

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Investigation of AVISTA CORPORATION d/b/a AVISTA
UTILITIES, PUGET SOUND ENERGY, and PACIFIC POWER LIGHT COMPANY
Regarding Prudency of Outage and Replacement Power Costs

DOCKET UE-190882

AVI ALLISON ON BEHALF OF PUBLIC COUNSEL UNIT

EXHIBIT AA-13

Puget Sound Energy Response to Staff Data Request No. 24 and Staff Data Request No. 6
(Docket UE-190324)

January 10, 2020

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket UE-190324
Puget Sound Energy
Power Cost Adjustment Mechanism Annual Report**

WUTC STAFF INFORMAL DATA REQUEST NO. 006:

RE: PSE's first awareness of elevated PM levels and the use of coal from Rosebud Area A.

In PSE's response to Staff Data Request No. 2, PSE stated that:

The decision to request coal from Rosebud Area A was part of the investigative process into the 2018 MATS PM issue. During individual unit diagnostic testing just prior to the late June official site-wide MATS PM testing, the operator's personnel observed an elevation in the unofficial MATS PM level. The facility took a broad approach to the investigation of the elevated level and one of the areas they explored was the effect coal quality on the boilers.

Please state when PSE first became aware that (a) Colstrip Units 3 and/or 4 would be burning coal from Rosebud Area A; and (b) there was, as stated by PSE, "an elevation in the unofficial MATS PM level." Please indicate when and how PSE first learned about each of these items (e.g., via email, letter, meeting, report, etc.), and provide this correspondence.

Response:

Puget Sound Energy ("PSE") does not recall the exact date it first became aware that (a) Colstrip Units 3 and/or 4 would be burning coal from Rosebud Area A. Coal quality was discussed among the owners in July as Talen MT worked to identify potential causes and solutions to the elevated MATS PM levels. PSE does not have any written communication in its possession related to this issue. Colstrip co-owners were notified of the use of Area A coal during verbal discussions on the investigation of the MATS PM compliance issue.

In compliance with the Ownership and Operation agreement for Units 3&4, Talen MT, as operator, is tasked with operating the plant in a prudent utility manner and within applicable laws and regulations. Testing, including unofficial MATS PM testing, is performed by the operator as a regular operational procedure at Colstrip. Given that testing was a normal course of business, and work was ongoing to address the issue, Talen MT did not inform PSE of unofficial MATS PM tests that showed elevated levels.

Talen MT informed the owners of the PM MATS non-compliance issue on June 27, 2018, as soon as the official compliance tests showed indications of non-conformity.

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**Docket UE-190324
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WUTC STAFF INFORMAL DATA REQUEST NO. 024:

RE: Officer, executive, and/or witness knowledge

Please state whether any Company officers, executives, or any witnesses that intend to testify on behalf of the Company (should this matter proceed to adjudication) have any knowledge of analyses and/or decision making relating to: (1) the elevated particulate matter levels at Colstrip Units 3 and 4 during Q1 2018; (2) the 2018 Colstrip Units 3 and 4 derate and outage; and/or (3) the acquisition and/or cost of replacement power associated with the 2018 Colstrip Units 3 and 4 derate and outage. Please memorialize and provide the substance of those individuals' knowledge.

Response:

Puget Sound Energy ("PSE") does not intend to provide any officers, executives, or any witnesses to testify on behalf of the Company with any knowledge of analyses and/or decision making relating to the elevated particulate matter levels at Colstrip Units 3 and 4 during Q1 2018. The Colstrip plant was in compliance with MATS PM levels in Q1 of 2018. Therefore, Talen MT undertook the investigation work through its normal course of business and did not notify the owners of the investigation until later in the year.

PSE does not intend to provide any officers, executives, or any witnesses to testify on behalf of PSE with any knowledge of analyses and/or decision making relating to the 2018 Colstrip Units 3 and 4 derate and outage because the work to directly address the Q2 PM MATS was conducted by Talen MT, as plant operator. Under the Colstrip Ownership & Operation Agreement, Talen MT is required to operate the plant in accordance with Prudent Utility Practice, including compliance with all applicable laws, regulations, and permits. PSE, as owner, did not provide direct expertise to investigate and resolve the 2018 MATS compliance deviation. PSE was kept informed of the work as it progressed, asked questions, and sought clarification of strategies and processes as Talen MT sought to bring the Colstrip MATS PM level back into compliance levels.

With respect to WUTC Staff Informal Data Request No. 024(3), the acquisition and/or cost of replacement power associated with the 2018 Colstrip Units 3 and 4 derate and outage, please see the Prefiled Direct Testimony of Paul K. Wetherbee in this proceeding.