

**EXHIBIT NO. __ (EDH-3)
DOCKET UE-200115
COLSTRIP UNIT 4 SALE
WITNESS: EZRA D. HAUSMAN, PH.D.**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Application of

PUGET SOUND ENERGY,

**For an Order Authorizing the Sale of
All of Puget Sound Energy's Interests
in Colstrip Unit 4 and Certain of Puget
Sound Energy's Interests in the
Colstrip Transmission System**

Docket UE-200115

**EXHIBIT EDH-3 TO THE
PREFILED DIRECT TESTIMONY OF
EZRA D. HAUSMAN, PH.D.
ON BEHALF OF THE SIERRA CLUB**

October 2, 2020

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket UE-200115
Puget Sound Energy
Application Authorizing Sale of PSE Interest in Colstrip Unit 4**

SIERRA CLUB DATA REQUEST NO. 026:

Please confirm or deny that Line E of the "Illustrative Example of Variable Pricing for the NorthWestern Energy PPA and the Talen Montana PPA under Different Mid-C Index Price Scenarios" presented in Table 1 of the Supplemental Direct Testimony of Cindy Song (Exhibit CLS-08T) does not reflect the full price paid by PSE under the PPAs because it does not include the cost of the "monthly payment of 1/12th of the annual O&M Costs (Base)" as set forth under the "Contract Price" term of the proposed PPA, provided as Exhibit C to the Company's petition in this matter.

- a. If confirmed, please provide an updated version of Table 1 that includes this cost in the cost of the PPAs.
- b. If denied, please explain why this cost should not be included.

Response:

- a. Yes. Line E of Table 1 in the Prefiled Supplemental Direct Testimony of Cindy L. Song, Exh. CLS-8T, does not reflect the full price that Puget Sound Energy is likely to pay under the terms and conditions of the proposed power purchase agreements with NorthWestern Energy and Talen Montana, LLC. The intent of Table 1 was to illustrate how the variable pricing component is calculated at different levels of the Mid-C pricing. The fixed component, O&M Cost (Base), is not impacted by the Mid-C pricing and therefore was not included in the illustrative examples in Table 1. The fixed component is included in the results of the analysis presented in the First Exhibit to the Prefiled Supplemental Direct Testimony of Cindy L. Song, Exh. CLS-9C.
- b. Please see the response to part a. above.