

Bob Ferguson ATTORNEY GENERAL OF WASHINGTON

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December 22, 2014

Steven V. King, Executive Director and Secretary Washington Utilities and Transportation Commission 1300 S. Evergreen Park Dr. SW P.O. Box 47250 Olympia, Washington 98504-7250

RE: In the Matter of the Petition of PUGET SOUND ENERGY, INC. and NW ENERGY COALITION For an Order Authorizing PSE to Implement Electric and Natural Gas Decoupling Mechanisms and to Record Accounting Entries Associated with the Mechanisms, Dockets UE-121697 and UG-121705 (consolidated); and WUTC v. Puget Sound Energy, Inc.

Dockets UE-130137 and UG-130138 (consolidated)

Dear Mr. King:

Enclosed pursuant to the Commission's Notice of December 9, is Staff's designation of the prefiled testimony, exhibits, cross-examination exhibits, and transcript references that it wishes to bring forward from the earlier phase of these proceedings. Given the broad scope of Order 10, with respect to the evidence that the Commission may consider, Staff has tended toward inclusion rather than exclusion.

Sincerely.

JENNIFER CAMERON-RULKOWSKI

Assistant Attorney General

JCR/emd Enclosures

cc: Parties w/enc.

Staff Designation of Record for Remand Proceeding

LIST OF EXHIBITS (i.e., those without strike-throughs) TO BE INCLUDED IN RECORD From Exhibit List on file

Dockets UE-121697 and UG-121705 (Decoupling)

and

Dockets UE-130137 and UG-130138 (ERF)

NUMBER	SPONSOR	A/R	DATE	DESCRIPTION
		BEN	CH EXHIP	BITS
B-1.		A	5/16/13	Public Comment-Exhibit
B-2	Official Notice per Public Counsel Request	A	5/16/13	Testimony of Ken Elgin in PSE's General Rate Case, Dockets UE-111048/UG-111049, Exhibit KLE-1T, December 7, 2011.
B-3		A	5/23/13	PSE Response to Bench Request 1
B-4		A	5/23/13	PSE Response to Bench Request 2
B-5		A	5/24/13	PSE Response to Bench Request 3
B-6		A	6/4/13	Regulatory Research Associates, Regulatory Focus, Major Rate Case Decisions— January-March 2013 (April 10, 2013)
	Š	TIPUL	ATION EX	HIBITS
S-1	PSE, NWEC, Commission Regulatory Staff	A	5/16/13	Multiparty Settlement Re: Coal Transition PPA and Other Pending Dockets" (Stipulation) filed on March 22, 2013
S-2	Energy Project	A	5/16/13	The Energy Project's Joinder in the Multiparty Settlement Re: Coal Transition PPA and Other Pending Dockets
S-3	NWIGU	A	5/16/13	The Northwest Industrial Gas Users' Joinder in the Multiparty Settlement Re: Coal Transition PPA and Other Pending Dockets
See infra Commis	sion Staff Testimony		11 (a) 11 (a)	Testimonies in Support of Multiparty
See infra NWEC	Festimony			Settlement Re: Coal Transition PPA and
See infra Ebert Te Project (Exhibit N	estimony for Energy No. CME-3T)			Other Pending Dockets" (Stipulation)
See infra Finklea NWIGU (Exhibit	<u>-</u>			·
		PSF	E WITNES!	SES
				nents and Regulatory Compliance
	bits Only, Dockets UE Katherine J.	1		
KJB-1T	Ratherine J. Barnard for PSE	A	5/16/13	Prefiled Direct Testimony re calculation of K-factors
KJB-2		A	5/16/13	Witness Qualifications

