



November 26, 2014

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

**Re: Docket Nos. D2013.5.33/D2014.5.46 Electric Tracker
MEIC Set 3 Data Requests (032-043)**

Dear Ms. Whitney:

Enclosed for filing is a copy of NorthWestern Energy's responses to MEIC Set 3 Data Requests in Docket Nos. D2013.5.33/D2014.5.46. It will be hand delivered to the Montana Public Service Commission and the Montana Consumer Counsel this date. It will also be mailed to the service list in this docket, 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,

Tracy Lowney Killoy
Administrative Assistant

CERTIFICATE OF SERVICE

I hereby certify that a copy of NorthWestern Energy's MEIC Set 3 Data Requests (032-043) in Docket Nos. D2013.5.33/D2014.5.46 has been hand delivered to the Montana Public Service Commission and to the Montana Consumer Counsel this date. It will be e-filed on the PSC website, emailed to counsel of record, and served on the most recent service list by mailing a copy thereof by first class mail, postage prepaid.

Date: November 26, 2014



Tracy Lowney Killoy
Administrative Assistant
Regulatory Affairs

Docket No. D2013.5.33/D2014.6.46
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NorthWestern Energy
Docket D2013.5.33/D2014.5.46
Electric Tracker

Montana Environmental Information Center/Sierra Club
Set 3 (032-043)

Data Requests received November 12, 2014

MEIC-32 *(Revised)* Subject: Economic Analyses of Colstrip 4

Has NorthWestern prepared, or caused to be prepared or have in its possession, any studies, analyses or assessments prepared ~~since~~ *between* January 1, 2010 *and July 1, 2013* of the economics of continuing to operate Colstrip Unit 4 versus replacing the Unit or converting it to burn natural gas? If so, please produce the most recent such study.

RESPONSE:

NorthWestern objects to MEIC-32 *(Revised)* on the same grounds that it objected to MEIC-32 because it is not relevant and not reasonably calculated to lead to admissible evidence. On November 26, 2014, the Commission issued a Notice of Commission Action that sustained NorthWestern's objection to MEIC-32. MEIC-32 *(Revised)* seeks the same information as MEIC-32. The only difference is that the time period has been narrowed. Notwithstanding this change, NorthWestern objects to MEIC-32 *(Revised)*.

Pursuant to Rule 26(b)(1) of the Montana Rules of Civil Procedure ("M. R. Civ. P."), a party may only obtain discovery "relevant to any party's claim or defense" and "appears reasonably calculated to lead to the discovery of admissible evidence." The Commission adopted M. R. Civ. P. 26 in its administrative rules. *See* ARM 38.2.3301. Discovery is irrelevant if it "has no bearing on [the] legitimate issues" in the docket. *Henricksen v. State*, 2004 MT 20, ¶ 44, 319 Mont. 307, 84 P. 3d 38. In *Henricksen*, the Supreme Court affirmed the district court's decision to deny the State's discovery requests for the other party's financial documents, school transcripts or personnel records since the issue to be decided by the court involved the party's mental and emotional states and not a claim for lost earnings or lost earning capacity. *Id.*

Before the Commission in this docket is NorthWestern's electricity supply tracker. As required by law, the Commission established an "electricity cost recovery mechanism" that permits NorthWestern "to fully recover prudently incurred electricity supply costs." *See* Mont. Code Ann. § 69-8-210(1). In this matter, NorthWestern filed applications requesting permission to track certain electricity supply costs incurred during two tracker years.¹ Specifically, electricity supply costs incurred from July 1, 2012 to June 30, 2014. In Order No. 6925f in Docket No. D2008.6.69 ("Order"), the Commission granted NorthWestern the right to include its interest in Colstrip Unit No. 4 ("CU4") in rate base as an electricity supply resource. Additionally, in that Order, ¶¶ 260-61, the Commission permitted NorthWestern to track costs from CU4 incurred in a tracker year. NorthWestern's applications in this docket include requests to track the following variable costs related to CU4: fuel costs, property taxes, demand-side management lost revenues,

¹ The Commission consolidated NorthWestern's 2013 Electricity Supply Tracker docket with its 2014 Electricity Supply Tracker docket. *See* Notice of Commission Action issued May 12, 2014.

NorthWestern Energy
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MEIC-32 cont'd

and carrying costs. This docket also includes a request to recover certain replacement power costs resulting from an outage at CU4 that occurred in the second half of 2013.

This data request seeks information that is not relevant or reasonably calculated to lead to discovery of admissible evidence because the request seeks information about whether it is economical to continue to operate CU4 versus replacing it with a natural gas burning facility. The issues in an electricity supply tracker docket involve requests to recover electricity supply costs that have been incurred during a tracker period. With respect to the replacement power costs, the Commission must determine if the costs were prudent. In order to determine if the replacement power costs were prudent, the Commission must look to see what NorthWestern knew or should have known at the time the costs were incurred. Whether it is economical to run CU4 or convert it to a natural gas facility will not lead to admissible evidence regarding what NorthWestern knew or should have known about the cause of the outage. The type of information that is requested in this data request would probably be more appropriately handled in other dockets, such as the one involving NorthWestern's Electricity Supply Resource Procurement Plan. The information sought in this data request unequivocally has nothing to do with, nor does it have any legitimate bearing on, the outage at CU4 or the other issues in this docket. As such, it will not lead to admissible evidence and therefore is not relevant.

