

**Exh. JLB-4
Dockets UE-190529/UG-190530 and
UE-190274/UG-190275 (*consolidated*)
Witness: Jason L. Ball**

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**DOCKETS UE-190529
and UG-190530 (*consolidated*)**

In the Matter of the Petition of

PUGET SOUND ENERGY

**For an Order Authorizing Deferral
Accounting and Ratemaking Treatment
for Short-life UT/Technology Investment**

**DOCKETS UE-190274 and
UG-190275 (*consolidated*)**

EXHIBIT TO TESTIMONY OF

Jason L. Ball

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

***Company's Responses to Various Data
Requests***

November 22, 2019

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-190529 & UG-190530
Puget Sound Energy
2019 General Rate Case**

WUTC STAFF DATA REQUEST NO. 130:

Re: Electric Residential Rate Design

Please refer to page 19 of the testimony of Jon Piliaris.

- a) Has PSE quantified the amount of energy efficiency it expects to receive by assigning the entire residential class increase to the second block of kWhs?
- b) Please refer to lines 4-6, where Mr. Piliaris discusses how energy efficiency will be a key element to achieve the carbon-free targets outlined by the Clean Energy Transformation Act (CETA). Has PSE conducted a cost-benefit analysis, or any other type of analysis, showing that the second block increased kWh charge is the least-cost, least-risk option for compliance with CETA?

Response:

- a) Puget Sound Energy (“PSE”) has not specifically quantified the amount of energy efficiency it expects to receive by assigning the entire residential class increase to the second block of Schedule 7’s rate structure. However, it is very much in line with the basic economic principle of price elasticity that increasing the price in the tail energy block rate of Schedule 7 will reduce electricity usage by the effected customers, all other things being equal.
- b) PSE has not conducted a cost-benefit analysis, or any other type of analysis, that specifically attempts to show that increasing the second block energy rate in Schedule 7 is the least-cost, least-risk option for compliance with the Clean Energy Transformation Act (“CETA”). PSE would note, however, that the rules associated with CETA compliance have yet to be drafted. So, any in-depth analysis is likely premature.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-190529 & UG-190530
Puget Sound Energy
2019 General Rate Case**

THE ENERGY PROJECT DATA REQUEST NO. 021:

Re: Direct Testimony of Jon A. Piliaris (Non-Confidential), Exh. JAP-1T at 18:3-19:9.

Please provide any study, report, analysis, data, or other information in PSE's possession that quantifies the amount by which PSE's proposed electric rate design will "lower the overall energy burden of its requested increase to these more vulnerable customers." In responding, please explain which low-income customers are incorporated in the term "these more vulnerable customers."

Response:

The reference to "vulnerable customers" is meant to be broadly construed as those using less energy. Please see the monthly bill comparison for Schedule 7 (Residential Service) in the Thirteenth Exhibit to the Prefiled Direct Testimony of Jon A. Piliaris, Exh. JAP-14, for an illustration of the varying bill impacts relative to usage. Note that customers using 600 kWh and below see no bill increase, and in fact, may see a slight reduction to their monthly bill, based on Puget Sound Energy's proposal in this case.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-190529 & UG-190530
Puget Sound Energy
2019 General Rate Case**

WUTC STAFF DATA REQUEST NO. 136:

Re: Aggregated Demand Proposal

Please refer to page 31, lines 12-16 of the testimony of Jon Piliaris. Has PSE received any customer complaints, comments, or requests for the type of pilot program it is proposing?

Response:

Yes, Puget Sound Energy (“PSE”) has ongoing dialogue with its largest customers, many of whom have multiple locations throughout the utility service area and who, through those discussions, complain, comment and/or generally request pricing structures that are more reflective of the nature of the service provided to them by PSE. The concept underlying the proposed pilot in this case has been discussed with one PSE customer, in particular, for several years and would be responsive to many of the general types of comments heard from similarly situated customers served by PSE.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-190529 & UG-190530
Puget Sound Energy
2019 General Rate Case**

WUTC STAFF DATA REQUEST NO. 144:

Re: Aggregated Demand Proposal

Please provide a detailed narrative explaining how not imposing limitations on those providing transportation electrification falls within the broader policy of promoting the electrification of the transportation sector, as stated on page 34, lines 11-13, of the direct testimony of Jon Piliaris.