KJB-3		A	5/16/13	Annual Growth Rate Based on GRC Compliance Filing Workpapers-Electric Operations
KJB-4		A	5/16/13	K-Factor Calculations
KJB-5		A	5/16/13	Non-Production Plant-6/2012 Actual and Forecasts for 12/2013-12/2015
(ERF Exhibits O	nly, Dockets UE-1301	37/UG	-130138)	
KJB-1T	Katherine J. Barnard for PSE	A	5/16/13	Prefiled Direct Testimony updating electric and natural gas costs and describing property tax tracker
KJB-2		A	5/16/13	Witness Qualifications
KJB-3	L.,.	A	5/16/13	Electric Results of Operations Summary; Electric Revenue Requirement
KJB-4		A	5/16/13	Gas Results of Operations Summary; Gas Revenue Requirement
KJB-5		A	5/16/13	Electric Results of Operations Detailed Adjustments
КЈВ-6		A	5/16/13	Gas Results of Operations Detailed Adjustments
KJB-7		A	5/16/13	Commission Basis Report, Electric, for 12 months ended December 31, 2011
KJB-8		A	5/16/13	Commission Basis Report, Natural Gas, for 12-months ended December 31, 2011
KJB-9	·	A	5/16/13	Property Tax Tracker Tariff Sheets-Electric
KJB-10		A	5/16/13	Property Tax Tracker Tariff Sheets-Gas
(Decoupling and	ERF Exhibits, Docke	ts UE-1	121697/UG-	121705 and UE-130137/UG-130138)
KJB-11T		A	5/16/13	Prefiled Rebuttal Testimony
KJB-12		-z A	5/16/13	Puget Sound Energy Depreciation Expense by Month 12 months Ending June 2012
KJB-13		A	5/16/13	Electric Determination of ERF-Related Revenues and Expenses for the Twelve Months Ended June 30, 2012
KJB-14		A	5/16/13	Gas-Determination of Erf Related Revenues and Expenses for the Twelve Months Ended June 30, 2012
KJB-15		A	5/16/13	JPUD Ratebase Per Customer Comparison

KJB-16		A	5/16/13	Puget Sound Energy K-Factor Calculation Based on Per Customer Escalation Rates
KJB-17		A	5/16/13	Puget Sound Energy Incremental Ratebase Supported by Customer Growth
CROSS-EXAM	IINATION EXHIBITS			
KJB-18CX	ICNU	A	5/16/13	Settlement Statement — PSE-JPUD Asset Purchase, dated 3/28/2013
KBJ-19CX	ICNU	A	5/16/13	Puget Sound Energy, Inc.'s Annual "Commission Basis" Results of Operations for the 12-month period ended December 31, 2012
Tom DeBoer				
TAD-1T	Tom DeBoer for PSE	A	5/16/13	Prefiled Direct Testimony providing "a high level overview" of PSE/NWEC's original decoupling proposal in these dockets
TAD-2	· · · · · · · · · · · · · · · · · · ·	A	5/16/13	Witness Qualifications
CROSS-EXAM	MINATION EXHIBITS			
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DAD-1T	Daniel A. Doyle for PSE	A	5/16/13	Prefiled Rebuttal Testimony
DAD-2		A	5/16/13	Witness Qualifications
DAD-3		A	5/16/13	Average Authorized ROE and Equity Share in Capital Structure for the Operating Utilities In ICNU's Proposed Proxy Group
CROSS-EXAN	MINATION EXHIBITS			
		173	1 1 1 00	
	nnson, Director, Rates an	1		(20)
KSJ-1T	Kenneth S. Johnson for PSE	A	5/16/13	Prefiled Rebuttal Testimony
KSJ-2		A	5/16/13	Witness Qualifications
CROSS-EXAN	MINATION EXHIBITS		Particular Control of	
				·
				

Matthew R. Ma	arcelia, Director of Tax,	PSE	E	
MRM-1T		. ₂ A _k	5/16/13	Prefiled Rebuttal Testimony
MRM-2		A	5/16/13	Witness Qualifications
MRM-3		A	5/16/13	Summary of Bonus Depreciation Legislation
CROSS-EXAM	MINATION EXHIBITS			
MRM-4-X	Public Counsel	A	5/16/13	PSE 10-K (12/31/2012) Excerpt pp. 111-114
MRM-5-X	Public-Counsel	A	5/16/13	PSE Response to Public Counsel Data Request No. 21, Docket No. UE-121697 & UG-121705
Jon A. Piliaris,	Manager of Pricing and	l Cost	of Service	
(Decoupling Ex	xhibits Only, Dockets UI	E-1216	97/UG-1217	05)
JAP-1T	Jon A. Piliaris for PSE	A	5/16/13	Prefiled Direct Testimony presenting details of proposed decoupling mechanisms, as filed October 26, 2012
JAP-2		-A-	5/16/13	Witness Qualifications
JAP-3		A	5/16/13	Proposed Tariff Sheets-Electric Schedule 139
JAP-4		A	5/16/13	Proposed Tariff Sheets-Natural Gas Schedule 139
JAP-5		A	5/16/13	Development of Monthly Allowed Revenue per Customer-Electric Rate Year 12 Months Ending April 2013
JAP-6		A	5/16/13	Development of Monthly Allowed Revenue per Customer Natural Gas Rate Year 12 Months Ending April 2013
JAP-7		A	5/16/13	Alternate K-Factor Scenarios-Sales Growth Without Conservation vs. Customer Growth
JAP-8T		A	5/16/13	Prefiled Supplemental Direct Testimony presenting proposed changes to the joint decoupling proposal originally filed in October 2012
JAP-9		A	5/16/13	Detailed Description of Electric Revenue Decoupling Mechanism
JAP-10		A	5/16/13	Detailed Description of Gas Revenue Decoupling Mechanism
JAP-11		,A ₁	5/16/13	Development of Monthly Gas Lights & Water Heater Rental Surcharge Rates