This data request seeks information that is beyond the scope of this docket. With this data request, it would appear that the Montana Environmental Information Center and the Sierra Club ("MEIC/SC") are attempting to expand the issues in the docket, which they are not permitted to do given their intervenor status. Over NorthWestern's objection, the Commission granted general intervenor status to the MEIC/SC in this docket. *See* Notice of Commission Action issued August 20, 2014 ("Notice"). As a general intervenor, MEIC/SC is not permitted to expand or broaden the issues in the docket. ARM 38.2.2403 (general intervention is limited to "[a]ny person, other than the original parties to the proceeding, who shall desire to appear and participate in any proceeding before the commission, and who does not desire to *broaden the issues of the original proceeding.*") (emphasis added). The Commission reminded the parties of this fact in the Notice: "general intervention is limited to the scope of the original proceeding by definition." *See* Notice, p. 3.

The MEIC/SC sought general intervenor status in this docket "to demonstrate that NorthWestern Energy has not established that it prudently incurred the costs associated with Colstrip Unit 4." MEIC/SC Petition for General Intervention, p. 3. In their Petition, they unambiguously assert that they would limit their testimony to the issue of "whether NorthWestern Energy's costs due to the Colstrip Unit 4 outage were 'prudently incurred.'" *Id.*, p. 5. Since this data request seeks information on whether it is economical to continue to operate CU4, which will not lead to the

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MEIC-32 cont'd

discovery of admissible evidence regarding the outage at CU4 or the other issues involved in this docket, the MEIC/SC are attempting to do exactly what NorthWestern provided that they would do, and what the Commission the reminded parties is impermissible to do, in this case: broaden the issues. The Commission should not permit the MEIC/SC to broaden the issues in this docket with this data request. Therefore, based on the foregoing, the Commission should sustain NorthWestern's objection to MEIC-32 (*Revised*).

NorthWestern Energy
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Montana Environmental Information Center/Sierra Club
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Data Requests received November 12, 2014

MEIC-35 Subject: Colstrip 4 Outage Meetings
 Witness: N/A

Provide copies of the minutes and notes of the Colstrip Owners Meetings held since June 1, 2013 and all attachments thereto.

RESPONSE:

NorthWestern objects to MEIC-35 because it is overly broad and therefore seeks irrelevant information. For the applicable legal standard for this objection, please see the response to Data Request MEIC-32 (*Revised*). This data request seeks information that is overly broad and therefore seeks information that is not relevant or reasonably calculated to lead to discovery of admissible evidence because the request seeks copies of minutes and notes from Colstrip Owners' Meetings from June 1, 2013 to present and is not limited to minutes or notes that only discuss the CU4 outage. The issues in an electricity supply tracker docket involve requests to recover electricity supply costs that have been incurred during a tracker period. With respect to the replacement power costs incurred during the tracker period involved in this docket, the Commission must determine if the costs were prudent. In order to determine if the replacement power costs were prudent, the Commission must look to see what NorthWestern knew or should have known at the time the costs were incurred. During Colstrip Owners' Meetings, other matters are discussed which are unrelated to the outage that occurred in 2013. Thus, some of the information sought in this data request unequivocally has nothing to do with, nor does it have any legitimate bearing on, the outage at CU4 or the other issues in this docket. As such, it will not lead to admissible evidence regarding the outage or what NorthWestern knew or should have known with respect to the outage, and therefore it is not relevant.

Without waiving said objection, NorthWestern provides as Attachments 1 and 2, the copies of minutes and notes, respectively, from Colstrip Owners Meetings from June 1, 2013 to present that contain any discussion regarding the outage at CU4. See also the response to Data Request MEIC-6.

Please note that objected-to information has been redacted. Headings have been left unredacted to show that the body of the discussion is irrelevant to the issues in this docket. Additionally, information that Siemens plans to protect and information regarding coal costs that are the subject of NorthWestern's motion for protective order filed on November 21, 2014 have been redacted in yellow. NorthWestern will provide an updated response to this data request to reflect the Commission's orders on the motions for protective order.

**Colstrip Power Plant
Colstrip Units 3&4 and Common 1-4
Ownership and Operations Committee Meeting
Colstrip, Montana
July 17, 2013**

Attendees:

Colstrip SES
Neil Dennehy
Rick Borsheim
Steve Christian
Sandy Perusich
Bruce Knutson
Eric Petritz
Russ Dunn
Robin Shahan
*Todd Wulf
*Randy Smith

NorthWestern Energy
Mike Barnes

PGE
Gary Tingley
Maria Van Houten (phone)
Fort Holcombe
Stephen Quennoz
Ray Hendricks

Puget
Mike Jones
Ed Odom
Wayne Gould
Charles Morton
Michael Marcus

Debbi Beartusk Dove (recorder)

Avista
Thomas Dempsey

PacifiCorp
Chris Cary

PPL Montana
Charlie Baker
Pete Simonich
Gordon Criswell

Asterisks (*) - denotes attendance for part of meeting.

