

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Docket No. UE-132027  
Puget Sound Energy, Inc.'s  
Petition for an Accounting Order Approving the Allocation of Proceeds of the  
Sale of Certain Assets to Public Utility District #1 of Jefferson County**

**PUBLIC COUNSEL DATA REQUEST NO. 046**

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With respect to the PSM III power supply cost study presented in the 2013 PCORC that became the starting point for PSE's calculations of net present value power supply cost savings in the current docket:

- a. Was the study the base case study from Docket UE-130617? If no, please provide the PSM III output from the base case study in Docket UE-130617.
- b. Please provide the output from any studies performed in Docket UE-130617 that were undertaken to test the sensitivities of input changes to the base case, clearly stating the input changes undertaken in each sensitivity run and the perceived need to test for each sensitivity.

**Response:**

- a. Yes; the study used to support the net present value power supply cost savings calculations of Puget Sound Energy, Inc. ("PSE") in this proceeding is the same base case study used to support the transmission renewal decisions in PSE's 2013 power cost only rate case ("PCORC"), Docket No. UE-130617.
- b. PSE did not perform studies in its 2013 PCORC to test the sensitivities in input changes to the base case assumptions in the PSM III model. However, as stated in PSE's Response to Public Counsel Data Request No. 045, the PSE III model used to support the transmission renewal decisions in PSE's 2013 PCORC is identical to the base case model used in PSE's 2013 IRP. PSE has performed a sensitivity analysis to base case assumptions used in its modeling for the 2013 IRP. This analysis is described in Chapter 4 of PSE's 2013 IRP. Attached as Attachment A to PSE's Response to Public Counsel Data Request No. 046, please find a copy of Chapter 4 of PSE's 2013 IRP.

The following is from Chapter 4 of PSE's 2013 IRP, page 4-1:

PSE develops ranges of forecasts, estimates, and assumptions for the following key areas.

- Demand
- Power prices
- Gas prices
- CO2 costs

We then combine these in different ways to create scenarios. Scenarios are "pictures" of the future that reflect a set of integrated assumptions that could occur together. This enables us to test how portfolio costs and risks respond to changes in economic conditions, environmental regulation, natural gas prices, and energy policy. In addition, we develop sensitivities that allow us to isolate the effect of a single variable; sensitivities start with the Base Scenario and change only one input. In this IRP, we also developed a series of cases to test the economic viability of an existing resource, Colstrip, under a variety of regulatory conditions.

The scenarios, sensitivities and cases developed for PSE's 2013 IRP are listed below.

## Scenarios

Base Scenario

Low (load & gas price)

High (load & gas price)

Very Low Gas Prices

Very High Gas Prices

Base + Low CO2 Cost

Base + High CO2 Cost

Base + Very High CO2 Cost

High (load & gas price) + High CO2 Cost

Low Gas & Power Price + Base Load

A summary of the results of these scenarios can be found in Appendix K to PSE's 2013 IRP. Attached as Attachment B to PSE's Response to Public Counsel Data Request No. 046, please find a copy of Appendix K to PSE's 2013 IRP.