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JAP-12		A	5/16/13	Development of Monthly Retail Wheeling Service and Street & Area Light Surcharge Rates
JAP-13		A	5/16/13	Electric Earnings Test
JAP-14		A	5/16/13	Development of Annual Allowed Delivery Revenue Per Customer-Electric (Exclusive of Related Property Taxes)
JAP-15		A	5/16/13	Development of Annual Allowed Delivery Revenue Per Customer-Natural Gas (Exclusive of Related Property Taxes)
JAP-16		A	5/16/13	Development of Monthly Allowed Delivery Revenue Per Customer-Electric
JAP-17		A	5/16/13	Development of Annual Allowed Delivery Revenue Per Customer-Natural Gas
JAP-18		A	5/16/13	Development of Delivery Cost Energy Rate and Schedule 139 Rate-Electric—Rate Year May 1, 2013 – April 30,2014
JAP-19		A	5/16/13	Development of Delivery Cost Energy Rate and Schedule 139 Rate-Natural Gas—Rate Year May 1, 2013 – April 30,2014
JAP-20		A	5/16/13	Revised Proposed Tariff Sheets-Electric Schedule 139
JAP-21		Ą	5/16/13	Revised Proposed Tariff Sheets Natural Gas Schedule 139
JAP-22		A	5/16/13	Development of Deferrals-Electric- Residential-Calendar Year 2013
JAP-23		A	5/16/13	Development of Deferrals Natural Gas- Residential Calendar Year 2013
Jon A. Piliaris, M	anager of Pricing and	l Cost	of Service	
(ERF Exhibits On	ly, Dockets UE-1301.	37/UG-	130138)	
JAP-1T	Jon A. Piliaris for PSE	A	5/16/13	Prefiled Direct Testimony re Electric Rate Spread-and Rate Design
JAP-2	- 10-E1-	A	5/16/13	Witness Qualifications
JAP-3		A	5/16/13	Determination of June 2012 CBR ERF Revenues Priced at 2011 GRC ERF Rates
JAP-4		A	5/16/13	Summary-Electric Rate Spread; Proforma and Proposed Revenue by Rate Schedule
JAP-5		A	5/16/13	Tariffed-Rate-Components
JAP-6		- <u>A</u> -	5/16/13	Electric Tariff Sheets ERF Rate Adjustment

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				21705 and UE-130137/UG-130138)
JAP-24T		A	5/16/13	Prefiled-Rebuttal Testimony
CROSS-EXAM	MINATION EXHIBITS			Contract
JAP 25X	Kroger	A	5/16/13	PSE Response to Kroger Data Request 3-004.
JAP-26 X	Public Counsel	A	5/16/13	PSE's Response to Public Counsel Data Request No. 22 (Including Attachments A and B)
JAP-27X	Kroger	A	5/16/13	PSE Response to Kroger Data Request 3-003
			NWEC	
Ralph Cavana	gh, Natural Resources I	Defense	Council	
RCC-1T	Ralph Cavanagh for NWEC	A	5/16/13	Prefiled Direct Testimony supporting petition (focusing on changes from NWEC proposal in Dockets UE-111048 and UG-111049)
RCC-2T		A	5/16/13	Prefiled Direct Testimony in Dockets UE- 111048 and UG-111049
RCC-3T		A	5/16/13	Prefiled Supplemental Direct Testimony supporting revised petition (filed March 4, 2013) (focusing on changes from PSE/NWEC initial proposal in this proceeding)
RCC-4T		A	5/16/13	Prefiled Rebuttal Testimony
RCC-5		A	5/16/13	Morgan, Pamela, A Decade of Decoupling for US Energy Utilities: Rate Impacts, Designs, and Observations
CROSS-EXA	MINATION EXHIBITS	3		
Nancy Hirsch	, Policy Director, NWE	Ċ		
NH-1T		. A	5/16/13	Prefiled Direct Testimony supporting multiparty settlement re decoupling and Coal Transition PPA
NH-2T		A	5/1-6/13	Prefiled-Rebuttal-Testimony
	MINATION EXHIBITS	3		

