

EXHIBIT NO. \_\_\_\_\_ (CBY-3C)  
DOCKET NOS. UE-170033/UG-170034  
2017 PSE GENERAL RATE CASE  
WITNESS: CAMERON B. YOURKOWSKI

BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKETS UE-170033 and UG-170034  
(Consolidated)

EXHIBIT CBY-3C TO PREFILED RESPONSE TESTIMONY  
(REDACTED/NON-CONFIDENTIAL) OF CAMERON B. YOURKOWSKI  
ON BEHALF OF NW ENERGY COALITION

REDACTED VERSION

JUNE 30, 2017

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

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

**NWEC-RNW-NRDC DATA REQUEST NO. 003**

**“CONFIDENTIAL” “HIGHLY CONFIDENTIAL” Table of Contents**

<b>DR NO.</b>	<b>“CONFIDENTIAL” Material</b>
<b>003</b>	Designated Information is CONFIDENTIAL per Protective Order in WUTC Dockets UE-170033 & UG-170034 as marked in PSE’s Response to NWEC-RNW-NRDC Data Request No. 003.

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

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

**NWEC-RNW-NRDC DATA REQUEST NO. 003**

**NWEC-RNW-NRDC DATA REQUEST NO. 003:**

- a. Does PSE assume that some or all of the capacity on the Colstrip transmission line and the BPA transmission system that is presently dedicated to carrying electricity generated by Colstrip units 1 and 2 will be utilized by some other Montana-based generation resource or other generation resource that can access that east-west transmission system?
- b. If PSE does not make the assumption contained in subpart (a) above, what assumption, if any, does it make about the expected use of the transmission capacity previously used by Colstrip units 1 and 2?
- c. If PSE makes no assumption regarding how the capacity on the Colstrip transmission line that is presently dedicated to carrying electricity generated by Colstrip units 1 and 2 will be utilized post retirement of those units, please identify any changes PSE proposes in the regulatory treatment of the Colstrip transmission asset.
- d. How many Megawatts of firm transmission contracts does PSE have with BPA that are associated with the transmission of (1) Colstrip 1 and 2, and (2) Colstrip 3 and 4.

**Response:**

- a. Puget Sound Energy ("PSE") is currently using transmission capacity on the Colstrip Transmission System ("CTS") and transmission rights under the Montana Intertie Users ("MIA") to carry electricity generated by Colstrip Units 1-4. However, PSE does not consider that some portion of its transmission capacity on the CTS or its transmission rights under the MIA is "presently dedicated to carrying electricity generated by Colstrip Units 1 and 2." PSE transmission capacity on the CTS and transmission rights under the MIA will be used to carry electricity generated by Colstrip Units 3 and 4 even after closure of Colstrip Units 1 and 2.

PSE currently has no basis for assuming that any particular Montana-based generation resource or other generation resource would use PSE's transmission capacity on the CTS or its transmission rights under the MIA.

PSE currently makes, and plans to make, its available transmission capacity ("ATC") on the CTS available in accordance with the CTA (including, for example, Appendix A thereof, Colstrip Transmission System – Transmission Service and Interconnection Processes and Procedures) and in accordance with PSE's Open Access Transmission Tariff ("OATT"). The CTA and PSE's OATT include timelines and processes for requesting ATC from PSE on the CTS. PSE currently uses, and plans to use, its transmission rights under the MIA consistent with the MIA.

See also PSE's Response to NWECC-RNW-NRDC Data Request No. 002.

- b. See PSE's response to subpart (a).
- c. See PSE's response to subpart (a).

PSE has a CTS formula transmission rate in its OATT, generally based on the cost of the facilities. (See FERC Docket ER12-778.) The rate is updated annually.

PSE does not otherwise anticipate proposing changes in the regulatory treatment of its CTS asset. That asset will remain used and useful in carrying electricity generated by Colstrip Units 3 and 4.

- d. See PSE's response to subpart (a).

Under the CTA, PSE has "Requirements Capacity" (as that term is defined in CTA section 2(k)) on the Colstrip-to-Broadview segment of 746.0 MW and on the Broadview-to-Townsend segment of 758.6 MW. Those MW amounts are not dedicated under the CTA to particular Colstrip Units, and PSE does not consider that a portion of its transmission capacity on the CTS is necessarily "associated with" the transmission of electricity generated by (1) Colstrip Units 1 and 2 as contrasted, for example, with (2) Colstrip Units 3 and 4.

Under the MIA, PSE has a "Transmission Demand" (as that term is defined in MIA section 1(e)) on the Bonneville Power Administration's ("BPA") Eastern Intertie from Townsend to Garrison of 680 MW. See MIA Revision F of Exhibit D, page 1 of 5. That MW amount is not dedicated under the MIA to particular Colstrip Units, and PSE does not consider that a portion of its Transmission Demand on BPA's Eastern Intertie is necessarily "associated with" the transmission of electricity generated by (1) Colstrip Units 1 and 2 as contrasted, for example, with (2) Colstrip Units 3 and 4.

Under point-to-point contract(s) with BPA for transmission on BPA's main grid from [REDACTED], PSE has a Transmission Demand of [REDACTED]. The MW amounts are not dedicated under the point-to-point contract(s) to particular Colstrip Units, and PSE does not consider that a portion of this Transmission Demand is necessarily "associated with" the transmission of electricity generated by (1) Colstrip Units 1 and 2 as contrasted, for example, with (2) Colstrip Units 3 and 4.

REDACTED VERSION