

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Dockets UE-170033 and UG-170034  
Puget Sound Energy  
2017 General Rate Case**

**PUBLIC COUNSEL DATA REQUEST NO. 048**

**PUBLIC COUNSEL DATA REQUEST NO. 048:**

**Re: Direct Testimony of Catherine A. Koch, Exhibit No. CAK-1CT.**

Is there a statutory mandate for the type of Electric Reliability Cost Recovery mechanism you have proposed in Washington? Please identify any statutory support for your Cost Recovery proposal in Washington.

**Response:**

No. Puget Sound Energy (“PSE”) is not aware of a statutory mandate in Washington for the type of Electric Reliability Cost Recovery mechanism proposed, nor is there a statute or rule that prohibits such a mechanism. However, PSE believes the Commission shares an interest with PSE to improve reliability as most recently indicated in the Commission’s 2017 to 2018 Strategic Plan.

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Dockets UE-170033 and UG-170034  
Puget Sound Energy  
2017 General Rate Case**

**PUBLIC COUNSEL DATA REQUEST NO. 051**

**PUBLIC COUNSEL DATA REQUEST NO. 051:**

**Re: Direct Testimony of Catherine A. Koch, Exhibit No. CAK-1CT.**

Is it Puget Sound Energy's intent in obtaining its proposed review of the Electric Reliability Plan to rely on such approval as a prudence determination for its expenditures under the Plan? Please explain the regulatory implication for such approval.

**Response:**

No. Puget Sound Energy ("PSE") describes the Electric Cost Recovery Mechanism in the Prefiled Direct Testimony of Katherine J. Barnard, Exhibit No. \_\_\_\_ (KJB-1T), at pages 73 to 83. PSE's proposal provides an opportunity for the Commission and interested parties to review the proposed reliability plan and provide input to ensure that the proposed plan is measured and reasonable in relation to the anticipated improvement in reliability.

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION****Dockets UE-170033 and UG-170034  
Puget Sound Energy  
2017 General Rate Case****PUBLIC COUNSEL DATA REQUEST NO. 073****PUBLIC COUNSEL DATA REQUEST NO. 073:**

**Re: Direct Testimony of Catherine Koch, Exhibit No. CAK-1CT, at 7;  
Exhibit No. CAK-3C (Electric Reliability Plan and Cost Recovery Mechanism).**

At page 7, Ms. Koch states, "PSE envisions a process that would allow the Commission and Commission Staff the opportunity to provide feedback on investment plans as they relate to reliability and customer expectations." Please provide the following additional information:

- (a) Please identify and describe each element of the "process" that is proposed and each form of "feedback" that is needed or desired from the Commission and its Staff in order for the proposed Puget Sound Energy envisions a process that would allow the Commission and Commission Staff the opportunity to provide feedback on investment plans as they relate to reliability and customer expectations Reliability Plan to proceed.
- (b) Provide specimen copies of each of the reports and analyses that PSE proposes to provide to the Commission or its Staff in connection with the envisioned "process".
- (c) What timeline and schedule of events is proposed under the suggested "process"?
- (d) Would Commission or Staff approval of each of the capital investment projects within the Company's proposed Reliability Plan be required before commitments by PSE to spend would occur?
- (e) Does Ms. Koch or PSE contend that the Commission or its Staff possess the detailed PSE network information, analytical tools, professional skills and experience and available uncommitted resources that would enable them to rigorously review, monitor and approve each element of the Company's proposed Reliability Plan?

- (f) Please explain any affirmative response to part (e) and provide copies of all reports, analyses and other documents relied upon in support of your response.
- (g) Does Ms. Koch believe that all Washington electric utilities should propose and be awarded an Electric CRM if they presently have significant electric reliability issues that would become more affordable to the utility if additional revenues from ratepayers were available? Please explain your response.

**Response:**

- a) As described in the Prefiled Direct Testimony of Katherine J. Barnard, Exhibit No. \_\_\_\_ (KJB-1T), at page 77: 7-19, Puget Sound Energy's ("PSE") proposed plan and mechanism is intended to follow similar processes that have evolved with the implementation of the gas Pipeline Replacement Plan and Cost Recovery Mechanism. Similar to the gas Pipeline Replacement Plan, PSE would submit its two-year Electric Reliability Plan prior to the beginning of the next Plan period. WUTC Staff would be provided the opportunity to ask questions (through informal data requests or meetings) to gain an understanding of the scope, geographic areas and circuits to be targeted over the course of the next two years. WUTC Staff would then present their review of the Plan at an open meeting and make their recommendation as to whether the submitted Electric Reliability Plan is a reasonable and a measured approach to improving reliability.

Attachment A to PSE's Response to Public Counsel Data Request No. 073 is a copy of the Order from Docket UG-131839 that is provided as an example of the approval format received from the Commission regarding PSE's Pipeline Replacement Plan, which the proposed Electric Reliability Plan is modeled after.

- b) PSE has already submitted its first two-year Plan in this general rate case filing. Please see the Second Exhibit to the Prefiled Direct Testimony of Catherine A. Koch, Exhibit No. \_\_\_\_ (CAK-3C).
- c) Please see response to (a) above. Although there is not a specific timeline in the Pipeline Replacement Plan from which the Electric Reliability Plan is modeled, PSE has typically seen WUTC Staff's review and scheduling of an open meeting occur within 45-60 days from submittal of plans.
- d) The purpose of filing the Electric Reliability Plan is to provide the opportunity for the Commission and interested parties to provide input on whether the Plan is measured and reasonable from the Commission's perspective. PSE would expect a response regarding any concerns with the Plan to occur in a timely fashion. If through the review process the Plan is determined to not be reasonable and measured, PSE would return to historical spending levels.

- e) As experienced with PSE's Pipeline Replacement Plan and Cost Recovery Mechanism, WUTC Staff does not replicate network modeling or analysis to recommend whether the replacement plan is measured and reasonable nor would PSE expect that level of review to be necessary in this Plan either.
- f) PSE did not respond affirmatively part (e).
- g) PSE is not in a position to propose policy for other utilities or to determine what cost recovery mechanisms might be appropriate for other utilities. PSE provides this proposed Plan based on its objectives to improve reliability and to ensure the Commission agrees that accelerating reliability spending above historical levels is a reasonable and measured approach to improving reliability for customers.