

**BEFORE THE WASHINGTON
UTILITIES & TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.

Respondent.

DOCKETS UE-240004 & UG-240005 (*Consolidated*)

**GREG R. MEYER
ON BEHALF OF THE
WASHINGTON STATE OFFICE OF THE ATTORNEY GENERAL
PUBLIC COUNSEL UNIT**

EXHIBIT GRM-11

PSE's Response to Public Counsel Data Request No. 209

August 6, 2024

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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

PUBLIC COUNSEL DATA REQUEST NO. 209:

RE: O&M Expenses

Re: Direct Testimonies of Susan E. Free, Exh SEF-1T and Joshua A. Kensok, Exh. JAK-1T (O&M Expenses).

Please provide the following:

- a. For the 2025 and 2026 test years, please provide a breakdown of the operations and maintenance expenses for each FERC account by labor and non-labor (in a comparable format to the Company's response to PC DR No. 072). For each cost please indicate how much of that labor and non-labor cost is attributable to inflation over the 2023 historical period and the forecast 2024 gap year.
- b. For any growth in cost not attributable to inflation, please indicate what additional activities are causing the increases.

Response:

Puget Sound Energy ("PSE") objects to Public Counsel Data Request No. 209 to the extent it requests information that is publicly available or obtainable from some other source that is more convenient, less burdensome, or less expensive. Notwithstanding these objections, and subject thereto, PSE responds as follows:

- a. Attached as Attachment A to PSE's Response to Public Counsel Data Request No. 209, please find a breakdown of the operations and maintenance expenses for each FERC account by labor and non-labor in a format comparable to PSE's Response to Public Counsel Data Request No. 072.

As stated in PSE's Response to WUTC Staff Data Request No. 150, the 2024 costs in Attachment A to PSE's First Revised Response to WUTC Staff Data Request No. 105 ("Staff DR 105 Revised Attachment A") are reflected at 2023 levels. The same is true for non-labor costs reflected on Staff DR 105 Revised Attachment A. As such, the amounts for 2025 and 2026 reflected on the attachment do not include inflation related to the period between 2023 and 2024.

- b. As shown in Staff DR 105 Revised Attachment A, the impact of including the inflation factors prepared by Dr. Lowry in PSE’s O&M budget is an increase of \$14.3 million, which is calculated by taking the \$587.5 million in cell F18 minus the \$573.2 million in cell E18. The overall increase in O&M is \$28 million and can be found on page 6 of the Fourth Exhibit to the Prefiled Direct Testimony of Joshua A. Kensok, Exh. JAK-5C by taking the \$876 million for 2026 in cell E8 minus the \$848 million for 2025 in cell D8. The difference between the \$28 million total O&M increase and the \$14.3 million increase to O&M due to inflation factors is \$13.7 million which represents a 1.7 percent increase due to factors other than the application of the inflation growth factors prepared by Dr. Lowry (“non-inflation related”). Examples of non-inflation related O&M project cost increases¹ are shown below.

Description	Amount	Primary Driver
Insurance Expense	\$3 million	Wildfire premiums
Energy Supply	\$1 million	Snoqualmie Corrective Maintenance
Energy Supply	\$2 million	Sumas Pipeline Inspection
Clean Energy	\$1 million	IRP Road-mapping and Resource Adequacy Modeling efforts, in line with PSE 2030
Clean Energy	\$2 million	Increase in the number of no record facilities PSE intends to remediate in order to meet the 5 year remediation commitment ²
Clean Energy	\$1 million	Increase in expenses in Schedule 141DCARB

¹ Amounts presented contain some impact of the application of inflation growth rates prepared by Dr. Lowry, but all increases are above the level of inflation of 3.4178 percent reflected in Staff DR 105 Revised Attachment A.

² See PSE’s Response to WUTC Staff DR 148.

**ATTACHMENT A to PSE's Response to
Public Counsel Data Request No. 209**

Docket(s) UE-240004 & UG-240005 (Consolidated)
 Response Testimony of Greg R. Meyer
 Exhibit GRM-11
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PUGET SOUND ENERGY
 INCOME STATEMENT DETAIL
 FERC Calculation of O&M Plan

