

Exh. KBS-4
Dockets UE-190529/UG-190530 and
UE-190274/UG-190275 (*consolidated*)
Witness: Kathi B. Scanlan

**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

Kathi B. Scanlan

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

PSE Response to Staff Data Request Nos. 071 and 123

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. 071:

Re: Green Direct Program Cost Tracking

In the direct testimony of Mr. Einstein, Exh. WTE-1CT at 19:14-19, he states, “PSE committed to track all costs and benefits of Schedule 139 separately and identifiably in its Power Cost Adjustment (“PCA”) mechanism.” Please provide references to any actual costs and benefits from 2018 that the Company has identified in either the PCA report filed in 2019 or in the workpapers of this GRC.

If the Company has not yet reported any costs and benefits in the PCA report or the GRC workpaper, please provide them in response to this data response.

Response:

Since the Skookumchuck Wind Energy Project was delayed and currently not expected to come online until the beginning of 2020, there are no power related costs or benefits recorded in 2018 related to the Schedule 139 “Green Direct” product. Accordingly, no costs or benefits were reported in Puget Sound Energy’s (“PSE”) 2018 Power Cost Adjustment (“PCA”) compliance filing or in the current proceeding’s test year.

Per the final order in Docket UE-160977, footnote 2 and paragraph 10, PSE will report Schedule 139 power related costs and benefits as they occur in the PCA compliance filing. The footnote states:

Footnote 2:

Actual costs and revenues associated with the PPA contract to serve Schedule 139 customers will automatically be detailed in the workpapers of future Power Cost Adjustment (PCA) filings. These filings will identify Schedule 139 separately from other revenues and expenses and provide parties the ability to examine how any excess power associated with a Schedule 139 Purchase Power Agreement (PPA) is treated to ensure that the rest of PSE’s customer base is not subsidizing costs that have been incurred to supply power to customers that opt to take service under Schedule 139.

Paragraph 10:

... “The Company has committed to track all costs and benefits of Schedule 139 separately and identifiably in its Power Cost Adjustment mechanism;...”

As such, once the Skookumchuck Wind Energy Project is online, PSE will begin reporting PCA-related Schedule 139 costs and benefits in a separate section in either the PCA mechanism’s Schedule B or on a separate tab within its PCA Compliance filing due in April 2021, for the initial reporting related to Schedule 139 activity in 2020. Non-energy costs that are fixed in nature such as administrative and plant costs will be tracked and excluded from general rate cases or expedited rate filings so that non-Schedule 139 customers are not allocated such costs.

During our review, PSE identified billing software improvements related to Schedule 139 customers that were capitalized in October 2018 and placed in future use which is a component of rate base. As a result, the test year included \$340,000 of common rate base related to Schedule 139. In its rebuttal testimony, or at the next available opportunity, PSE will remove this rate base item.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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

WUTC STAFF DATA REQUEST NO. 123:

Re: Green Direct Rate Base

Please refer to the Company's Response to UTC Staff Data Request No. 71.

Please provide the net plant in service, accumulated depreciation/amortization and accumulated deferred FIT associated with the \$340,000 rate base as of December 31, 2018, allocated to electric and gas, respectively.

Response:

Please refer to the chart below for the net plant in service, accumulated depreciation/amortization, and accumulated deferred FIT, shown as "common" using the Puget Sound Energy 4 Factor Allocator to allocate the amounts to electric and gas, respectively.

Green Direct Software									
Test Year End of Period 12/31/2019									
In Whole Dollars									
	Common			Electric			Gas		
	Future Use	Accumulated	Accumulated	Future Use	Accumulated	Accumulated	Future Use	Accumulated	Accumulated
	Ratebase	Depreciation*	DFIT	Ratebase	Depreciation*	DFIT	Ratebase	Depreciation*	DFIT
Green Direct Software	340,639.00	-	23,842.00	227,315.76	-	15,910.28	113,323.24	-	7,931.72
*Note: For book purpose Future Use Plant is not depreciated until it is placed in service however for tax it begins depreciating the first year it is on the books									
	Electric	Gas							
4 Factor Allocator	66.73%	33.27%							