

**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-24**

Puget Sound Energy Response to Public Counsel Data Request No. 58

**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. 058**

**“CONFIDENTIAL” Table of Contents**

<b>DR NO.</b>	<b>“CONFIDENTIAL” Material</b>
<b>058</b>	Shaded information in Attachment A to Puget Sound Energy’s Response to Public Counsel Data Request No. 058 is designated as CONFIDENTIAL per Protective Order in Docket UE-200115

**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. 058:**

**Please refer to Cindy L. Song workpaper 'UE-200115-PSE-Workpaper-CLS-PPA\_Pricing (HC).xlsx' in the 'PPA Calculation (HC)' tab.**

- a. Spreadsheet column F, starting in spreadsheet row 19, shows an hourly output for Colstrip Unit 4 in all but a handful of hours of either 168 MW, 45 MW or 0 MW per hour. Does the hourly output value of 45 MW per hour represent output at minimum operating capability? Please explain.
- b. Spreadsheet column J, starting in spreadsheet row 19, shows hourly dispatch costs for Colstrip Unit 4. For each calendar year 2020 through 2025, please show how the hourly dispatch cost shown for hours with hourly output of 168 MW is calculated in accordance with the methodology for calculating the Floor Price as set forth in Exhibit A to the Colstrip Unit 4 Contingent Confirmation.
- c. Spreadsheet column J, starting in spreadsheet row 19, shows hourly dispatch costs for Colstrip Unit 4. For each calendar year 2020 through 2025, please show how the hourly dispatch cost shown for hours with hourly output of 45 MW is calculated in accordance with the methodology for calculating the Floor Price as set forth in Exhibit A to the Colstrip Unit 4 Contingent Confirmation.
- d. The 'Continuing Operations (C)' tab of the electronic spreadsheet 'UE- 200115-PSE-Exh-CLS-09C-2020-08-20 (C).xlsx' appears to use the same hourly dispatch cost to calculate annual dispatch costs of continued operation as that used for the hourly Floor Price in the calculation of the hourly PPA rate in the 'PPA Calculation (HC)' tab of the electronic spreadsheet 'UE- 200115-PSE-Workpaper-CLS-PPA\_Pricing (HC).xlsx'. Please explain why the hourly dispatch cost for continued operation is equal to the hourly Floor Price.

**Response:**

- a. The 168 MW represents Puget Sound Energy's ("PSE") take of 185 MW capacity of Colstrip Unit 4, net of forced outage rate and losses. The 45 MW represents the output of Colstrip Unit 4 at minimum load, net of forced outage rates and losses. Colstrip Unit 4 is a baseload plant that cannot be ramped up or down quickly. The minimum down time for the Colstrip Unit 4 is forty-eight (48) hours.

There are times in which the long-term economic benefit of running Colstrip Unit 4 outweighs the short-term economic losses of running Colstrip Unit 4 at minimum load.

- b. Pursuant to the terms of the proposed power purchase agreements with NorthWestern Energy and Talen Montana, LLC (“Talen Montana”), PSE would pay the higher of (i) the Floor Price and (ii) Mid-C less the Base O&M Equivalent. Attached as Attachment A to PSE’s Response to Public Counsel Data Request No. 058 is a worksheet that provides, at lines 1-3, a sample calculation. Attachment A to PSE’s Response to Public Counsel Data Request No. 058 provides three examples of the calculation depending on the relationship between the Floor Price and Mid-C prices less O&M Base Equivalent.
- c. Please see Attachment A to PSE’s Response to Public Counsel Data Request No. 058, at line 6, for the sample calculation. If Colstrip Unit 4 were operating at minimum load, the cost is likely to be based on the Floor Price.
- d. Each of the proposed power purchase agreements with NorthWestern Energy and Talen Montana is a “must-take contract,” and PSE would not control the dispatch of Colstrip Unit 4. Instead, Colstrip Unit 4 would continue to dispatch to market represented by continuing operations.

Shaded information in Attachment A to Puget Sound Energy’s Response to Public Counsel Data Request No. 058 is designated as CONFIDENTIAL per Protective Order in Docket UE-200115.