

ATTACHMENT A

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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

WUTC STAFF DATA REQUEST NO. 057:

Re: Power Cost Updates

Please provide a list of input items that PSE plans to update on its variable power cost estimate in this proceeding, regardless of the type of document or filing (supplemental testimony, rebuttal testimony, compliance filings, etc.). Please provide an estimation of the dollar impact for each update on variable power cost, if available.

Response:

As identified in the procedural schedule provided in Order 03 in this proceeding, in its rebuttal filing, Puget Sound Energy (“PSE”) plans to update the following items in its power costs:

- (1) forward market data;
- (2) short-term fixed-price power contracts that are an AURORA input;
- (3) fixed-price gas for power contracts;
- (4) index-based power and gas for power contracts; and
- (5) costs that are themselves dependent on the updated AURORA output.

Updates to PSE’s short-term fixed-price and index-based power contracts will include the addition of short-term power purchase agreements to ensure resource adequacy after the closure of Colstrip Units 1&2 until longer term contracts are in place.

The dollar impact on power costs of updating these items is dependent on monthly forward gas prices for the three-month period prior to the date of the price update. As such, the impact on power costs will not be known before the date of the price update.

PSE also indicated in the Prefiled Direct Testimony of Paul K. Wetherbee, Exh. PKW-1CT,¹ that it planned to update rates for Bonneville Power Administration (“BPA”) transmission pursuant to BPA’s 2020 rate case. This item was not mentioned in the procedural schedule.

¹ PKW-1CT at 81:15 – 82:2.

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Consistent with the Washington Utilities and Transportation Commission's policy that power costs be set as closely as possible to costs that are reasonably expected to be incurred following the conclusion of a proceeding,² PSE has historically updated other items during the course of general rate proceedings. Other inputs that have changed since PSE filed its direct testimony include:

- (1) Mid-Columbia hydro contract costs, which are regularly updated by project operators;
- (2) an increase in hydro output that resulted from PSE's decision to exercise the option in its contract with Grant PUD to purchase 4.33 percent of Priest Rapids project output;
- (3) maintenance-related outage schedules for PSE resources; and
- (4) a new BPA transmission contract acquired from a third party.

Other items that could change during the course of this proceeding include:

- (1) an expected new contract for coal for Colstrip Units 3&4 to replace the existing contract that expires in December 2019; and
- (2) charges from pipelines pursuant to pipeline tariff changes.

In general, the magnitude of impacts on power costs will not be known until the analysis is complete. The coal contract, transmission contract, and Grant PUD contract option are likely to increase power costs.

² *WUTC v. Puget Sound Energy*, Dockets UG-040640, et al., Order 06 (Feb. 18, 2005).