1. Approval of the Minutes – Neil Dennehy

[REDACTED]

2. Safety Report – Todd Wulf

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

3. Fuel Report – Randy Smith

[REDACTED]

[REDACTED]

The Unit
4 generator outage will result in a material change in coal purchases for 2013. Western Energy will need to be formally advised of the expected impact of the forced outage and will need to revise the 2013 annual Operating Plan.

[REDACTED]

[REDACTED]

[REDACTED]

4. General Environmental Report – Steve Christian

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

5. Unit 4 Generator Update – Eric Petritz

Eric Petritz gave a PowerPoint presentation outlining the extent of damage to the Unit 4 generator and he reviewed the potential repair options. The root cause of the stator failure is not yet complete. The Owners unanimously approved the recommendation for a full core repair to the Unit 4 generator stator

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] There will also be some O&M costs for the lay-up of the plant.

The Owners also approved the repair and rewind of the rotor damaged in the event. [REDACTED]

6. Budget vs Actual Review – Sandy Perusich

[REDACTED]

[REDACTED]

[REDACTED]

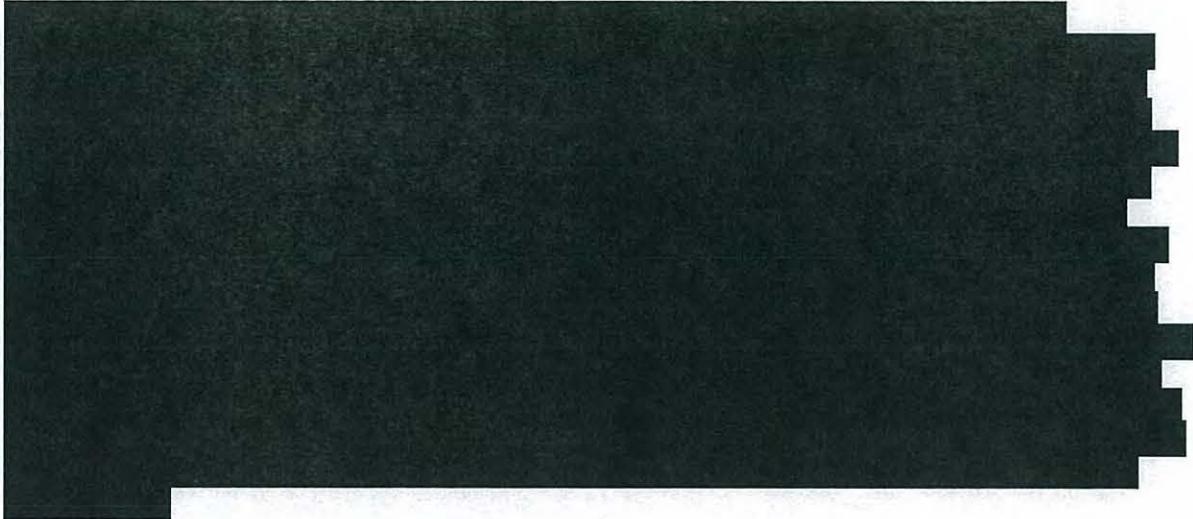
A&G Discussion (Neil Dennehy/Charlie Baker):

[REDACTED]

7. Unit 4 Overhaul Review – Russ Dunn

[REDACTED]

8. Scheduling Tool Update – Troy Vingom



9. Business Planning Update – Neil Dennehy

[Redacted] Mike Barnes asked that the Unit 4 rotor repair be billed in 2014. [Redacted]

[Redacted]

The next meeting will be September 18, 2013 in Colstrip.

**Electric Generating Station
Colstrip Units 3&4 and Common 1-4
Ownership and Operations Committee Meeting
Colstrip, Montana
September 18, 2013**

Rev. 1 10/14/13

Attendees:

Colstrip SES

Neil Dennehy
Rick Borsheim
Robin Shahan
Sandy Perusich
Russ Dunn
Eric Petritz
*Randy Smith
Debbi Dove (recorder)

PPL Montana

Charlie Baker
Gordon Criswell
Pete Simonich

NorthWestern Energy

Mike Barnes

PGE

Gary Tingley
Maria Pope

Avista

Thomas Dempsey

Puget

Mike Jones
Ed Odom

PacifiCorp

Chris Delinski
Chris Cary
Patrick Henderson

Asterisks (*) - denotes attendance for part of meeting.

1. Approval of the Minutes – Neil Dennehy

[REDACTED]

2. Safety Report – Neil Dennehy

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

3. Fuel Report – Randy Smith

[REDACTED]

[REDACTED]

[REDACTED] Western Energy was advised that the expected impact on coal requirement of the Unit 4 forced outage was a reduction of 1,572,609 tons. [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4. Environmental Report – Gordon Criswell

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

5. Generation Update for Past Two Months – All

[REDACTED]

Unit 4 Generator Rotor Core Repair Update (Eric Petritz):

The following information was provided by Eric in a PowerPoint presentation.

