

**EXH. AEW-8
DOCKETS UE-220066/UG-220067
2022 PSE GENERAL RATE CASE
WITNESS: AMY E. WHEELLESS**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-220066
Docket UG-220067**

**SEVENTH EXHIBIT (NONCONFIDENTIAL) TO
THE PREFILED RESPONSE TESTIMONY OF**

AMY E. WHEELLESS

**ON BEHALF OF NW ENERGY COALITION, FRONT AND CENTERED, AND
SIERRA CLUB**

JULY 28, 2022

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-220066 & UG-220067
Puget Sound Energy
2022 General Rate Case**

NWEC DATA REQUEST NO. 126:

Re: Demand Response

In Appendix F, sheet F2, of PSE's CEIP:

- a. Please describe how PSE developed these estimated costs.
- b. Are these costs included in PSE's proposed revenue requirement for this case?
- c. Please provide the underlying formulas for the "Total Budget" summations found in sheet F2, cells F223, G223, H223, and I223. Explain these formulas, as necessary.
- d. Please describe how PSE intends to recover the costs of these programs. Does the Company anticipate that any of these potential costs would add to PSE's rate base and thus earn a rate of return?

Response:

- a. Puget Sound Energy ("PSE") commissioned a Conservation Potential Assessment ("CPA") that included an assessment of demand response opportunities in PSE's service territory. The analysis focused on programs aimed at reducing PSE's winter peak demand. This assessment accounted for the relevant, direct costs of each demand response product in the levelized cost calculation, including setup costs, program operation and maintenance costs, equipment cost, marketing cost, incentives, and transmission and distribution (T&D) deferral costs. Please see [Appendix E in Final 2021 IRP Report](#) for the CPA and Demand Response Assessment.
- b. Costs included in Appendix F, sheet F2, of PSE's CEIP are forecasted demand response operating expenses, and are not included in the revenue requirement in this proceeding.
- c. The underlying formulas for the "Total Budget" summations found in sheet F2, cells F223, G223, H223, and I223 can be found in cells D117, E117, F117, and G117 in [Appendix E-2](#), Tab 2 of the CEIP.
- d. PSE is currently reviewing options for demand response programs and associated rate recovery methods. As such, PSE has not determined the

recovery mechanism for all future demand response programs. As demand response capital costs are identified, PSE will address those costs and recovery for those costs at that time.