

March 6, 2015

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
Second updated response to MEIC-26 MEIC Set 2
(012-032) Data Requests**

Dear Ms. Whitney:

Enclosed for filing is a copy of NorthWestern Energy's second updated response to MEIC-26 in MEIC Set 2 (012-032) data requests. This response will be hand delivered to the Montana Public Service Commission and the Montana Consumer Counsel. This response will be mailed to the service list in this docket, e-filed with the PSC, and emailed to counsel of record.

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

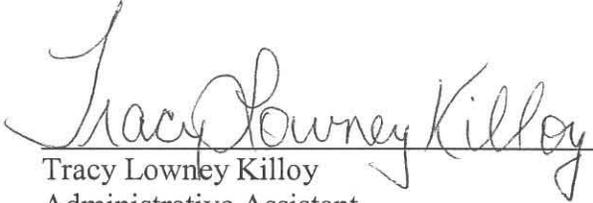
Sincerely,

Tracy Lowney Killoy
Administrative Assistant

CERTIFICATE OF SERVICE

I hereby certify that a copy of NorthWestern Energy's second updated response to MEIC-26 in MEIC Set 2 Data Requests 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, e-mailed to counsel of record, and served on the most recent service list by mailing a copy thereof by first class mail, postage prepaid.

Date: March 6, 2015


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Docket Nos.
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 2 (012-032)

Data Requests received October 6, 2014

MEIC-26 Subject: Outages at Colstrip

Please provide the following data for each planned or unplanned outage of a unit at Colstrip that occurred after the date on which NorthWestern acquired Colstrip:

- a. The unit(s) at which the outage occurred;
- b. Whether the outage was planned or unplanned;
- c. The duration, in days, of the outage; and
- d. The cost of the outage.

RESPONSE:

NorthWestern objects to MEIC-26 because it is not relevant and not reasonably calculated to lead to admissible evidence. Please see the first two paragraphs of the response to MEIC-24 for the applicable legal standard for this objection.

This data request seeks information that is not relevant or reasonably calculated to lead to discovery of admissible evidence because the request (1) seeks information about assets that NorthWestern does not own nor have an interest in,³ (2) is unrelated to the issues contained in NorthWestern's applications, and (3) seeks information going back to 2002. The data request asks for information about outages at Colstrip Units 1, 2 and 3 since NorthWestern acquired its interest in CU4. As discussed earlier, NorthWestern only has an interest in CU4. Outages at the other Colstrip units will not lead to the discovery of admissible evidence concerning whether NorthWestern prudently incurred replacement power costs relating to the outage at CU4 in the second half of 2013. Each unit at Colstrip is its own facility. An outage at one unit will not provide any useful information about an outage at any of the other units. Furthermore, the data request seeks information on outages since 2002, which is the date NorthWestern acquired an interest in CU4. This docket involves two tracker years as discussed above. Information beyond these two tracker years falls outside the issues in this docket. 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

³ See footnote 2 contained in the response to Data Request MEIC-24.

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

Montana Environmental Information Center/Sierra Club
Set 2 (012-032)

Data Requests received October 6, 2014

MEIC-26 cont'd

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 about outages at Colstrip Units 1, 2 and 3, which will not lead to the discovery of admissible evidence about the outage at CU4 or the other variable costs involved in this docket, the MEIC/SC are attempting to do exactly what NorthWestern provided that they would do, and what the Commission reminded the 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-26.

UPDATED RESPONSE (February 6, 2015):

The Attachment responsive to this request is confidential. Pursuant to Commission Order No. 7283e, protected versions will be provided on yellow paper to the Commission and the parties who sign the appropriate non-disclosure agreement.

SECOND UPDATED RESPONSE (March 6, 2015):

Subsequent to NorthWestern filing the first updated response to this data request, Commission staff verbally requested additional information. This second updated response is being provided to clarify NorthWestern’s first updated response provided on February 6, 2015. The values shown in the “Approximate Cost of the Event” column on the Protected Attachment are values provided by PPL Montana. It is NorthWestern’s understanding that PPL Montana makes this calculation by taking the MWhs not produced as a result of the event and multiplying that number by the difference of the budgeted variable cost of production at plant level (in USD/MWh) and the average monthly electric market (in USD/MWh) as viewed by PPL

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MEIC-26 cont'd

Montana plus any startup MW requirement multiplied by the same average monthly electric price (in USD/MWh) as described above. Added to that value is any cost of startup fuel needed to get the unit back on-line. The values shown are 100% values meaning the calculation is based on the entire lost production experienced by all of the owners. None of the costs of the repair are included in the calculation.