EXHIBIT NO. \_\_\_\_\_ (AML-12)

DOCKET NOS. UE-170033/UG-170034

2017 PSE GENERAL RATE CASE

WITNESS: AMANDA M. LEVIN

BEFORE THE WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

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| WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,  Complainant,  v.  PUGET SOUND ENERGY,  Respondent. | DOCKETS UE-170033 and UG-170034 (Consolidated) |

EXHIBIT AML-12 TO PREFILED RESPONSE TESTIMONY

(NON-CONFIDENTIAL) OF AMANDA M. LEVIN

ON BEHALF OF NW ENERGY COALITION

JUNE 30, 2017

**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. 060**

**PUBLIC COUNSEL DATA REQUEST NO. 060:**

**Re: Direct Testimony of Daniel Doyle, Exhibit No. DAD-1T, at 3 (K-factor Increases).**

According to Mr. Doyle, Puget Sound Energy’s rate plan approved by the Commission over the past years included a provision for, “annual K-factor increases to delivery revenues of 3.0% for electric and 2.2% for gas in July 2013, January 2014, January 2015, January 2016, and January 2017.” Please provide the following additional information:

1. Explain whether PSE or Mr. Doyle have prepared any formal or informal analyses of the adequacy of the K-factor adjustments that were effective in these years, relative to the changes in the Company’s actual overall cost of service, and describe the scope of all such analyses.
2. Provide complete copies of all reports, studies, workpapers, correspondence and other documents associated with each of the analyses (if any) that are referenced in your response to part (a).
3. Confirm that PSE is not proposing any future K-factor adjustments as part of its future decoupling mechanism or rate plan, or explain any inability to provide such confirmation.
4. Has PSE or Mr. Doyle prepared any formal or informal analyses of the Company’s financial need for any K-factor adjustments after 2017, including but not limited to long term financial forecasts, future revenue requirement studies, cost trending analyses or attrition studies?
5. If your response to part (d) is affirmative, please identify each such analysis and provide complete copies of all reports, studies, workpapers, correspondence and other documents associated with each of the analyses (if any) that are referenced in your response to part (d).

**Response:**

PSE objects to Public Counsel Data Request No. 060 as overbroad, unduly burdensome, and not relevant nor reasonably calculated to lead to the discovery of admissible evidence to the extent it seeks analyses about K-factor adjustments that have not been proposed in this proceeding. Without waiving these objections and subject thereto, PSE responds as follows:

1. The Prefiled Direct Testimony of Katherine J. Barnard, Exhibit No. \_\_\_(KJB-1T) at pages 12:2 through 14:3, provides an analysis of the effectiveness of the K-factor adjustments during the multi-year rate plan. Specifically, Table 6 demonstrates that absent the K-factor adjustments, PSE would have continued to under-earn its authorized rate of return throughout the stay out period.
2. Supporting workpapers for Table 6 were provided in the workpapers of Katherine J. Barnard. Specifically, see the MS Excel worksheet titled “## KJB Table 6 CBR RORs Without K-Factor.xlsx.”
3. PSE is not proposing a K-factor adjustment in this filing.
4. See response to subpart (c). PSE is not proposing a K-factor adjustment in this filing and objects to providing data or analyses related to mechanisms that are not included in its filing such as an attrition adjustment or K-factor.
5. See response to subpart (d).