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May 8, 2020

Via Electronic Filing Only

Mark L. Johnson
Executive Director
Washington Utilities & Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

Attn: Filing Center

Re: Puget Sound Energy General Rate Case –
Reply to Other Party Responses to Bench Request No. 15
Docket Nos. UE-190529, UG-190530, UE-190274, UG-190275, UE-190991, UG190992,
UE-171225, and UG-171226 (*Consolidated*)

Dear Mr. Johnson:

Enclosed for filing in the above-captioned docket, please find the NW Energy Coalition's Reply to Party Responses to Bench Request No. 15. No hard copies will be sent at this time but can be provided upon request.

Thank you for your assistance. Please do not hesitate to contact me with any questions.

Sincerely,



Irion A. Sanger

Enclosure

cc. ALJ Rayne Pearson via email
Master Service List via email

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UTIL. AND TRANSP.
COMMISSION

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant, v.

PUGET SOUND ENERGY,

Respondent.

DOCKET NOS. UE-190529, UG-
190530, UE-190274, UG-190275, UE-
190991, UG-190992, UE-171225, and
UG-171226 (*Consolidated*)

REPLY TO PARTY RESPONSES TO BENCH REQUEST NO. 15

NW ENERGY COALITION

May 8, 2020

The NW Energy Coalition (“NWECC”) hereby respectfully submits this Reply to Party Responses to Bench Request No. 15 and to aid the Washington Utilities and Transportation Commission (“UTC” or “Commission”) in its decision regarding whether Puget Sound Energy’s (“PSE”) General Rate Case and consolidated dockets will result in rates and services that are fair to both PSE and its customers.

NWEC agrees that the COVID-19 pandemic has significantly changed the circumstances surrounding this rate case and that, in light of the pandemic, it is essential to eliminate short-term increases to rates. Unemployment is at all time high levels, people are suffering both from the virus itself and the more general state of fear and uncertainty, and Washingtonians are spending more time at home, meaning residential utility bills will be higher than usual. A rate increase at this time would significantly impact ratepayers, not only financially, but it would add to the distress felt more generally. Additionally, it is important to consider that at this time we do not know how severe or long-lasting the economic impacts

of this emergency will be – consequently, options that only delay a rate increase for a limited duration may not be ideal.

The proposals presented by PSE and Staff achieve the immediate goal of preventing a rate increase in the near-term and PSE’s approach seems to also address the issue of having a longer-duration solution that will not lead to a significant rate increase as a result of the decision in this case. It was less clear whether Staff’s proposals would all have this same effect.

The limited time to review and resulting uncertainty about the mid and long-term impacts of the proposals makes it difficult to endorse one approach or the other. NWEC is concerned about two primary issues: 1) in the long-term, the proposals could result in intergenerational equity issues, and 2) the proposals could result in an overall higher cost to customers. NWEC has been concerned with burdening future ratepayers with the costs for resources they do not benefit from and cannot ignore those concerns here. Given that the Commission is faced with an unprecedented situation, there may be sufficient justification to shift costs; however, the Commission should consider whether there are other creative and flexible mechanisms that could address NWEC’s concern.

Further, the Commission should consider the balance of the equities. NWEC is concerned that the solution to prevent a short-term rate increase will result in ratepayers paying overall higher costs. Analysis was not presented in Staff or PSE’s proposals to give a clear indication regarding the total cost to customers of the various approaches. Given that everyone is impacted by the COVID-19 situation, there should be a balance of cost and risk between various interests.

Specifically, the Commission should consider whether it can decide this case in a manner that would allow it to combine the solution adopted here with other true-up mechanisms that will inevitably result from the COVID-19 situation. COVID-19 will likely result in a need for numerous factors to be trued- up, including both costs and savings, so there may be further opportunities to address the longer-term implications of the current emergency more holistically. A solution here that provides a just and reasonable outcome for PSE and customers, but that enables rate adjustments to occur at a time when other impacts from the COVID emergency are resolved may be one way to begin to address NWEC's concerns regarding increased costs to customers and intergenerational equity.

To be clear, NWEC absolutely supports the Commission taking action to avoid a short-term rate increase. Regardless of the proposal the Commission ultimately approves, the Commission should note that it is a unique measure taken in unprecedented times and be sure to clearly articulate that this regulatory approach is a one-time solution not to be repeated. In conclusion, NWEC appreciates the effort parties have put into considering how to eliminate a rate increase in the short-term, and asks that the Commission consider how it can accomplish this goal while balancing the interests of PSE and all of its customers.