

**EXH. RJR-4
DOCKETS UE-19 ___/UG-19 ___
2019 PSE GENERAL RATE CASE
WITNESS: RONALD J. ROBERTS**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-19 ___
Docket UG-19 ___**

**THIRD EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

RONALD J. ROBERTS

ON BEHALF OF PUGET SOUND ENERGY

JUNE 20, 2019



Colstrip Steam Electric Station Units 1 and 2 to Retire

Units will permanently retire effective December 31; Units 3 and 4 will remain in operation

COLSTRIP, Mont., June 11, 2019 /PRNewswire/ -- Talen Montana, the operator of the Colstrip Steam Electric Station ("Colstrip"), announced that, effective December 31, the owners of Colstrip Units 1 and 2 (Talen Montana and Puget Sound Energy) will permanently retire the units, which have a total 614 megawatt capacity rating. Colstrip's other two units, 3 and 4, will remain in operation. Talen Montana is a 50 percent owner (307 megawatts) of Colstrip Units 1 and 2. Puget Sound Energy owns the other 50 percent share of Units 1 and 2.

"The decision to retire Colstrip Units 1 and 2 comes after extensive review and exhaustive efforts over the last few years to address the financial challenges that these units face," said Dale Lebsack, Talen Montana President. Lebsack continued, "The plant team has done a great job of responding to the challenges faced by Units 1 and 2, but we have been unsuccessful in making the units economically viable. Fuel constitutes the bulk of our operating cost, and our repeated efforts to negotiate lower fuel prices with Westmoreland Rosebud Mining, the plant's sole and only historically permitted fuel supplier, have been rebuffed. Rather than working with us to keep Units 1 and 2 open, Westmoreland is proposing to increase the units' fuel cost going forward."

Talen Montana will work closely with all stakeholders to ensure the retirement process is orderly and minimizes the effect on employees, community members and other key stakeholders. Talen Montana will look to redeploy affected Colstrip employees to work on Unit 1 and 2 retirement activities or the operation and maintenance of Units 3 and 4.

Talen Montana, in its role as Colstrip operator, continues to work with the Montana Department of Environmental Quality ("MDEQ") to address groundwater impacts at the Colstrip site as required by the 2012 Administrative Order on Consent and is complying with all other applicable laws and regulations related to site remediation, including EPA's Coal Combustion Residual Rule. The Colstrip Units 1 and 2 owners intend to fulfill those existing commitments to the State of Montana after Colstrip Units 1 and 2 are retired. As required by Montana's Coal-Fired Generating Unit Remediation Act enacted in 2017, the Colstrip Units 1 and 2 owners will submit a remediation plan to MDEQ no later than three months after permanently retiring the units which will detail their plan to remediate Colstrip Units 1 and 2.

Going forward, as operator of the Colstrip plant, Talen Montana's primary focus will be to ensure that Colstrip Units 3 and 4 remain an economically viable source of safe, reliable power to Montana and the Northwest U.S.

About Talen Montana

Talen Montana operates the Colstrip power plant, a four-unit, 2,094 megawatt coal-fired generation facility in Colstrip, Montana. Talen Montana owns 50 percent of Units 1 and 2 and owns a 30 percent

interest in Unit 3 of the plant. The plant employs approximately 320 people in the town of Colstrip in Rosebud County, Montana.

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SOURCE Talen Montana

<https://talenergy.investorroom.com/2019-06-11-Colstrip-Steam-Electric-Station-Units-1-and-2-to-Retire>