Account Description	FM Account	LABOR			NON-LABOR			LABOR			NON-LABOR			LABOR			NON-LABOR			
		E. 2025	E. 2025	E. 2025	G. 2025	G. 2025	G. 2025	E. 2026	E. 2026	E. 2026	G. 2026	G. 2026	G. 2026	E. 2026	E. 2026	E. 2026	G. 2026	G. 2026	G. 2026	
		Electric	Electric	Electric	Gas	Gas	Gas	Electric	Electric	Electric	Gas	Gas	Gas	Electric	Electric	Electric	Gas	Gas	Gas	
(21) 913 - Advertising Expenses	9913000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(21) 916 - Misc. Sales Expense	9916000	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(21) SUBTOTAL	ZW_CUSTOMER	2,396,179	57,718,616	60,114,796	965,111	4,322,748	5,287,859	2,431,154	54,200,409	56,631,563	864,430	4,160,019	5,024,450	-	-	-	-	-	-	-
22 - CONSERVATION AMORTIZATION																				
(22) 909 - Customer Assistance Expense	9909020	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(22) SUBTOTAL	ZW_CONSERV	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
23 - ADMIN & GENERAL EXPENSE																				
(23) 920 - A & G Salaries	9920000	59,581,800	81,286,408	140,868,207	26,483,194	9,673,648	36,156,842	51,660,557	74,801,305	126,461,862	22,626,949	18,195,905	40,822,854	-	-	-	-	-	-	-
(23) 921 - Office Supplies and Expenses	9921000	3,317,584	4,672,162	7,989,746	1,510,019	2,404,079	3,914,098	3,139,649	6,850,552	9,990,201	1,359,165	3,698,116	5,057,280	-	-	-	-	-	-	-
(23) 922 - Admin Expenses Transferred	9922000	(17,850,988)	(21,884,934)	(39,735,921)	(9,276,407)	(11,372,640)	(20,649,047)	(24,292,374)	(22,504,271)	(46,796,645)	(12,823,710)	(11,694,483)	(24,318,193)	-	-	-	-	-	-	-
(23) 923 - Outside Services Employed	9923000	3,860,559	12,160,998	15,521,557	1,620,923	14,979,141	16,600,063	2,660,929	13,676,667	16,337,596	1,301,745	16,136,710	17,438,454	-	-	-	-	-	-	-
(23) 924 - Property Insurance	9924000	(153,216)	7,483,630	7,310,514	(81,369)	476,764	395,414	(278,821)	7,766,417	7,487,596	(167,239)	503,019	335,780	-	-	-	-	-	-	-
(23) 925 - Injuries & Damages	9925000	(220,266)	14,337,217	14,116,931	(88,923)	9,886,374	9,797,452	(61,285)	13,945,309	13,334,024	(367,381)	9,596,749	9,229,368	-	-	-	-	-	-	-
(23) 926 - Emp Pension & Benefits	9926000	32,884,767	-	32,884,767	10,338,076	-	10,338,076	37,207,216	-	37,207,216	17,567,380	-	17,567,380	-	-	-	-	-	-	-
(23) 928 - Regulatory Commission Expense	9928000	206,637	10,505,134	10,711,772	29,166	4,316,397	4,345,563	133,045	11,137,095	11,270,140	(11,807)	4,608,203	4,596,396	-	-	-	-	-	-	-
(23) 9301 - Gen Advertising Exp	9930100	21,869	66,762	108,631	4,984	2,242	7,227	23,137	88,044	111,181	5,159	2,196	7,355	-	-	-	-	-	-	-
(23) 9302 - Misc. General Expenses	9930200	646,132	12,352,688	12,998,819	339,118	6,215,247	6,554,365	605,887	12,802,557	13,408,444	318,345	6,450,963	6,769,309	-	-	-	-	-	-	-
(23) 931 - Rents	9931000	(3,930,865)	8,204,895	4,274,030	(2,048,961)	4,237,215	2,188,254	(5,343,354)	10,416,831	5,073,477	(2,783,131)	5,389,881	2,698,730	-	-	-	-	-	-	-
(23) 932 - Maint Of General Plant - Gas	9932000	-	-	-	79,962	1,948,317	2,028,296	-	-	-	35,976	1,897,463	1,933,339	-	-	-	-	-	-	-
(23) 935 - Maint General Plant - Electric	9935000	58,700	18,154,378	18,213,079	25,178	8,632,181	8,657,359	(162,284)	18,213,751	18,051,468	(84,448)	8,701,808	8,617,360	-	-	-	-	-	-	-
(23) SUBTOTAL	ZW_ADMIN_GE	77,922,593	147,339,539	225,262,131	28,934,978	51,398,985	80,333,964	64,742,303	147,194,257	211,936,560	27,176,902	63,486,509	90,663,411	-	-	-	-	-	-	-
TOTAL OPERATING AND MAINTENANCE	ZW_OPERATING	179,693,173	431,588,923	611,282,096	74,667,739	135,085,074	209,752,813	168,546,695	458,347,817	626,894,513	72,548,617	148,244,072	220,792,689	-	-	-	-	-	-	-