

Exhibit No. __T (MPP-1T)
Dockets UE-072300/
UG-072301/UG-080064
Witness: Michael P. Parvinen
REVISED June 25, 2008

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET UE-072300
DOCKET UG-072301
(Consolidated)

DOCKET UG-080064

TESTIMONY OF

MICHAEL P. PARVINEN

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

May 30, 2008

REVISED June 25, 2008

1 I will also present an overview of the other witnesses testifying for Staff in these
2 dockets. That overview indicates that Staff recommends an increase to electric
3 revenues of ~~\$106,635,789~~, \$108,318,232 or ~~5.64%~~ 5.73%, and to gas revenues of
4 ~~\$43,458,150~~ \$43,751,370, or ~~4.06%~~ 4.09%.

5
6 **III. POWER COST ONLY RATE CASE AND POWER COST ADJUSTMENT**
7 **MECHANISM**
8

9 **Q. Please explain the purpose of this portion of your testimony.**

10 A. In the most recent PCORC proceeding in Docket UE-070565, UTC Order 07
11 approved the parties' settlement agreement providing for a collaborative review of
12 the PCORC process. Issues to be addressed by the collaborative included the scope
13 and timing of the mechanism, and the form of the mechanism if it is to continue.
14 The collaborative participants included PSE, Staff, Public Counsel and the Industrial
15 Customers of Northwest Utilities ("ICNU").

16 The collaborative participants failed to reach agreement on a revised PCORC,
17 but did agree they could present their specific issues to the UTC for resolution in the
18 pending general rate case. My testimony addresses whether the PCORC should
19 continue. Staff witness Mr. Martin addresses procedural modifications to the form
20 of the PCORC.

21
22 **Q. Please provide a brief history of the PCORC and PCA.**

23 A. The PCA and PCORC are companion mechanisms designed to provide for power
24 cost volatility risk mitigation and timely recovery of resource acquisitions,

1 electric revenues and working capital to address ongoing and increasing meter
2 malfunctions and related billing errors.

3
4 **William H. Weinman** presents Staff's recommended revenue requirement for both
5 the electric and natural gas operations. His summary exhibits show that Staff
6 recommends an increase to electric revenues of ~~\$106,635,789~~ \$108,318,232, or
7 ~~5.64%~~ 5.73%, and to gas revenues of ~~\$43,458,150~~ \$43,751,370, or ~~4.06%~~ 4.09%.
8 He also testifies on ratemaking adjustments addressing depreciation (where he
9 responds to Company witness Mr. Clarke), Baker River hydroelectric relicensing,
10 and a diesel oil spill at Crystal Mountain in 2006.

11
12 **Q. Does this conclude your testimony?**

13 **A. Yes it does.**
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