

Exh. JLB-5
Dockets UE-190529/UG-190530 and
UE-190274/UG-190275 (*consolidated*)
Witness: Jason L. Ball

**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

Jason L. Ball

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Excerpt from 11th Supplemental Order in PSE 1992 GRC

November 22, 2019

DOCKET NOS. UE-920433, UE-920499 AND UE-921262

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PRAM rates should be spread in the manner indicated in the
commission's Ninth Supplemental Order in Docket No. UE-920499.

B. Rate Design

In its Order in the rate design portion of these consolidated cases, the Commission reserved part of its determination about the design of residential rates until this Order.

The Commission in that Order determined that a \$5 per month customer charge was appropriate as cost-based. It adopted a summer/winter differential of 10%. The Commission noted the parties' proposals that the three-block rate structure be changed to a two-block structure. It listed the parties' recommendations for the proper break between the two blocks, ranging from 800 kWh (company), to 400 to 600 kWh (Commission Staff, depending on the level of revenue requirement approved).

The Commission finds that the two-block rate structure should be approved. No party objected to the change to a two-block structure. A two-block structure will be simpler and will send appropriate price signals.

The break between the two blocks should occur at 600 kWh per month, as proposed by Public Counsel. The level of 600 kWh will best reflect the actual cost of new resources in the end block, so customers can make economically efficient decisions at the margin. It will also equitably allocate the limited amount of low-cost power on Puget's system. The Commission notes that 600 kWh is consistent with the report of the Rate Design Task Force submitted in February 1992.

The increased customer charge will have an effect on all customers. The first block should be priced at the same level as it was in U-89-2688-T. The remainder of the rate increase to this class should be spread to the tail block.

XII. PUBLIC PARTICIPATION

The Commission held three hearings for the purpose of taking testimony from members of the public about these consolidated filings. There were 25 persons testifying on June 21 at Bellingham, 20 testifying on June 23 at Olympia, and 23 testifying on June 24 at Renton.

In addition, illustrative Exhibit Nos. 871, 873, and 874 contain statements and materials brought by witnesses to the three hearings. Illustrative Exhibit Nos. 872 and 1015 contain letters and materials sent by persons who did not necessarily attend the public hearings.