



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-35 in MEIC Set 3
(032-043) Data Requests**

Dear Ms. Whitney:

Enclosed for filing is a copy of NorthWestern Energy's second updated response to MEIC-35 in MEIC Set 3 (032-043) 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-35 in MEIC Set 3 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 3 (032-043)

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.

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-35 cont'd

UPDATED RESPONSE (February 18, 2015):

Pursuant to Commission Order Nos. 7283c and 7283d, protected versions of the pages containing yellow redactions in Attachment 1 and all four pages of Attachment 2 will be provided on yellow paper to the Commission and the parties who sign the appropriate non-disclosure agreements. Please note that irrelevant information remains redacted in black.

SECOND UPDATED RESPONSE (March 6, 2015):

Per an agreement with the MEIC/Sierra Club regarding this one instance, NorthWestern, in the spirit of cooperation, has agreed to remove the redaction from the portion of a sentence in the section regarding the Unit 4 Generator Update in the November 2013 Owners' meeting minutes. By agreeing to remove the redaction, NorthWestern does not concede that the information is relevant. Siemens has informed NorthWestern that the portion of the sentence that is being unredacted is considered trade secret information that qualifies for protection under Protective Order No. 7283c. Based on this agreement, NorthWestern provides both a public and a protected version of the Updated Page 13 of 22 of Attachment 1.

Colstrip Units 3 & 4 Ownership and Operations Committee Meeting
Minutes of Meeting held November 20, 2013
Page 4

Unit 4 Generator Update (Petritz/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]
[REDACTED]

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