

**EXH. DRK-25r
DOCKET UE-22 ___/UG-22 ___
2022 PSE GENERAL RATE CASE
WITNESS: DAN'L R. KOCH**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-22 ___
Docket UG-22 ___**

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

DAN'L R. KOCH

ON BEHALF OF PUGET SOUND ENERGY

**REVISED
MARCH 15, 2022**

JANUARY 31, 2022



2021 and 2022 Energize Eastside excerpts from the Asset Management Committee materials provided to the Board

March 3, 2021 Board Asset Management Committee call

- Energize Eastside (yellow) – The project continues to address jurisdiction variability and advance through complex permitting processes. We received Conditional Land Use Permit (CUP) approvals for South Bellevue and Renton and, as a result, began construction of the Richards Creek substation; ongoing meetings with Newcastle staff have helped counter opposition messaging and a hearing is anticipated in Q2 2021. RFPs for acquiring the necessary replacement vegetation and a construction contractor are being finalized. Decision to move forward with transmission line construction this year is pending.

April 7, 2021 Board Asset Management Committee call

- Energize Eastside (yellow) – Energize Eastside continues to move forward through the permitting process, with a primary focus on Newcastle. Construction of the Richards Creek substation is ongoing and will continue through summer. RFPs for acquiring the necessary replacement vegetation and a construction contractor are being finalized. Decision to move forward with transmission line construction this year is pending.

June 2, 2021 Board Asset Management Committee call

- Energize Eastside (yellow) – Energize Eastside anticipates that the City of Newcastle conditional use permit hearing will be held in Q2 of 2021. Construction of the Richards Creek substation continues to progress. The team is finalizing the Request for Proposal (RFP) for the Transmission Line Contractor to prepare for construction of selected sections of the South half of the project area transmission lines, with construction launching this summer.

September 1, 2021 Board Asset Management Committee call

- Energize Eastside (yellow) – The project team continues their focus on the City of Newcastle and anticipate the Conditional Use Permit hearing in October 2021. Construction of the Richards Creek substation continues with the transformer isolation foundations being completed and the culvert/stream restoration work underway. Evaluation of construction bids is complete for the South half of the transmission line; Wilson Construction was selected and construction will start later this summer. Both Bellevue and Redmond are processing the permit applications for the North half of the project.

October 6, 2021 Board Asset Management Committee call

- Energize Eastside (yellow) – Permitting efforts continue for both the Northern and Southern portions of the transmission line. Newcastle is the primary focus for the South as city staff continue to reevaluate their code and project details, with tentative hearing dates identified in October (18th, 19th, 25th) and November (2nd) if needed. Active construction efforts include the Richards Creek substation, with the current focus on the culvert/stream restoration followed by civil work to be completed in early October; the new Renton transmission line launched in September.

November 3, 2021 Board Asset Management Committee materials

- Energize Eastside (yellow) – Permitting efforts continue for both the northern and southern portions of the transmission line. Newcastle is the primary focus for the south as we prepare for Hearing. The City of Newcastle's staff report did not make a recommendation on the project, which appears to be a first. Hearing dates are now scheduled in January of 2022. The project recently achieved several major construction milestones after the selection of Wilson Construction last month as the general contractor for construction of the new transmission line: (1) successful install of the first pole for the new transmission line in Renton; (2) civil work at Richards Creek on track for fall completion and the team took delivery of the new 230 kV transformer and the control house; (3) the 428,000 pound transformer was installed on a specially designed seismic protection foundation (a first for PSE!) which allows for 22 inches of movement in any horizontal direction.

December 1, 2021 Board Asset Management Committee call

- Energize Eastside (yellow) – Permitting efforts continue for both the Northern and Southern portions of the transmission line. For the remainder of 2021, the primary focus will be on preparing for the January 2022 CUP hearing in the city of Newcastle. Public outreach efforts also continue with the completion of a successful neighborhood meeting in Redmond during October and ongoing property owner meetings, which are anticipated to continue through winter. Civil construction efforts at the Richards Creek substation civil work are essentially complete and the Renton transmission line work schedule for 2021 was completed in October and scheduled to resume in Q1 2022.

