.1.2.20.67 Hydro Ryan Part 12 Commen...    | 3/5/2014 7:50 PM | Adobe Acrobat D... | 105 KB    |
| 13.1.2.20.69 Hydro TFalls Part 12 Comme...   | 3/5/2014 7:50 PM | Adobe Acrobat D... | 839 KB    |
| 13.1.2.21 Hydro Rainbow & Black Eagle D...   | 3/5/2014 7:50 PM | Adobe Acrobat D... | 607 KB    |
| 13.1.2.22 Hydro Great Falls Developments...  | 3/5/2014 7:50 PM | Adobe Acrobat D... | 506 KB    |
| 13.1.2.23 Hydro Rainbow & Black Eagle 2...   | 3/5/2014 7:50 PM | Adobe Acrobat D... | 676 KB    |
| 13.1.2.24 Hydro Morony Ryan & Cochran...     | 3/5/2014 7:50 PM | Adobe Acrobat D... | 624 KB    |
| 13.1.2.25 Hydro TFalls FERC 2012 Dam Sa...   | 3/5/2014 7:50 PM | Adobe Acrobat D... | 13,930 KB |
| 13.1.12.2 Madison Geotech Eng Rpt Rock...    | 3/5/2014 7:50 PM | Adobe Acrobat D... | 31,752 KB |
| 16.13.17.1 Owners IP F Black Eagle 2012....  | 3/5/2014 7:50 PM | Adobe Acrobat D... | 145 KB    |
| 16.13.17.2 Owners IP F Cochrane 2012.pdf     | 3/5/2014 7:50 PM | Adobe Acrobat D... | 139 KB    |
| 16.13.17.3 Owners IP F Hauser 2012 Draft...  | 3/5/2014 7:50 PM | Adobe Acrobat D... | 69 KB     |
| 16.13.17.4 Owners IP F Hebgen 2012.pdf       | 3/5/2014 7:50 PM | Adobe Acrobat D... | 109 KB    |
| 16.13.17.5 Owners IP F Holter 2012.pdf       | 3/5/2014 7:50 PM | Adobe Acrobat D... | 84 KB     |
| 16.13.17.6 Owners IP F Kerr 2012.pdf         | 3/5/2014 7:50 PM | Adobe Acrobat D... | 77 KB     |
| 16.13.17.7 Owners IP F Madison 2012.pdf      | 3/5/2014 7:50 PM | Adobe Acrobat D... | 64 KB     |
| 16.13.17.8 Owners IP F Morony 2012.pdf       | 3/5/2014 7:50 PM | Adobe Acrobat D... | 138 KB    |
| 16.13.17.9 Owners IP F Mystic 2012.pdf       | 3/5/2014 7:50 PM | Adobe Acrobat D... | 157 KB    |
| 16.13.17.10 Owners IP F Rainbow 2012.pdf     | 3/5/2014 7:50 PM | Adobe Acrobat D... | 170 KB    |
| 16.13.17.11 Owners IP F Ryan 2012.pdf        | 3/5/2014 7:50 PM | Adobe Acrobat D... | 183 KB    |

Data Room  
No. 8.2.3

Excess Liability Claims Reported via PPL Corporation AEGIS Policy  
Claims Data as of 12/1/2012

