

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION

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

Sierra Club Response to Public Counsel/ICNU Data Request Nos. 1-22

Sierra Club Response to DR PC-2:

Please identify the data requests issued by Mr. Hausman that address PSE's economic analysis supporting the Company's decision to construct LSR 1 early.

Response:

See Sierra Club's First Set of Data Requests to Public Counsel and ICNU. (SC 1-1 through SC 1-4.)

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Sierra Club Response to DR PC-3:

Please identify the specific PSE PSM I, PSM II and PSM III modeling analyses that were reviewed by Mr. Hausman in the course of preparing his direct testimony and cross-answering testimony.

Response:

Dr. Hausman did not review PSE's specific PSM I, PSM II and PSM III modeling analyses.

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**Sierra Club Response to Public Counsel/ICNU Data Request Nos. 1-22**

**Sierra Club Response to DR PC-9:**

Is Mr. Hausman aware of any law or regulation that existed in April and May of 2010 that provided for the implementation of carbon taxes beginning in 2012?

**Response:**

No.

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**Sierra Club Response to DR PC-13:**

RE: Exhibit No. EDH-5CT, p. 5.

Please provide any testimony prepared by Mr. Hausman within the last five calendar years addressing the appropriate method of calculating end effects.

**Response:**

Dr. Hausman has not prepared testimony on this issue in the last five years.

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Sierra Club Response to DR PC-14:

Please provide any publications by Synapse or Mr. Hausman addressing the appropriate method of calculating end effects.

Response:

Sierra Club objects to DR PC-14 on the grounds that a broad request for publications by Synapse is irrelevant to the issues addressed by Sierra Club in this proceeding. Synapse is not a party to this proceeding. Without waiving these objections, Sierra Club responds as follows:

Neither Dr. Hausman nor Synapse Energy Economics has published papers addressing the appropriate method of calculating end effects.

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**Sierra Club Response to DR PC-16:**

Does Mr. Hausman agree that in order for an end effects calculation to be reasonable, the underlying assumptions used for that calculation must be reasonable? If not, please explain why not.

**Response:**

Dr. Hausman's opinion as it relates to the testimony provided on behalf of Sierra Club in this proceeding is that all reasonable calculations must be based on the best available assumptions and data.

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Sierra Club Response to DR PC-19:

Does Mr. Hausman believe it is possible to forecast production costs of PSE's entire system over a 60 year study period with a 1% or less margin of error?

Response:

No.

Sierra Club Response to DR PC-19  
Date of Response: February 2, 2012  
Person who Prepared the Response: Ezra Hausman

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**Sierra Club Response to Public Counsel/ICNU Data Request Nos. 1-22**

**Sierra Club Response to DR PC-20:**

Has Mr. Hausman independently evaluated the accuracy of the PSM I, PSM II or PSM III models used by PSE to evaluate LSR 1 costs and benefits in this case? If not, please explain the basis for his conclusion that PSE's economic analysis and selection of LSR 1 is reasonable. If so, provide documentation supporting Mr. Hausman's review of the accuracy of PSE's models.

**Response:**

Dr. Hausman has not made such an independent evaluation. Dr. Hausman based his conclusions on his professional experience and a review of the company's NPV analysis as described in its testimony and exhibits.

Sierra Club Response to DR PC-20  
Date of Response: February 2, 2012  
Person who Prepared the Response: Ezra Hausman



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**Sierra Club Response to DR PC-21:**

Has Mr. Hausman independently evaluated the reasonableness of input assumptions used for the PSM I, PSM II or PSM III models used by PSE to evaluate LSR 1 costs and benefits in this case? If not, please explain the basis for his conclusion that PSE's economic analysis and selection of LSR 1 is reasonable. If so, provide documentation supporting Mr. Hausman's review of details of PSE's models.

**Response:**

See Sierra Club Response to DR PC-20.

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**Sierra Club Response to Public Counsel/ICNU Data Request Nos. 1-22**

**Sierra Club Response to DR PC-22:**

Is Mr. Hausman 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:**

No.

Sierra Club Response to DR PC-22  
Date of Response: February 2, 2012  
Person who Prepared the Response: Ezra Hausman