

EXHIBIT NO. ___(MLJ-14)
DOCKET NO. UE-07___/UG-07___
2007 PSE GENERAL RATE CASE
WITNESS: MICHAEL L. JONES

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

Docket No. UE-07___
Docket No. UG-07___

**THIRTEENTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF
MICHAEL L. JONES
ON BEHALF OF PUGET SOUND ENERGY, INC.**

DECEMBER 3, 2007



NorthWestern Corporation
 d/b/a NorthWestern Energy
 40 East Broadway Street
 Butte, MT 59701
 Telephone: (406) 497-4250
 Facsimile: (406) 497-2054
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May 1, 2006

Mr. Neil J. Dennehy
 Manager, Fossil Generation Assets
 PPL Montana, LLC
 Colstrip Steam Electric Station
 P.O. Box 38
 Colstrip, Montana 59323

RE: Letter Agreement – Colstrip Steam Electric Station Operating Limit

Dear Neil,

This Letter Agreement is intended to document and memorialize the agreement we reached with you, as the representative of PPL Montana, LLC acting in your capacity as Colstrip Steam Electric System (“SES”) Operator during our telephone call held March 22, 2006.

As we discussed, effective immediately, the Colstrip SES Operator and NorthWestern Energy agree that the maximum coincident total interconnected generation level of the four Colstrip Units in any combination will be no more than 2100 MW delivered to NorthWestern Energy’s transmission system and/or the 500 kV Colstrip Project Transmission System (the “Colstrip SES Operating Limit”). The Colstrip SES Operator will set its operating control system to comply with this limit.

It is further agreed, that the gross and net generation interconnection levels for each of the Colstrip Units is detailed in the table below. However, NorthWestern Energy recognizes that individual unit operation may vary depending on operating conditions and the net energy delivered to the transmission system by unit may be different than those listed in the table below. The Colstrip Units may be operated in any reasonable combination; however, in no event shall the energy delivered to the transmission system be in excess of the Colstrip SES Operating Limit of 2100 MW.

Unit	Gross Generation (MW)	Net Generation (MW)
Colstrip 1	333	310
Colstrip 2	333	310
Colstrip 3	805	740
Colstrip 4	805	740

No studies or upgrades to the NorthWestern Energy transmission system or the interconnection facilities or other actions are necessary to accommodate the interconnection of the Colstrip units up to the Colstrip SES Operating Limit of 2100 MW; provided that: (1) NorthWestern Energy,

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using Good Utility Practice, has determined that the transmission system and its components utilized for the integration of the Colstrip Units are in service, operating normally and are not exceeding operating criteria and (2) the Colstrip SES Operator does not change the electrical design characteristics or dynamic performance of any of the interconnected Colstrip Units. The Colstrip Units shall be permitted to return to service immediately following the efficiency upgrades described in the Generator Interconnection Requests (initially submitted on June 22, 2005) up to the 2100 MW limit described herein.

This Letter Agreement is not intended to affect (1) the processing of the Generator Interconnection Requests (initially submitted on June 22, 2005) by the Colstrip SES Operator for the Colstrip Units 1-2 and 3-4 Efficiency Improvement Projects or (2) the right of the Colstrip SES owners to submit additional generator interconnection requests in the future.

NorthWestern Energy Transmission System Operators will notify the Colstrip SES Operator anytime the total Colstrip SES exceeds 2100 MW delivered to the transmission system and direct the Colstrip SES Operator to adjust the total generation level down to the Colstrip SES Operating Limit of 2100 MW. Due to the need to operate the transmission system reliably, the Colstrip SES Operating Limit will be monitored closely. Each of PPL Montana, as the Colstrip SES Operator, and NorthWestern Energy shall be responsible for their own monitoring costs. This Letter Agreement does not affect the rights of the parties in the event that verbal communications with the Colstrip SES Operator proves to be ineffective, such rights being expressly reserved.

The Colstrip SES Operating Limit applies only to the generation interconnection and does not define the amount of firm Transmission Service rights applicable to each Colstrip SES Owner. Transmission rights to move Colstrip SES energy across the 500 kV Colstrip Project Transmission System are provided for under the terms of the Colstrip Project Transmission Agreement (“CPTA”). Further, Transmission Service on NorthWestern Energy’s transmission system is provided for and can be arranged under NorthWestern Energy’s Open Access Transmission Tariff (“OATT”). This Letter Agreement is not intended to, and does not modify in any way, transmission rights or service provided to any Colstrip SES Owner under the terms and conditions of the CPTA or transmission service provided to any Colstrip SES Owner under the terms and conditions of NorthWestern Energy’s OATT.

Please indicate the Colstrip SES’s concurrence with this Letter Agreement by having both originals of this Letter Agreement executed by an authorized representative of the Colstrip SES. Please return one of the executed originals to my attention. Thank you for your cooperation in this matter.

Sincerely,



Mike Cashell
Director, Transmission Marketing
and Business Planning

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Agreed to by PPL Montana, LLC on behalf of the Colstrip SES

By: Neil Dennehy

Printed Name: Neil Dennehy

Title: Manager, Fossil Fuel Assets

Date: 5/5/06