| Policy No  | Occurrence | Loss      | Reported  | Effective  | Expiration | Closed     | Cancelled | Line | Subline | Exposure | State | Country | LI Status | Underlying Limit | Policy Limit | Agg Limit | Policyholder    | Operation                   | UML Paid Amount | Claimant/Date         | Claimant/Date | Case Description                                                                                                                                                                                                                                                      |
|------------|------------|-----------|-----------|------------|------------|------------|-----------|------|---------|----------|-------|---------|-----------|------------------|--------------|-----------|-----------------|-----------------------------|-----------------|-----------------------|---------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| X0117A1A95 | 4/28/2000  | 5/15/2000 | 5/15/2000 | 12/31/1995 | 12/31/2000 | 10/31/2003 |           | EMP  | EMP     | EMP      | MT    | USA     | L         | 2,000,000        | 35,000,000   | 0         | PPL Corporation | PPL Global-PPL Montana, LLC | 0               | Anderson, Dale        | Vaughl, Lynn  | An equipment failure in a power plant resulted in a severe working condition and injuries to three employees.                                                                                                                                                         |
| X0117A1A00 | 1/1/1999   | 3/26/2001 | 3/11/2002 | 12/31/2000 | 12/31/2003 | 11/21/2011 |           | GLL  | GLL     | DAM      | MT    | USA     | L         | 4,000,000        | 35,000,000   | 0         | PPL Corporation | PPL Montana                 | 0               | Mattson, Rebecca      | NONE          | Chris & Kelly Smith, Neoshia Allen, Chad PRL, operators of the Kerr Dam on Flathead Lake caused water levels to rise and fall resulting in damage to plaintiff's property.                                                                                            |
| X0117A1A00 | 8/28/2001  | 3/26/2002 | 5/6/2002  | 12/31/2000 | 12/31/2003 | 6/17/2010  |           | GLL  | EMP     | EMP      | MT    | USA     | L         | 500,000          | 35,000,000   | 0         | PPL Corporation | PPL Montana                 | 0               | Brady, Michael "Mick" | NONE          | Plaintiff/employee was seriously injured while repairing a mechanical pump at a power plant as a result of cold steel lighting.                                                                                                                                       |
| X0117A1A00 | 6/14/2000  | 6/13/2003 | 3/15/2004 | 12/31/2000 | 12/31/2003 | 7/26/2008  |           | GLL  | GLL     | GOT      | MT    | USA     | N         | 2,000,000        | 35,000,000   | 0         | PPL Corporation | PPL Montana                 | 0               | Fabick, Daniel        | NONE          | Plaintiff was traveling in rubber vest/with steel plates and climbing on scaffolding when his foot was caught on pipe and he fell 70-75 feet. 1.00 claimant was injured as a result of fall between two of the sub's connected pump trucks on the insured's premises. |
| X0117A1A09 | 9/7/2010   | 9/20/2010 | 9/20/2010 | 12/31/2009 | 12/31/2010 |            |           | GLL  | GLL     | CON      | MT    | USA     | N         | 4,000,000        | 35,000,000   | 0         | PPL Corporation | PPL Montana                 | 0               | Unknown               | NONE          |                                                                                                                                                                                                                                                                       |

