



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250
(360) 664-1160 • www.utc.wa.gov

May 12, 2016

**NOTICE OF TECHNICAL CONFERENCE
(Wednesday, May 31, 2017, beginning at 1 p.m.)**

RE: *Washington Utilities and Transportation Commission v. Puget Sound Energy*, Dockets UE-170033 and UG-170034 (*consolidated*)

TO ALL PARTIES:

The Commission will conduct a technical conference to receive guidance from Puget Sound Energy (PSE or Company) concerning the structure of the Company's revenue requirement models (exhibits). It is important for the Commission's advisors to understand fully the details of the Company's revenue requirements models and, specifically, to understand how proposed adjustments flow through the various exhibits to arrive at revenue requirement results that are formulaically accurate. The merits of the Company's requested revenue requirement and individual adjustments will not be addressed.

The Commission's Accounting Advisor has identified concerns that the Direct, and Supplemental Testimony of John A. Piliaris,¹ Katherine J. Barnard,² and Susan E. Free³ do not adequately describe the interrelationships among their respective exhibits and the exhibits are not electronically linked to provide such understanding. In fact, the majority of the cells in the Company's revenue requirement exhibits are populated with "plug" numbers with no indication of the underlying formulas by which they were calculated. Additionally, the exhibits provided by Mr. Piliaris appear to have inadequate supporting testimony, or schedules, to enable the Commission's advisory staff to understand fully the development of the revenue impacts for the various Tariff Schedules⁴ in determining the Company's requested revenue requirement.

PSE's accounting specialists should be prepared to respond to questions along the following lines of inquiry:

1. Provide explicit instruction on how the Company intends for the various revenue requirement exhibits to interact to produce the final revenue requirement requested.

¹ Piliaris, Exh. No. JAP-3, JAP-19, JAP-4 and JAP-28; JAP-44 and JAP-45, respectively.

² Barnard, Exh. No. KJB-4; KJB-12, respectively.

³ Free, Exh. No. SEF-4; SEF-10, respectively.

⁴ Schedule 95, Schedule 95A, Schedule 120, Schedule 129, Schedule 132, Schedule 140, Schedule 141, Schedule 142, and Schedule 194.

2. Explain the relationship between the Tariff Schedules portrayed in JAP-19 (Direct Electric), JAP-44 (Supplemental Electric), JAP-28 (Direct Gas) and JAP-45 (Supplemental Gas) and the corresponding adjustments in KJB-4 (Direct), KJB-12 (Supplemental), SEF-4 (Direct), and SEF-10 (Supplemental). Please explain why nominally corresponding entries in the various exhibits display different numbers. For example, in JAP-3, line 4b related to “Schedule 95A” reports a value of (\$54,955,984) while the corresponding entry in JAP-19, line 29d reports a value of (\$50,631[,000]). We note that the value in JAP-3 is consistent with the supporting schedule for KJB-4, adjustment 6.01.
3. Explain the derivation of the “Sales of Electricity” value in JAP-3 page 2, Line 1b.

The Commission requires that all parties’ revenue requirement exhibits provide fully functional models with formulas and links intact. Unless PSE can demonstrate during the technical conference that the Company’s as-filed exhibits for both electric and natural gas revenue requirements meet this requirement, PSE should prepare and provide to the Commission in advance of the technical conference responsive documents that can be, as appropriate, filed as substitute exhibits following the technical conference. All underlying worksheets necessary to make the revenue requirement exhibit spreadsheets fully functional should also be provided in advance of the technical conference to facilitate discussions during the conference. PSE should provide the requested documents to the Commission advisory staff and all parties to this proceeding by May 24, 2017. Any responsive documents previously provided to parties during discovery, or otherwise, need not be provided a second time, but PSE should provide the documents to Commission advisory staff and provide the parties with an index identifying those documents.

THE COMMISSION GIVES NOTICE THAT it will conduct a technical conference in this proceeding on Wednesday, May 31, 2017, at 1 p.m., in Room 206 of the Commission’s headquarters, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington. The Commission’s teleconference bridge line will not be available. Discussion at the technical conference will be recorded by a court reporter and transcribed for the benefit of Commission advisory staff and the parties, but participants’ statements will not be taken as sworn testimony and will not be made part of the evidentiary record in this proceeding.

DENNIS J. MOSS
Senior Review Judge