

**EXH. KJH-3  
DOCKET U-180680  
WITNESS: KIMBERLY J. HARRIS**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**IN THE MATTER OF THE JOINT  
APPLICATION OF PUGET SOUND  
ENERGY, ALBERTA INVESTMENT  
MANAGEMENT CORPORATION,  
BRITISH COLUMBIA INVESTMENT  
MANAGEMENT CORPORATION,  
OMERS ADMINISTRATION  
CORPORATION, AND PGGM  
VERMOGENSBEHEER B.V. FOR AN  
ORDER AUTHORIZING PROPOSED  
SALES OF INDIRECT INTERESTS  
IN PUGET SOUND ENERGY**

**Docket U-180680**

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

**KIMBERLY J. HARRIS**

**ON BEHALF OF PUGET SOUND ENERGY**

**SEPTEMBER 5, 2018**



Canada Pension Plan Investment Board  
One Queen Street East, Suite 2500  
Toronto, ON M5C 2W5 Canada  
[www.cppib.com](http://www.cppib.com)

Mr. Mark L. Johnson, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, Washington 98504-7250

RE: In the Matter of the Joint Application of Puget Sound Energy, Alberta Investment Management Corporation, British Columbia Investment Management Corporation, OMERS Administration Corporation, and PGGM Vermogensbeheer B.V. for an Order Authorizing Proposed Sales of Indirect Interests in Puget Sound Energy

Dear Mr. Johnson,

I serve as a board member of Puget Holdings LLC (“Puget Holdings”), Puget Energy and Puget Sound Energy (“PSE”), representing the ownership interest of Canada Pension Plan Investment Board (“CPPIB”) on these boards. CPPIB has been advised by management of Puget Holdings that (i) the interest in Puget Holdings currently held by funds managed by Macquarie Infrastructure Partners Inc. (“MIP Funds”) and a Macquarie entity, Padua MG Holdings LLC (together with the MIP Funds, “Macquarie”) are proposed to be acquired by four buyers: Alberta Investment Management Corporation (“AIMCo”); British Columbia Investment Management Corporation (“BCI”); OMERS Administration Corporation (“OAC”); and PGGM Infrastructure Fund (collectively the “Proposed Transactions”) and (ii) after completion of the Proposed Transactions, Macquarie will no longer hold a direct or indirect ownership interest in Puget Holdings or PSE.

CPPIB is not participating in the Proposed Transactions, either as a buyer or a seller. CPPIB holds a 31.57 percent equity interest in Puget Holdings, and CPPIB’s equity interest in Puget Holdings will not change as a result of the Proposed Transactions. Two of the purchasers, AIMCo and BCI, were part of the original investor consortium that formed Puget Holdings and purchased Puget Energy in 2009, and CPPIB has worked productively with these investors since that time. CPPIB supports the Proposed Transactions and looks forward to continuing to work with AIMCo and BCI, as they increase their equity interest in PSE. CPPIB also looks forward to working with the two new investors—OAC and PGGM Infrastructure Fund—which we regard as well-qualified, institutional investors with long-term investment horizons and an investment philosophy that fits well with CPPIB, and with PSE.

CPPIB has been advised by management of Puget Holdings that the purchasers have acknowledged and affirmed their support for the existing commitments from (i) the 2008 Acquisition Order in Docket U-072375; (ii) the LNG Order in Docket UG-151663; and (iii) the 2017 general rate case order in Dockets UE-170033 and UG-170034 addressing Colstrip. These commitments have been consolidated, updated to remove commitments that have been satisfied and are no longer applicable, and clarified in the Appendix to the Joint Application filed with the



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Commission (as consolidated, updated and clarified, collectively, the “Updated Commitments”), a copy of which has been provided to CPPIB. CPPIB supports the Updated Commitments.

A handwritten signature in black ink that reads "Christopher Hind".

Christopher Hind