

**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

DOCKET UE-200115

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

EXHIBIT PLC-23

Puget Sound Energy Response to Public Counsel Data Request No. 64

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. 064:

Please refer to PSE's response to Public Counsel Data Request No. 16(c).

- a. Until the PTP Agreement expires on January 1, 2025, will PSE Transmission provide transmission service to NorthWestern Energy pursuant to the provisions of the PTP Agreement for the 95 MW of CTS Capacity acquired from PSE? Please explain, with reference to specific provisions of the PTP Agreement.
 - i. In this case, would PSE Merchant retain rollover rights for the full 363 MW of capacity? Please explain.
- b. If PSE Merchant were to roll-over the PTP Agreement for the full 363 MW of capacity, could PSE Transmission continue to provide transmission service to NorthWestern Energy pursuant to the provisions of the PTP Agreement for the 95 MW of CTS capacity acquired from PSE? Please explain.

Response:

- a. Puget Sound Energy ("PSE") uses the Service Agreement for Firm Point-to-Point Transmission Service, Original Service Agreement No. 952 (the "PTP Agreement"), provided as Attachment A to Puget Sound Energy's ("PSE") Response to Public Counsel Data Request No. 016 to transmit PSE's share of the output of Colstrip Units 3 & 4.

In this proceeding, PSE is proposing to

- (i) sell all of its interests in 185 megawatts (MW) of generating capacity from Colstrip Unit 4 to NorthWestern Energy and Talen Montana, LLC ("Talen Montana");
- (ii) enter into power purchases agreements with NorthWestern Energy and Talen Montana for 90 MW of generating capacity from Colstrip Unit 4; and
- (iii) sell an undivided interest in the PSE's ownership interest in the Colstrip Transmission System representing not less than 95 MW of transmission capacity (the "Initial Purchase Assets") to NorthWestern Energy.

After closing of the agreements at issue in this proceeding and during the term of the proposed power purchase agreements with NorthWestern Energy and Talen Montana, PSE would amend its right to contract capacity in the PTP Agreement by 95 MW (from 363 MW to 268 MW) to reflect the transfer of interests in the Colstrip Transmission System from PSE to NorthWestern. During the terms of the proposed power purchase agreements with NorthWestern Energy and Talen Montana, PSE would use the contract capacity of 268 MW in the amended PTP Agreement to transmit (i) PSE's share of the output of Colstrip Unit 3 and (ii) the 90 MW of output of Colstrip Unit 4 purchased under the proposed power purchase agreements. NorthWestern Energy would be free to use the Initial Purchase Assets that it acquired from PSE to transmit power for itself or for others pursuant to the terms and conditions of the Open Access Transmission Tariff of NorthWestern Energy.

- i. No. As previously stated, upon closing of the transactions in this proceeding, PSE would amend the contract capacity in the PTP Agreement from 363 MW to 268 MW to reflect the sale of the Initial Purchase Assets to NorthWestern Energy. Accordingly, PSE would retain rollover rights to 268 MW of transmission capacity pursuant to the terms and conditions of the PTP Agreement, as so amended.
- b. PSE would not be able to roll-over 363 MW of transmission capacity under the amended PTP Agreement, as amended. As previously stated, upon closing of the transactions in this proceeding, PSE would amend the contract capacity in the PTP Agreement from 363 MW to 268 MW to reflect the sale of the Initial Purchase Assets to NorthWestern Energy. Accordingly, PSE would retain rollover rights to 268 MW of transmission capacity pursuant to the terms and conditions of the PTP Agreement, as so amended.