Response:

The quoted testimony speaks for itself. It is clear that there is a state policy promoting the electrification of transportation, whereas there is no state policy necessarily promoting similar treatment for other customers eligible under the proposed pilot program.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-190529 & UG-190530
Puget Sound Energy
2019 General Rate Case**

WUTC STAFF DATA REQUEST NO. 145:

Re: Aggregated Demand Proposal

How many customers does PSE expect to participate in its proposed Aggregated Demand Proposal?

Response:

As noted in Puget Sound Energy's ("PSE") Response to WUTC Staff Data Request No. 136, there appears to be considerable interest in alternative rate structures for larger commercial customers with multiple locations within PSE's service area. This is, in part, why limitations were placed on the size of the overall program. It is unclear, however, how many customers will specifically participate.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-190529 & UG-190530
Puget Sound Energy
2019 General Rate Case**

WUTC STAFF DATA REQUEST NO. 139:

Re: Aggregated Demand Proposal

Re Referring to page 32 of the direct testimony of Jon Piliaris, has PSE performed any type of analysis to show that the aggregated demand proposal would lead to an increase in adoption of electric vehicles?

- a) If yes, please provide all associated documents of that analysis in native format.
- b) If no, how does PSE arrive at the conclusion that this proposal would increase electric vehicle adoption?

Response:

Puget Sound Energy (“PSE”) has not performed any specific analysis to show that the aggregated demand proposal would lead to an increase in adoption of electric vehicles. However, it is common sense that reducing a financial pain point for the electrification of vehicles could only help reduce barriers to the adoption of electric vehicles. PSE would further note that it is proposing this program as a pilot and, as such, this could potentially include a review of how this pricing structure helps increase electric vehicle adoption.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-190529 & UG-190530
Puget Sound Energy
2019 General Rate Case**

WUTC STAFF DATA REQUEST NO. 141:

Re: Aggregated Demand Proposal

Referring to page 32, lines 8-11, of the direct testimony of Jon Piliaris he states that state policy is focused on carbon-reduction, and that supporting electrification of bus and light rail, and public charging will be of growing importance. Has PSE conducted any analyses to show that the billing proposal is the least-cost, least-risk way to support the electrification of bus, light rail, and public charging? If yes, please provide all associated documents of that analysis in native format. If no, why not?

Response:

Puget Sound Energy (“PSE”) has not conducted any analysis that the billing proposal is the least-cost, least-risk way to support the electrification of bus, light rail, and public charging. However, it is unclear why this is necessary for the approval of a pilot program that could, in part, potentially inform the answer to such questions. Moreover, PSE disagrees with the underlying premise that the program necessarily must be the “least-cost, least risk” way to support electrification, assuming this is even possible to determine. It is very likely that an array of approaches will ultimately be necessary to fully support the state’s policy objectives for promoting transportation electrification. PSE’s proposal should only be considered one, but not the only (or even the best), way to support that objective.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-190529 & UG-190530
Puget Sound Energy
2019 General Rate Case**

WUTC STAFF DATA REQUEST NO. 199:

Re: PSE Response to Staff Data Request No. 152

Would PSE support implementing a pilot program to test the cost and benefits of critical peak pricing rate structure for either residential, commercial, or industrial customers by the end of 2020?

Response:

Puget Sound Energy (“PSE”) is open to exploring the possibility of a pilot program to test the cost and benefits of a critical peak pricing rate structure. However, PSE believes that implementing a pilot prior to the end of 2020 would be aggressive, given the as-yet unknown parameters for such a pilot and the implementation details that would need to be understood and addressed. PSE would also prefer to better understand the reasonable range of potential costs and benefits, as well as the means by which the associated costs would be recovered, before committing to such a pilot.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-190529 & UG-190530
Puget Sound Energy
2019 General Rate Case**

WUTC STAFF DATA REQUEST NO. 154:

Re: Natural Gas Special Contracts

For each current natural gas special contract, please provide the date PSE last conducted an economic bypass study.

Response:

Puget Sound Energy currently has one gas special contract. For that special contract, the last time an economic bypass study was performed was in 1995 in support of the original filing for a special contract in Docket UG-950392.