

**EXH. DRK-25r2
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 OF**

DAN'L R. KOCH

ON BEHALF OF PUGET SOUND ENERGY

**REVISED
MARCH 15, 2022**

**REVISED
MARCH 25, 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.

ENERGIZE EASTSIDE STATUS UPDATES FOR NOVEMBER 3, 2021 ASSET MANAGEMENT COMMITTEE

Financial					
2021 YTD Actuals (Millions)	2021 Forecast (Millions)	2021 Budget (Millions)	Lifetime Actuals (Millions)	Approved Life- time Budget (Millions)	Post-Design Lifetime Budget (Millions)
\$29.8	\$47.1	\$71.4	\$142.2	\$278.9	\$274.1
September 2021					

- Yellow status due to schedule updates related to material availability and permit processing: (1) Newcastle conditional use permit hearing delayed into Q1 2022 with appeals expected; (2) continue working with staff of the four cities to obtain and modify construction permits as appropriate and CUP processing. Mitigations include continued reliance on "Cure" (pro-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 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.

PSE 2021 Capital Portfolio Report (\$ in thousands)

(A) (B) (C) (D) (E) (F)

Year To Date as of September 30, 2021	Year To Date			Full Year		
	Budget	Actual	Variance	2021 Budget	9&3 Outlook	Variance
Strategic Project Portfolio	50,097	29,846	20,251	71,441	47,109	24,332
Major SPP Projects	Energize Eastside					

ENERGIZE EASTSIDE STATUS UPDATES FOR JUNE 3, 2020 ASSET MANAGEMENT COMMITTEE

2020 Financials			
YTD Actuals (Millions)	YTD Budget (Millions)	Lifetime Actuals (Millions)	2020 Budget (Millions)
\$2.0	\$4.8	\$14.4	\$18.5
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).

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

(A) _____ (B) _____ (C) _____ (D) _____ (E) _____ (F) _____

Year To Date as of April 30, 2020

Year To Date Full Year

**Strategic Project Portfolio
Major SPP Projects**

	Budget	Actual	Variance	2021	4&8	Variance
			\$	Budget	Outlook	\$
Energize Eastside	4 752	1 971	2 782	18 483	24 089	(5 606)

ENERGIZE EASTSIDE BUDGET UPDATE FOR MAY 6, 2020 ASSET MANAGEMENT COMMITTEE

	YTD Budget	YTD Actual	YTD Budget	Budget vs Outlook
	March	March	vs. Actual	3&9 Outlook
	2020	2020	Fav/(Unfav)	Budget Outlook
Programs/Projects (\$s in thousands)				
Strategic Project Portfolio				
Energize Eastside	\$3,214	\$1,247	\$1,967	\$27,995
Eastside 230kv Project (incl Talbot)			\$18,483	(\$9,512)