

**Exh. JDW-3  
UE-240004/UG-240005/UE-230810  
Witness: John D. Wilson**

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**DOCKETS UE-240004, UG-240005,  
UE-230810 (*Consolidated*)**

**EXHIBIT TO TESTIMONY OF**

**JOHN D. WILSON**

**ON BEHALF OF STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*PSE's Response to Staff DR No. 117*

**August 6, 2024**

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Dockets UE-240004 & UG-240005  
Puget Sound Energy  
2024 General Rate Case**

**WUTC STAFF DATA REQUEST NO. 117:**

REQUESTED BY: John Wilson

RE: Power Costs

Please refer to Mueller, Exh. BDM-1T, p. 42-49. For simplicity of reference, please provide a single document that summarizes PSE's proposed annual power cost update process with relevant dates for 2025 and 2026.

**Response:**

The timing and contents of Puget Sound Energy's ("PSE") proposed annual power cost update process can be summarized as follows:

**A. By April 30<sup>th</sup> of each year PSE will file a report including the following elements:**

1. The existing Power Cost Adjustment ("PCA") annual report including a review and summary of prior year's PCA results (for example, on April 30<sup>th</sup>, 2025, PSE will file a report summarizing actual results for calendar year 2024 and on April 30<sup>th</sup> 2026 PSE will file a report summarizing actual results for calendar year 2025).
2. PSE's proposed annual power cost update process expands the contents of the April 30<sup>th</sup> filing to include a preliminary power cost forecast for the following year as well as a discussion of any proposed forecast methodology changes. For example, PSE's April 30<sup>th</sup>, 2025, report would include a preliminary forecast of 2026 power costs and the details of any forecast methodology changes PSE proposes for the 2026 forecast. PSE's April 30<sup>th</sup>, 2026, report would include a preliminary forecast of 2027 power costs and the details of any forecast methodology changes PSE proposes for the 2027 forecast.
3. The April 30<sup>th</sup> filing would also include a request and supporting discussion/documentation for the Commission to determine prudence of any new resources that are included in the effective baseline rate from the most recent approved power cost forecast. For example, PSE's April 30<sup>th</sup>, 2025, filing would request a prudence determination for any new resources included in the final approved 2025 power cost forecast and not included for prudence review in PSE's 2024 general rate case. PSE's April 30<sup>th</sup>, 2026, filing would

request a prudence determination for any new resources included in the approved 2026 power cost forecast.

**B. By October 2nd of each year PSE will file a power cost forecast to establish the PCA variable baseline rate for the following calendar year:**

- a. The October 2<sup>nd</sup> filing date provides 90 days for parties and the Commission to review the forecast prior to proposed baseline rate effective date of January 1<sup>st</sup>. Relative to the preliminary forecast filed on April 30, the October 2 forecast includes updates only to the inputs and assumptions listed in the Settlement Agreement from PSE's 2022 general rate case and on page 43 of Exh. BDM-1T with modifications described in the Prefiled Direct Testimony of Brennan D. Mueller, BDM-1T page 46.
- b. On October 2, 2025, PSE would file its updated power cost forecast for calendar year 2026. On October 2, 2026, PSE would file its updated power cost forecast for calendar year 2027. Note that PSE does not propose filing an updated power cost forecast for calendar year 2025 on October 2, 2024. Instead, PSE requests that the Commission order PSE to provide an updated power cost forecast for calendar year 2025 in a compliance filing at the conclusion of its 2024 general rate case.