

Exh. DCG-19
Dockets UE-190529/UG-190530 and
UE-190274/UG-190275 (*consolidated*)
Witness: David C. Gomez

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**DOCKETS UE-190529
and UG-190530 (*consolidated*)**

In the Matter of the Petition of

PUGET SOUND ENERGY

**For an Order Authorizing Deferral
Accounting and Ratemaking Treatment
for Short-life UT/Technology Investment**

**DOCKETS UE-190274 and
UG-190275 (*consolidated*)**

EXHIBIT TO TESTIMONY OF

David C. Gomez

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

PSE's Response to Staff DR No. 173; Colstrip Unit 3 & 4 Coal Contract

November 22, 2019

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-190529 & UG-190530
Puget Sound Energy
2019 General Rate Case**

WUTC STAFF DATA REQUEST NO. 173:

Re: COLSTRIP Units 3 and 4 Coal Contract

In his response to UTC Staff Data Request No. 57, Mr. Ron Roberts indicates that PSE is not planning to update power costs in its rebuttal testimony in this case to reflect the new coal contract for Colstrip Units 3 and 4.

In his response to UTC Staff Data Request No. 75, Subpart A, Mr. Wetherbee notes that the power cost update specified in the procedural schedule does not include the coal contract for Colstrip Units 3 & 4. He states: “Typically, a new fuel contract would be included in a power cost update if it were finalized” and cites a Commission order for the proposition that it is “Washington Utilities and Transportation Commission policy that power costs be set as closely as possible to costs that are reasonably expected to be incurred following the conclusion of a proceeding.” (emphasis added by Staff).

In UTC Staff Informal Data Request No. 8 in UE-190324, PSE was asked to provide the contractually required minutes for each and every meeting of the Executive Committee and the Mine Operating Committee (from October of 2017 through present) as specified in Section 5.1 and 6.6 in the Amended Restated Coal Supply Agreement (“ARCSA”) dated August 24, 1998.

In response, PSE provided the Mine Operating Committee notes for only two meetings (August 14 and November 13, 2018). PSE also indicated that the Executive Committee:

...elected not to maintain and distribute notes of their meetings since discussion centered around on-going coal contract negotiations.

UTC STAFF DATA REQUEST NO. 173:

Admit that PSE plans to include the new Colstrip Units 3 and 4 coal contract costs in the compliance update filed after the entry of the Commission’s final order in this case (early May 2020).

If denied, please state when PSE plans to update its power costs to include the costs of the new Colstrip Units 3 and 4 coal contract and seek recovery of these costs in rates.

Response:

Puget Sound Energy (“PSE”) does not plan to include the new Colstrip Units 3 and 4 coal contract costs in the compliance update in this case. PSE’s Response to WUTC Staff Data Request No. 174 states that PSE plans to include the costs of the new coal contract in a future power cost only rate case or general rate case.