

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket Nos. UE-111048 and UG-111049
Puget Sound Energy, Inc.'s
2011 General Rate Case**

**PUBLIC COUNSEL ("PC") AND INDUSTRIAL CUSTOMERS OF NORTHWEST
UTILITIES'S ("ICNU") DATA REQUEST NO. 7**

PC AND ICNU'S DATA REQUEST NO. 7:

Please identify the data requests issued by Ms. Decker which address PSE's economic analysis supporting the Company's decision to construct LSR 1 early.

Response:

Ms. Decker has issued no data requests.

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**PUBLIC COUNSEL ("PC") AND INDUSTRIAL CUSTOMERS OF NORTHWEST
UTILITIES'S ("ICNU") DATA REQUEST NO. 8**

PC AND ICNU'S DATA REQUEST NO. 8:

Please identify the specific PSE PSM I, PSM II and PSM III modeling analyses that were reviewed by Ms. Decker in the course of preparing her cross-answering testimony.

Response:

Ms. Decker did not review PSE's PSM modeling analyses.

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**PUBLIC COUNSEL ("PC") AND INDUSTRIAL CUSTOMERS OF NORTHWEST
UTILITIES'S ("ICNU") DATA REQUEST NO. 10**

PC AND ICNU'S DATA REQUEST NO. 10:

Reference page 4 of Exhibit No. MWD-2

Please provide documentation supporting Ms. Decker's assertions regarding the intended usage of the REC banking provisions and define what period of time she is referring to in describing such usage as a "long-term surrogate" for physical compliance.

Response:

Ms. Decker's testimony expresses "RNP's perspective as one of the principal drafters of the RPS" that the core goal of the RPS is to have utilities supply the target percentage of customer load with eligible renewable resources or RECs during the target year (Exhibit No. ____, MWD-1T at p. 4, ln. 2). RNP regards the REC banking provisions as a flexibility mechanism for utilities to come up to speed and then to adjust for small deviations from the annual target from year to year. RNP's perspective on this point was documented in joint comments filed in the WUTC's I-937 rule making, UE-061895, on July 9, 2007 (see, particularly, page 6 and Attachment C). Ms. Decker's testimony contrasted this perspective on the REC banking provisions with an approach in which a utility would rely, consistently over a period of years, on generation or RECs produced outside the target year (i.e., as a "long-term surrogate" for meeting the target percentage in the target year).

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**PUBLIC COUNSEL ("PC") AND INDUSTRIAL CUSTOMERS OF NORTHWEST
UTILITIES'S ("ICNU") DATA REQUEST NO. 11**

PC AND ICNU'S DATA REQUEST NO. 11:

Reference page 5 of Exhibit No. MWD-2:

Please provide any modeling or economic analysis conducted by Ms. Decker to support her opinion that PSE's acquisition of LSR 1 ahead of RPS targets was reasonable.

Response:

Ms. Decker did not perform independent modeling or economic analysis of PSE's LSR 1 acquisition generally. She evaluated several discrete policy assumptions challenged by Mr. Norwood, primarily by contextualizing PSE's assumptions in light of planning assumptions made by other regional utilities and other policy circumstances.

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**PUBLIC COUNSEL ("PC") AND INDUSTRIAL CUSTOMERS OF NORTHWEST
UTILITIES'S ("ICNU") DATA REQUEST NO. 13**

PC AND ICNU'S DATA REQUEST NO. 13:

Reference page 8 of Exhibit No. MWD-2:

Please provide any independent modeling or economic analysis conducted by Ms. Decker to support the testimony that in the time frame in which PSE was evaluating early acquisition and LSR 1, it was reasonable to expect market prices for western RECs could increase significantly. Please provide any analysis performed which provides the expected future price of such RECs at that time.

Response:

Ms. Decker did not perform independent modeling or economic analysis of the referenced subject.

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**PUBLIC COUNSEL ("PC") AND INDUSTRIAL CUSTOMERS OF NORTHWEST
UTILITIES'S ("ICNU") DATA REQUEST NO. 14**

PC AND ICNU'S DATA REQUEST NO. 14:

Reference page 10 of Exhibit No. MWD-2:

Please provide any independent modeling or economic analysis conducted by Ms. Decker to support the testimony that acquiring renewable resources would provide benefits that could not be achieved with an unbundled REC strategy.

