

**BEFORE THE WASHINGTON  
UTILITIES & 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 Colstrip Transmission System

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DOCKET UE-200115

**PAUL L. CHERNICK  
ON BEHALF OF THE  
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL  
PUBLIC COUNSEL UNIT**

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**EXHIBIT PLC-17**

Puget Sound Energy Response to Public Counsel Data Request No. 16

**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**

**PUBLIC COUNSEL DATA REQUEST NO. 016:**

**Please refer to PSE's response to Public Counsel Data Request No. 3(b).**

- a. By "PSE Merchant", is the Company referring to a PSE internal department or a separate corporate entity?
  - i. If "PSE Merchant" is an internal department, is it PSE or the department referred to as "PSE Merchant" which "has a five-year PTP Agreement for 363 MW of capacity on the Colstrip Transmission System"? Please explain.
  - ii. If "PSE Merchant" is an internal department, is it PSE or the department referred to as "PSE Merchant" that could exercise the rollover rights under the PTP Agreement? Please explain.
  - iii. If "PSE Merchant" is a separate corporate entity, please describe the corporate relationship between PSE and "PSE Merchant".
- b. Please provide a copy of the "five-year PTP Agreement".
- c. If PSE Merchant or PSE were to not exercise its rollover rights, when would the "five-year PTP Agreement" end?
  - i. If the Commission were to approve the proposed transaction, would PSE Merchant or PSE continue to "retain the contractual rights to 363 MW" under the PTP Agreement? Please explain.
  - ii. With regard to the statement the PSE Merchant "currently uses" the PTP Agreement "to transmit the output of Colstrip Units 3 & 4", could PSE Merchant use the PTP Agreement for transmitting the output of any generating facility other than Colstrip Units 3 and 4? Please explain.

**Response:**

- a. References to "PSE Merchant" by Puget Sound Energy ("PSE") refers to the internal PSE department "PSE Energy Supply Merchant." This department is

engaged in wholesale purchases and sales of electric energy in interstate commerce. In accordance with the rules and regulations of the Federal Energy Regulatory Commission (“FERC”) Orders 888<sup>1</sup> and 889,<sup>2</sup> marketing function employees in the PSE Energy Supply Merchant department function independently from those employees engaged in transmission system operations. As such, PSE Energy Supply Merchant is a Transmission Customer of the PSE Transmission Contracts department, which sells transmission service to third parties under an Open Access Transmission Tariff (OATT).

- i. As previously mentioned, “PSE Merchant” is a shorthand reference to the PSE Energy Supply Merchant department. PSE Energy Supply Merchant, acting on behalf of PSE, is the party to the five-year Point-to-Point Transmission Service Agreement (the “PTP Agreement”) for 363 megawatts (MW) of capacity on the Colstrip Transmission System.
  - ii. As previously mentioned, “PSE Merchant” is a shorthand reference to the PSE Energy Supply Merchant department. PSE employees in the PSE Energy Supply Merchant department, acting on behalf of PSE, would exercise the rollover rights under the PTP Agreement.
  - iii. As previously mentioned, “PSE Merchant” is a shorthand reference to the PSE Energy Supply Merchant department, and not a separate corporate entity that is an affiliate of PSE.
- b. Attached as Attachment A to PSE’s Response to Public Counsel Data Request No. 016 is a copy of the PTP Agreement.
- c. The expiration date of the PTP Agreement is January 1, 2025.
- i. The effective date of the PTP Agreement is January 1, 2020, and the expiration date of the PTP Agreement is January 1, 2025. PSE has not yet made any determination with respect to rollover of the PTP Agreement.
  - ii. PSE could likely use the PTP Agreement for transmitting the output of any generating facility other than Colstrip Units 3 & 4. If Colstrip Units 3 & 4

<sup>1</sup> *Promoting Wholesale Competition Through Open Access Non-Discriminatory Transmission Servs. by Pub. Utils.; Recovery of Stranded Costs by Pub. Utils. and Transmitting Utils.*, Order No. 888, FERC Stats. & Regs. ¶ 31,036, *order on reh’g*, Order No. 888-A, FERC Stats. & Regs. 31,048, *order on reh’g*, Order No. 888-B, 81 FERC ¶ 61,248 (1997), *order on reh’g*, Order No. 888-C, 82 FERC ¶ 61,046 (1998), *aff’d in relevant part sub nom. Transmission Access Policy Study Group v. FERC*, 225 F.3d 667 (D.C. Cir. 2000), *aff’d sub nom. New York v. FERC*, 535 U.S. 1 (2002)).

<sup>2</sup> *Open Access Same-Time Information System (Formerly Real-Time Information Network) and Standards of Conduct*, Order No. 889, FERC Stats. & Regs., Regulations Preambles January 1991-June 1996 ¶ 31,035 (1996); Order No. 889-A, *order on reh’g*, FERC Stats. & Regs., Regulations Preambles July 1996 - December 2000 ¶ 31,049 (1997); Order No. 889-B, *reh’g denied*, 81 FERC ¶ 61,253 (1997).

were to close, then the operator of the Colstrip Transmission System would need to study the total transmission capability of the Colstrip Generating System to determine, in part, whether the Colstrip Generating System could support 363 MW of capacity other than Colstrip Units 3 & 4.