Status:

[REDACTED]

Schedule:

[REDACTED]

Neil Dennehy commented that no new surprises have been found. The root cause report is expected by November 1. The spare rotor may be installed. There are no plans to replace the rewind kit. Thomas Dempsey commented that Avista advocates for replacement of the rotor, if covered by insurance. Avista doesn't want any future risk that might be associated with a rotor that has residual damage due to excessive machining or for any other cause. Charlie Baker, PPLMT, gave an insurance update relative to the rotor repair. Mike Jones, Puget, requested that a conference call among the Owners' Representatives be held in November to discuss the handling of insurance payments. Thomas Dempsey asked for projected availability by year end. This is currently forecast on the generation statistics report.

6. Financial Review – Sandy Perusich

[Redacted]

7. Business Planning Update – Neil Dennehy

[Redacted]

The next meeting will be held in Colstrip Wednesday, November 20, 2013.

**Electric Generating Station
Colstrip Units 3&4 and Common 1-4
Ownership and Operations Committee Meeting
Colstrip, Montana
November 20, 2013**

Attendees:

Colstrip SES

Neil Dennehy
Rick Borsheim
Robin Shahan
Sandy Perusich
Russ Dunn
Eric Petritz
*Randy Smith
Debbi Dove (recorder)
Bruce Knutson
Steve Christian
Jim Rogers

NorthWestern Energy

Mike Barnes

PGE
Gary Tingley
Steve Quennoz
Maria Van Houten (phone)

Puget

Mike Jones
Ed Odom
Charles Morton

PacifiCorp

Chris Delinski

Avista

Thomas Dempsey

PPL Montana

Charlie Baker
Gordon Criswell
Pete Simonich

Asterisks (*) - denotes attendance for part of meeting.

[REDACTED]

1. Approval of the Minutes – Neil Dennehy

[REDACTED]

2. Safety Report – Neil Dennehy

[REDACTED]

[REDACTED]

3. Fuel Report – Randy Smith

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED] Western Energy was previously advised that the expected impact on coal requirement of the Unit 4 forced outage was a reduction of 1,572,609 tons for the year.

[REDACTED] Pete Simonich, PPLM, asked if coal deliveries will catch upon inventory before Unit 4 comes back on line and Randy responded, yes. The man reduced personnel by one full crew due to the Unit 4 extended outage and will be staffing back up.

[REDACTED]

[REDACTED]

[REDACTED]

River Pumping Electric Supply Agreement (Neil Dennehy):

[REDACTED]

4. Environmental Report – Steve Christian/Gordon Criswell

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

5. Past Two Months Generation Losses - All

[REDACTED]

Unit 4 Generator Update (Petriz/Dennehy):

[REDACTED] The schedule remains end of January or first of February for startup. Steve Quennoz, Portland, asked if any corrective actions for the Unit 4 generator failure have been determined. Neil acknowledged that a report provided by Generator Consulting Services, Inc. gives an inconclusive root cause analysis. The damage may have occurred as the result of core integrity issues. The damage appears to have occurred in two stages. Steve said PGE needs conclusive root cause/corrective actions by January 2014 for reporting purposes. The report indicates to keep conducting the current electrical testing but did not recommend any corrective actions. [REDACTED]

[REDACTED] Pete agreed we need to review our procedures and make improvements. There was a discussion about Business Interruption insurance. Chris Delinski will see if he can share the corrective actions from a similar failure that occurred at PacifiCorp's Hunter Plant in 2000. Two payments totaling \$20 million have been received from the insurance company to date. Eric will push for a more conclusive report with corrective actions. Chris Delinski suggested having Colstrip plant senior Engineers work 24-7 with Siemens Westinghouse.

6. Financial - Sandy Perusich

[REDACTED]
[REDACTED]
[REDACTED] On the capital budget side, a separate item has been created for the Unit 4 generator rotor repair. No further insurance payments on the generator are expected this year. Insurance payments are not included in the Colstrip Budget versus Actual report. Lime and mercury cost savings anticipated with the Unit 4 outage have not been realized and adjustments were made.

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

The next meeting will be January 15, 2014 in Colstrip.

**Electric Generating Station
Colstrip Units 3&4 and Common 1-4
Ownership and Operations Committee Meeting
Colstrip, Montana
January 15, 2014**

Attendees:

Colstrip SES

Neil Dennehy
Rick Borsheim
Robin Shahan
Sandy Perusich
Russ Dunn
Jim Rogers
Bruce Knutson
*Randy Smith
Debbi Dove (recorder)
Steve Christian

NorthWestern Energy

Mike Barnes

Puget

Charles Morton
Ed Odom

PGE

Gary Tingley
Brad Jenkins
Arya Behbehani
Maria Van Houten (phone)

PacifiCorp

Chris Delinski
Chris Cary

Avista

Thomas Dempsey

PPL Montana

Gordon Criswell
Pete Simonich

Asterisks (*) - denotes attendance for part of meeting.

1. Approval of the Minutes – Neil Dennehy

[REDACTED]

2. Safety Report – Todd Wulf

[REDACTED]

[REDACTED]

[REDACTED]

3. Fuel Report – Randy Smith

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

Western Energy is in the process of adding an additional coal crew to increase production when Unit 4 returns to service. Western will resume a two-delivery-shifts-per-week day delivery schedule.

