

**EXHIBIT NO. ___(RG-14T)
DOCKET NO. UE-060266/UG-060267
2006 PSE GENERAL RATE CASE
WITNESS: ROGER GARRATT**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

**Docket No. UE-060266
Docket No. UG-060267**

**PREFILED REBUTTAL TESTIMONY (NONCONFIDENTIAL) OF
ROGER GARRATT
ON BEHALF OF PUGET SOUND ENERGY, INC.**

AUGUST 23, 2006

PUGET SOUND ENERGY, INC.

**PREFILED REBUTTAL TESTIMONY (NONCONFIDENTIAL) OF
ROGER GARRATT**

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1 **PUGET SOUND ENERGY, INC.**

2 **PREFILED REBUTTAL TESTIMONY (NONCONFIDENTIAL) OF**
3 **ROGER GARRATT**

4 **I. INTRODUCTION**

5 **Q. Are you the same Roger Garratt who submitted prefiled direct testimony in**
6 **this proceeding on February 15, 2006, on behalf of Puget Sound Energy, Inc.**
7 **("PSE" or "the Company")?**

8 **A. Yes.**

9 **Q. Please summarize the purpose of your rebuttal testimony.**

10 **A. My rebuttal testimony provides updated information regarding the status of**
11 **construction of the Wild Horse wind farm.**

12 **II. STATUS OF THE WILD HORSE WIND FARM**

13 **Q. Has Commission Staff challenged the prudence of the acquisition of the Wild**
14 **Horse wind farm?**

15 **A. No. In the prefiled direct testimony of Mr. James M. Russell, Exhibit**
16 **No. ___(JMR-1T), Mr. Russell stated the following with regard to the prudence**
17 **of (i) the acquisition of the Wild Horse wind farm; (ii) the 20-year purchased**
18 **power agreement with OrSumas, LLC; (iii) the relicensing of the Baker River**

1 Hydroelectric Project; (iv) the 20-year purchased power agreement and related
2 transmission agreement with Public Utility District No. 1 of Chelan County,
3 Washington; and (v) the acquisition of long term gas pipeline transportation
4 capacity held by Duke Energy Trading and Marketing:

5 That evaluation was performed by Mr. Henry McIntosh using the
6 Commission's established standard for reviewing the prudence of
7 power generation asset acquisitions and certain contracts. Mr.
8 McIntosh is no longer employed at the Commission. However, my
9 understanding is that he concluded that the Company's new
10 acquisitions were prudent. Should any other party present
11 evidence that contradicts his conclusion, Staff will evaluate that
12 evidence and respond if appropriate.¹

13 **Q. Has any other party presented evidence that would contradict Commission**
14 **Staff's conclusion?**

15 A. No.

16 **Q. What does Commission Staff recommend with respect to the accounting of**
17 **the acquisition of the Wild Horse wind farm?**

18 A. Mr. Russell recommended that

19 I recommend that if the Wild Horse Project is not operational by
20 January 1, 2007, PSE should add the fixed costs and rate base
21 associated with that facility to its Power Cost accounting only as of
22 the date that the facility is placed into service. In the interim, PSE
23 should replace the projected Wild Horse Project fixed and variable
24 costs with variable costs associated with obtaining any

¹ Exhibit No. ___(JMR-1T) at page 31, lines 13-19.

1 replacement power.²

2 **Q. Is the Wild Horse wind farm on schedule to become operational on or before**
3 **January 1, 2007?**

4 A. Yes, the Wild Horse wind farm is on schedule to achieve substantial completion
5 and be placed into service by December 31, 2006. Please see Exhibit
6 No. ___(RG-15HC) for an updated schedule of significant construction
7 milestones for the Wild Horse wind farm.

8 **Q. What is the current status of the construction of the Wild Horse wind farm?**

9 A. As of the end of July 2006, the current status of the construction of the Wild
10 Horse wind farm is as follows:

- 11 • **Road Construction** – Ninety percent of the road construction is
12 complete. Final surfacing of roads will occur only after
13 completion of heavy equipment and lifting operations.
- 14 • **Foundations** - 84 out of 127 foundations are complete.
- 15 • **Transmission** – Both the site substation and transmission line are
16 energized. Test power is currently being exported to the PSE load
17 center via PSE's transmission line to the west. All project
18 transmission and electrical interconnect works, including the

² Exhibit No. ___(JMR-1T) at page 31, line 27 – page 32, line 4.

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connection at the Public Utility District No. 2 of Grant County, Washington, Wanapum Switchyard, are expected to be completed by the end of August 2006. The project will then be capable of transmitting all available test power as additional wind turbines are brought on line.

- **Tower Erection** –Of the 127 towers, currently 34 have all three sections (a base, a mid and a top section) erected, and another 20 have both the base and mid section erected.
- **Commissioning** - Currently 28 turbines are mechanically complete, and 14 turbines have been commissioned to start generating test power.

Q. Is the construction of the Wild Horse wind farm on budget?

A. Yes. As of the end of July 2006, the Wild Horse wind farm is expected to be on or under its projected budget of \$383,253,481. Please see Exhibit No. ___(RG-16HC) for a detailed update to the budget for the Wild Horse wind farm.

Q. Has the operations and maintenance ("O&M") budget for 2007 been revised?

A. No. The O&M budget for 2007 is the same as presented in my prefiled direct

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testimony.³

2

III. CONCLUSION

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Q. Does that conclude your prefiled rebuttal testimony?

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A. Yes.

³ See Exhibit No. ____ (RG-1HCT) at page 25, lines 18-19; *see also* Exhibit No. ____ (RG-5HC).