

**EXH. KRR-3
DOCKETS UE-190529/UG-190530
UE-190274/UG-190275
2019 PSE GENERAL RATE CASE
WITNESS: KARL R. RÁBAGO**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-190529
Docket UG-190530 (*Consolidated*)**

In the Matter of the Petition of

PUGET SOUND ENERGY

**For an Order Authorizing Deferral
Accounting and Ratemaking Treatment
for Short-life IT/Technology Investment**

**Docket UE-190274
Docket UG-190275 (*Consolidated*)**

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE PREFILED
REBUTTAL TESTIMONY OF**

KARL R. RÁBAGO

ON BEHALF OF PUGET SOUND ENERGY

JANUARY 15, 2020

(in millions)

Project	Description	Time Period	10/16 - 12/18 Actual	Proforma Adjustments	7/19-11/19 Actual	12/19-5/20 Forecast	Rate Year Forecast	Reference
Advanced Metering Infrastructure ("AMI") High Molecular Weight	Communication network hardware, Command Center head-end software that includes the information technology ("IT") systems integration, and 10 meter/module assets for gas and electric meters. In 2016, PSE ramped up its program to proactively replace the failing cable to prevent outages. In 2017, PSE began a program to address the WPC that historically had poor reliability performance year after year, and focused on high customer minutes of interruption and high circuit SAIDI and SAIFI, identifying 135 distribution circuits that needed significant improvement.	2016-2023 2016-2021	90 113	37 12.6	37.4 14.1	53	75.1	SEF-1T, CAK-1T, CAK-6T, RJA-1T SEF-1T, CAK-1T
Worst Performing Circuits ("WPC")	Targeted distribution circuits which have a high number of customers impacted when an outage occurs.	2017-2021	61		7.5		323.9	CAK-1T
Reliability Circuits	Assessing, treating, reinforcing, and replacing deteriorated poles and cross arms.	2016-2021 2016-2021	42 9					CAK-1T CAK-1T
Pole Asset Management	Assessing and replacing substation equipment, including 4,966 tasks to assess and maintain assets and the replacement of T2T assets.	2016-2021	28					CAK-1T
Substation Asset Management	An energy supply chain that employs modern technology to enhance, integrate, and automate monitoring, analysis, control and communications capabilities along the entire grid	2016-2021	14					CAK-1T
GTZ	The GTZ initiative is a focused effort on all digital channels to eliminate problems that drive customers to call us, including addressing technologies that are near end of life, are at risk of no longer being supported by PSE's partners, or no longer meet the cyber security requirements established by PSE. Below are the four main programs under GTZ:	2016-2022	128.8	32.5	17.5	45.5	60	SEF-1T, JJJ-1T, JJJ 11T, RJA-1T
System Modernization and Optimization	Technology Refresh projects, technology growth projects, upgrades or enhancements	2016-2021	102.3			57.2		MFH-1T
Data Center and Disaster Recovery	A four-year effort to mitigate a significant business continuity risk associated with the critical IT systems that are essential to the safe and secure operation of our electric and gas services	2016-2019	79.3					MFH-1T
Emergency Management System	Collection of software applications that are used for monitoring and controlling PSE's power system in real-time, including the transmission system, portions of the distribution system, and generating units that have the capability to be remotely controlled.	2019		9.7				SEF-1T, MFH-1T
HR - Ops	A three-year effort that replaces PSE's legacy human resources systems	2017-2020		10.3				SEF-1T, MFH-1T
Corporate, Compliance, and Risk	Technology investments that create a secure, productive, and stable operating environment.	2016-2021			4	29.7		MFH-1T