

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

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

**ICNU DATA REQUEST NO. 160**

**ICNU DATA REQUEST NO. 160:**

Reference JAP-46CT at p. 17. Referring to your testimony regarding the Commission's Order No. 11 in Docket UE-130617, please state whether your testimony that the "terms of a settlement agreement that are under attack in a subsequent rate proceeding" is consistent with the terms set forth in Paragraph 10 of the Settlement Stipulation, entitled "Entire agreement; no precedent," executed by PSE on March 27, 2015, and made a part of the Commission Final Order No. 11, by reference therein.

**Response:**

The referenced testimony is not inconsistent with paragraph 10 of the referenced Settlement Stipulation. The referenced testimony relates to part F.6. of paragraph 9 of the referenced settlement agreement, which states in part that "if the electric decoupling mechanism continues for PSE after the review of decoupling in PSE's next general rate case, the electric decoupling mechanism will include Fixed Production Costs that were formerly tracked in the PCA mechanism...." The current docket is that "next general rate case." Therefore, proposals made to exclude fixed production costs, in whole or in part, from Puget Sound Energy's ("PSE") electric decoupling mechanism in this proceeding is directly contrary to an agreement approved only recently by the Commission.

Overturning one term of an approved settlement agreement (i.e., moving fixed production costs into PSE's decoupling mechanism) before that term has even had the opportunity to go into effect (i.e., in this rate case) is likely to diminish the chances of settlement agreements in the future, contrary to the Commission's general preference for such outcomes.

Moreover, paragraph 10 of the referenced Settlement Stipulation also reads "[t]his Settlement may not be cited as precedent in any proceeding other than a proceeding to enforce the terms of this Settlement." PSE expects the terms of this Settlement to be enforced in the current general rate case proceeding.