

**Exh. DCG-20**  
**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 Response to Staff DR No. 174; 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. 174:**

**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. 174:**

Does PSE plan to address the prudence of the Colstrip Unit 3 and 4 coal contract in the 2020 annual PCA filing (May 1, 2020)? Explain.

**Response:**

Puget Sound Energy (“PSE”) does not plan to address the prudence of the Colstrip Units 3 and 4 coal contract in the 2020 Power Cost Adjustment (“PCA”) filing for the 2019 PCA year.

Paragraph 5 of Attachment A to the Settlement Stipulation in PSE’s 2013 Power Cost Only Rate Case (“PCORC”) (Docket UE-130617) stated the following:

“New resources will be included in the allowable PCA costs. The prudence of new resources with a term less than or equal to two years will be determined in the Commission’s review of the annual PCA report. The prudence of new resources with a term greater than two years may be reviewed in a PCORC or general rate case.”

Per Paragraph 5 of the revised PCA mechanism, PSE plans to address the prudence of the Colstrip Units 3 and 4 coal contract in a future PCORC or general rate case.