

**EXH. TMF-5T
DOCKET UE-200115
COLSTRIP UNIT 4 SALE
WITNESS: THOMAS M. FLYNN**

**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

**PREFILED
SUPPLEMENTAL DIRECT TESTIMONY (NONCONFIDENTIAL) OF
THOMAS M. FLYNN
ON BEHALF OF PUGET SOUND ENERGY**

AUGUST 20, 2020

**PREFILED
SUPPLEMENTAL DIRECT TESTIMONY (NONCONFIDENTIAL) OF
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I. INTRODUCTION

1
2 **Q. Are you the same Thomas M. Flynn who provided prefiled direct testimony,**
3 **Exhibit TMF-1T, and three supporting exhibits, Exhibit TMF-2 through**
4 **Exhibit TMF-4, on behalf of Puget Sound Energy on February 19, 2020?**

5 A. Yes.

6 **Q. Please summarize your prefiled supplemental direct testimony.**

7 A. The introduction of Talen Montana LLC as a purchaser of half of PSE's 25
8 percent ownership interest in Colstrip Unit 4 does not change the Prefiled Direct
9 Testimony of Thomas M. Flynn, TMF-1T, with respect to the proposed sale of
10 certain of PSE's interests in the Colstrip Transmission System to NorthWestern
11 Energy pursuant to the terms and conditions of the proposed Colstrip
12 Transmission System Purchase and Sale Agreement, a copy of which PSE filed as
13 the Sixth Exhibit to the Prefiled Direct Testimony of Ronald J. Roberts,
14 Exh. RJR-7. As discussed in the Prefiled Direct Testimony of Thomas M. Flynn,
15 Exh. TMF-1T, the sale of certain of PSE's interests in the Colstrip Transmission
16 System to NorthWestern Energy should not affect the Available Transmission

1 Capacity (“ATC”) currently available to PSE under PSE’s Open Access
2 Transmission Tariff (“OATT”).

3 **II. THERE HAS BEEN NO CHANGE TO THE COLSTRIP**
4 **TRANSMISSION SYSTEM PURCHASE AND SALE AGREEMENT**
5 **WITH NORTHWESTERN ENERGY**

6 **Q. Are you aware of the changes to the proposed transactions that have**
7 **occurred since PSE filed its Application and supporting prefiled direct**
8 **testimony in this docket on February 19, 2020?**

9 A. Yes. As discussed in PSE’s Supplement to its Application and the Prefiled
10 Supplemental Direct Testimony of Ronald J. Roberts, Exh. RJR-9T, PSE will
11 continue with its plan to sell its 25 percent interest in Colstrip Unit 4. However,
12 rather than Northwestern Energy buying PSE’s entire ownership interest in
13 Colstrip Unit 4, Northwestern Energy and Talen will each purchase one half of
14 PSE’s 25 percent ownership interest in Colstrip Unit 4. Additionally, PSE will
15 buy back replacement power through two 45 megawatt power purchase
16 agreements with each of Northwestern Energy and Talen, instead of a single
17 90 megawatt power purchase agreement with NorthWestern Energy.

18 **Q. Have the terms of the proposed sale of the Colstrip Transmission System to**
19 **NorthWestern Energy changed?**

20 A. No. There has been no change to the terms of the Colstrip Transmission System
21 Purchase and Sale Agreement.

1 **Q. Are you aware that PSE, NorthWestern Energy, and Talen Montana are**
2 **engaged in arbitration with regard to an assertion by Talen Montana that it**
3 **has a right under section 24(f) of the Ownership and Operation Agreement to**
4 **acquire some of PSE's interests in the Colstrip Transmission System?**

5 A. Yes. I am aware that Talen Montana has asserted this claim, that each of
6 NorthWestern Energy and PSE has rejected Talen Montana's assertion, and that
7 the matter is currently in arbitration.

8 **Q. If Talen Montana were to prevail in that arbitration and subsequently**
9 **acquire an interest in the Colstrip Transmission System, would such an**
10 **acquisition change your testimony regarding any impacts of the proposed**
11 **sale of certain of PSE's interests in the Colstrip Transmission System on PSE**
12 **and its customers?**

13 A. No. If Talen Montana were to prevail in that arbitration and subsequently acquire
14 an interest in the Colstrip Transmission System, such an acquisition would not
15 affect the ATC currently made available to PSE under PSE's OATT. The sale of
16 certain of PSE's interests in the Colstrip Transmission System should not affect
17 the 380 megawatts of ATC currently made available by PSE's transmission
18 function under PSE's OATT and posted by PSE's transmission function of PSE's
19 Open Access Same-Time Information System.

1

III. CONCLUSION

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Q. Does this conclude your prefiled supplemental direct testimony?

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A. Yes, it does.