

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF
RESPONSE TO DATA REQUEST

DATE PREPARED: December 21, 2011 WITNESS: Rick Applegate
DOCKETS: UE-111048/UG-111049 RESPONDER: Rick Applegate
REQUESTER: Puget Sound Energy TELEPHONE: (360) 664-1310

PSE Data Request No. 036 to WUTC Staff:

RE: Rick T. Applegate, Exhibit No. ____ (RTA-1T), page 11, lines 2-7.

Please explain why Mr. Applegate believes the shifting of risks from ratepayers to PSE that results from his proposal is only a "theoretical" risk and provide all analyses performed to reach that determination.

RESPONSE:

Deferred recognition of storm damage expense assures that rates will eventually recover storm damages costs. By contrast, the 6-year average only reflects costs from the prior 6-years. If PSE infrequently or irregularly filed general rate cases, then it could be said that PSE is placed at risk for storm damages that occur prior to the 6-year period and storm damages that are reflected in rates for less than 6 years. Since PSE files general rate cases on a regular and frequent basis, that risk is "theoretical".