

EXHIBIT NO. ___(PKW-7)
DOCKET NO. UE-13___
2013 PSE PCORC
WITNESS: PAUL K. WETHERBEE

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

Docket No. UE-13___

**SIXTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF
PAUL K. WETHERBEE
ON BEHALF OF PUGET SOUND ENERGY, INC.**

APRIL 25, 2013

UNITED STATES OF AMERICA 133 FERC ¶ 62,263
FEDERAL ENERGY REGULATORY COMMISSION

Puget Sound Energy

Project No. 2150-085

ORDER CERTIFYING INCREMENTAL HYDROPOWER GENERATION
FOR PRODUCTION TAX CREDIT

(Issued December 16, 2010)

On August 10, 2010, and supplemented on September 30 and October 7, 2010, Puget Sound Energy, licensee for the Baker River Hydroelectric Project, FERC No. 2150, filed a request for certification of a renewable energy production tax credit for the addition of capacity in a new powerhouse at the Lower Baker Development of the project. The licensee's expected in-service date for the additional capacity is December 31, 2013. The licensee made the filing pursuant to Internal Revenue Service Code section 45.¹ The project is located on the Baker River in Skagit and Whatcom counties, Washington.

Section 1301(c) of the Energy Policy Act of 2005 (EPAAct)² amended section 45 to apply the tax credit to incremental production gains from efficiency improvements or capacity additions to existing hydroelectric facilities placed in service after August 8, 2005, and before January 1, 2014. Under EPAAct section 1301(c), the Commission is required to certify the "historic average annual hydropower production" and the "percentage of average annual hydropower production at the facility attributable to the efficiency improvements or additions of capacity" placed in service during that time period. Based on the above, we are issuing this certification order.

The Director orders:

(A) Based on our review of the information provided by the licensee, we certify the following:

¹ I.R.C. § 45 (2000)

² Pub. L. No. 109-58 § 1301, 119 Stat. 594, (2005), Pub. L. No. 109-432 Title II §201, 120 Stat. 2922, (2006), and Pub. L. No. 110-343, Div. B, Title I, (2008), and Pub. L. No. 111-5, Div B, Title I, §1101, (2009).

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Type of Improvement	Addition of Capacity in a new powerhouse at Lower Baker Development
Expected Date of Operation	December 31, 2013
Historical Generation Baseline (MWh)	602,475
Generation with Improvements (MWh)	712,051
Incremental Generation (MWh)	109,575
Percentage of Incremental Generation Due to Improvements (%)	18.18

(B) This order constitutes final agency action. Requests for rehearing by the Commission may be filed within 30 days of the date of issuance of this order, pursuant to 18 C.F.R. § 385.713.

M. Joseph Fayyad
Engineering Team Lead
Division of Hydropower Administration
and Compliance