[REDACTED]

4. Environmental – Steve Christian/Gordon Criswell

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

5. Unit 4 Update – Neil Dennehy

Neil reviewed tasks completed to date with the generator repair. Generator pressure testing could begin as early as tomorrow. Ventilation test could occur early next week. If the testing goes well, the turbine machine could be rolling with steam next week. Unit 4 could be on line by the middle of next week. The testing is currently the critical path. Mike Barnes, NorthWestern, asked how confident the plant is, with recent severe winter weather conditions, that the balance of plant is ready to return to operation. Robin Shahan responded that crews have been looking for potential problems and have worked diligently to keep systems ready to run; some equipment has already been started. Propane heaters have been run during the low ambient temperatures to maintain heat in Unit 4. Neil added that Operations has done a good job with the plant lay-up. Anticipated start up is between January 22 and 26. Chris Delinski, PacifiCorp, said the reports provided by the plant throughout the repair process have been appreciated.

2014 Unit 3 Outage Schedule (Russ Dunn):

[REDACTED]

2013 Accomplishments (Neil Dennehy):

[REDACTED]

Colstrip Scheduling System Update (Neil Dennehy):

[REDACTED]

7. 2014 Business Plan Update – Neil Dennehy

[REDACTED]

[REDACTED]

The next meeting is scheduled for March 19, 2014 in Colstrip.

**Electric Generating Station
Colstrip Units 3&4 and Common 1-4
Ownership and Operations Committee Meeting
Colstrip, Montana
March 19, 2014**

Attendees:

Colstrip SES
Bruce Knutson
Rick Borsheim
Eric Petritz
Sandy Perusich
Russ Dunn
Jim Rogers
*Todd Wulf
*Randy Smith
Debbi Dove (recorder)
Steve Christian

NorthWestern Energy
Mike Barnes

PGE
Gary Tingley
Lee Archer
Maria Van Houten (phone)

Puget
Charles Morton

PacifiCorp
Chris Delinski

Avista
Thomas Dempsey

PPL Montana
Charles Baker
Pete Simonich

Asterisks (*) - denotes attendance for part of meeting.

1. Approval of the Minutes – Bruce Knutson

[REDACTED]

2. Safety Report – Todd Wulf

[REDACTED]

[REDACTED]

3. Fuel Report – Randy Smith

[REDACTED]

[REDACTED]

[REDACTED] The coal purchases are 196,258 tons or 15.9 percent less than budgeted. The variance from budget is primarily due to the time Unit 4 was off line in January for generator repairs. The original coal budget was not revised for the Unit 4 generator outage.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

4. Environmental Report – Steve Christian

[REDACTED]

[REDACTED]

[REDACTED]

5. Financial – Sandy Perusich

[REDACTED] There was some discussion regarding the Unit 4 generator rewind expenses; all bills should be received by the May Owners' meeting. The rewind is part of the insurance claim. To date, FM Global has paid \$20 million on the insurance claim. The spare rotor is expected on site in April. [REDACTED]

[REDACTED]

[REDACTED] Pete Simonich, PPL, asked what the driver was behind the \$1.2 million underage for power generation and Sandy responded, "Timing." Bruce Knutson said it could also have been impacted by the recent Unit 4 extended outage because maintenance work was not taking place. [REDACTED]

[REDACTED]