**Data Room  
No. 16.3.11**

PPL Montana  
Monthly Income Statement  
Year-ended December 31, 2011

|                              | Jan              | Feb              | Mar              | Apr               | May              | Jun              | Jul               | Aug              | Sep              | Oct              | Nov              | Dec              | Dolan Adj         | Total              |
|------------------------------|------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|------------------|------------------|------------------|------------------|------------------|-------------------|--------------------|
| Operating Revenue            |                  |                  |                  |                   |                  |                  |                   |                  |                  |                  |                  |                  |                   |                    |
|                              |                  |                  |                  |                   |                  |                  |                   |                  |                  |                  |                  |                  |                   |                    |
| Operating Expenses           |                  |                  |                  |                   |                  |                  |                   |                  |                  |                  |                  |                  |                   |                    |
| Electric Fuel                | 6,394,179        | 5,402,164        | 4,520,228        | 2,536,900         | 3,272,475        | 1,961,487        | 5,574,639         | 6,995,219        | 6,614,780        | 7,326,917        | 5,989,067        | 6,368,513        |                   | 62,956,569         |
| Energy Purchases             | 15,715           | 15,715           | 220,428          | 15,715            | 15,715           | 222,702          | 15,715            | 15,715           | 229,711          | 15,715           | 10,981           | 226,214          |                   | 1,020,044          |
| Other Operating Expense      | 8,945,497        | 7,402,483        | 9,055,557        | 7,773,817         | 8,098,781        | 9,604,626        | 7,593,126         | 8,250,313        | 7,285,883        | 8,169,194        | 7,952,443        | 9,889,871        | (75,482,743)      | 24,538,847         |
| Maintenance Expense          | 1,928,601        | 1,595,609        | 2,239,670        | 2,390,650         | 3,032,848        | 6,700,073        | 3,008,581         | 2,549,555        | 2,878,004        | 1,782,300        | 2,286,725        | 3,741,850        |                   | 34,134,465         |
| Depreciation                 | 1,750,112        | 1,736,923        | 1,749,582        | 1,746,756         | 1,752,404        | 1,762,273        | 1,769,447         | 1,771,540        | 1,800,628        | 1,828,315        | 1,830,956        | 1,848,127        |                   | 21,347,063         |
| Taxes Other Than Income      | 1,618,168        | 1,602,192        | 1,598,771        | 1,570,014         | 1,610,344        | 1,549,503        | 1,604,168         | 1,611,603        | 1,608,533        | 1,620,778        | 2,794,527        | 1,723,219        |                   | 20,511,819         |
| Other (Income)/Expense - Net | (751,828)        | (6,099)          | 2,879            | (16,119)          | (22,082)         | (89,330)         | (15,820)          | (4,583)          | (35,780)         | (16,709)         | (20,223)         | (15,491)         |                   | (991,185)          |
| Interest Expense             | 559,360          | 519,881          | 557,601          | 547,109           | 558,335          | 545,205          | 604,722           | 602,479          | 577,037          | 584,127          | 537,648          | 554,027          | (13,808,411)      | (7,060,880)        |
| Income Taxes                 | 4,826,408        | 4,881,915        | 5,145,721        | 6,033,132         | 5,729,209        | 3,018,400        | 6,275,348         | 5,629,624        | 4,134,373        | 5,141,723        | 4,032,082        | 6,769,036        | 36,027,548        | 97,644,518         |
|                              | <b>8,349,328</b> | <b>8,411,591</b> | <b>8,908,383</b> | <b>10,189,055</b> | <b>9,719,160</b> | <b>5,660,869</b> | <b>10,565,288</b> | <b>9,560,843</b> | <b>7,635,989</b> | <b>9,881,225</b> | <b>7,296,507</b> | <b>2,993,497</b> | <b>53,263,606</b> | <b>152,435,341</b> |

