

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-170033 and UG-170034
Puget Sound Energy
2017 General Rate Case**

PUBLIC COUNSEL DATA REQUEST NO. 473

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**Re: Rebuttal Testimony of Katherine J. Barnard, Exh. KJB-17T at 6:11-15
(Expense Comparisons – Per Customer).**

At page 6, Ms. Barnard claims Public Counsel’s criticism of her expense comparisons is “surprising considering Public Counsel took the opposite view in 2013. In the 2013 decoupling case, Public Counsel criticized the use of growth in actual expenses rather than the “per customer” figures that PSE had originally used to support the K-Factor figures that were part of the multi-year rate plan.” Please respond to the following:

- a. Confirm that, within the referenced “multi-year rate plan” the proposed K-Factor adjustments were to be applied on a per customer basis, through adjustments to authorized decoupling revenues, or explain any inability to provide such confirmation.
- b. Confirm that, because of PSE’s customer growth trends, its historical percentage expense growth appears higher using “actual expenses” rather than “per customer” figures, or explain any inability to provide such confirmation.
- c. Does Ms. Barnard agree that the Company’s ability to argue for higher per customer K-Factor adjustments in the prior multi-year rate plan was enhanced by presenting its expense trends on an actual, rather than “per customer” basis in that prior rate case?

Response:

- a. Yes the K-factor was applied to the authorized revenue per customer figures used in the decoupling mechanism outlined in Puget Sound Energy’s (“PSE”) Tariff Schedule 142.
- b. The historical growth in actual expenses was higher than the growth rate when compared to the growth rate on a per customer basis.

- c. No. The K-factor was a negotiated figure and actually did not utilize PSE's approved operating expense trend for the 2006 to 2011 period. The weighted average growth rates presented in the decoupling proceedings in support of the multi-year rate plan, whether viewed on a whole dollar or per customer basis, did not change the K-factor granted; the proposed and approved K-factor was based on the forecasted Consumer Price Index for the rate plan period less a productivity factor. The referenced trend in operating expenses was presented in the analysis to support that the proposed K-factors were reasonable based historical growth rates of PSE's approved costs for the 2006 to 2011 period.