

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKET NOS. UE-190529, UG-
190530, UE-190274, UG-190275
(*Consolidated*)

EXH. WMG-02

PSE RESPONSE TO AWEC DATA REQUEST NO. 016

ON BEHALF OF

NW ENERGY COALITION

November 22, 2019

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**Dockets UE-190529 & UG-190530
Puget Sound Energy
2019 General Rate Case****AWEC DATA REQUEST NO. 016:**

At page 5 of Mr. Ronald J. Amen's testimony, he explains why PSE elected an attrition adjustment as opposed to other mechanisms. Please provide a list of all other mechanisms considered by PSE, and provide all studies used by PSE to estimate the impact on its earned return, cost on customers, and an explanation of why PSE rejected the alternative in favor of an attrition adjustment.

Response:

Puget Sound Energy ("PSE") objects to AWEC Data Request No. 016 to the extent it requests materials and work product prepared in anticipation of litigation of the ongoing case. Without waiving this objection and subject thereto, PSE responds as follows.

Black & Veatch provided perspective to PSE on the many varied ways other utilities and state regulators have dealt with multiyear rate plans, specifically, and regulatory lag, more generally, as discussed on pages 3 through 5 of the Prefiled Direct Testimony of Ronald J. Amen, Exh. RJA-1T.

In the preparation of this case, PSE considered filing a multiyear rate plan under the then-anticipated newly clarified authority to approve such plans under what ultimately became the Clean Energy Transformation Act, using the methodological approach embodied in the proposal of Commission Staff in Avista's 2017 general rate case ("GRC") in Dockets UE-170485 and UG-170486. However, no meaningful analysis of the financial or ratemaking impacts of a multiyear rate plan was developed.

Ultimately, PSE believed more direction was required from the Washington Utilities and Transportation Commission ("Commission") regarding a clear and durable methodology for addressing rate year lag before it would be willing to pursue a multiyear rate plan. Accordingly, PSE proposed an attrition adjustment mechanism, based in large part on the attrition adjustment proposed in Avista's 2016 GRC in Dockets UE-160228 and UG-160229, which appeared to have a reasonable level of support from the Commission. PSE made several modifications to the approach proposed in the Avista case. When finalized, this ultimately became the proposal put forth by PSE in this case.