

Exhibit No. \_\_\_\_ (JMW-1T)  
Docket UE-130617  
Witness: Juliana Williams  
Redacted Version

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**DOCKET UE-130617**

**TESTIMONY OF**

**JULIANA WILLIAMS**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Prudence and Accounting Treatment of Ferndale Generating Station and Major  
Hydroelectric Plant Additions*

**August 14, 2013  
Revised August 21, 2013**

**CONFIDENTIAL PER PROTECTIVE ORDER  
Redacted Version**

1 **Q. Please describe Staff Adjustment 7 - Baker River Hydroelectric Project Relicensing**  
2 **Upgrades Deferral.**

3 A. Staff Adjustment 7 removes this project item in its entirety. The Baker Project LBP did  
4 not begin operation until July 24, 2013. Because ~~it~~ the LBP was not placed into service  
5 by after the April 25, 2013, cutoff date for known and measurable expenditures, as  
6 discussed in Section IV above, it is not eligible for deferral recovery of the deferral is not  
7 appropriate at this time.

8  
9 **Q. Please describe Staff Adjustment 8 - Ferndale Plant Purchase**

10 A. Staff Adjustment 8, as shown in Exhibit No. JMW-5, represents the costs PSE incurred to  
11 the purchase the Ferndale Plant on November 15, 2012. As discussed in Mr. Mickelson's  
12 testimony, the rate period was used to determine the "AMA" of plant balance,  
13 accumulated depreciation, deferred income tax liability, Asset Retirement Cost and Asset  
14 Retirement Obligation (ARC/ARO) liabilities, and operating expenses. Additionally,  
15 Staff updated the Discounted Present Value of the ARC/ARO from \$1,564,370 to  
16 \$1,562,307 per PSE's Response to Commission Staff Data Request 39.

17  
18 **Q. Please describe Staff Adjustment 9 - Ferndale Deferral**

19 A. Staff Adjustment 9, as shown in Exhibit No. JMW-6, represents the deferral on costs for  
20 the purchase of the Ferndale plant on November 15, 2012. Staff agrees with the  
21 Company that the project<sup>96</sup> is eligible for deferral under RCW 80.80.060 and meets the  
22 Greenhouse Gas Emissions Performance Standard. Staff updated the Discounted Present  
23 Value of the ARC/ARO from \$1,564,370 to \$1,562,307 per PSE's Response to  
24 Commission Staff Data Request 39. Staff removed property taxes because PSE now has  
25 a separate tracker for property taxes, per the Commission's order in Docket UE-130137.

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<sup>96</sup> PSE is not seeking to defer costs associated with the Recreational and Cultural Improvements in this case.