

April 25, 2012

**NOTICE OF BENCH REQUEST NOS. 24 - 27  
(Due by Wednesday, May 2, 2012)**

RE: *Washington Utilities and Transportation Commission v. Puget Sound Energy, Inc.*, Dockets UE-111048 and UG-111049 (*consolidated*)

The following bench requests are directed initially to Puget Sound Energy, Inc. (PSE) and Commission Staff (Staff).

TO PSE:

**Bench Request No. 24:** The Commission will order PSE to update its power costs (Adjustment 20.01) for purposes of its compliance filing in this proceeding. Although the Commission's Final Order is not complete for purposes of entry and service, the Commission has determined the outcome of the contested issues affecting power costs, as follows:

- Revise the AURORA model by decreasing the "minimum up time" operating assumptions to 10 hours for PSE's generation resources at Goldendale, Mint Farm, and Sumas. (Deen, Exh. No. MCD-1CT at 13:11-20)
- Remove the projected gas pipeline escalation costs associated with Cascade, Northwest Pipeline, and Westcoast Energy. (Deen, Exh. No. MCD-1CT at 11:21-26)
- Include wind integration revenue from Open Access Transmission Tariff (OATT). (Deen, Exh. No. MCD-1CT at 8:17-9:2)
- Treat amortization of contract major production plant maintenance per Staff's proposed adjustment. (Martin, Exh. No. 19:1-11)
- Treat the amortization of the Colstrip 1 and 2 dedication fee per Staff's proposed adjustment. (Martin, Exh. No. 16:1-12)
- Remove the Company's reclassification of the Jackson Prairie storage rent as a variable cost under the PCA. (Martin, Exh. No. RCM-1T at 11:18-12:4)

The remaining contested issues are resolved in PSE's favor. We require the Company to perform now, and provide to the Commission, a power cost update following the method set out in the Company's response to Bench Request 21, using the most recent 3-month forward natural gas prices, stating the date of the price forecast and assuming outcomes to the disputed issues as indicated above. If the Company requires any additional information to perform a complete update, the results of which can be included in the Commission's Final Order as the Company's power costs authorized for recovery in rates, it should inform the Commission within two business days after the date of this bench request.

We further require the Company to provide to the Commission revisions of Company exhibits JHS-20.01, 20.01(A), and 20.04 (Exh. No. JHS-20 at 5) in accordance with the power cost update.

TO PSE:

**Bench Request No. 25:** The Commission will order PSE to update its property tax expenses for purposes of its compliance filing in this proceeding. Although the Commission's Final Order is not complete for purposes of entry and service, the Commission has determined the outcome of this contested issue, as follows:

PSE will update its property tax expense to be actual 2011 property tax, payable in 2012, when making its compliance filing.

We require the Company to perform now, and provide to the Commission, a property tax update revising Adjustment 21.11 and a revised Exh. No. JHS-21.11.

We further require the Company to provide to the Commission updates to Adjustments 20.02 and 20.12 incorporating the property tax update, along with supporting exhibits.

We further require the Company to provide an update to Adjustment 20.11 and Exh. No. JHS-20.11 incorporating the effects of the revised property taxes and the power cost update required under Bench Request 24.

TO STAFF:

**Bench Request No. 26:** Staff offered, in its Initial Brief, to rerun its revenue requirement exhibits if requested by the Commission. *See* Staff Initial Brief, n. 3. The Commission here accepts Staff's offer. Please revise and provide to the Commission Staff's electric and natural gas revenue requirement exhibits that support Staff's final electric and natural gas revenue requirement recommendations.

TO PSE:

**Bench Request No. 27:** Provide the tables in Appendices A, B, F, and G to PSE's Initial Brief showing separately the adjustments for electric and natural gas operations.

Please respond to the Bench Requests no later than **Wednesday, May 2, 2012.**

Sincerely,

DENNIS J. MOSS  
Administrative Law Judge

cc: All Parties