

**Exh. HEN-7
Dockets UE-220066, UG-220067,
UG-210918
Witness: Hanna E. Navarro**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**DOCKETS UE-220066, UG-220067,
UG-210918 (consolidated)**

In the Matter of the Petition of

PUGET SOUND ENERGY

**For an Order Authorizing Deferred
Accounting Treatment for Puget Sound
Energy's Share of Costs Associated with
the Tacoma LNG Facility**

EXHIBIT TO TESTIMONY OF

HANNA E. NAVARRO

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

PSE Response to UTC Staff Data Request No. 74, Attachment G

July 28, 2022



iDOT Replacement
Initiation to Planning Gate
Corporate Spending Authorization (CSA)

Before starting: Contact the Capital Budget team (CSA-TeamMail@pse.com) for any clarification needed and review the [CSA Standard](#) when completing this template.

The sections provided expand / are not limited to one row. **Ensure you provide adequate information and back-up documentation to support your business case.** If a section or item is not applicable, enter N/A; if unknown, enter TBD. The **gray** fields are provided as prompts; do not leave these fields with instructions visible.

Date Submitted:	10/26/2021
Officer Sponsor:	Dan Koch
Project Director:	Cathy Koch
Responsible Cost Center:	4205

I. Project Overview

Update each section with high level information as applicable, noting any changes from the previous request/Gate.

Business Need:	PSE’s operations capital planning departments have a robust process to evaluate investments and ensure they are providing the optimal portfolio to provide value to our customers. This process has been reviewed with and recognized by the Washington State Utilities Commission. PSE has the need to change the benefits to include Social Cost of Carbon, equity, and others as identified. In 2020, PSE was notified that the vendor which provides the tool that supports the process will not be able to support any enhancements going forward. The current tool no longer meet our needs. PSE’s Multi-Year Rate Plan and CEIP investments rely on the benefit to cost B/C analysis that the iDOT tool provides to justify operations discretionary investments for specifics projects and programs. Without a usable tool, those justifications are put at risk.
Proposed Solution:	Recommend performing a like for like replacement with little integration. Several tools were identified and evaluated, and Power Plan met PSE’s needs and was a tool that PSE already supports.
Project Outcome/Results:	PSE will be able to update benefits and justify an optimized portfolio that maximizes benefits to cost for all discretionary operations capital investments to meet both CEIP and MYRP targets while meeting compliance and safety requirements.
OCM, Process & Training Impact:	<input type="radio"/> N/A <input checked="" type="radio"/> Low Impact <input type="radio"/> Medium Impact <input type="radio"/> Significant Impact Low impact as this a like for like replacement. Other than learning new platform functionality, the underlying processes will not change for the Planning department. The 3 superusers who support the current tool will continue to support the new tool.
Primary ISP Alignment:	Processes & Operations ISP strategy descriptions
Portfolio Description:	Discretionary over time Capital Allocation Definitions
Project Complexity:	<input checked="" type="radio"/> Straightforward and well understood <input type="radio"/> Complex and well understood <input type="radio"/> Complex and not well articulated



II. Key Schedule and Financial Information

Expected Start Date If Funded:	02/2022
Expected In-Service Date:	08/31/2022

High-Level Schedule Enter Expected # of Years and Months

Duration				
Planning	Design	Execution	Total Project	Anticipated Closeout date
2 month	1 month	3 months	6 months	09/2022

Initial Estimated Funding % by Phase as of 10/26/2021: Enter values to include both O&M and Capital in the cells below for percentage of funding to be used in each phase of the project.

Initiation	Planning	Design	Execution	Closeout
0%	25%	0%	70%	5%

Initial Grand Total Estimate (contingency included and in \$000s): Contingency Standard	Capital: \$962,649	OMRC/Project O&M: \$0 (Not including O&M Tail)
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Estimated Five Year Allocation: Enter values in the cells below for years anticipated, up to five years, plus any expected future years. Change "Year 1, Year 2, etc. to the relevant years for this project. Ongoing O&M begins after project close-out.