January 5, 2022 Board Asset Management Committee materials

- Energize Eastside (yellow) – Permitting efforts continue for both the Northern and Southern portions of the transmission line, with particular emphasis on Newcastle. The City of Newcastle's staff report did not make a recommendation on the project; hearing dates are scheduled in January of 2022. Transmission line construction crews completed their work for 2021 in Renton and will resume Q1 2022 as public outreach efforts with property owner meetings and vegetation management work proceeds throughout. Civil construction continues on Richards Creek substation to complete the driveway and contractor "punch list" items.



ASSET MANAGEMENT COMMITTEE MATERIALS

**Materials only. There will be no Asset Management Committee call due to the
November 3-4 Board meetings**

WEDNESDAY, NOVEMBER 3, 2021

Topic

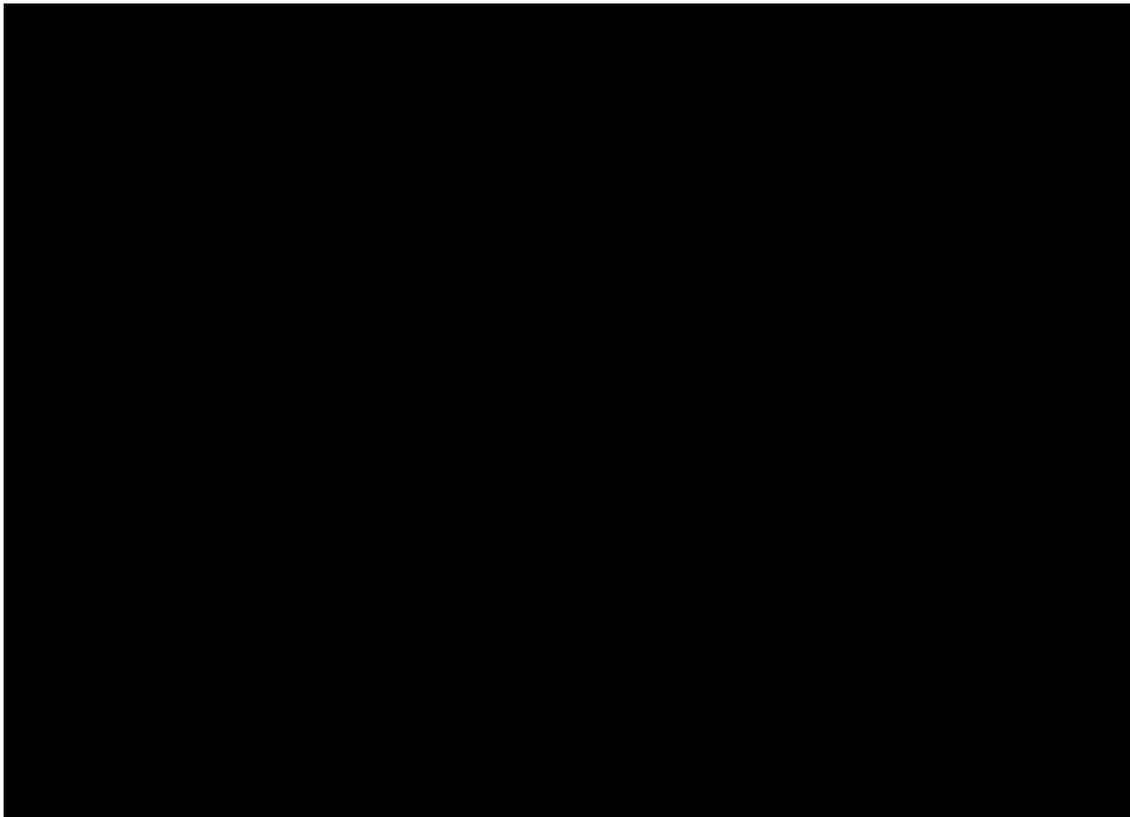
1. **September 2021 Asset Management CEO letter**
2. **Dashboard and results report YTD September 2021**



DATE: October 27, 2021
TO: Board Members and Investor Representatives
FROM: Mary Kipp
RE: **September 2021 Asset Management CEO Letter**