		COM	MISSION S	STAFF
Deborah J. Reyn	olds, Assistant Directo			and Energy Planning in the Regulatory
Services Division				
DJR-1T	Deborah J. Reynolds for Staff	A	5/16/13	Prefiled Direct Testimony Supporting PSE/NWEC Petition for Decoupling
CROSS-EXAMI	NATION EXHIBITS			
Thomas E. Scho	oley, Assistant Director	r - Ener	gy Regulat	ion, Regulatory Services Division, UTC
TES-1T	Thomas E. Schooley for Staff	A	5/16/13	Prefiled Direct Testimony in support of Multiparty Settlement
TES-2		A	5/16/13	Correspondence Between Governor's Office and UTC Chairman
TES-3		A	5/16/13	Comparison of Rate Changes to Earned Returns at PSE for 2005 through 2011
TES-4T		A	5/16/13	Prefiled Rebuttal Testimony
TES-5		A	5/16/13	Comparison of Rate Changes to Earned Returns at PSE
CROSS-EXAM	INATION EXHIBITS			
TES-6-X	Public Counsel	A	5/16/13	Excerpt from the Deposition of Thomas Schooley, pp. 59-61
TES-7-X	Public-Counsel	A	5/16/13	Excerpt from the Deposition of Thomas Schooley, pp. 45-47
TES-8X	ICNU	A	5/16/13	Puget Sound Energy, Inc.'s Annual "Commission Basis" Results of Operations
See also KJB- 19CX				for the 12-month period ended December 31, 2012
100 mg/s		PUB	LIC COU	NSEL
James R. Dittme	er, Consultant			
JRD-1T	James R. Dittmer for Public Counsel	A	5/16/13	Prefiled Response Testimony re ERF, Decoupling and Rate Plan (K-factor), and alternative proposal re Rate Plan
JRD-2		A	5/16/13	Witness Qualifications
JRD-3		A	5/16/13	PSE Projected Schedule 139 Decoupling with K-Factor Revenues
JRD-4		A	5/16/13	Comparison of PSE and Public Counsel ERF Revenue Requirement Deficiency (Electric)
JRD-5		A	5/16/13	Comparison of PSE and Public Counsel ERF Revenue Requirement Deficiency (Gas)
JRD-6C		A	5/16/13	PSE Response to Public Counsel DR 032

CROSS-EXA	MINATION EXHIBITS			T
Stephen G. H	ill, Consultant Stephen G. Hill for	A	5/16/13	Prefiled Response Testimony proposing 50
	Public Counsel			basis point risk adjustment to return on equity and an additional 30 basis point

				reduction to reflect changes in capital market since May 2012 conclusion of Dockets UE-111048/UG-111049
CROSS-EXAN	MINATION EXHIBITS	-		
			ICNU	
Michael C. De		-	_,	1
MCD-1T	Michael C. Deen for ICNU	A	5/16/13	Prefiled Response Testimony addressing overall merits of Multiparty Settlement and aspects of the underlying proposals (i.e., ERF, Decoupling and Rate Plan Kfactor).
MCD-2		A	5/16/13	Witness Qualifications
MCD-3		A	5/16/13	Excerpt of D. Reynolds Deposition Transcript
MCD-4		A	5/16/13	Excerpt of T. Schooley Deposition Transcript
MCD-5		A	5/16/13	Regulatory Assistance Project, Revenue Regulation and Decoupling-A Guide to Theory and Application (June 2011)
MCD-6		A	5/16/13	Lesh, Pamela G., Rate Impacts and Key Design Elements of Gas and Electric Utility Decoupling: A Comprehensive Review (Excerpt) (October 2009)
MCD-7		A	5/16/13	Staff's Response to ICNU DRs 4.6 and 4.23 in Docket UE-121697, and PSE's Responses to ICNU DRs 2.4 and 3.10 in Docket UE-130137
CROSS-EXA	MINATION EXHIBITS			

