

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF
RESPONSE TO DATA REQUEST

DATE PREPARED: January 11, 2009
DOCKET: UE-090704/UG-090705
REQUESTER: Public Counsel

WITNESS: David Nightingale
RESPONDER: David Nightingale
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PC-2 Reference page 5 of Mr. Nightingale's cross-answering testimony. Is Mr. Nightingale advocating that the Commission select Mint Farm over the referenced PPA even though PSE's quantitative studies indicate that the PPA produces higher system production cost benefits for customers in all scenarios evaluated? If so, please explain why Mr. Nightingale believes customers should pay higher costs to allow PSE to acquire Mint Farm when they would otherwise pay much lower costs with the referenced PPA.

RESPONSE:

Mr. Nightingale is not advocating that the Commission select any resource. It is the Company's responsibility to select resources and then to prove, in a ratemaking context, that the resource it selected meets the Commission's test for prudence. It is Mr. Nightingale's conclusion, based on his analysis of the Company's direct testimony, responses to data requests, 2007 IRP, 2008 RFP analyses, transaction and other related documents, that PSE has met that burden. The Company's rebuttal testimony confirms Mr. Nightingale's conclusion.

Moreover, the Mint Farm acquisition represents a less expensive long-term generating resource than the referenced PPA. Therefore, in the long-term, customers will not pay higher costs with Mint Farm than with the referenced PPA.