

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. 474

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**Re: Rebuttal Testimony of Katherine J. Barnard, Exh. KJB-17T at 7:12, 7:15-16
(Expense Trends, GDPPI versus CPI).**

At page 7, Ms. Barnard claims that comparing PSE's expense trends to the national GDPPI is "not fully representative" and argues for use of "the Seattle-Tacoma-Bremerton Consumer Price Index (CPI) [that] has been consistently higher than the national average for the last several years." Please respond to the following:

- a. Explain Ms. Barnard's understanding of the mix and weighing of goods and services that are analyzed to develop the GDPPI index.
- b. Explain Ms. Barnard's understanding of the mix and weighing of goods and services that are analyzed to develop the CPI index.
- c. Does Ms. Barnard believe that PSE directly incurs significant expenses associated with housing, food, or clothing as part of its utility operations, in the proportions captured within the Consumer Price Index?
- d. Does Mr. Barnard agree that the mix and weighting of goods and services analyzed to develop the GDPPI are more indicative of actual spending within PSE's operations than the mix of consumer goods and services contained within the CPI?
- e. If your response to part (d) is negative, please provide complete copies of all reports, analyses, workpapers, comparisons and other documents supportive of your response.

Response:

Ms. Barnard disagrees with Public Counsel's interpretation of the referenced testimony. Ms. Barnard's testimony does not advocate for the use of one price index over the other; rather, her Prefiled Rebuttal Testimony, Exhibit KJB-17T, simply addresses the

fact that the Gross Domestic Product Price Index figure is a national index and therefore may not be fully representative of cost trends within PSE's service territory, which is solely within Washington State. Ms. Barnard's use of the Consumer Price Index in her Prefiled Direct Testimony, Exhibit KJB-1T, was for comparison purposes and was done primarily to be consistent with the approach utilized in the development of the 2013 K-factor analysis.

PSE objects to Public Counsel Data Request No. 474 subparts (a)-(e) as outside the scope of Ms. Barnard's testimony and expertise, for the reasons set forth above. Ms. Barnard is not an economist or an expert on pricing indexes.