

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-170033 and UG-170034
Puget Sound Energy
2017 General Rate Case**

SIERRA CLUB DATA REQUEST NO. 016

“CONFIDENTIAL” “HIGHLY CONFIDENTIAL” Table of Contents

DR NO.	“CONFIDENTIAL” Material
016	Designated Information is CONFIDENTIAL per Protective Order in WUTC Dockets UE-170033 & UG-170034 as marked in Attachment A to PSE’s Response to SIERRA CLUB Data Request No. 016.

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Refer to PSE's response to Sierra Club DR No. 004:

- a. PSE states that the owners have met frequently to determine the scope of need for a third-party operator to take over Talen's responsibilities. Please identify the specific dates and PSE attendees at such meetings from May 2016 to the present.
- b. Please provide copies of any board presentations, memos, minutes, or other documents that address PSE's efforts and progress to identify potential operators at Colstrip.
- c. Please provide a copy of the request for proposal referenced in the response to DR No. 004.
- d. Please provide all responsive bids with identifying information and/or pricing redacted as necessary.
- e. When does PSE anticipate receiving all bids?
- f. When does PSE anticipate selecting a new operator for the Colstrip units?
- g. Please continue to update this response and PSE's response to DR No. 004 as additional bids are received.

Response:

Since Talen Energy ("Talen") provided resignation notice as operator of Colstrip in May 2016, Puget Sound Energy ("PSE"), in partnership with the other owners of Colstrip Units 1-4, has worked jointly to identify a potential new operator.

- a. PSE met with the other owners on the following dates in regards to replacing Talen as operator of Colstrip. PSE attendees are listed for each meeting:

- i. May 25, 2016
 1. Ron Roberts
- ii. June 3, 2016
 1. Ron Roberts
 2. Charles Morton
- iii. July 27, 2016
 1. Ron Roberts
 2. Charles Morton
- iv. August 9, 2016
 1. Sam Osborne
- v. August 24, 2016
 1. Ron Roberts
 2. Charles Morton
 3. Nancy Atwood
 4. Sam Osborne
- vi. September 28, 2016
 1. Charles Morton
- vii. October 6, 2016
 1. Ron Roberts
 2. Charles Morton
 3. Nancy Atwood
 4. Sam Osborne
- viii. October 24, 2016
 1. Charles Morton
- ix. November 7/8, 2016
 1. Ron Roberts
 2. Charles Morton
 3. Nancy Atwood
 4. Sam Osborne
- x. Additionally, the individual legal counsel for each of the owners has met, as available, weekly since approximately June 2016.

b. Please see Exhibit No. ____ (RJR-03) and No. ____ (RJR-04) to the Prefiled Direct Testimony of Ronald J. Roberts, Exhibit No. ____ (RJR-1CT), and Attachment A to PSE's Response to Sierra Club Data Request No. 004 for the operating and ownership documents that set forth operator change provisions. Attached as Attachment A to Sierra Club Data Request No. 016 is an internal PSE presentation to the Board of Directors related to Colstrip operator changes.

c. PSE objects to Sierra Club's request for a copy of the Request for Indicative Proposal as not relevant nor reasonably calculated to lead to the discovery of admissible evidence in this case. Further, the Request for Indicative Proposal, which sought interested parties for the potential operator of the Colstrip plant, is a joint document among the six owners of Colstrip. PSE does not have permission from other owners to produce this document.

- d. PSE objects to Sierra Club's request for all responsive bids. The bids are not relevant nor reasonably calculated to lead to the discovery of admissible evidence in this case.
- e. As this is a joint owner process, PSE is working collectively with the five other owners of Colstrip. Talen, on behalf of the collective owners, has received two preliminary bids; however, additional due diligence is necessary. The owners may jointly decide to entertain additional proposal, or they may not.
- f. PSE expects Talen to remain operator through the two year window provided in their resignation notice, until May 2018. It is PSE's expectation that collectively the owners will have identified an operator for Colstrip by the end of 2017 to allow transitional time, if necessary, for plant operations. However, as stated above, this is a joint owner process and the collective group will make any final operator choice decision.
- g. See PSE's objections set forth above.

Designated Information is CONFIDENTIAL per Protective Order in WUTC Dockets UE-170033 & UG-170034 as marked in Attachment A to PSE's Response to SIERRA CLUB Data Request No. 016.

