

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Joint Application of)
PUGET SOUND ENERGY,)
ALBERTA INVESMENT MANAGEMENT)
CORPORATION,)
BRITISH COLUMBIA INVESTMENT)
MANAGEMENT CORPORATION,) DOCKET U-180680
OMERS ADMINISTRATION)
CORPORATION, and OGGM)
VERMOGENSBEHEER B.V.)
)
)
For an Order Authorizing Proposed Sales of)
Indirect Interests in Puget Sound Energy.)
_____)

**CONFIDENTIAL EXHIBIT MMH-3C
JOINT APPLICANTS' RESPONSES TO AWEC DATA REQUESTS
(REDACTED VERSION)**

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket U-180680
Sale of Non-Controlling Interest in Puget Holdings LLC**

AWEC DATA REQUEST NO. 013

AWEC DATA REQUEST NO. 013

Reference page 55-56 of Exh. SZ-3, Section 5.16. Please explain in detail why OMERS sought to include this provision in the PSA

Response:

OMERS Administration Corporation (“OMERS”) negotiated the inclusion of Section 5.16 of its PSA with Macquarie while Macquarie was in the process of allocating the sale of the balance of its interest in Puget Holdings LLC (“Puget Holdings”), to ensure that it would be the second largest member of Puget Holdings following closing of the proposed transactions. Puget Holdings is a very attractive investment for OMERS, fitting very well into its investment strategy. Given the size and significance of OMERS’ investment, OMERS simply wanted to establish certainty as to OMERS’ relative ownership stake in Puget Holdings as the Macquarie transactions were being finalized.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket U-180680
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AWEC DATA REQUEST NO. 023

AWEC DATA REQUEST NO. 023

Please provide all formation, organizational, and governing documents for the Hamilton Infrastructure Trust.

Response:

OMERS Administration Corporation (“OMERS”) objects that AWEC Data Request No. 023 seeks documents that are not relevant or likely to lead to the discovery of relevant information. This question seeks details regarding an upstream entity that does not provide funds for the proposed transaction involving OMERS, nor do funds for such transaction flow through this entity. Given that discovery in this proceeding must be "narrowly defined and focused on the proposed transaction," (Docket U-180680, Order 01 at 8), formation, organizational, and governance details of such an entity are not reasonably probative for consideration of this transaction. Subject to and without waiving these objections, OMERS responds as follows.

OMERS, through its wholly-owned subsidiaries, BPC Penco XV Corporation and OCM Holdings Inc., indirectly holds 100 percent of the economic interests in Moby Canada Limited Partnership. OMERS also indirectly holds 30 percent of the voting, non-participating shares in the capital of Moby GP. The remaining 70 percent of the voting, non-participating shares of Moby GP are indirectly held by an unaffiliated Canadian trust, Hamilton Infrastructure Trust, through Hamilton Infrastructure Holdings Inc. (“HIHI”). This structure is required under what is known as the “30-percent rule” pursuant to the Ontario Pension Benefits Act, R.S.O., 1990, Chapter P.8, which restricts Canadian provincially-regulated pension plans from holding more than 30 percent of the voting shares of a company.

OMERS holds 100 percent of the participating interests in HIHI. Despite its limited voting interest in Moby GP, OMERS has appropriate provisions in place to protect its economic interests through shareholders agreements relating to Moby GP’s intermediary parents. OMERS has, among other rights, the ability to “call” the shares of HIHI held by Hamilton Infrastructure Trust and/or cause Hamilton Infrastructure Trust to transfer to its voting shares to another party. Neither Hamilton Infrastructure Trust nor HIHI will have any management rights in Puget Sound Energy.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket U-180680
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AWEC DATA REQUEST NO. 043

AWEC DATA REQUEST NO. 043

Please identify each and every change the Puget Holdings Members intend to make to the Puget Holdings LLC Agreement following consummation of the transaction, specifically including but not limited to, changes to Sections: 3.03(d), 4.03, 4.09, 7.01(a), 7.05(a), 7.05(d), 7.07(g), and 7.07(h)

Response:

The Joint Applicants do not intend to make any substantive amendments to the Second Amended and Restated Limited Liability Company Agreement of Puget Holdings LLC (the "Puget Holdings LLC Agreement") following consummation of the proposed transactions. At this time, the Joint Applicants have only discussed conforming changes to be made to the Puget Holdings LLC Agreement following consummation of the proposed transactions to account for the change of members, but no specific changes have yet been proposed.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket U-180680
Sale of Non-Controlling Interest in Puget Holdings LLC**

AWEC DATA REQUEST NO. 048

AWEC DATA REQUEST NO. 048

Following consummation of the transaction, please identify all changes to the Puget Intermediate Second Amended and Restated Senior Secured Loan Agreement ("Loan Agreement") that will occur or that the buyers intend to make, specifically including but not limited to: the parties; the principle amount; the interest rate; the term; and

[REDACTED]

Response:

Each of the Joint Applicants objects to AWEC Data Request No. 048 as calling for speculation. Subject to and notwithstanding this objection, the Joint Applicants respond as follows.

The Joint Applicants intend to

[REDACTED]

[REDACTED]. As a result, each of Alberta Investment Management Corporation, British Columbia Investment Management Corporation, OMERS Administration Corporation, and PGGM Vermogensbeheer B.V. will

[REDACTED].

Designated information in the Joint Applicants' Response to AWEC Data Request No. 048 is designated CONFIDENTIAL per Protective Order in WUTC Docket U-180680.

REDACTED
VERSION

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket U-180680
Sale of Non-Controlling Interest in Puget Holdings LLC**

AWEC DATA REQUEST NO. 050

AWEC DATA REQUEST NO. 050

Please provide the net income, and return on investment, the Macquarie entities will realize from the purchase and sale of their share of Puget. Identify all components (including dates where available), including but not limited to revenue from sale received, original purchase price, capital infusions, dividends received, and treatment of goodwill.

**REDACTED
VERSION**

Response:

Each of the Joint Applicants objects to AWEC Data Request No. 050 on the ground that it seeks the production of documents that are neither relevant to the subject matter of this action nor reasonably calculated to lead to the discovery of admissible evidence and is overbroad as to time and scope, and is therefore unduly burdensome and oppressive. Given that discovery in this proceeding must be "narrowly defined and focused on the proposed transaction," (Docket U-180680, Order 01 at 8), information regarding the net income, and return on investment, the Macquarie entities will realize from the purchase and sale of their share of Puget Holdings LLC ("Puget Holdings") are not reasonably probative for consideration of the proposed transactions. Furthermore, the Macquarie entities are not parties to this proceeding. Subject to and without waiving these objections, the Joint Applicants respond as follows.

The Macquarie entities acquired their original interests in Puget Holdings pursuant to the terms and conditions of the transaction documents approved in Docket U-072375. Macquarie acquired an additional small interest on November 20, 2017 from FSS Infrastructure Trust. On August 8, 2018, each of the Buyers identified in the Joint Application entered into a Purchase and Sale Agreement to purchase a portion of Macquarie's non-controlling 43.99 percent ownership interest. Upon a review and comparison of the acquisition prices paid for its interest and the subsequent distributions received and the sale prices to be received upon financial close, it is expected that Macquarie will have earned an approximate [REDACTED] % annual return on its investment in Puget Holdings.

Designated information in the Joint Applicants' Response to AWEC Data Request No. 050 is designated CONFIDENTIAL per Protective Order in WUTC Docket U-180680.