

**Exh. CRM-9  
Dockets UE-220066, UG-220067,  
UG-210918  
Witness: CHRIS R. MCGUIRE**

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**DOCKETS UE-220066, UG-220067,  
UG-210918 (consolidated)**

**In the Matter of the Petition of**

**PUGET SOUND ENERGY**

**For an Order Authorizing Deferred  
Accounting Treatment for Puget Sound  
Energy's Share of Costs Associated with  
the Tacoma LNG Facility**

**EXHIBIT TO TESTIMONY OF**

**CHRIS R. McGUIRE**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*PSE Response to UTC Staff Data Request No. 229*

**July 28, 2022**

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Dockets UE-220066 & UG-220067  
Puget Sound Energy  
2022 General Rate Case**

**WUTC STAFF DATA REQUEST NO. 229:**

REQUESTED BY: Chris McGuire

**Re: O&M (pro forma) – RY1**

Referring to the PSE workpaper titled “NEW-PSE-WP-SEF-6E-11G-OM-22GRC-01-2022” on the tab titled “Cleaning,” PSE’s O&M budget for 2023 includes increases in expense for the following items:

\$25.25 million for “PSE 2030 Incremental OpEx”  
\$7.45 million for “Management reserve”  
\$9.61 million for “Opex related to CapEx”

Similar amounts also are included as part of the Company’s increase in budget for “Corporate” labor from \$47.9 million in 2022 to \$93.0 million in 2023 in the PSE workpaper titled “NEW-PSE-WP-KKH-Opex-2020-Actual-vs-2023-Plan” (see the tab titled “Summary Pivot,” columns F and G, under the category “Corporate” and subcategory “Corporate”).

For the budget increase of \$25.25 million for “PSE 2030 Incremental OpEx,” please:

- a. Provide reference to PSE testimony where PSE explains the \$25.25 million increase in expense and justifies its inclusion in rates.
- b. Provide the workpapers that support the calculation of the \$25.25 million in incremental O&M for “PSE 2030 Incremental OpEx.”
- c. Provide all materials provided to the Board in support of including \$25.25 million for “PSE 2030 Incremental OpEx” in PSE’s 2023 budget.
- d. Provide documentation that the Board considered and approved a budget increase of \$25.25 million for “PSE 2030 Incremental OpEx.”

**Response:**

- a. Please refer to pages 28 through 37 and Table 2 of the Prefiled Direct Testimony of Joshua J. Jacobs, Exh. JJJ-1T, for discussion of Puget Sound Energy’s (“PSE”) Clean Energy Implementation Plan (“CEIP”) to which the \$25.25 million budgeted amount relates.
- b. Workpapers that support the calculation of the \$25.25 million in incremental Operations and Maintenance (“O&M”) presented as the “PSE 2030 Incremental Opex” line item within the multiyear rate plan were filed as part of PSE’s CEIP, which is provided in this case as Exh. JJJ-3.<sup>1</sup>

Please refer to Appendix A-2 “AURORA Long-Term Capacity Expansion Input”, Appendix A-3 “Aurora Output Portfolio”, Appendix E, “Incremental Cost calculation” and Appendix F, “Detailed Costs by Program Area,” which includes the line items in the table below. Attached as Attachment A to PSE’s Response to WUTC Staff Data Request No. 229 is a breakdown of the Operating Expense (“OpEx”) costs for Distributed Energy Resource (“DER”) solar and storage resources.

<b>Line Item</b>	<b>Appendix, Tab</b>	<b>2023 \$ OpEx (million)</b>
DER solar and storage resources	Appendix A-2 and A-3 (See Attachment A for specifics)	\$9.35
DER Enablement Milestone	Appendix F, “F5” (these costs were inclusive of the total budget)	3.64
Grid Modernization	Appendix F, “F5” (these costs were inclusive of the total budget)	0.32
Customer Education and Engagement	Appendix F, “F6”	9.83
Administration	Appendix E, “6. Admin”	2.11
<b>Total</b>		<b>\$25.25</b>

The total included in the multiyear rate plan is \$25.25 million, while the CEIP incremental costs totals \$26 million. The difference occurs within the DER solar and storage resources category. The total DER solar and storage resources in the CEIP is \$10 million versus the total within the multiyear rate plan of \$9.35 million. The minor difference is due to a correction made in the final CEIP

<sup>1</sup> <https://www.cleanenergyplan.pse.com/ceip-documents>. A list of the CEIP Appendices can be found at the bottom of the page.

analysis that occurred after the approval of the O&M budget that is the basis for the multiyear rate plan. Attachment A to PSE's Response to WUTC Staff Data Request No. 229 shows specific differences between the two costs as follows:

- Cell K9 – The dollars associated with the “Multi-family Solar Incentive” program were unintentionally excluded from the multiyear rate plan. In the CEIP, this program is included and therefore results in the costs in the CEIP being higher than those included in the multiyear rate plan.
  - Cell F4, F5 – The capacity factors for “PSE Community Solar” and “PSE Community Solar – Low Income” were updated in the CEIP from what was included in the multiyear rate plan. This difference slightly raised the anticipated megawatt-hours (MWh) for those programs, which increased the CEIP OpEx costs relative to the multiyear rate plan.
  - Cell D17, and I17 – These costs for fixed O&M and one-time incentive for the “PSE customer sited solar + storage” program were updated in the CEIP analysis resulting in the costs in the CEIP being higher than those included in the multiyear rate plan.
- c. Please see line 21 on page 3 of Attachment B to PSE's Response to WUTC Staff Data Request No. 230 which demonstrates the \$25.25 million of “PSE 2030 Incremental Opex” was included in the materials presented to the board in the final board approved O&M budget from the approval of the 2022-2026 business plan on November 4, 2021.
- d. Please see part c above.

# **ATTACHMENT A to PSE's Response to WUTC Staff Data Request No. 229**