

November 24, 2014

Gordon Criswell  
Director, Environmental & Engineering Compliance  
PPL Montana, LLC  
303 North Broadway, 4<sup>th</sup> Floor  
Billings, MT 59101

RE: DEQ Review of 2014 inspection reports for Colstrip dams

Dear Mr. Criswell:

Thank you for submitting the 2014 Inspection Report prepared by your engineer for the dams at Colstrip. The purpose of the inspection was to assess the condition and integrity of the dam structures to assure continued protection of human and health and the environment downstream. The 2014 Inspection Report is acceptable and demonstrates your effort to assure the continued safety of the dams.

Please respond by January 31, 2015 as to your plans and schedule to meet the recommendations identified in the 2014 Inspection Report.

I would like to reiterate that PPL and DEQ have agreed to have the dams and impoundments at Colstrip inspected in accordance with the Montana Dam Safety Act and associated administrative rules. Therefore, the next comprehensive review should be on or before 5 years from the date of this inspection, in 2019. The Montana Dam Safety Act and associated administrative rules prescribe minimum standards for operation and maintenance of high hazard dams as well as inspections of the high hazard dams at least every 5 years by an engineer. Although the dams and impoundments at Colstrip are exempt from the Montana Dam Safety Act requirements pursuant to Section 85-15-107, MCA, the impoundments are part of the facility subject to a Certificate of Compliance issued under the Major Facility Siting Act. The dams and impoundments that are covered by the Certificate of Compliance issued to PPL Montana under the Major Facility Siting Act include the following:

- Units 3 & 4 Effluent Holding Pond Main and Saddle Dams
- A/B Pond Complex Dike
- Units 1 & 2 Stage Two Evaporation Pond (STEP) Main Dam
- Castle Rock Reservoir Main and Saddle Dams.

Thank you for your inspection report and call me at (406) 444-2005 if you have any questions.

Sincerely,

Charles Freshman, P.E.  
Environmental Management Bureau, DEQ

cc: Michele Lemieux, Dam Safety Program, DNRC