ATTACHMENT A to PSE's Response to SIERRA CLUB Data Request No. 016

Colstrip Strategic Planning Update



March 2, 2017

Riverstone is undertaking a scrutiny of its Colstrip ownership

TALEN

~~CEO: Paul Farr~~
~~CFO: Jeremy McGuire~~
~~CAO: James Schinski~~
~~GC: Paul Breme~~

Talen sold
on 12/6/16
for \$1.8 billion

RIVERSTONE

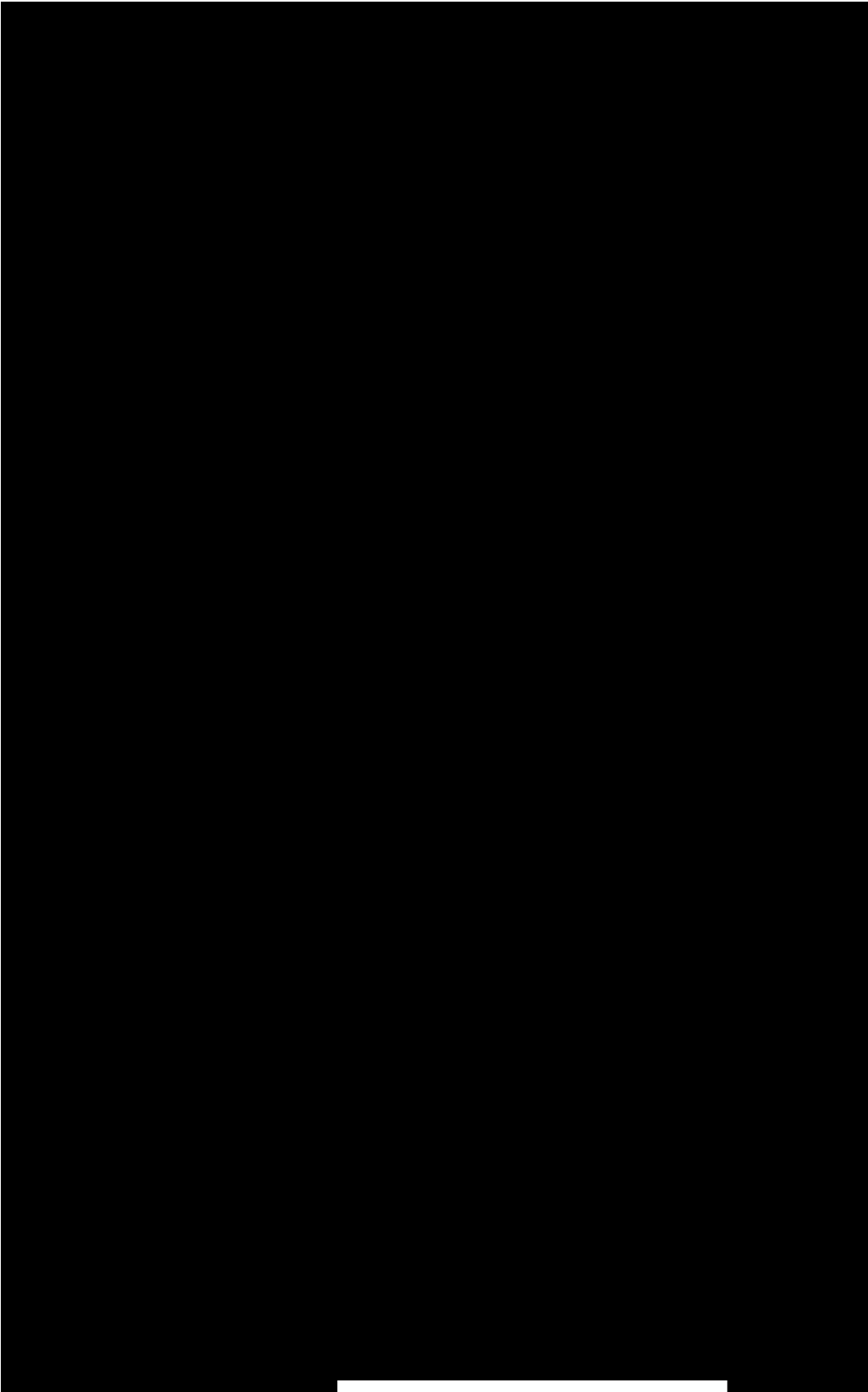
Talen Energy

CEO: Ralph Alexander
CFO: Alejandro Hernandez
GC: Tom Douglass

Talen reports that:

