

**INDUSTRIAL CUSTOMERS OF NORTHWEST UTILITIES
RESPONSE TO REQUEST FOR INFORMATION**

JURISDICTION:	WASHINGTON	DATE PREPARED:	3/7/2012
CASE NO:	UE-111048/UG-111049	WITNESS:	Don Schoenbeck & Michael Deen
REQUESTER:	Bench	RESPONDER:	Irion A. Sanger
TYPE:	Bench Request	DEPT:	N/A
REQUEST NO.:	Bench Request No. 21 B&C	TELEPHONE:	(503) 241-7242
		EMAIL:	ias@dvclaw.com

REQUEST:**Bench Request No. 21:**

- B. Do you propose to update power costs using the same methodology that PSE used in its supplemental testimony updating as-filed power costs in this proceeding?
1. If not, describe the methodology you propose to use, identify each component adjustment that contributes to the overall adjustment and explain why you believe the methodology is more appropriate than that PSE used in its supplemental filing.¹
- C. With respect to each underlying adjustment you propose to PSE's overall power costs, state whether it is an "in-AURORA" adjustment or an "outside-AURORA" adjustment.

RESPONSE to Bench Request No. 21:

- B. Yes. ICNU believes there is no disagreement over how the power supply updates should be performed by the Company. PSE has performed such updates to its power cost in compliance filings several times over the years. The update uses the most recently available gas prices, including additional short-term purchase and sales transactions (both electric and gas) that the Company has executed for the rate year, and more current third party budget/cost information. As long as sufficient time is given for ICNU to verify all of the updates in the compliance filing, ICNU continues to recommend that such an update be required as part of the Commission decision in this proceeding.
- C. With regard to the ICNU adjustments shown on page 2 of Exhibit No. DWS-1CT, the Market Price Update adjustment is *both* an "in-AURORA" adjustment (for updating the gas prices used in the AURORA simulation for the rate years as one example) and an "outside-AURORA" adjustment (for updating the gas mark-to-market amount as one example). The ICNU CCCT Operating Constraints adjustment recommendation is an "in-AURORA" adjustment as it modifies certain AURORA input parameters for select resources. All other ICNU recommendations are "outside-AURORA" adjustments.

¹ If any party responds to Bench Request 21 B, PSE may provide a supplemental response stating its position.

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REQUESTER:	Bench	RESPONDER:	Irion A. Sanger
TYPE:	Bench Request	DEPT:	N/A
REQUEST NO.:	Bench Request No. 22	TELEPHONE:	(503) 241-7242
		EMAIL:	ias@dvclaw.com

REQUEST:**Bench Request No. 22:**

Please prepare a table establishing a common nomenclature that identifies each contested adjustment in this proceeding, including underlying adjustments (*e.g.*, in the case of power costs, there are numerous underlying adjustments but the parties sometimes use different terms to refer to the same proposed adjustment). If the parties cannot agree to such a common nomenclature, each party should propose its own nomenclature for the adjustments it proposes and show any corresponding or overlapping adjustment that another party proposes using a different nomenclature.

NOTE: The purpose of this Bench Request is to establish a common nomenclature to be used by all parties in their briefs. This will facilitate the Commission's consideration of the issues.

RESPONSE to Bench Request No. 22:

ICNU has reviewed PSE's response to Bench Request No. 22 and agrees with PSE's proposed nomenclature. ICNU notes there is no disagreement that the final compliance update should be based on a 70-Year AURORA run. While ICNU does not agree that two of Mr. Deen's adjustments are "unrelated to power costs," ICNU agrees with PSE's proposed nomenclature.