

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Investigation of AVISTA CORPORATION d/b/a AVISTA  
UTILITIES, PUGET SOUND ENERGY, and PACIFIC POWER LIGHT COMPANY  
Regarding Prudency of Outage and Replacement Power Costs

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DOCKET UE-190882

**AVI ALLISON ON BEHALF OF PUBLIC COUNSEL UNIT**

**EXHIBIT AA-14**

Puget Sound Energy Response to Staff Data Request No. 3

January 10, 2020

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Dockets UE-190324  
Puget Sound Energy  
Power Cost Adjustment Mechanism Annual Report**

**WUTC STAFF INFORMAL DATA REQUEST NO. 003**

SUBPART A: Provide all presentations, notes, minutes, correspondence (including emails) between Talen, Owners of Units 3 and 4, MDEQ and PSE relating to the 2018 Colstrip Outage and Derate to Units 3 and 4.

SUBPART B: According to Mr. Roberts, Colstrip Unit 3 was taken out of service by Talen on June 28, 2018 and Unit 4 on June 29, 2018. He also states that Talen detected its violation of its Air Permit (#0513-14) on June 21, 2018 for Unit 3 and Unit 4 on June 26, 2018.

- Describe the actions taken by PSE and/or Talen to immediately address the violation of the air permit (including replacement power) in the seven-days between when the violation was detected and when Talen informed MDEQ.
- Provide a copy of the letter, email, correspondence and/or notice (including date) where Talen informed PSE that it was in violation of its air permit.

SUBPART C: Explain to whom or what is Mr. Roberts referring to by “internal and external efforts” and “manufacturer specifications.” Please list the individuals and/or entities involved in the investigations described in the background section above. Describe the activities of each such individual and/or entity in the investigation into root cause and implementation of corrective action related to the 2018 outage and derate of Colstrip Units 3 and 4. Provide the current status of the investigation(s) given the results of the initial investigation were inconclusive as to root cause and the remedial actions described by Mr. Roberts above may or may not have resolved the air pollution issues with Unit 3 and 4.

SUBPART D: Provide all reports, analysis, drafts, documents, work product, correspondence (including, but not limited to, email communications) generated by the individuals and/or entities, identified in SUBPART C above.

SUBPART E: Does PSE plan to file in this docket any of the materials it identified in its response to SUBPART C and/or any other materials related to the 2018 outage and derate of Units 3 and 4? Does the Company plan to supplement the prefiled direct testimony and/or exhibits of any of its witnesses? Will PSE introduce any new witnesses and testimony to this docket (Docket UE-190324)?

SUBPART F: Mr. Roberts indicates that “Talen MT is conducting a more in-depth analysis of the potential factors that caused the elevated particulate levels.” What is the current status of Talen’s “in-depth” analysis and when will it be completed?

SUBPART G: Provide all of the correspondence (including emails), documents, data, reports and analysis relating to Talen’s investigation into increase particulate matter levels in Q1 of 2018 referred to above.

SUBPART H: Provide all presentations, notes, minutes, emails and any other documentation provided to PSE’s management and/or Board of Directors concerning the Q1 2018 investigation into increased particulate matter (referred to in SUBPART F above) and the 2018 outage and derate of Colstrip Units 3 & 4. Include also all documentation, transcripts, notes, letters, correspondence memorializing decisions made by PSE’s management and/or Board of Directors concerning the Q1 2018 investigation into increased particulate matter (referred to in SUBPART F above) and the 2018 outage and derate of Units 3 & 4 (including decisions related to capital costs, expense, coal fuel supply and costs, and possible retirement of both units). If PSE’s management and/or Board of Directors made any decisions regarding the Q1 2018 investigation into increased particulate matter (referred to in SUBPART F above) and the 2018 Unit 3 & 4 outage and derate without memorializing them in a discoverable record, explain why.

SUBPART I: Mr. Roberts says that “Talen MT is working with MDEQ to determine appropriate penalties and compliance measures, which may include more frequent particulate matter testing or daily scrubber monitoring.”<sup>1</sup> Does PSE know the dollar amount and timing of when these penalties and enforcement actions will be imposed by MDEQ? Will PSE seek recovery of its share of the environmental penalties and/or added compliance costs imposed by MDEQ on Colstrip Units 3 and 4 in this case or will they be included in PSE’s 2019 rate case?