**Data Room  
No. 16.3.11**

PPL Montana  
Monthly Income Statement  
Year-ended December 31, 2012

|                              | Jan              | Feb              | Mar              | Apr              | May              | Jun              | Jul              | Aug              | Sep              | Oct               | Nov              | Dec              | Total             |
|------------------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|-------------------|------------------|------------------|-------------------|
| Operating Revenue            |                  |                  |                  |                  |                  |                  |                  |                  |                  |                   |                  |                  |                   |
| Operating Expenses           |                  |                  |                  |                  |                  |                  |                  |                  |                  |                   |                  |                  |                   |
| Electric Fuel                | 6,116,533        | 5,125,916        | 3,221,240        | 1,819,143        | 676,557          | 1,569,511        | 4,655,486        | 8,327,988        | 7,261,493        | 7,706,981         | 6,617,824        | 7,113,705        | 60,212,378        |
| Energy Purchases             | -                | -                | 256,749          | -                | -                | 256,750          | -                | -                | 259,573          | -                 | -                | 172,107          | 945,179           |
| Other Operating Expense      | 8,417,561        | 6,632,049        | 7,527,835        | 7,164,584        | 7,688,197        | 9,346,243        | 7,263,273        | 7,130,825        | 6,949,845        | 7,724,801         | 7,347,177        | 7,698,936        | 90,891,326        |
| Maintenance Expense          | 1,766,302        | 1,727,442        | 2,612,810        | 2,956,227        | 4,058,164        | 3,493,360        | 1,928,189        | 2,265,681        | 1,914,848        | 1,874,634         | 2,168,352        | 2,886,130        | 29,652,140        |
| Depreciation                 | 1,863,784        | 1,877,751        | 1,875,520        | 1,891,049        | 1,909,936        | 1,936,964        | 1,962,914        | 1,970,840        | 1,982,800        | 1,983,061         | 1,972,228        | 1,995,344        | 23,222,191        |
| Taxes Other Than Income      | 1,807,690        | 1,786,443        | 1,757,821        | 1,747,256        | 1,739,238        | 1,742,657        | 1,765,083        | 1,786,122        | 1,775,313        | 1,790,153         | 1,787,081        | 1,802,371        | 21,287,230        |
| Other (Income)/Expense - Net | (13,047)         | (19,049)         | (13,883)         | (15,426)         | (33,585)         | (36,212)         | (19,281)         | (16,890)         | (41,277)         | (25,437)          | (77,811)         | (44,339)         | (356,237)         |
| Interest Expense             | 593,398          | (112,274)        | 220,727          | 193,347          | 202,327          | 94,422           | 122,922          | 94,822           | 82,028           | 80,409            | 77,721           | 78,228           | 1,728,079         |
| Income Taxes                 | 5,882,720        | 5,343,914        | 6,149,822        | 5,409,906        | 5,554,863        | 4,684,965        | 5,656,827        | 4,347,283        | 2,947,459        | (2,939,490)       | 11,203,250       | 5,691,800        | 59,933,320        |
|                              | <b>9,434,188</b> | <b>8,627,997</b> | <b>9,118,990</b> | <b>8,737,675</b> | <b>8,948,864</b> | <b>7,710,191</b> | <b>9,111,634</b> | <b>7,166,828</b> | <b>5,984,467</b> | <b>13,846,436</b> | <b>2,247,192</b> | <b>7,623,885</b> | <b>98,558,347</b> |

