

EXHIBIT NO. \_\_\_\_\_ (BAL-1T)  
DOCKET NO. \_\_\_\_\_  
2001 PSE INTERIM RATE CASE  
WITNESS: BARBARA A. LUSCIER

BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.

Respondent.

DIRECT TESTIMONY OF BARBARA A. LUSCIER  
ON BEHALF OF PUGET SOUND ENERGY, INC.

DECEMBER 3, 2001

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**PUGET SOUND ENERGY, INC.**

**DIRECT TESTIMONY OF BARBARA A. LUSCIER**

**Q: Please state your name, business address, and present position with Puget Sound Energy.**

A: My name is Barbara A. Luscier and I am a Regulatory Consultant in Revenue Requirements at Puget Sound Energy. My business address is 411 - 108th Avenue NE, Suite 300, Bellevue, Washington 98004.

**Q: Would you please provide a brief description of your educational and business experience?**

A: Please see Exhibit BAL-2.

**Q: What topics will you be covering in your testimony?**

A: I will explain the ratemaking and accounting treatment related to the proposed Schedule 128. A copy of Schedule 128 is attached as Exhibit BAL-3.

**Q: How do you propose to account for the requested power cost recovery?**

A: The Company proposes to begin recovering the difference between projected power costs and comparable electric power costs embedded in current rates from January 1, 2002 through October 31, 2002, effective March 1, 2002. The deferral of power costs for the period January 1, 2002 through February 28, 2002, will be recorded on a monthly basis in FERC Account 182.3, Other regulatory assets. Under the proposal, the projected deferred amount at February 28, 2002, along with the projected balance through October 31, 2002 would be recovered from customers through a surcharge and amortized over the eight-month period beginning March 1, 2002. Amounts deferred would be amortized to FERC Account 407.3, Regulatory debits as they are recovered by the Company from its customers. The Company proposes to apply the surcharge to customer's bills based on a uniform amount per kilowatt hour multiplied by

1 usage. The recovery would be subject to subsequent review and determination by the  
2 Commission of the prudence and reasonableness of such costs. PSE will prepare and  
3 submit confidential reports to the Commission on a monthly basis, by the end of each  
4 succeeding month, regarding power cost recovery. The reports will include all  
5 calculations and accounting entries and begin immediately.

6 **Q: How does the Company propose to recover the excess power costs?**

7 A: Projected power costs for the period January 1, 2002 through October 31, 2002 will  
8 be recovered in the surcharge. Specific projected power costs consist of purchased  
9 and interchanged power, wheeling, and non-core gas and other fuel for electric  
10 generators reduced by sales to other utilities. Forecasts of associated FERC Account  
11 balances were the source. The projected costs were adjusted, for certain items more  
12 fully reflected in Exhibit WAG-3 (Spreadsheet A), to make them comparable to power  
13 costs embedded in rates, before being compared thereto in determining the rate  
14 increase.

15 **Q: What will the impact of the surcharge be on customer rates?**

16 A: Based on the Company's calculation shown in Exhibit WAG-3 (Spreadsheet A), the  
17 surcharge will result in an increase of approximately 1.4568 cents per kilowatt hour  
18 through October 31, 2002.

19 **Q: Are there any factors that would offset the impact on customers of the  
20 surcharge?**

21 A: The Residential Exchange Program will provide an increase in the amount of credit per  
22 kilowatt hour to residential customers' bills beginning in January 2002 through  
23 September 30, 2002 of .265 cents, from October 1, 2002 through May 31, 2006 of  
24 .600 cents, from June 1, 2006 through September 30, 2006 of 1.050 cents. The  
25 increased credit provided would partially offset the impact that the surcharge would  
26 have on those customers.

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**Q: Does this conclude your testimony?**

A: Yes.

EXHIBIT NO. \_\_\_\_\_ (BAL-2)  
DOCKET NO. \_\_\_\_\_  
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WITNESS: BARBARA A. LUSCIER

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PROFESSIONAL QUALIFICATIONS OF BARBARA A. LUSCIER  
ON BEHALF OF PUGET SOUND ENERGY, INC.

1 **PUGET SOUND ENERGY, INC.**

2 **PROFESSIONAL QUALIFICATIONS OF BARBARA A. LUSCIER**

3  
4 **Q. Please state your name, business address, and occupation.**

5 A. My name is Barbara A. Luscier. My business address is 411 108th Ave N.E., OBC-  
6 03W, Bellevue, WA 98004-5515. I am employed as a Regulatory Consultant in the  
7 Revenue Requirements Department of Puget Sound Energy.

8 **Q. Would you please provide a brief description of your educational and business**  
9 **background.**

10 A. Yes. I graduated from the State University of New York, Magna Cum Laude, in 1988  
11 with a Bachelor of Science degree in Accounting. I am a Certified Public Accountant  
12 and a member of the New York State Society of Certified Public Accountants. I have  
13 more than thirteen years of utility experience including financial accounting and reporting,  
14 auditing, and regulatory accounting. I have been employed by Puget Sound Energy  
15 since September 1997. For the most part, I have worked in the Revenue Requirement  
16 Department since my employment date.

17 **Q. Have you testified previously before the Commission?**

18 A. No.

19  
20 [BA013350003]

EXHIBIT NO. \_\_\_\_\_ (BAL-3)  
DOCKET NO. \_\_\_\_\_  
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WITNESS: BARBARA A. LUSCIER

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PUGET SOUND ENERGY, INC.

Respondent.

EXHIBIT TO DIRECT TESTIMONY OF BARBARA A. LUSCIER  
ON BEHALF OF PUGET SOUND ENERGY, INC.