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<sup>1</sup> UE-190234, Roberts Exhibit No. RJR-1T, Page 6:16-18.

**Response:**

PSE objects to WUTC Staff Informal Data Request No. 003 to the extent it purports to impose obligations upon PSE in excess of those required by the Washington Utilities and Transportation Commission's discovery rules (WAC 480-07-400 through 480-08-425). Without waiving such objection, and subject thereto, PSE responds as follows:

**SUBPART A**

Puget Sound Energy ("PSE") objects to WUTC Staff Informal Data Request No. 003, Subpart A, as neither relevant to this proceeding nor reasonably calculated to lead to the discovery of admissible evidence to the extent it requests information regarding penalties or below-the-line costs. Without waiving such objection, and subject thereto, PSE responds as follows:

Please see Attachment A to WUTC Staff Informal Data Request No. 003 for correspondence between Talen, Owners of Units 3 and 4, Montana Department of Environmental Quality ("MDEQ") and PSE relating to the 2018 Colstrip Outage and Derate to Units 3 and 4. Please also refer to the information provided in PSE's Responses to WUTC Staff Informal Data Request Nos. 001, 002, and 004.

**SUBPART B**

The compliance particulate matter (PM) tests occurred on 6/21/18 for Unit 3 and 6/26/18 for Unit 4, but final results from that testing was not received until June 28, 2018. The test utilizes a medium that must be dried after the physical collection to determine the results. Talen informed MDEQ of the test results on the same day it received the results (June 28, 2018). Attachment A to PSE's Response to WUTC Staff Informal Data Request No. 003 provides the document sent to MDEQ in response to their information request related to the Units 3&4 MATS PM issue.

The PM MATS violation was communicated by telephone to the co-owners on June 27, 2018.

**SUBPART C**

Attached as Attachment B to WUTC Staff Informal Data Request No. 003, please find a letter provided to the Montana Department of Environmental Quality titled "Response to MDEQ Colstrip MATS Information Request 9\_17\_18.pdf". Section 5 describes the investigation into root cause and implementation of corrective action related to the 2018 outage and derate of Colstrip Units 3 and 4. Please note that Attachment B references a MS Excel spreadsheet entitled, "Colstrip PM MATS DEQ Submittal 2018-09-17". PSE

does not possess this spreadsheet, but PSE is contacting Talen MT to obtain a copy. PSE will supplement this informal data request and provide such copy to WUTC Staff when PSE receives it.

#### SUBPART D

Please see PSE's Response to WUTC Staff Informal Data Request No. 003, Subpart C, above.

#### SUBPART E

PSE has not contemplated filing additional testimony in this proceeding or whether it may be necessary to do so.

#### SUBPART F

The analysis of the potential factors that caused the elevated particulate levels is still in process and Talen MT has indicated the work product is anticipated to be complete in early June.

#### SUBPART G

PSE does not have any correspondence (including emails), documents, data, reports and analyses relating to Talen's investigation into increase particulate matter levels in Q1 of 2018 referred to above. As plant operator, Talen MT is tasked with maintaining the plant and, given that the facility was within compliance range, communication was not provided to PSE related to the 2018 Q1 elevated MATS PM tests.

#### SUBPART H

As stated in PSE's Response to WUTC Staff Information Data Request No. 003, Subpart G, PSE does not have any presentations, notes, minutes, emails and any other documentation provided to PSE's management and/or Board of Directors concerning the Q1 2018 investigation into increased particulate matter. PSE's management and/or Board of Directors did not make any decisions related to the Q1 2018 investigation into increased particulate matter so no documentation, transcripts, notes, letters, correspondence memorializing decisions are available.

Please see Attachment B to PSE's Response to WUTC Staff Informal Data Request No. 003 for documentation provided to PSE via Talen MT concerning the 2018 outage and derate of Colstrip Units 3 & 4.

SUBPART I

PSE does not know for certain the dollar amount and timing of when penalties and enforcement actions will be imposed by the MDEQ. In communication with Talen MT, who is working with MDEQ on behalf of the Colstrip facility, PSE understands the penalty is likely to be between \$400,000 - \$450,000 in total, with PSE responsible for approximately 25%. PSE does not know when MDEQ will file the penalty and enforcement provisions. Any penalties or costs associated with compliance will not be incorporated into this docket or included in PSE's 2019 general rate case.