

PUBLIC SERVICE COMMISSION
STATE OF MONTANA

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Kirk Bushman, Commissioner
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May 29, 2015

Ms. Jenny K. Harbine
EarthJustice
313 E. Main St.
Bozeman, MT 59715

Mr. Matthew Gerhart
EarthJustice
705 2nd Avenue, Suite 203
Seattle, WA 98104

RE: Data requests in Consolidated Dockets D2013.5.33 and D2014.5.46

Dear Ms. Harbine and Mr. Gerhart,

Enclosed please find data requests of the Montana Public Service Commission to MEIC / Sierra Club numbered PSC-031 through PSC-034 in the referenced Docket. Please begin the response to each new numbered data request on a new page. Please provide responses by June 12, 2015. If you have any questions, please contact me at (406) 444-6191.

Sincerely,



Neil Templeton
Regulatory Division
Montana Public Service Commission

Service Date: May 29, 2015

DEPARTMENT OF PUBLIC SERVICE REGULATION
BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MONTANA

IN THE MATTER OF NorthWestern) REGULATORY DIVISION
Energy's 2012-2013 Electricity Supply)
Tracker) DOCKET NO. D2013.5.33
)
IN THE MATTER OF NorthWestern) DOCKET NO. D2014.5.46
Energy's 2013-2014 Electricity Supply)
Tracker)

DATA REQUESTS PSC-031 THROUGH PSC-034 OF THE
MONTANA PUBLIC SERVICE COMMISSION
TO
MEIC / SIERRA CLUB

PSC-031

Regarding: Root Cause Analysis
Witness: David A. Schlissel

- a. Did you conclude that the outage at Colstrip Unit 4 was the result of any imprudent or negligent actions by Siemens during the May-June 2013 generator overhaul?
- b. If you did conclude that there were imprudent or negligent actions by Siemens during the overhaul please explain in detail how you reached your conclusions.
- c. In your opinion did Siemens knowingly engage in imprudent or negligent actions during the overhaul at Colstrip Unit 4? If yes, please explain in detail the basis of your opinion.

PSC-032

Regarding: Insurer's Recovery of Costs from Siemens
Witness: David A. Schlissel

Do you have updated information on whether the property insurer has sought to recover any costs from Siemens? If yes, on what basis did the insurer attempt to recover any such costs?

PSC-033

Regarding: CU4 Replacement Power Costs

Witness: David A. Schlissel

- a. At Page 4 of your testimony you claim that NorthWestern Energy has not acted prudently in seeking to recover outage-related replacement power costs from ratepayers without first seeking recovery of those costs from Siemens or, at a minimum concluding an evaluation of whether an action against Siemens is warranted. Have you concluded that replacement power costs should be paid by Siemens? If so, explain the basis for that conclusion.
- b. Do the Colstrip Unit 4 owners have a contract with Siemens which provides that Siemens will pay for replacement power?
- c. Are you familiar with how common is it for an OEM such as Siemens to pay for replacement power expenses in the event of an extended plant outage? Cite all examples of such contract provisions with which you have encountered.
- d. Please provide your best estimate of the “replacement power costs that would have been covered by business interruption insurance.”

PSC-034

Regarding: Evaluation of Outage Insurance

Witness: David A. Schlissel

- a. Have you concluded that outage insurance was available at a reasonable cost to NorthWestern Energy prior to the generator overhaul at Colstrip Unit 4? If you have concluded that outage insurance was available at a reasonable cost, please explain in detail the basis of that conclusion.
- b. Have any of the Colstrip Unit 4 owners obtained outage insurance which would pay the cost of all replacement power during an extended outage?
- c. You state that NorthWestern Energy failed to evaluate outage insurance to protect its ratepayers against the risk of having to pay expensive replacement power costs during an extended Colstrip Unit 4 outage. Are you claiming that NorthWestern Energy should have anticipated that the generator would be damaged during its reassembly? If so, please explain in detail.
- d. On a prospective basis are you recommending that NorthWestern purchase outage insurance for Colstrip Unit 4 to protect its ratepayers on an ongoing basis? What added cost would the recommended outage insurance place on ratepayers? Would the increased costs provide a benefit to ratepayers?

- e. Do all generators have planned as well as unplanned outages during their operating lives?