

EXHIBIT NO. _____ (TMP-13R)
DOCKET NOS. UE-170033/UG-170034
2017 PSE GENERAL RATE CASE
WITNESS: THOMAS MICHAEL POWER

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 TMP-13R TO THE
CROSS-ANSWERING TESTIMONY (NON-CONFIDENTIAL) OF
THOMAS MICHAEL POWER
ON BEHALF OF NORTHWEST ENERGY COALITION, RENEWABLE NORTHWEST,
AND NATURAL RESOURCES DEFENSE COUNCIL
REDACTED/NON-CONFIDENTIAL

AUGUST 9, 2017

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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

WUTC STAFF DATA REQUEST NO. 185

“CONFIDENTIAL” “HIGHLY CONFIDENTIAL” Table of Contents

DR NO.	“CONFIDENTIAL” Material
185	Designated Information in PSE’s Response to WUTC STAFF Data Request No. 185 is CONFIDENTIAL per Protective Order in WUTC Dockets UE-170033 and UG-170034.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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

WUTC STAFF DATA REQUEST NO. 185

WUTC STAFF DATA REQUEST NO. 185:

Please provide any studies, reports, or other documents demonstrating that Colstrip Units 1 and 2 would be uneconomical to operate in the absence of a co-owner.

REDACTED VERSION

Response:

Puget Sound Energy (“PSE”) prepared an analysis comparing the portfolio costs of three potential ownership scenarios: (1) Scenario 1: Colstrip Units 1 and 2 continue to operate business as usual with two co-owners until shutdown in 2022; (2) Scenario 2: PSE becomes the sole operator of Colstrip Units 1 and 2 (up to PSE’s maximum capacity of 307 MW) until shutdown in 2022, thereby absorbing 100% of the fixed costs; and (3) Scenario 3: Colstrip Units 1 and 2 shut down early in 2017. In addition, PSE ran the cases under two different scenarios, with and without a CO2 tax.

As shown below, PSE estimates the added present value cost of Scenario 2 is \$ [REDACTED].

PSE estimates the present value impact of Scenario 3 ranges from a cost of \$ [REDACTED] to a benefit of \$ [REDACTED].

The estimated present value cost of Scenario 2 as compared to Scenario 3, ranges from \$ [REDACTED] to \$ [REDACTED].

Portfolio Costs (\$ in Millions)	Change from Business as Usual Cost/(Benefit)		Change from Business as Usual Cost/(Benefit)	
	w/CO2	No CO2	w/CO2	No CO2
Colstrip Shutdown 2022 Business as Usual	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Colstrip Shutdown 2022 PSE Sole Operator	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]
Colstrip Shutdown 2017	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]	\$ [REDACTED]

PSE has detailed files with confidential modeling supporting this analysis and will supplement this Response.