

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Dockets UE-190529 & UG-190530
Puget Sound Energy
2019 General Rate Case**

BENCH REQUEST NO. 015:

Since the conclusion of the evidentiary hearing in the above-referenced dockets, circumstances have changed significantly due to the COVID-19 pandemic and related Governor Proclamations. In response, the Commission granted Puget Sound Energy's motion to extend the suspension date of its general rate case until July 20, 2020.¹ The parties subsequently filed initial and reply briefs, several of which mentioned the economic impacts Puget Sound Energy's customers are facing due to the COVID-19 pandemic and made related proposals.

Recognizing that the situation has since evolved, and continues to evolve, the Commission seeks input from all parties regarding options to mitigate the impact in the short-term of any rate increase on customers that results from the final resolution of this case. The Commission requests the parties submit proposals that address variables such as timing, amortization periods, or the use of existing mechanisms that may not be at issue in this proceeding. In submitting proposals, **parties should not seek to re-litigate contested issues in this proceeding, including those related to their respective positions on Puget Sound Energy's level of revenue requirement or individual adjustments.**

First Supplemental Response:

For Bench Request No. 015, parties were provided seven business days to file their initial responses. In the second paragraph on page five of Puget Sound Energy's ("PSE") May 1, 2020 Response to Bench Request No. 015, PSE noted that due to time constraints, the amounts reflected in PSE's proposals were determined without conducting a full update of its detailed revenue requirement exhibits and work papers. Since the filing of its Response to Bench Request No. 015, PSE has been working to update its revenue requirement work papers in order to determine a more precise calculation of the rate increase mitigation benefits that would result from its proposals. During the course of making the updates, PSE determined that information provided in its Response to Bench Request No. 015 needed to be clarified and supplemented to more accurately reflect the rate increase mitigation available under each of the scenarios created for gas customer rates.

PSE's initial Response to Bench Request No. 015 stated that its proposal would provide rate increase mitigation on the gas side of \$61.7 million for Scenario 1 and \$46.5 million for Scenarios 2 and 3. However, each of the three scenarios actually provides \$11.8 million less in rate increase mitigation than reflected in PSE's initial response. This is because the amount PSE requested in its revenue requirement on the gas side is not the full amount justified under PSE's attrition adjustment. The rate increase mitigation of \$61.7 million for Scenario 1 and \$46.5 million for Scenarios 2 and 3 that PSE projected in its Response to Bench Request No. 015 reflects the reductions that would occur to the \$77.3 million of PSE's Net Revenue Change After Attrition as reflected in PSE's Response to Bench Request No. 001, in the file titled "190529-30 PSE Resp BENCH Req 01 Free-Exh-SEF-18.xlsx," in cell C33 of tab "SEF-18G (BR-01)." But, as previously noted, the \$77.3 million is not the amount that PSE is requesting in this filing because PSE limited its request by \$11.8 million as reflected in the \$65.5 million Net Revenue Change Requested shown in cell C37 of the same file.

As an example, when applied to PSE's rebuttal request, the \$61.7 million of rate increase mitigation that results from implementing Scenario 1 of PSE's proposal would result in a \$49.9 million reduction from PSE's requested revenue change of \$65.5 million. In other words, when starting from PSE's rebuttal position on the gas side, any achieved rate increase mitigation must exceed \$11.8 million before PSE's requested amount of \$65.5 million will be decreased.

The same is not true on the electric side as there was no limitation applied to the electric side by the time of rebuttal, and PSE's supported attrition amount equals the amount it is requesting (see cell C35 of tab "SEF-18E (BR-01)" of the referenced file). Additionally, this is also not an issue for any of the other parties' filings as no one else applied a limitation between their supported amounts and their requested amounts.

Of course, the true impacts that a reduction of regulatory asset amortizations will have, and whether or not those impacts are diluted by some amount as in the scenarios discussed above, is dependent on a myriad of other contested items upon which the Commission will decide that are not taken into consideration in the amounts presented above.

Finally, as mentioned at the beginning of its First Supplemental Response, PSE has updated its revenue requirement work papers to incorporate the effects of all three of its proposals in its Response to Bench Request No. 015. These updates were structural in nature and added new structure and content to its work papers that did not exist in its rebuttal filing. PSE is able to provide these updated work papers upon Commission request.