

**Exh. JDW-22r
Dockets UE-240004,
UG-240005, UE-230810
Witness: John D. Wilson**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**DOCKETS UE-240004,
UG-240005 and UE-230810
(Consolidated)**

REVISED EXHIBIT TO TESTIMONY OF

JOHN D. WILSON

**ON BEHALF OF STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

PSE Response to Staff DR No. 228

August 6, 2024

Revised September 16, 2024

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-240004 & UG-240005
Puget Sound Energy
2024 General Rate Case**

WUTC STAFF DATA REQUEST NO. 228:

REQUESTED BY: John Wilson

RE: Power Costs

Staff issued the following data request to PSE in Docket UE-230313:

WUTC STAFF INFORMAL DATA REQUEST NO. 30:

If the Chelan PSA projects substantially underdelivers for an extended period of time, what are the contractual consequences and options available to PSE?

- a. If Chelan PUD determines that required capital investments are too costly, and determines to cease operations and decommission the facility, will PSE continue to be liable for the Fixed Annual Charge for the remainder of the contract period?

Please provide the same response PSE provided when it responded to that data request in Docket UE-230313. If PSE has an update to the information requested, please provide that update as well.

Response:

Below, please find Puget Sound Energy's ("PSE") Response to WUTC Staff Informal Data Request No. 030 in Docket UE-230313:

The Chelan Power Sales Agreement ("Chelan PSA") assigns a purchaser share, 25%, of output. Section 5.1 and Section 5.6, see the Third Exhibit to the Prefiled Direct Testimony of Zacarias C. Yanez, Exh. ZCY-4C at pages 25 and 33, acknowledge that output is "dynamic and variable and is dependent on a variety of factors." Since the Chelan PSA assigns a percentage of output not a contractual minimum energy output, the Chelan PSA does not contain the concept of "under delivery." These terms are materially consistent with the terms of the existing 2006 Chelan PSA that is scheduled to expire in October 2031.

- a. Section 6.3 Decommissioning, see Exh. ZCY-4C at 34, describes a "Fixed Annual Charge Reduction Factor" that adjusts the Fixed Annual

Charge if project nameplate is less than 90% of 1978.4 MW due to units being retired by Chelan PUD.

Fixed Annual Charge Reduction Factor = $(1 - (100/90) \times (\text{Project Nameplate}/1978.4)) \times 100$.

For example, if Nameplate Capacity = 1582.7 MW, then Fixed Annual Charge Reduction Factor = $(1 - (100/90) \times (1582.7/1978.4)) \times 100 = 11.1\%$ reduction. This Fixed Annual Charge Reduction Factor is then multiplied by the Fixed Annual Charge shown in Appendix E, Exh. ZCY-4C at 7, and the resulting amount is subtracted from the Fixed Annual Charge to calculate the value to be used in Section 7.01(A), Exh. ZCY-4C at 35.