

Additionally, TransAlta Centralia has the right to terminate the Memorandum of Agreement if, as of December 15, 2012 (which date can be extended for a year), TransAlta Centralia has not been able to enter into long-term power purchase agreements for at least 500 megawatts of power.<sup>66</sup>

**Q. Does TransAlta Centralia intend to terminate the Memorandum of Agreement in 2012?**

A. No. TransAlta Centralia has informed Governor Gregoire that it will not terminate the Memorandum of Agreement in 2012. *See* Exhibit No. \_\_\_ (RG-1514), which is a letter dated October 24, 2012, from Paul Taylor to Governor Gregoire.

**Q. What rights does PSE have if TransAlta Centralia elects to terminate the Memorandum of Agreement after 2012?**

A. [REDACTED]

[REDACTED]

[REDACTED]<sup>67</sup> [REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]<sup>68</sup> It is in the best interest of PSE's ratepayers that PSE have the right to decide whether to terminate under

<sup>66</sup> Garratt, Exh. No. \_\_\_ (RG-8HC), at pages 441-42 (section 8(c) of the Memorandum of Agreement).

<sup>67</sup> Garratt, Exh. No. \_\_\_ (RG-3C), at pages 38-39 (section 17.3 of the Coal Transition PPA).

<sup>68</sup> *Id.*