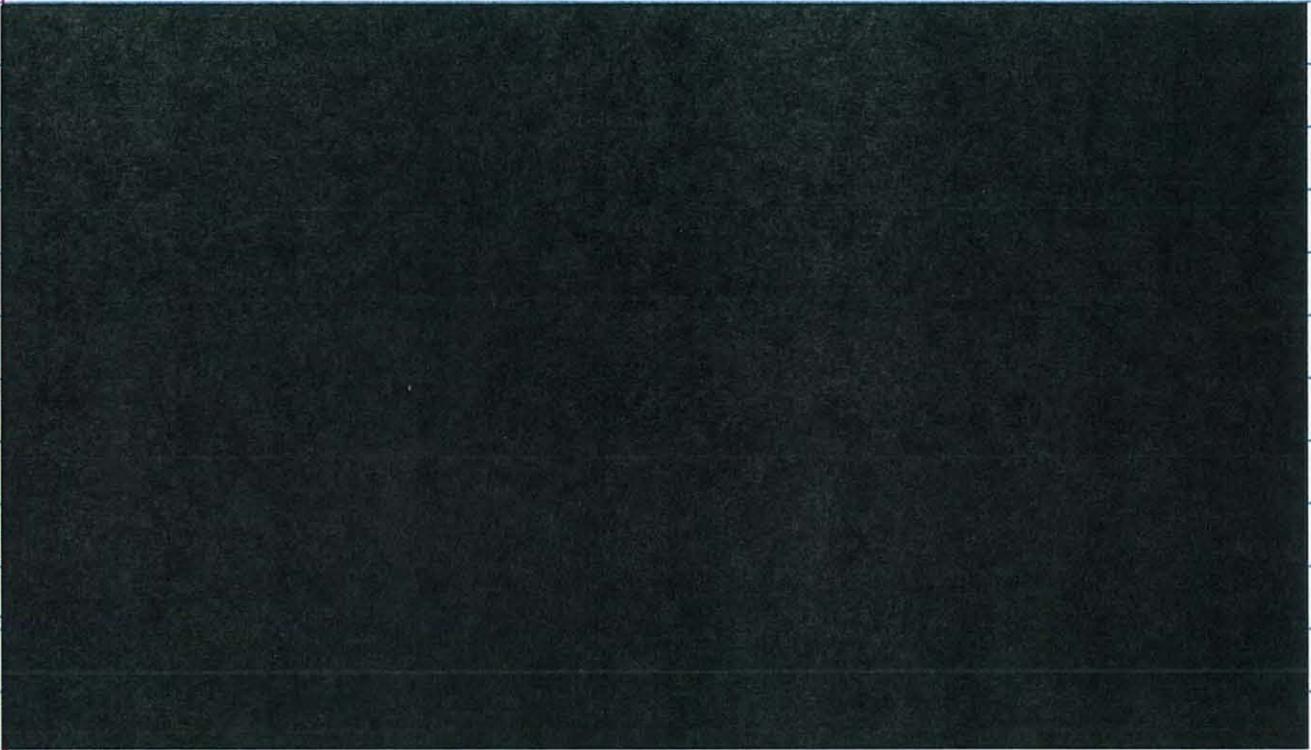
6. Operations Update

[REDACTED]

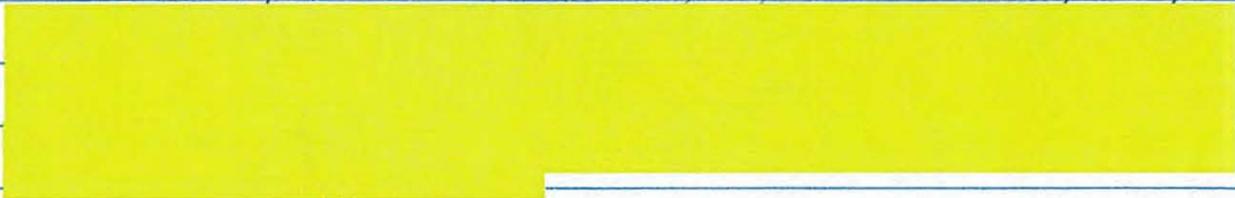
[REDACTED]