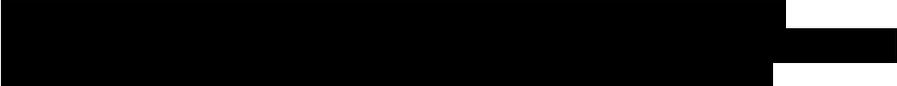
Dear Board Members,

The September 2021 asset management report offers the following highlights for our ninth month of the year:

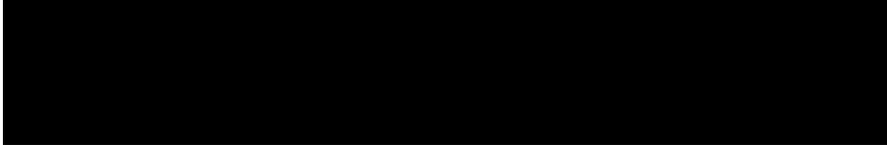


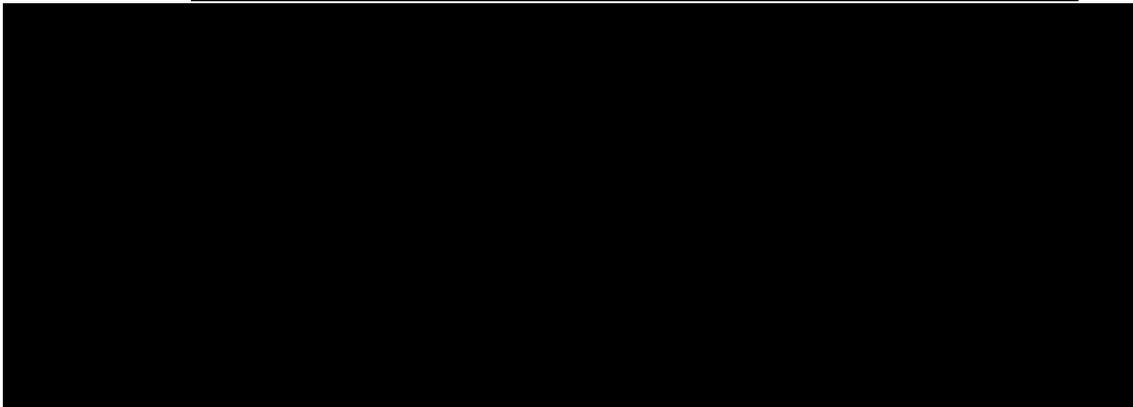
- **Strategic Project Updates** – The asset management committee has asked to be kept informed about four key projects: [REDACTED] Energize Eastside, [REDACTED] [REDACTED] I offer the following updates for the four projects:

- [REDACTED]

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- Energize Eastside (yellow) – Permitting efforts continue for both the northern and southern portions of the transmission line. Newcastle is the primary focus for the south as we prepare for Hearing. The City of Newcastle's staff report did not make a recommendation on the project, which appears to be a first. Hearing dates are now scheduled in January of 2022. The project recently achieved several major construction milestones after the selection of Wilson Construction last month as the general contractor for construction of the new transmission line: (1) successful install of the first pole for the new transmission line in Renton; (2) civil work at Richards Creek on track for fall completion and the team took delivery of the new 230 kV transformer and the control house; (3) the 428,000 pound transformer was installed on a specially designed seismic protection foundation (a first for PSE!) which allows for 22 inches of movement in any horizontal direction

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asset MANAGEMENT



Dashboard & Results Report – September 2021 YTD
Appendix: September 2021 Financial Package



REDACTED INFORMATION CONSTITUTES OMITTED MATERIALS UNRELATED TO THE ENERGIZE EASTSIDE PROJECT, NOT PART OF PSE'S FILED CASE.

