

**EXH. RJR-11
DOCKET UE-200115
COLSTRIP UNIT 4 SALE
WITNESS: RONALD J. ROBERTS**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of the Application of
PUGET SOUND ENERGY**

**For an Order Authorizing the Sale of
All of Puget Sound Energy's Interests
in Colstrip Unit 4 and Certain of
Puget Sound Energy's Interests in
the Colstrip Transmission System**

Docket UE-200115

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED SUPPLEMENTAL DIRECT TESTIMONY OF**

RONALD J. ROBERTS

ON BEHALF OF PUGET SOUND ENERGY

AUGUST 20, 2020



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
PSE.com

Steve R. Secrist
*Sr. Vice President, General Counsel,
and Chief Ethics & Compliance Officer*

January 10, 2020

Portland General Electric Company
Director of Transmission and Reliability Services
121 SW Salmon St, 3WTC0402
Portland, OR 97204

Re: Rights of First Refusal pursuant to the Colstrip Project Transmission Agreement, as last dated September 27, 2013 among NorthWestern Corporation, Puget Sound Energy Inc., Avista Corporation, Portland General Electric Company and PacifiCorp, as amended from time to time

Ladies and Gentlemen:

Any capitalized term not defined in this letter shall have the definition set forth in the Colstrip Project Transmission Agreement.

Puget Sound Energy Inc. (“PSE”), has entered into a binding Colstrip Transmission System Purchase and Sale Agreement, dated December 9, 2019 (the “*Purchase Agreement*”), pursuant to which it has agreed to sell to Northwestern Corporation, a Delaware corporation (“*Buyer*”) and Buyer has agreed to buy PSE’s undivided interest in the Puget Transmission Ownership Interest representing not less than 95 MW, consisting of not less than a four and 2/10ths percent (4.2%) interest in the Colstrip to Broadview Segment and a four and 9/10ths percent (4.9%) interest in the Broadview to Townsend Segment for a price to be determined at the time of closing pursuant to Section 2.2 of the Purchase Agreement (the “*Transaction*”). An execution copy of the Purchase Agreement is enclosed herewith.

Section 28 of the Colstrip Project Transmission Agreement requires PSE to offer its Project Share to the other Transmission Owners “at the amount of, and on terms not less advantageous than, those of a bona fide offer from a buyer able and willing to purchase such Owner’s or Transmission Owner’s interest.” The portion of such interest to be offered to each Transmission Owner must be equal to the proportionate interest of each Transmission Owner in the Project after excluding the interest being offered. Accordingly, PSE hereby formally offers to you the right to purchase your proportionate share of its Project Share. The Colstrip Project Transmission Agreement requires that such offer be held open for a period of 90 days. Further, if at the end of the 90-day period, any Transmission Owner shall have failed to accept such offer, the proportionate interest offered to such Transmission Owner shall be offered on a pro rata basis to the other Transmission Owners, who shall have a further period of 7 days to accept the same.

The process shall be repeated until all Transmission Owners then being offered an interest shall have failed to accept such offer.

Should you choose to exercise your right of first refusal, you must submit, and be fully prepared and capable of executing and consummating, a purchase agreement that contains terms no less advantageous than the terms and conditions set forth in the attached Purchase Agreement.

Should you decline to exercise your right of first refusal, PSE respectfully requests that you expressly waive your right of first refusal and/or right of first offer under Section 28 of the Colstrip Project Transmission Agreement with respect to the Transaction in order to expedite PSE's closing of the Transaction with Buyer. If you are willing to waive such right, please countersign a copy of this letter below under "WAIVER" and return it to the undersigned as soon as possible. PSE has made the same request of all other Transmission Owners.

If you do not affirmatively exercise your right to purchase your proportionate share of PSE's Project Share within 90 days of the date of this letter, your rights pursuant to Section 28 of the Colstrip Project Transmission Agreement with respect to the Transaction will be deemed to be waived.

Thank you for your prompt consideration of this matter.

Very truly yours,



Steve Secrist
Senior Vice President, General Counsel,
Corporate Secretary and Chief Ethics & Compliance Officer

Enclosures

WAIVER

The undersigned hereby agrees to waive its right of first refusal and/or right of first offer under Section 28 of the Colstrip Project Transmission Agreement in connection with the Transaction described above.

PORTLAND GENERAL
ELECTRIC COMPANY

Date: _____

By: _____
Name: _____
Its: _____

[ATTACHMENT: EXECUTED COPY OF PURCHASE AND SALE AGREEMENT]