MPG-1T	Michael P.	A	5/16/13	Prefiled Response Testimony proposing
	Gorman for			ROE 50 basis point reduction, and reduced
	Public Counsel			equity share in capital structure (to
				~46%); revenue requirement adjustments for pension expense federal income tax and
				incentive compensation based on financial
	•			goals; opposing decoupling
MPG-2		A	5/16/13	Witness Qualifications
MPG-3		A	5/16/13	Return on Equity Study
MPG-4		A	5/16/13	Rate of Return Impact
MPG-5		A	5/16/13	Historical Capital Structure
MPG-6		A	5/16/13	Common Equity
MPG-7		A	5/16/13	Rate of Return
MPG-8		A	5/16/13	Proxy Group
MPG-9		A	5/16/13	Consensus Analysis Growth Rates
MPG-10		A	5/16/13	Constant Growth DCF Model
MPG-11		A	5/16/13	Payout Ratios
MPG-12		A	5/16/13	Sustainable Growth Rate
MPG-13		A	5/16/13	Constant Growth DCF Model
MPG-14		A	5/16/13	Electricity Sales Linked to Economic Growth
MPG-15		A	5/16/13	Multi-Stage Growth DCF Model
MPG-16		A	5/16/13	Common Stock Market/Book Ratio
MPG-17		A	5/16/13	Equity Premium Risk-Treasury Bond
MPG-18		A	5/16/13	Equity Risk Premium-Utility Bond
MPG-19		A	5/16/13	Bond Yield Spreads
MPG-20		A	5/16/13	Treasury and Utility Bond Yields
MPG-21		A	5/16/13	Value Line Beta
MPG-22	·	A	5/16/13	CAPM Return
MPG-23T	,	A	5/16/13	Supplemental Testimony
MPG-24		A	5/16/13	Rate of Return (December 31, 2012)
CROSS-EXA	MINATION EXHIBI	ΓS		

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			NWIGU	
Michael C. Deer	ı, Consultant			
MCD-8T	Michael C. Deen for NWIGU	A	5/16/13	Prefiled Response Testimony Testimony addressing overall merits of Multiparty Settlement vis-à-vis natural gas customers
MCD-9				Witness Qualifications
CROSS-EXAM	INATION EXHIBIT	S		
		1		st Industrial Gas Users
EAF-1T	Edward A. Finklea for NWIGU	A	5/16/13	Prefiled Response Testimony re decoupling, proposing exclusion of gas transportation customers and consideration of cost of capital
EAF-2		A	5/16/13	Witness Qualifications
EAF-3		A	5/16/13	PSE Response to NWIGU DR 011, 13, 3, and NWEC Response to NWIGU DR 5
EAF-4T		A	5/16/13	Supplemental Testimony in Support of MultiParty Settlement
CROSS-EXAM	INATION EXHIBIT	S		
·				
			KROGER	
Kevin C. Higgir	rs, Consultant			
KCH-1T		A	5/16/13	Prefiled Response Testimony recommending adjusting ROE, rejecting K-factors and decoupling (but, if allowed, 25 basis point ROE adjustment, found margin, exclude largest customers or remove some demand-billed delivery component, rate redesign for Schedule 139)
KCH-2		A	5/16/13	Electric K-Factor Calculation Using 2007 to 2011 Escalation Factors With Adjustment for NOL Carry-Forward Impact
КСН-3		A	5/16/13	Kroger ROE Adjustment for Revenue Decoupling Adjustment to Electric ERF
KCH-4		A	5/16/13	Found Revenue: Accrual of PSE Delivery Revenues with Growing Customer Counts (Electric Example)

CROSS-EXAMI	NATION EXHIBIT	'S		
		NUCOR	STEEL	
Kevin C. Higgins				

KCH-5T		A	5/16/13	Prefiled Response Testimony with similar recommendations for gas book, plus do not apply decoupling to transportation customers and remove 100% of contract firm revenues from decoupling.
CROSS-EXAMINATION EXHIBITS				
ENERGY PROJECT				
Charles Eberdt				
CME-IT	Charles M. Eberdt on behalf of the Energy Project	A	5/16/13	Prefiled Response Testimony re low- income customer issues
CME-2		A	5/16/13	Witness Qualifications
CME-3T	Charles Eberdt for the Energy Project	A	5/16/13	Testimony of Charles Eberdt in Support of the Energy Project's Joinder in the Multiparty Settlement Re: Coal Transition PPA and Other Pending Dockets
CROSS-EXAMINATION EXHIBITS				

TRANSCRIPT VOLUMES/PAGES TO BE INCLUDED IN RECORD

Vol. 2

Pages 142 – 215 (Barnard, Cavanagh, Doyle, Gorman, Johnson, Piliaris, Reynolds, Schooley)

Pages 244 – 59 (Barnard, Doyle)

Pages 292 – 314 (Deen, Higgins, Hill)

Vol. 5

All pages