MCC & PSC Data Request Common Docs

| <u>Index No.</u> | <u>Title</u>                                                                        |
|------------------|-------------------------------------------------------------------------------------|
| 3.2.2            | PPLM Draft Projected Capital Spending 2013-2017                                     |
| 3.2.3            | PPLM Draft Projected O&M Detail 2013-2017                                           |
| 3.2.6            | Draft_Monthly 2013 Budget O&M and Capex                                             |
| 3.2.9            | Kerr Rental Estimate                                                                |
| 3.2.10           | PPLM Capital Detail 11-1-12 Budget                                                  |
| 3.2.12           | Hydro OM detail 2012 estimate and 2013 projection (2)                               |
| 3.2.13           | Updated Draft OM and Capex2013-2017 11-27-12                                        |
| 3.2.15           | OM Detail Breakdown2009-2013_sent                                                   |
| 5.3.3.1          | Hydro Shaw Env Risk Assessment July 2006                                            |
| 5.3.3.2          | Hydro Env Audit Sept 2010                                                           |
| 5.3.3.3          | Hydro 2010 Env Audit Madison action                                                 |
| 5.3.3.4          | Hydro 2010 Environmental Audit Action Items                                         |
| 5.3.3.5          | Hydro 2010 Env Audit Hauser action items                                            |
| 5.3.3.6          | Hydro Env Audit Mystic action items                                                 |
| 6.1.1.2.17.1     | 2005 Kerr Project Buyout                                                            |
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| 6.1.1.2.17.4     | 2012 Notice of Dispute of Conveyance Price                                          |
| 6.1.1.8          | Hydro License Compliance Requirement Status 4Q2012                                  |
| 6.1.1.9.21       | Shoreline Erosion 5yr rpt 2009                                                      |
| 6.1.1.9.22       | Shoreline Erosion Monitoring Plan Article 402                                       |
| 6.1.3.3.3        | 2188 Final Programmatic Agreement                                                   |
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| 6.1.3.6.1        | FERC 2011 Annual Flow Window Excursion Report for Holter, Hauser & Morony           |
| 6.1.3.7          | Missouri Madison Flow Restoration Plan                                              |
| 6.1.3.7.1        | Flow Restoration Plans for Madison, Hauser, Holter & Morony                         |
| 6.1.3.7.2        | Order Modifying & Approving Flow Restoration Plans                                  |
| 6.1.3.32         | Hydro Summary of EndangeredThreatened Species impacted by facilities                |
| 8.1.1            | Insurance Coverage Description 2012                                                 |
| 8.2.1            | Morony Rotor Crack Claim                                                            |
| 8.2.2            | Montana Property Claims                                                             |
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| 13.1.1.1         | Historical Hydro Generation by Asset                                                |
| 13.1.1.3         | EQA Hydro                                                                           |
| 13.1.1.4         | 2012 YTD November Hydro Generation by Plant                                         |
| 13.1.12.1        | Madison Geotech Eng Rockfall Remediation Supplemental Rpt Final 2012-06-28          |
| 13.1.15.1        | Excitation Strategy Hydro-Draft                                                     |
| 13.1.15.2        | Flow Restoration Gate Strategy                                                      |
| 13.1.15.3        | Governor Strategy Hydro DRAFT                                                       |
| 13.1.15.4        | Hydro Eq strategy - Protective Relays                                               |
| 13.1.15.5        | Hydro Eq Strategy Generators                                                        |
| 13.1.15.6        | Hydro Eq strategy Standby Generators                                                |
| 13.1.15.7        | Morony Water Gate Strategy                                                          |
| 13.1.15.8        | MT Hydro TURB-GEN Annual Maintenance Strategy rev 1                                 |
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| 16.3.1           | 12.31.12 Depreciation Detail                                                        |
| 16.3.15          | Business Plan Captial 2013-2017 Hydro (Supersedes 3.2.2, 3.2.6, 3.2.10, and 3.2.13) |
| 16.3.17          | Business Plan O&M 2013-2017 Hydro (Supersedes 3.2.3, 3.2.6, 3.2.10, and 3.2.13)     |
| 16.3.18          | O&M by plant 2008-2012 actuals & 2013_updated4.30 (Supersedes 3.2.15)               |
| 16.3.2           | 12.31.12 Fixed asset (supersedes 3.1.18)                                            |

**MCC & PSC Data Request Common Docs**

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| 16.3.21.5        | Hydro_Project_Variance 08 31 2013                                              |
| 16.3.3           | Historical capital spending summary 2008-2012_updated 4.29 (Supersedes 3.1.20) |
| 16.3.34.6.1      | Pro-rate invoices Kerr Land Rental                                             |
| 16.5.99.1        | ACM Site - Support Document                                                    |
| 16.5.99.7        | ARCO Parametrix 2005 Report                                                    |
| 16.5.99.8        | BLACK EAGLE DAM TAIL RANCE - PPLM00473-000481                                  |
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| 16.5.99.12       | EPA URS 2009 Study                                                             |
| 16.5.99.13       | EXAMINATION OF SEDIMENTS AT RAINBOE - PPLM016414-016478                        |
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| 16.5.100.2       | 02 - Hauser Dam Asbestos Inspection                                            |
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| 16.5.100.5       | 05 - Rainbow Dam Asbestos Inspection                                           |
| 16.5.100.6       | 06 - Cochrane Dam Asbestos Inspection                                          |
| 16.5.100.7       | 07 - Ryan Dam Asbestos Inspection                                              |
| 16.5.100.8       | 08 - Morony Dam Asbestos Inspection                                            |
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| 16.5.100.10      | 10 - Thompson Falls Dam Asbestos Inspection                                    |
| 16.5.100.11      | 11 - Mystic Dam Asbestos Inspection                                            |
| 16.13.2          | Hydro Monthly Gen -Budget and actual thru May 2013                             |
| 16.13.3          | Hydro Monthly Generation - 2012 Actuals (Supersedes 13.1.1.4)                  |
| 16.13.18         | 2013 Hydro Operational Performance                                             |