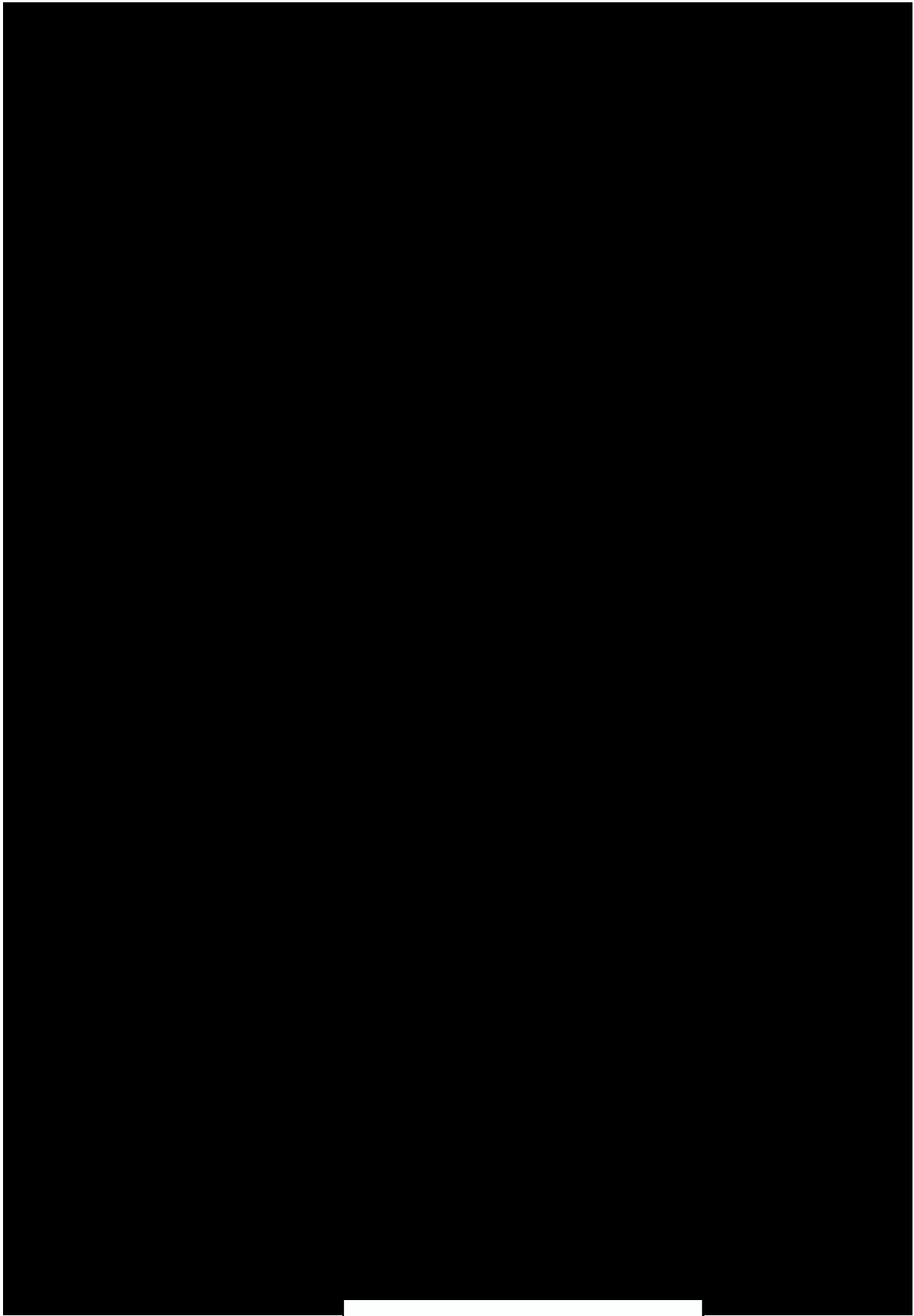
- Units 1 & 2 are losing money
- Talen wants to transition out of Units 3 & 4
 - A two-year notice of resignation as operator of Units 3 & 4 was provided by Talen on May 23, 2016
- Talen requested tax relief from the Montana legislature to keep Colstrip profitable
- Talen is considering all options regarding its ownership of Colstrip





