

**Exh. JL-12C**  
**Dockets UE-190529/UG-190530 and**  
**UE-190274/UG-190275 (*consolidated*)**  
**Witness: Jing Liu**  
**REDACTED VERSION**

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**DOCKETS UE-190529  
and UG-190530 (*consolidated*)**

**In the Matter of the Petition of**

**PUGET SOUND ENERGY**

**For an Order Authorizing Deferral  
Accounting and Ratemaking Treatment  
for Short-life UT/Technology Investment**

**DOCKETS UE-190274 and  
UG-190275 (*consolidated*)**

**EXHIBIT TO TESTIMONY OF**

**Jing Liu**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

***PSE Support for Colstrip Major Maintenance 2020***

**November 22, 2019**

**CONFIDENTIAL PER PROTECTIVE ORDER – REDACTED VERSION**

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Dockets UE-190529 & UG-190530  
Puget Sound Energy  
2019 General Rate Case**

**WUTC STAFF DATA REQUEST NO. 093**

**“CONFIDENTIAL” Table of Contents**

<b>DR NO.</b>	<b>“CONFIDENTIAL” Material</b>
<b>093</b>	Shaded information is designated as CONFIDENTIAL per Protective Order in Dockets UE-190529 and UG-190530 as marked in Puget Sound Energy’s Response as well as in Attachment A to WUTC Staff Data Request No. 093.

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Dockets UE-190529 & UG-190530  
Puget Sound Energy  
2019 General Rate Case**

**WUTC STAFF DATA REQUEST NO. 093:**

**Re: Colstrip Unit 4 Major Maintenance Estimate in 2020**

With reference to Mr. Robert's workpaper in RJR\_WB\_C\_2019\_GRC\_Production\_OM\_WorkPaper\_Rvn17Apr(C), at Tab "Colstrip 3&4 Talen budget (C)," titled "Units 3 & 4 Business Plan 2019 – 2023," please provide supporting documents and the calculation for the estimated \$ [REDACTED] in overhaul O&M costs for Colstrip Unit 4 in June 2020 and the estimated \$ [REDACTED] in overhaul O&M costs for Colstrip Unit 3 in June 2021.

**SHADED INFORMATION IS DESIGNATED AS  
CONFIDENTIAL PER PROTECTIVE ORDER IN WUTC  
DOCKETS UE-190529 AND UG-190530**

**Response:**

Please note that for the 2019 general rate case, only the costs associated with the 2020 overhaul were included in the calculation of production operations and maintenance ("O&M") costs, as the 2021 overhaul would not be completed until after the end of the rate year. Consistent with the settlement agreement in Puget Sound Energy's ("PSE") 2014 power cost only rate case, Docket UE-141141, PSE uses the budgeted costs of major maintenance events for Colstrip.<sup>1</sup> Accordingly, PSE used the approved Colstrip Unit 3&4 2019 budget, with projections for the years 2020-2023, to make the best estimate of major maintenance costs in determining production O&M for this rate case. Please see Attachment A to PSE's Response to WUTC Staff Data Request No. 093 for the referenced document. PSE used the test year to determine all other Colstrip costs in this proceeding.

In the budget process for the Colstrip facility, the Colstrip co-owners consider, deliberate and eventually approve a budget that is presented yearly by Talen MT in their role as plant operator. The approved budget then sets the spending targets and work plan for the following year and provides estimated assumptions for the next four years.

The 2020 and 2021 estimates of \$ [REDACTED] and \$ [REDACTED] were provided by Talen MT as the proposed costs for major maintenance work for each Colstrip unit in the approved 2019 budget, which was presented in late 2018. The estimates are based on

<sup>1</sup> Bullet 2 of paragraph 11 of the Settlement Stipulation which was Appendix A to Order 04 in Docket UE-141141.

previous experience of overhauls on the units including: best practices, industry standards, original manufacturer's specifications, and plant observations of necessary work. The estimates for years 2020 and beyond will be refined yearly as the budget cycles get closer to the year of actual work and more information is obtained. Additionally, the scope of the outages can change once hands-on work is begun and the needs of the unit can be established.

Shaded information is designated as CONFIDENTIAL per Protective Order in Dockets UE-190529 and UG-190530 as marked in PSE's Response as well as in Attachment A to WUTC Staff Data Request No. 093.

**ATTACHMENT A to PSE's Response to  
WUTC Staff Data Request No. 093**