7/17/13
Owners' MTC



- GENERATOR OUTAGE



• Sequence of events,
up then back down -



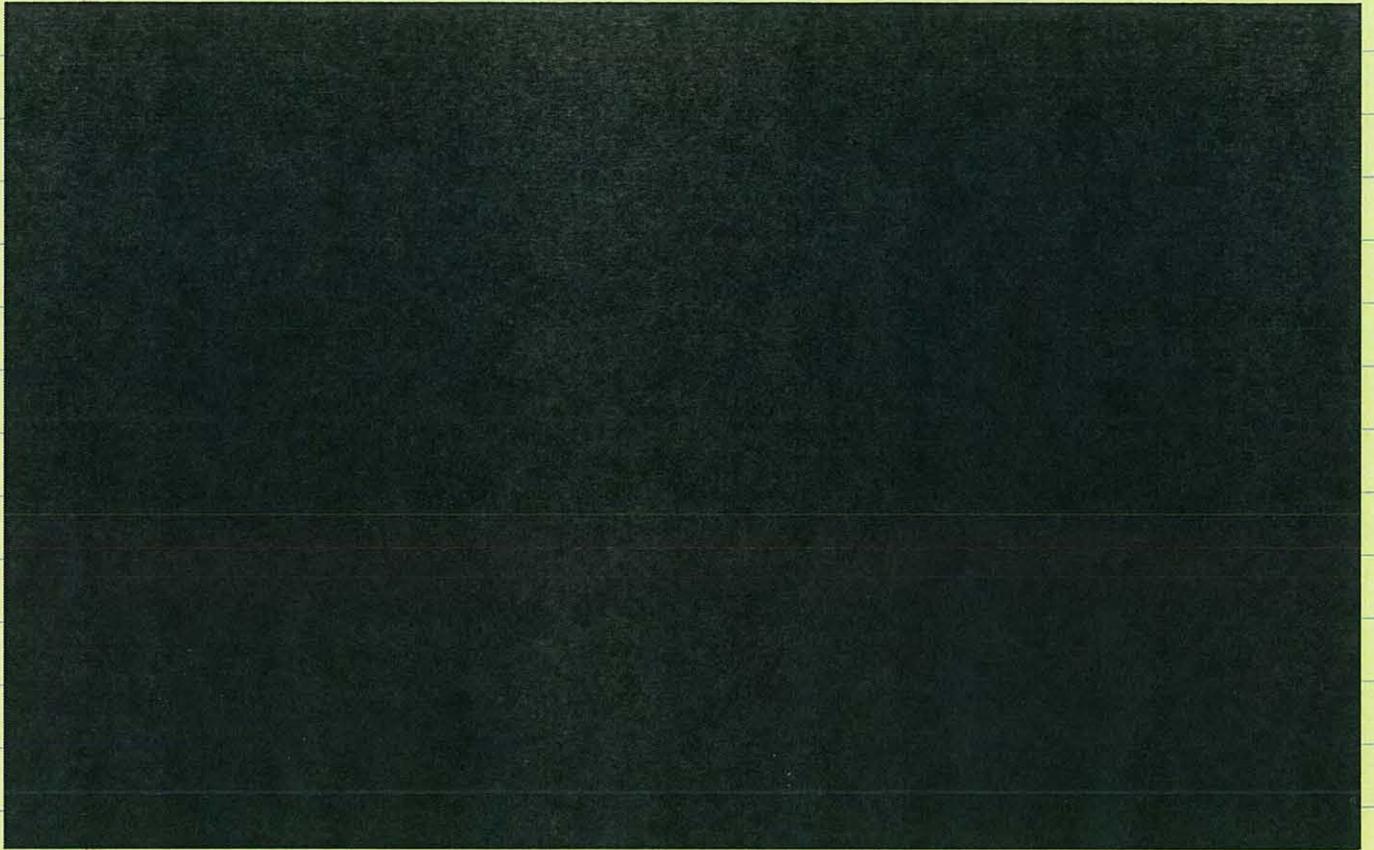
- down on weekend

2-3 more months if not
have had rewind kit

one more thing
O&M net effect

(406) 443-8994
(406) 459-2157

11/20/13 OWNER'S NOTES



only repair



NorthWestern Energy
Docket D2013.5.33/D2014.5.46
Electric Tracker

Montana Environmental Information Center/Sierra Club
Set 3 (032-043)

Data Requests received November 12, 2014

MEIC-36 Subject: Colstrip 4 Repair
 Witness: Mike Barnes

Please indicate whether personnel from Northwestern monitored the progress of repairing Colstrip Unit 4 during the outage or otherwise were involved in the repair and recovery activities during the outage. If the answer is yes, please provide copies of all correspondence (including but not limited to e-mails), presentations or reports prepared by or for each such person that addressed the Colstrip Unit 4 outage. Please also include the materials attached to any such correspondence and report(s) and the slides used in any presentation(s).

RESPONSE:

NorthWestern did not participate in direct oversight of the progress in repairing the Unit. PPLM, as operator and agent on behalf of the Colstrip 4 project owners, monitored the progress of the repair and reported to the Colstrip 4 owners on the progress of the repair.

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MEIC-37 Subject: Colstrip 4 Property Insurance
 Witness: Mike Barnes

Provide copies of any property insurance claims, including supporting documentation, submitted by the Operator of Colstrip Unit 4 on behalf of the owners, and the responsive correspondence, including all attachments, from the property insurance company.

RESPONSE:

NorthWestern objects to MEIC-37 because it is overly broad and therefore seeks irrelevant information. For the applicable legal standard for this objection, please see the response to Data Request MEIC-32 (*Revised*). This data request seeks information that is overly broad and therefore seeks information that is not relevant or reasonably calculated to lead to discovery of admissible evidence because the request seeks copies of any property insurance claims submitted by the Operator of CU4 on behalf of the owners. The issues in an electricity supply tracker docket involve requests to recover electricity supply costs that have been incurred during a tracker period. With respect to the replacement power costs incurred during the tracker period covered in this docket, the Commission must determine if the costs were prudent. In order to determine if the replacement power costs were prudent, the Commission must look to see what NorthWestern knew or should have known at the time the costs were incurred. This request is overly broad because it is not limited to seeking information regarding property insurance claims that were submitted due to the outage at CU4. Thus, some of the information sought by this data request unequivocally has nothing to do with, nor does it have any legitimate bearing on, the outage at CU4 or the other issues in this docket. As such, it will not lead to admissible evidence regarding the outage or what NorthWestern knew or should have known with respect to the outage; and therefore it is not relevant.

Without waiving said objection, NorthWestern provides the following response which is limited to information regarding the outage at CU4. NorthWestern did not have direct correspondence with the insurer regarding this outage. PPLM handled the insurance recovery and, therefore, NorthWestern is not in possession of any responsive documentation except for an FM Global report that will be provided in response to Data Request MCC-017 after Siemens files a motion for protective order and the Commission acts on the motion.

The Colstrip owners were kept apprised of the insurance claim and recovery by PPLM. See also the responses to Data Requests MEIC-35, MCC-015, and MCC-017.

NorthWestern Energy
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Montana Environmental Information Center/Sierra Club
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MEIC-38 Subject: Colstrip 4 Property Insurance
 Witnesses: Mike Barnes, Frank Bennett

Please specify NorthWestern's share of the deductible for any property insurance claims related to the Colstrip 4 outage. Please indicate whether all or a portion of any such deductible is included in the 2013-14 Electricity Supply Tracker.

RESPONSE:

Mike Barnes response: Please see the response to Data Request MCC-017.

Frank Bennett response: No portion of the deductible was included in these consolidated dockets.

NorthWestern Energy
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Data Requests received November 12, 2014

MEIC-39 Subject: Colstrip 4 Outage Insurance
 Witness: Mike Barnes

Please indicate whether NorthWestern maintains outage insurance for Colstrip 4 or whether any such insurance is maintained by another party, including the operator and/or other owners of Colstrip 4.

- a. If the answer is yes, please provide copies of any outage insurance claims, including supporting documentation, submitted by or on behalf of the Colstrip 4 owners, and the responsive correspondence, including all attachments, from the outage insurance company.
- b. If the answer is no, please indicate whether NorthWestern and/or the operator and/or any other owner of Colstrip 4 has evaluated the costs and benefits of obtaining outage insurance covering Colstrip 4. Please provide all documents and correspondence in NorthWestern's possession regarding the evaluation of obtaining outage insurance for Colstrip 4.