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BOARD STRATEGIC Project Scorecard (Continued)

Status as of September 30, 2021	Health		Risk		Financial				Completion		Comments				
	Current Phase	Current Performance ¹	Health Areas	Execution Risk	Primary Risk Type	Primary Risk Contact	2021 YTD Budget (Million)	2021 Budget (Million)	Lifetime Budget (Million)	2021 Lifetime Budget (Million)		Current Construction Date	Post-Design Construction Date ²		
Energize Eastside	Design	↕	Scope Schedule Budget Resource Benefits	Moderate	External	Appeals of remaining permits needed to begin transmission line construction	\$29.8	\$47.1	\$71.4	\$142.2	\$278.9	\$274.1	12/31/2025	12/31/2025	63%

View table data by clicking on the table. Updates related to potential availability and permit processing: (1) Nonemissions conditional use permit hearing delayed into Q1 2022 with appeals expected; (2) continue working with staff for the four cities to obtain and modify construction permits as appropriate and CUP processing. Mitigations include continued reliance on "Cure" (p-o-project advocates) to help offset opposition through ongoing communication. The project recently achieved several major construction milestones: (1) successful install of the first pole for the delivery of the new 230 kV transformer and the control houses; (3) the 428,000 pound transformer was installed on a specially designed seismic protection foundation (a first for PSE!) which allows for 22 inches of movement in any horizontal direction.

SYSTEM
INTEGRITY &
RELIABILITY

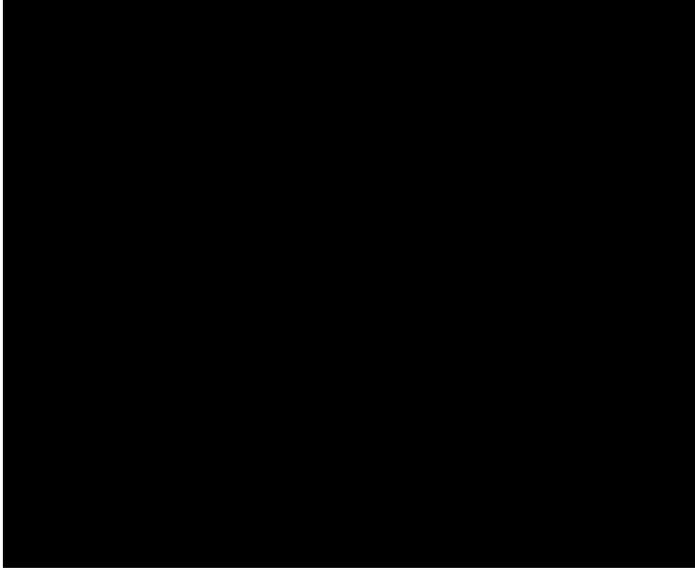
September 2021



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PSE 2021 Capital Portfolio Report (\$ in thousands)

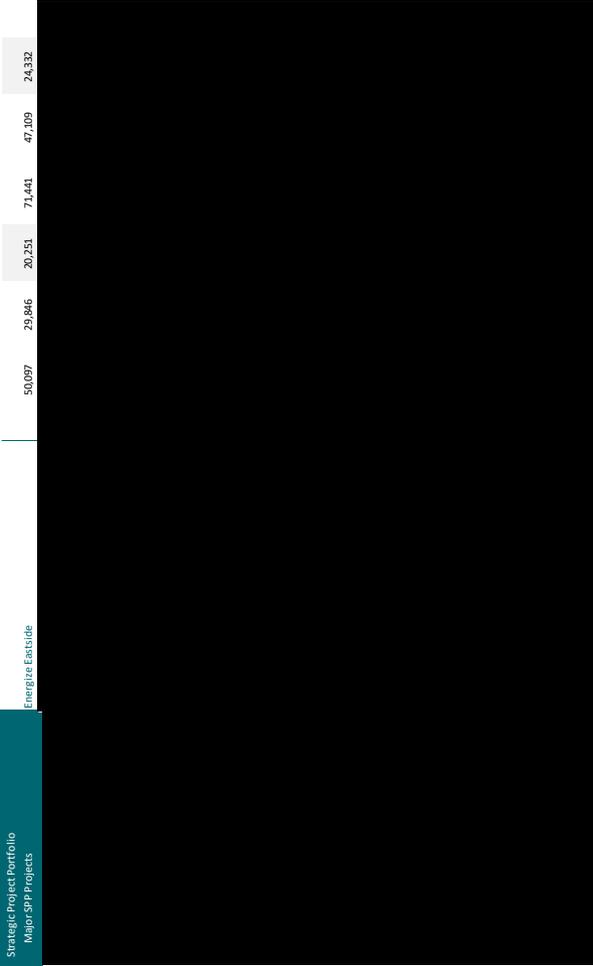
REDACTED INFORMATION CONSTITUTES OMITTED MATERIALS UNRELATED TO THE ENERGIZE EASTSIDE PROJECT, NOT PART OF PSE'S FILED CASE.



