EXHIBIT NO. \_\_\_\_\_ (NH-2T)

DOCKET NOS. UE-121697/UG-121705

WITNESS: NANCY HIRSH

BEFORE THE WASHINGTON

UTILITIES AND TRANSPORTATION COMMISSION

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| In the Matter of the Petition of  PUGET SOUND ENERGY, INC.  For Approval of a Power Purchase Agreement for Acquisition of Coal Transition Power, as Defined in RCW 80.80.010, and the Recovery of Related Acquisition Costs | )  )  )  )  )  )  )  )  ) | DOCKET NO. 121373 |
| In the Matter of the Petition of  PUGET SOUND ENERGY, INC. and NW ENERGY COALITION  For an Order Authorizing PSE to Implement Electric and Natural Gas Decoupling Mechanisms and to Record Accounting Entries Associated with the Mechanisms | )  )  )  )  )  )  )  )  )  ) | DOCKET NOS. UE-121697  and UG-121705 (*Consolidated)* |
| WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,  Complainant,  v.  PUGET SOUND ENERGY, INC.,  Respondent. | )  )  )  )  )  )  )  )  )  )  ) | DOCKET NOS. UE-130137  and UG-130138 *(Consolidated)* |

REBUTTAL TESTIMONY *(NON-CONFIDENTIAL)* OF NANCY HIRSH

ON BEHALF OF NW ENERGY COALITION

MAY 8, 2013

TABLE OF CONTENTS

[I. Introduction 1](#_Toc355716954)

[II. Coalition Involvement in the Settlement Process 1](#_Toc355716955)

[III. Multi-Party Settlement Warrants Support for PSE’s Low Income Customers 2](#_Toc355716956)

[IV. Merits of a Consolidated Settlement 3](#_Toc355716957)

## Introduction

**Q. Are you the same Nancy Hirsh who provided Direct Testimony, Exhibit No. \_\_\_\_ (NH-1T), on March 27, 2013, on behalf of the NW Energy Coalition (“Coalition”)?**

A. Yes I am.

**Q. What is the purpose of this rebuttal testimony?**

A. I respond to assertions that the Coalition was involved in early settlement talks, the importance of additional funding for low income customers and the benefits of a consolidated settlement that includes all five dockets: UE-121697 and UG-121705 (*decoupling*), UE-130137 and UG-130138 (*expedited rate filing or “ERF”*), and UE-121373 (*coal transition power purchase*).

## Coalition Involvement in the Settlement Process

**Q. Do you agree with Mr. Deen in his characterization that the Coalition was a part of the global settlement talks that excluded other stakeholders (Exhibit No.\_\_\_ (MCD-1T), page 13)?**

A. No. The Coalition was not a part of the initial settlement discussions between Utilities and Transportation Commission Staff (“UTC Staff”) and Puget Sound Energy (“PSE”). In our response to Public Counsel Data Request No. 2 in Docket No. UE-121373, I explained our role in the settlement process. I will restate it here:

“NWEC was not involved in any discussions related to any of the settlement of the Centralia PPA case subsequent to the issuance of Order 03 and prior to the March 18th all party talks. NWEC did not participate in the “global settlement” discussions on any of the components of the settlement but continued to work with PSE on refining our joint decoupling proposal, the amended decoupling proposal was filed March 1, 2013. NWEC never joined discussions with PSE and UTC Staff until the all party talks beginning on March 18, 2013. We were told of the possible “global settlement” via phone in mid February but had no opportunity to participate in negotiations prior to March 18th. Following the March 18th all party talks, the Coalition decided to join the settlement.”

Following the March 18th stakeholder meeting and review of the proposed settlement documents, the Coalition made the determination that we could support the decoupling provisions and the language regarding the TransAlta power purchase agreement (“PPA”) and the affidavit filed by Roger Garratt in Docket No. UE-121373.

## Multi-Party Settlement Warrants Support for PSE’s Low Income Customers

**Q. Do you agree with Mr. Eberdt’s statement that PSE’s low income customers could face approximately $30 million increase in rates via the Multi-Party Settlement (Exhibit No.\_\_\_ (CME-1T), page 2)?**

A. Although it is challenging to calculate the exact amount, I agree that there will be an impact on low income customers. For this reason, the Coalition supports the two provisions in the Multi-Party Settlement to increase funds for PSE’s Home Energy Lifeline Program (“HELP”). Both the 1.7% increase in HELP related to the ERF and the percentage increase in HELP that matches the decoupling deferral percentage increase contribute additional funds to help low-income customers manage their bills.

**Q. Are those increases sufficient to address Mr. Eberdt’s concerns (Exhibit No.\_\_\_ (CME-1T))?**

A. No. Mr. Eberdt makes a compelling case for additional funding and the Coalition supports the additional annual increase of $1.5 million for the HELP program beyond what is included in the original Multi-Party Settlement as now stated in The Energy Project Joinder.[[1]](#footnote-1) These additional funds will help enable low-income customers to better handle any rate increases that result from this Settlement.

**Q. Do you have an opinion of Mr. Eberdt’s request for additional energy efficiency funding (Exhibit No.\_\_\_ (CME-1T), page 6)?**

A. The Coalition worked hard to secure the additional $500,000 for low income energy efficiency in the Multi-Party Settlement and we understand the need for flexible funds that can be used for home repair. No sense adding insulation to an attic that has a hole in the roof. The Coalition supports The Energy Project’s Joinder to the Multi-Party Settlement that includes a commitment from PSE for an additional $100,000 in shareholder funds for low-income energy efficiency.[[2]](#footnote-2)

## Merits of a Consolidated Settlement

**Q. Mr. Deen appears skeptical about the benefits of combining the five dockets into one global settlement (Exhibit No. \_\_\_ (MCD-1T), page 14-16). Do you agree that these dockets are unrelated?**

A. No. On numerous occasions throughout the past year, during workshops regarding the Coalition/PSE decoupling proposal, informal meetings exploring ERF or attrition strategies and during the PSE-TransAlta PPA proceeding (Docket No. 121373), various stakeholders have raised concerns that there are too many issues and dockets in discussion at once that all impact PSE’s revenue and rates for customers. The need to consider all the impacts in one place was an important rationale for the Coalition to support a settlement that addressed all five dockets.

**Q. Does this conclude your rebuttal testimony?**

A. Yes. Thank you.

1. UE-121697 etc., The Energy Project’s Joinder in the Multiparty Settlement Re: Coal Transition PPA and Other Pending Dockets. May 6, 2013. [↑](#footnote-ref-1)
2. *See* *id.* [↑](#footnote-ref-2)