

**EXHIBIT NO. ___(MJV-19)
DOCKET NO. UE-121697/UG-121705
DOCKET NO. UE-130137/UG-130138
WITNESS: DR. MICHAEL J. VILBERT**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET NOS. UE-121697
and UG-121705 (*consolidated*)

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET NOS. UE-130137
and UG-130138 (*consolidated*)

**FIRST EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED REBUTTAL TESTIMONY OF DR. MICHAEL J. VILBERT
ON BEHALF OF PUGET SOUND ENERGY, INC.**

DECEMBER 19, 2014

**REVISED
FEBRUARY 5, 2015**

The Brattle Group - Development of Decoupling Impact Studies for the Natural Gas LDC and Electric Utility Industries

	Study Period	Source of the Cost of Capital Data by Holding Company	Source of Decoupling Index Data by Holding Company	Types* of Decoupling Ratemaking Mechanisms Included	Comments
Gas LDC Study					
Published Brattle Report - Amended June 2012, Original March 2011	October 2005 - June 2010; 18 Filings over 4.7 yrs.	Brattle Gas Cost of Capital submissions in state regulated proceedings	EI Alternative Regulation reports, circa 2010	True-up decoupling, straight fixed variable (SFV) rates, and LRAMs	Generality sought initially aside that LRAMs are specialized to recover certain fixed costs.
Updated for the Puget filing in WUTC Docket No. UE-121697 and UG-130138 - October 2014	October 2005 - May 2012; 24 Filings over 6.7 yrs.	Brattle Gas Cost of Capital submissions in state regulated proceedings, adding 2 years.	EI report (2013) and P. Morgan report (2012) cited below, Brattle research	True-up decoupling and straight fixed variable (SFV) rates. LRAM removed.	True-up decoupling and SFV rates. Two subsidiaries with LRAMs removed to make this gas study directly comparable to the electric study.
Electric Utility Industry Study					
Published Brattle Report - March 2014	2005 1Q - 2012 4Q; 32 Quarters or 8 yrs.	Brattle new quarterly database of Electric HCs with subsidiaries under Decoupling	EI report (2013) and P. Morgan report (2012) cited below	True-up decoupling, NO straight fixed variable rates and NO LRAMs	LRAMs are more prevalent in electric industry, exceeding True-up Decoupling, but LRAMs are specialized to recover only certain fixed costs and depend on the EE program evaluation.
Updated for the Puget filing in WUTC Docket No. UE-121697 and UG-130138 - October 2014	2005 1Q - 2012 4Q; 32 Quarters or 8 yrs. 2005 1Q - 2014 2Q; 38 Quarters or 9.5 yrs.	Brattle new quarterly database of Electric HCs with subsidiaries under Decoupling	EI report (2013) and P. Morgan report (2012) cited below, additional Brattle research	True-up decoupling, added straight fixed variable rates for one company already in the sample, NO LRAMs	Brattle sought consistency between Gas LDC and Electric utility studies that were being presented together in this proceeding.

Notes:

* From 2010 to present, both Edison Electric Institute and the Institute for Electric Efficiency have periodically compiled lists of state regulated utilities that have "decoupling ratemaking" and use all three types.

Sources:

- Edison Electric Institute, *Alternative Regulation for Evolving Utility Challenges: An Updated Survey*, Prepared by Pacific Economics, January 2013.
- Pamela Morgan, *A Decade of Decoupling for US Energy Utilities: Rate Impacts, Designs, and Observations*, Graceful Systems, December 2012.

REVISED
FEBRUARY 5, 2015