

**EXHIBIT NO. JOINT-3**  
**DOCKET NO. UE-070725**  
**WITNESSES: ERIC E. ENGLERT**  
**SANDRA M. SIEG**  
**DANIELLE O. DIXON**  
**ANN E. GRAVATT**  
**CHARLES M. EBERDT**

**BEFORE THE**  
**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Amended Petition of**

**PUGET SOUND ENERGY, INC.**

**For an Order Authorizing the Use of the**  
**Proceeds From the Sale of Renewable Energy**  
**Credits and Carbon Financial Instruments**

**Docket No. UE-070725**

**FIRST EXHIBIT (NONCONFIDENTIAL) TO THE**  
**PREFILED REBUTTAL JOINT TESTIMONY OF**  
**ERIC E. ENGLERT, SANDRA M. SIEG, DANIELLE O. DIXON,**  
**ANN E. GRAVATT, AND CHARLES M. EBERDT**

**FEBRUARY 18, 2010**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF  
RESPONSE TO DATA REQUEST

DATE PREPARED: February 10, 2010  
REVISED: February 12, 2010  
DOCKET: UE-070275  
REQUESTER: Puget Sound Energy

WITNESS: Michael P. Parvinen  
RESPONDER: Michael P. Parvinen  
TELEPHONE: (360) 664-1315

**PSE Data Request No. 1 to WUTC Staff:**

RE: Testimony of Michael P. Parvinen, Exhibit No. MPP-1T, page 12, lines 8 and 9

Please explain the basis of, and provide all support for, Mr. Parvinen's statement that Puget Sound Energy, Inc.'s low income proposal does not meet the Commission's cost effectiveness standard.

**REVISED RESPONSE:**

The basis for Mr. Parvinen's statement that Puget Sound Energy, Inc.'s low income proposal does not meet the Commission's cost effectiveness standard is stated on page 12, line 5&6 of his direct testimony, where he states that the cost effectiveness standard is the total resource cost test, and on page 12, lines 9&10, where he states that if the proposed low income programs met the Commission's cost effectiveness standard, the proper mechanism for implementing those programs would be under the company's current conservation program mechanisms. Because PSE is not currently implementing these programs is evidence the programs do not qualify under the Commission's standard.

If PSE or other Joint Party claimed the proposal was cost-effective, it is reasonable to expect a PSE witness or a Joint Party witness would provide testimony supporting that claim. They do not do so. In fact, the joint Parties testify that a "chief goal" of the proposed low income programs is to "capture measures ... that would otherwise be passed over." Exhibit Joint-1T at 14, lines 14-15. If these measures were cost-effective including the repairs, there is no apparent reason why they would be "passed over" given that RCW 19.285.040(1) states: "Each qualifying utility shall pursue all available conservation that is cost-effective, reliable, and feasible."

Staff is aware that in PSE's Response to Staff Data Request 013, PSE identifies a 0.94 ~~benefit/cost~~~~cost/benefit~~ ratio, which ~~shows on the surface, seems to suggest~~~~shows~~ these programs are not cost-effective. Moreover, PSE's ~~However~~ response appears to only include \$9.1 million in cost, rather than the total expected cost of \$16 million (\$20 million X 80% (Exhibit Joint-1T, page 12, line 11)). If the total expected cost of \$16 million is substituted for the \$9 million, the ~~cost/benefit~~~~benefit/cost~~ ratio would change to approximately ~~1-~~0.57, which is even more non-cost effective than PSE's response indicates.

Additionally, PSE's response to Staff Data Request 15 states, in part: "The additional energy

Exhibit No. JOINT-3

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efficiency measures are not included in Puget Sound Energy, Inc.'s ("PSE") current conservation program because the Low Income energy efficiency (weatherization) program does not currently have the funding for energy-related repairs that would be required to install additional energy efficiency measures." Given the requirements of RCW 19.285.040(1) (quoted above), it is reasonable to conclude that the proposal, including repairs, is not cost-effective.