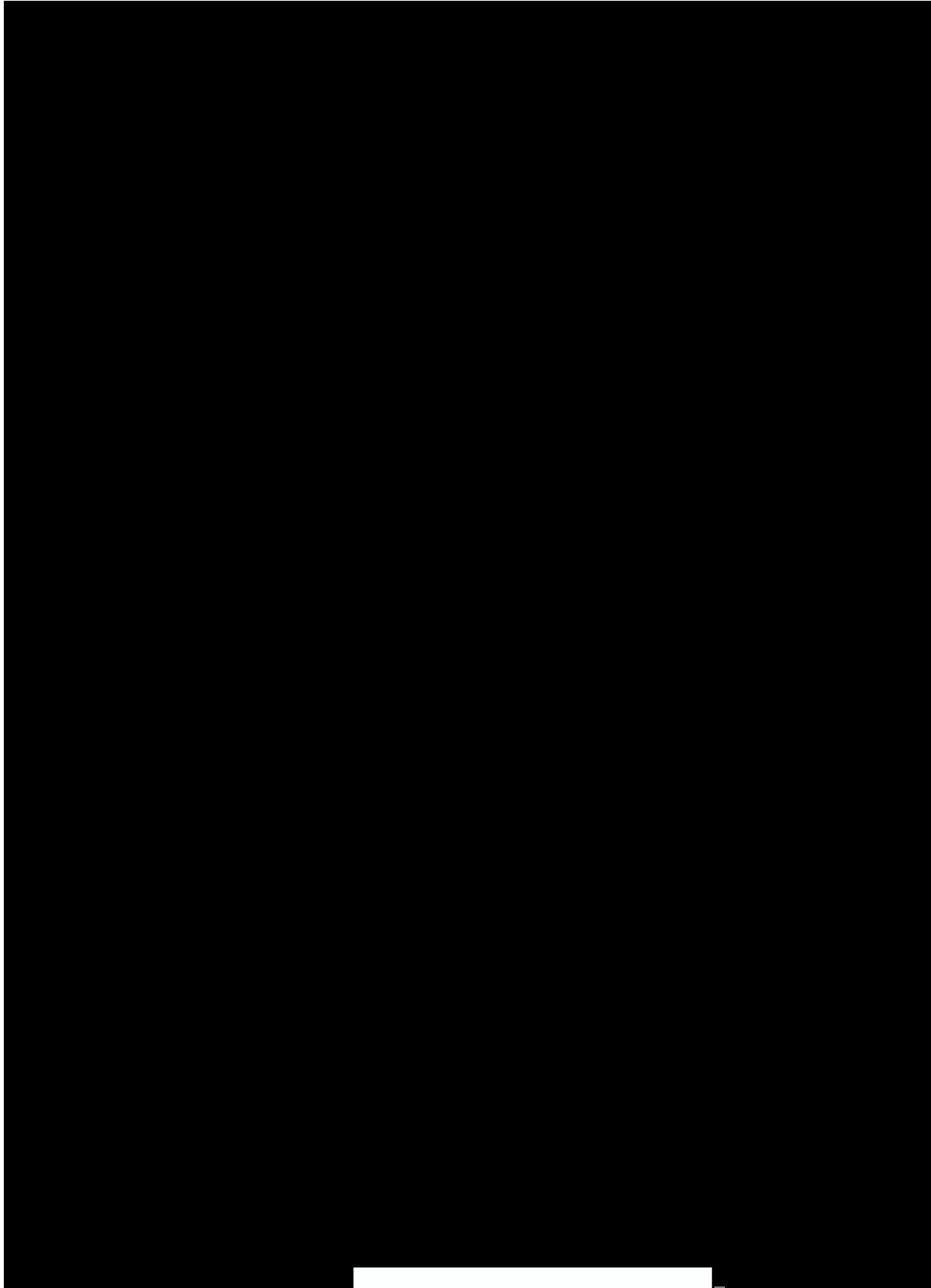
REDACTED
VERSION





REDACTED
VERSION





REDACTED
VERSION