Category:	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Capital (contingency included)	\$962,649	\$0	\$0	\$0	\$0	\$962,649
OMRC / Project O&M	\$0	\$0	\$0	\$0	\$0	\$0

III. Ongoing Benefits

Summary Benefits (see Benefits realization plan for details):	<p>Primary benefit is tied to PSE continuing to be able to justify CEIP and MYRP targets. The program and project level benefit to cost value B/C ratio is a critical measure to justify discretionary investments expenditures in operations. This has been consistently described and explained to UTC staff and is a cornerstone justification in the rate case.</p> <p>The existing iDOT tool is no longer supported which leaves us without a way to update financials and develop benefit to cost ratio for projects/programs.</p> <p>Overall soft benefit is higher probability or recovery with the MYRP future targets with the tools robust B/C ratio discretionary justification.</p>
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Category:	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Ongoing O&M (to be funded by business) (NOTE – already exists) – Previous tool O&M	\$0	-\$55,000	-\$55,000	-\$55,000	-\$55,000	-\$220,000



Ongoing O&M (requesting \$'s)	\$0	\$122,434	\$122,434	\$122,434	\$122,434	\$489,736
Benefits*	\$	\$	\$	\$	\$	\$
Net impact (= Benefits – O&M)	\$	\$	\$	\$	\$	\$
Payback in Years	Years = Total Costs / Annual Cash Benefits					

* Enter incremental benefits for each year, not cumulative benefits

IV. Risk Management Summary

Identify high level risk categories expected for the project. Consider Project Dependency, Project Timing and Resourcing, as well as Regulatory Risk.

Summary of high level risks sentence:	Project timing
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V. Phase Gate Change Summary

Use this section for changes from: **Planning to Design, Design to Execution or Execution to Closeout** phases. To have a history of the changes at each phase gate change, **copy/paste the table below above the previous table.**

Phase:	Initiation to Planning
Scope:	Describe the Scope changes since last submission/Phase Gate.
Budget:	Describe the Budget changes since last submission/Phase Gate.
Schedule:	Describe the Schedule changes since last submission/Phase Gate.
Benefits:	Describe the Benefits changes since last submission/Phase Gate.

Prepared by:	Niecie Weatherby, Jens Nedrud, Kevin Chen
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VI. CSA Approvals

Add/remove rows as needed in the table below. Email approval is acceptable. To maintain a history of the changes at each phase gate change, **copy/paste the table below above the previous table.** Send to the



Capital Budget team at CSA-TeamMail@pse.com. For a project in the Strategic Project Portfolio (SPP) review the [Escalation Criteria](#) for appropriate escalation and approvals.

For guidance on approval authority levels, follow [CTM-07 Invoice Payment Approval Exhibit I Invoice/Payment Approval Chart](#)

Project Phase	Initiation Funding			
Approved By	Title	Role	Date	Signature
Jens Nedrud	Manager, Electric System Planning	Key Benefit Owner	02/03/2022	 Re iDOT_CSA docm.msg
Niecie Weatherby	Manager, Gas System Integrity	Key Benefit Owner	02/03/2022	 RE iDOT_CSA docm.msg
Cathy Koch	Director, Planning	*Director Sponsor	02/02/2022	 FW iDOT CSA & Estimate Check-In (F
Brian Fellon	Director, IT	Other Key Director	02/09/2022	 RE Initiation to Planning iDOT_CSA
Dan Koch	VP Operations	Executive Sponsor	2/17/2022	 FW iDOT_CSA docm.msg
Margaret Hopkins	Sr VP & CIO	Executive Sponsor	2/14/2022	 FW CSAs and PCRs for week of 2 7 2022
		Choose an item		

*Director Sponsor attests that all considered documentation has been approved.

Please direct any questions to Capital Budget team at CSA-TeamMail@pse.com