(A)	(B)	(C)	(D)	(E)	(F)
Budget	Actual	Variance \$	2021 Budget	9&3 Outlook	Variance \$
50,097	29,846	20,251	71,441	47,109	24,332

Year To Date as of September 30, 2021

Strategic Project Portfolio
Major SPP Projects



PSE Consolidated

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September 2021

REDACTED INFORMATION CONSTITUTES OMITTED MATERIALS UNRELATED TO THE ENERGIZE EASTSIDE PROJECT, NOT PART OF PSE'S FILED CASE.



TELEPHONIC ASSET MANAGEMENT COMMITTEE MEETING
WEDNESDAY, JUNE 3, 2020
8:00 AM TO 9:00 AM



<u>Topic</u>	<u>Presenter</u>	<u>Time</u>
1. Dashboard and results report YTD April 2020	Kipp	60
■ [REDACTED]		



DATE: May 27, 2020
TO: Board Members and Investor Representatives
FROM: Ryan Lambert
RE: **Asset Management Report Refresh**



4. **Strategic Projects Dashboard** – The report now includes a one-page dashboard of the strategic projects, which includes [REDACTED]. Please note that the “Current Health” color for each project is based on the lowest color for the project’s performance across scope, schedule, budget, resources, & benefits whereas the “Health Score” is calculated by average the project performance across the same areas (i.e. current health acts a minimum function vs. health score acts as an average function).





Dashboard & Results Report – April 2020 YTD
Appendix: April 2020 Financial Package



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BOARD STRATEGIC Project Scorecard

Project		2020 Financials				Trending	Comments
Current Health ¹	Health Score ²	Execution Risk	YTD Actuals (Millions)	YTD Budget (Millions)	2020 Forecast (Millions)		
SYSTEM INTEGRITY & RELIABILITY	Yellow	80%	Med	\$2.0	\$4.8	\$14.4	\$18.5
TOTAL							
April 2020							

Planning to reach construction in 2020 with the 2019 Conditional Use Permit approved by Bellevue. CSA revision in process with COVID-19 related adjustments; plan to accelerate over 2020 budget (no impact on lifetime budget, will be reflected in next month's outlook).





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PSE 2020 Capital Portfolio Report - 4&8 (\$ in thousands)

	Year To Date		Full Year	
	Budget	Actual	2020 Budget	4&8 Outlook
	Variance		Variance	
	\$		\$	
1 Strategic Project Portfolio				
2 Energize Eastside	4,752	1,971	2,782	(5,606)
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April 2020



ASSET MANAGEMENT COMMITTEE MATERIALS

**There will be no Asset Management Committee call due to the
May 6-7, 2020 board meetings**

WEDNESDAY, MAY 6, 2020

Topic

1. **Dashboard and results report YTD March 2020**
2. **Appendix A: March 2020 financial package**

2020 Capital Portfolio Report - 3&9

YTD Capex spend is [REDACTED] under budget [REDACTED]
 1) Strategic Project Portfolio, [REDACTED]
 Energize Eastside (\$9.5 million), due to plan to complete civil construction in 2020.

	(A) YTD Budget March 2020	(B) YTD Actual March 2020	(C) (A)-(B) YTD Budget vs. Actual Fav/(Unfav)	(D) 2020 Budget	(E) 3&9 Outlook	(F) (D)-(E) Budget vs Outlook Fav/(Unfav)
Programs/Projects (\$s in thousands)						
1 Strategic Project Portfolio	\$3,214	\$1,247	\$1,967	\$18,483	\$27,995	(\$9,512)
2 Energize Eastside						