Response:

Ms. Decker did not perform independent modeling or economic analysis of the referenced subject.

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**PUBLIC COUNSEL ("PC") AND INDUSTRIAL CUSTOMERS OF NORTHWEST
UTILITIES'S ("ICNU") DATA REQUEST NO. 15**

PC AND ICNU'S DATA REQUEST NO. 15:

Reference page 10 of Exhibit No. MWD-2:

Please provide any independent modeling or economic analysis conducted by Ms. Decker to support the testimony that a stricter regime for coal-fired plants favors PSE acquiring even more renewable resources early.

Response:

Ms. Decker did not perform independent modeling or economic analysis of the referenced subject.

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**PUBLIC COUNSEL ("PC") AND INDUSTRIAL CUSTOMERS OF NORTHWEST
UTILITIES'S ("ICNU") DATA REQUEST NO. 16**

PC AND ICNU'S DATA REQUEST NO. 16:

Reference page 17 of Exhibit No. MWD-2:

In light of the testimony that there was an extreme level of uncertainty that existed about climate and energy legislation during late 2009 and early 2010 when PSE was finalizing its analysis of LSR 1 and other early wind options, does Ms. Decker believe it would have been prudent for the Company to consider a range of carbon price forecasts in estimating the economic benefit of LSR 1 in support of the final decision to construct LSR 1? If not, please explain why not.

Response:

Using a range of carbon price forecasts would be reasonable, and Ms. Decker's understanding is that PSE evaluated its LSR 1 acquisition in different ways, at different times, using a range of different carbon price forecasts. Ms. Decker's testimony at pages 16-19 concerns the contemporaneous reasonableness of PSE's use of one such forecast.

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**PUBLIC COUNSEL ("PC") AND INDUSTRIAL CUSTOMERS OF NORTHWEST
UTILITIES'S ("ICNU") DATA REQUEST NO. 17**

PC AND ICNU'S DATA REQUEST NO. 17:

Reference page 19 of Exhibit No. MWD-2:

Please provide any independent modeling or economic analysis conducted by Ms. Decker to demonstrate that the carbon cost assumptions reflected in PSE's 2009 IRP re-run analysis functioned as a reasonable proxy for other types of regulations or incentives that impacted LSR 1 and other early wind options.

Response:

Ms. Decker did not perform independent modeling or economic analysis of the referenced subjects.

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**PUBLIC COUNSEL ("PC") AND INDUSTRIAL CUSTOMERS OF NORTHWEST
UTILITIES'S ("ICNU") DATA REQUEST NO. 18**

PC AND ICNU'S DATA REQUEST NO. 18:

Please provide any testimony prepared by Ms. Decker within the last three calendar years addressing production tax credits, carbon taxes, or forecasted benefits of renewable energy.

Response:

Ms. Decker has prepared no testimony within the last three calendar years addressing the referenced subjects.

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**PUBLIC COUNSEL ("PC") AND INDUSTRIAL CUSTOMERS OF NORTHWEST
UTILITIES'S ("ICNU") DATA REQUEST NO. 19**

PC AND ICNU'S DATA REQUEST NO. 19:

Does Ms. Decker believe that, given the economic and regulatory uncertainty that existed in late 2009 and early 2010, it was possible for PSE to forecast the level of total production costs of the PSE system over a 50-year study period with a 1% or less margin of error? If so, explain the basis for this opinion and provide any related independent modeling or economic analysis performed to arrive at the opinion.

Response:

At the present time, Ms. Decker has no opinion as to this question.

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**PUBLIC COUNSEL ("PC") AND INDUSTRIAL CUSTOMERS OF NORTHWEST
UTILITIES'S ("ICNU") DATA REQUEST NO. 22**

PC AND ICNU'S DATA REQUEST NO. 22:

Is Ms. Decker aware of another utility in the United States that uses the PSM I, PSM II or PSM III models used by PSE to evaluate LSR 1 in this case? If so, please identify such utilities.

Response:

At the present time, Ms. Decker does not know whether the PSM model is used by other utilities.