

BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of )  
PUGET SOUND ENERGY, INC. ) DOCKET NO. 121373  
)  
)  
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 )  
)  

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In the Matter of the Petition of )  
PUGET SOUND ENERGY, INC. and NW ) DOCKET NOS. UE-121697  
ENERGY COALITION ) and UG-121705 (*Consolidated*)  
)  
)  
For an Order Authorizing PSE to Implement )  
Electric and Natural Gas Decoupling )  
Mechanisms and to Record Accounting Entries )  
Associated with the Mechanisms )  
)  

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WASHINGTON UTILITIES AND )  
TRANSPORTATION COMMISSION, ) DOCKET NOS. UE-130137  
) and UG-130138 (*Consolidated*)  
Complainant, )  
)  
v. )  
)  
PUGET SOUND ENERGY, INC., )  
)  
Respondent. )  

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

ON BEHALF OF NW ENERGY COALITION

MAY 8, 2013

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1 I. INTRODUCTION

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

5 A. Yes I am.

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

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

12 II. COALITION INVOLVEMENT IN THE SETTLEMENT PROCESS

13 Q. Do you agree with Mr. Deen in his characterization that the Coalition was a  
14 part of the global settlement talks that excluded other stakeholders (Exhibit No. \_\_\_\_ (MCD-  
15 1T), page 13)?

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

20 “NWEC was not involved in any discussions related to any of the settlement of  
21 the Centralia PPA case subsequent to the issuance of Order 03 and prior to the  
22 March 18th all party talks. NWEC did not participate in the “global settlement”  
23 discussions on any of the components of the settlement but continued to work  
24 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

1 to participate in negotiations prior to March 18th. Following the March 18th all  
2 to participate in negotiations prior to March 18th. Following the March 18th all

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

7 III. MULTI-PARTY SETTLEMENT WARRANTS SUPPORT FOR PSE’S LOW INCOME  
8 CUSTOMERS

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

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

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

20 A. No. Mr. Eberdt makes a compelling case for additional funding and the Coalition  
21 supports the additional annual increase of \$1.5 million for the HELP program beyond what is  
22 included in the original Multi-Party Settlement as now stated in The Energy Project Joinder.<sup>1</sup>  
23 These additional funds will help enable low-income customers to better handle any rate increases

24 <sup>1</sup> UE-121697 etc., The Energy Project’s Joinder in the Multiparty Settlement Re: Coal Transition  
PPA and Other Pending Dockets. May 6, 2013.

1 that result from this Settlement.

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

4 A. The Coalition worked hard to secure the additional \$500,000 for low income  
5 energy efficiency in the Multi-Party Settlement and we understand the need for flexible funds  
6 that can be used for home repair. No sense adding insulation to an attic that has a hole in the  
7 roof. The Coalition supports The Energy Project's Joinder to the Multi-Party Settlement that  
8 includes a commitment from PSE for an additional \$100,000 in shareholder funds for low-  
9 income energy efficiency.<sup>2</sup>

10 IV. MERITS OF A CONSOLIDATED SETTLEMENT

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

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

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

22 A. Yes. Thank you.

23 \_\_\_\_\_  
24 <sup>2</sup> See *id.*