

**EXH. RJR-13
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**

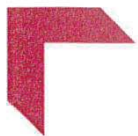
Docket UE-200115

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

RONALD J. ROBERTS

ON BEHALF OF PUGET SOUND ENERGY

AUGUST 20, 2020



April 8, 2020

Steve R. Secrist
Sr. Vice President, General Counsel,
and Chief Ethics & Compliance Officer
Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734

Re: Rights of First Refusal pursuant to the Ownership and Operation Agreement, dated May 6, 1981, as amended by Amendment No. 1 dated October 11, 1991, Amendment No. 2 dated July 13, 1998, Amendment No. 3 entered into in 2004, and Amendment No. 4 entered into in 2008, between Buyer, Seller, Portland General Electric Company, the Washington Water Power Company (now Avista), and Pacific Power & Light Company (now PacifiCorp)

Dear Steve:

NorthWestern Corporation (“NWE” or “Buyer”) is aware that on or about January 10, 2020, Puget Sound Energy, Inc. (“PSE” or “Seller”) provided written notice to Portland General Electric Company, Avista Corporation, Talen Montana, LLC, and PacifiCorp of the Colstrip Unit 4 Purchase and Sale Agreement (“Purchase and Sale Agreement”) between Buyer and Seller dated December 9, 2019, and of the 90-day period during which other Project Users may be able to exercise rights of first refusal in accordance with Section 24 of the Ownership and Operation Agreement.

In response, NWE, as a Project User, hereby provides notice of its conditional exercise of its right of first refusal **if (and only if)** one or more other Project Users also exercise their rights of first refusal. While other Project Users may have rights under Section 24 proportionate to their respective shares of the Unit 3 and 4 Project, Buyer is itself a Project User, and it chooses, therefore, to conditionally exercise its right so as to avoid the possibility that one or more Project Users may claim an ability to purchase the interests that are the subject of the Purchase and Sale Agreement without regard to NWE’s own proportional interests as a fellow Project User and Owner. If no other Project User provides notice of an intent to exercise a right of first refusal, NWE’s conditional exercise shall be of no effect.

Sincerely,

John Hines
Vice President, Supply and Montana Governmental Affairs
Northwestern Energy