

Exh. DCG-24
Dockets UE-190529/UG-190530 and
UE-190274/UG-190275 (*consolidated*)
Witness: David C. Gomez

**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

David C. Gomez

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

UE-960195 Fourteenth Supplemental Order, Appendix A

November 22, 2019

APPENDIX "A"

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**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Proposal by

**PUGET SOUND POWER & LIGHT
COMPANY**

to Transfer Revenues from PRAM Rates to
General Rates

Docket No. UE-951270

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GENERAL INVESTIGATIVE
DIVISION
UTILITY REGULATION
DEPARTMENT

In the Matter of the Application of

**PUGET SOUND POWER & LIGHT
COMPANY**
and
WASHINGTON NATURAL GAS COMPANY

Docket No. UE-960195

for an Order Authorizing the Merger of
WASHINGTON ENERGY COMPANY and
WASHINGTON NATURAL GAS COMPANY
with and into PUGET SOUND POWER &
LIGHT COMPANY, and Authorizing the
Issuance of Securities, Assumption of
Obligations, Adoption of Tariffs, and
Authorizations in Connection Therewith.

STIPULATION

4 On February 20, 1996, Joint Applicants filed with the Commission an Application for
5 an Order authorizing the merger of Washington Energy Company ("WEC") and Washington
6 Natural Gas Company ("WNG") with and into Puget Sound Power & Light Company
7 ("Puget"), and authorizing the issuance of securities, assumption of obligations, adoption of
8 tariffs, and authorizations in connection therewith. By Commission order entered April 10,
9 1996, the merger application was consolidated with Docket No. UE-951270, the proceeding

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1 distributed to customers only after adequate consultation with Staff and Public Counsel. If
2 there is any penalty imposed as a result of its performance, PSE shall identify the specific
3 indice(s) for which performance was below the baseline, the dollar amount of any penalty and
4 the effect on the customer's bill as a result of the penalty. The score card or other notice to
5 customers shall include the following statement, if applicable: "This month's bill includes a
6 rebate to customers of \$ ____ for failure to achieve acceptable service quality standards in the
7 area of _____."

8 **C. Other Matters**

9 **1. Amortization of Transaction and Transition Costs.** The merger-related
10 transaction costs and costs to achieve shall be deferred and amortized, for regulatory
11 purposes, over the Rate Plan Period.

12 **2. Transfer Pricing.** Intra-company transfers of natural gas shall be priced at the
13 higher of market or the cost of incremental supplies with flexible take provisions, as agreed to
14 by Joint Applicants and Staff and illustrated in Exhibit No. 199.

15 **3. Cost Allocation Methodology.** During the Rate Plan Period, costs shall be
16 allocated between gas and electric operations in accordance with the four-factor allocation
17 method set forth in Exhibit No. T-21. PSE will continue to assess the reasonableness of the
18 allocation factors used for reporting PSE's financial results during the Rate Plan Period, and it
19 will provide all relevant information to Commission Staff regarding the allocation factors in
20 order to determine whether future adjustments may be necessary to ensure a fair allocation of
21 common costs to each service.

22 **4. Reporting Requirements.** During calendar year 1997, Joint Applicants shall
23 work with Staff to develop the following reports proposed by Staff in its testimony in this
24 proceeding: annual market concentration studies; reporting on joint utility services, such as