RESPONSE:

NorthWestern does not maintain outage insurance for Colstrip 4 and is not aware of any such insurance being maintained by another party.

- b. NorthWestern is in the process of investigating the costs and benefits of obtaining outage insurance for Colstrip 4. Since this evaluation is still under way, NorthWestern does not have any final documents or correspondence to provide at this time.

NorthWestern Energy
Docket D2013.5.33/D2014.5.46
Electric Tracker

Montana Environmental Information Center/Sierra Club
Set 3 (032-043)

Data Requests received November 12, 2014

MEIC-40 Subject: Colstrip 4 Cost Recovery
 Witness: Mike Barnes

Please indicate whether PPL and/or any or all of the owners of Colstrip 4 have sought recovery for outage-related capital, O&M and/or replacement power costs from the vendor of the equipment whose failure caused or extended the Colstrip 4 outage or from any other third party(ies) other than ratepayers. If the answer is yes, please provide the documentation related to each attempted recovery and indicate the status of the request.

RESPONSE:

To my knowledge, neither PPLM, nor any other owner, has sought recovery in this manner.

NorthWestern Energy
Docket D2013.5.33/D2014.5.46
Electric Tracker

Montana Environmental Information Center/Sierra Club
Set 3 (032-043)

Data Requests received November 12, 2014

MEIC-41 Subject: Colstrip 4 Predicted Operation
 Witness: Dave Fine

Please provide any modeling or other projections prepared before July 1, 2013 of Colstrip 4 dispatch between July 1, 2013 and January 23, 2014.

RESPONSE:

See Attachment 1, Colstrip Unit 4 projections from the 2009 Electric Resource Procurement Plan; Attachment 2, Colstrip Unit 4 projections from the 2011 Electricity Supply Resource Procurement Plan; and Attachment 3, Colstrip Units 3&4 projections prepared in conjunction with NorthWestern's analysis of the PPL Montana assets.

Project Mustang

Colstrip Units 3&4 (NorthWestern Share)

GT Intrinsic Market Ops Base Case Run - ED (minimum turndown when out of money)

	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Jan-14
HL	84,032	87,264	77,568	87,264	80,800	80,800	84,032
LL	66,256	63,024	67,872	63,024	64,640	69,488	66,256
Total	150,288	150,288	145,440	150,288	145,440	150,288	150,288

NorthWestern Energy
Docket D2013.5.33/D2014.5.46
Electric Tracker

Montana Environmental Information Center/Sierra Club
Set 3 (032-043)

Data Requests received November 12, 2014

MEIC-42 Subject: Colstrip 4 Cost Recovery
 Witness: Frank Bennett

Please specify the amount of Colstrip 4 variable costs covered in 2013-2014 Electricity Supply Tracker. Please indicate whether such costs include any costs other than replacement power costs related to the Colstrip 4 outage, and if the answer is yes, the nature of such costs.

RESPONSE:

Please see the "MCC-076" folder on the CD provided with NorthWestern's initial responses to MCC Set 1 on November 7, 2014 for Exhibit__(FVB-4)13-14 Updated. The cost categories are labeled and do not include replacement power costs.

NorthWestern Energy
Docket D2013.5.33/D2014.5.46
Electric Tracker

Montana Environmental Information Center/Sierra Club
Set 3 (032-043)

Data Requests received November 12, 2014

MEIC-43 Subject: Electricity Supply Costs and Rates
 Witness: Kevin Markovich

Please refer to page 11 of the direct testimony of Kevin J. Markovich, which states that, "This fact is further supported by noting that supply rates charged to customers actually decreased during the outage, again a testament to the value of having a structurally sound and well diversified portfolio of supply resources."

- a. Please explain the basis for this statement, and provide all supporting calculations and documents.
- b. Please identify the costs to which NorthWestern compared the outage costs when it states that "supply rates ... actually decreased during the outage."
- c. Does this statement indicate that NorthWestern's electric power supply costs and rates were lower during the outage when NorthWestern was obtaining energy from sources other than Colstrip 4? Please explain.
- d. Please explain why electricity supply costs and rates decreased during the Colstrip 4 outage.
- e. Did costs and rates decrease during the outage because the replacement energy costs were lower than the historical and/or expected cost of generation from Colstrip 4?

RESPONSE:

- a. See Exhibit__ (FVB-1) 13-14, row 8, accompanying the Prefiled Direct Testimony of Frank V. Bennett in Docket No. D2014.5.46.
- b. NorthWestern only made reference to the supply rates charged to customers. Please also see the response to part d, below.
- c. No. It merely points out what happened to overall rates charged to customers during the outage.
- d. Rates charged to customers are based on the expected costs of supply and other related services over a 12-month look forward basis. During the Colstrip 4 outage the expected cost of supply over the 12-month look forward periods decreased, which caused rates to decrease. During the outage some sources of supply, including the Colstrip 4 replacement costs, increased while other sources of supply such as the replacement costs for the PPL seven-year contract decreased. Overall, total forecasted supply costs decreased which supports the value of having a structurally sound and well diversified portfolio of supply resources.
- e. No.