

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF  
RESPONSE TO DATA REQUEST

DATE PREPARED: July 24, 2017  
DOCKETS: UE-170033/UG-170034  
REQUESTER: Public Counsel

WITNESS: Thomas E. Schooley  
RESPONDER: Thomas E. Schooley  
TELEPHONE: (360) 664-1307

**REQUEST NO. 3:**

**Re: Direct Testimony of Thomas Schooley, Exhibit TES-1T at 29:18-21 (Formalized ERF)**

At page 29, Mr. Schooley states his opinion of the ERF stating, "I accept this process and was the witness in the ERF Dockets UE-130137/UG-130138. This method is a far preferable way to reduce regulatory lag than any special tracker mechanisms because an expedited rate filing is based on actual historical data." Please respond to the following:

- a. Does Mr. Schooley or Staff contend that "regulatory lag" will be a significant problem for PSE in the future, if the Company does not receive approval for its proposed ERF?
- b. Has Mr. Schooley or other Staff conducted any analysis to determine whether or not PSE will experience any adverse future financial results due to regulatory lag in the absence of a formalized ERF mechanism?
- c. If your response to part (b) is affirmative, please describe each analysis that was undertaken and provide complete copies of all reports, studies, workpapers, projections, and other documents associated with or supportive of such analyses.
- d. Does Mr. Schooley or Staff contend that "regulatory lag" will be a more significant problem for PSE in the future than for other investor-owned utilities in Washington, if the Company does not receive approval for its proposed ERF prior to the issuance of the Commission Order addressing limited rate filing procedures in Docket A-130355?
- e. If your response to part (d) is affirmative, please describe each analysis that was undertaken to support your response and provide complete copies of all reports, studies, workpapers, projections, and other documents associated with or supportive of such analyses.
- f. If your response to part (e) is negative, please state and explain each reason why PSE's proposed formalized ERF should be approved while other Washington utilities are made to wait for the conclusion of Docket A-130355 for access to the same form of rate relief.

**RESPONSE:**

- a. No. Mr. Schooley did not testify to the subject of regulatory lag. The quoted portion of Mr. Schooley's testimony in the above data request simply makes the general observation that ERF-type filings are usually a better, more efficient regulatory tool to address regulatory lag than one-off tracker mechanisms. The statement summarizes portions of Mr. Schooley's testimony in Dockets UE-130137/UG-130138.
- b. No.

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- c. Not applicable.
- d. No.
- e. Not applicable.
- f. Staff's response presumes the reference to "part (e)" is an error and should read "part (d)." PSE is asking for clarification of a rate making procedure it used a few years ago. It presents fair reasons to do so, and approval/formalization of the process now is just a continuation of what the Commission already allowed in 2013. The other utilities have not recently asked for this process, therefore the matter is not before us.