

**EXH. DJL-3 (Apx. A)
DOCKETS UE-240004/UG-240005
2024 PSE GENERAL RATE CASE
WITNESS: DAVID J. LANDERS**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-240004
Docket UG-240005**

**APPENDIX A (NONCONFIDENTIAL) TO THE SECOND EXHIBIT TO THE
PREFILED DIRECT TESTIMONY OF**

DAVID J. LANDERS

ON BEHALF OF PUGET SOUND ENERGY

FEBRUARY 15, 2024



Electric Emergent Operations

Corporate Spending Authorization (CSA)

Date Created:	Friday, February 10, 2023
Discretionary/ Non-Discretionary:	Non-Discretionary
Multi Year Rate Plan:	Programmatic
Equity Impact:	Yes
Strategic Alignment:	Operate the Business-Safety
Estimated In-Service Date:	Sunday, December 31, 2028
Current State (Business Need):	<p>Electric Emergent Operations covers several categories of work that is generally referred to as "corrective maintenance", it is unplanned as it is in direct response to notification of a problem or outage through a variety of internal or external communication channels. Electric Operations includes responding to outages which are over 13,000-16,000 annually and non-outage events including storm damage as well addressing circuit abnormal configurations that have been left after a repair. It also covers addressing electric meter and substation needs that emerge during the year from failures, maintenance, and inspection activities. Core objective is to maintain customer and public safety. An outcome of this work impacts reliability and resiliency performance of the electric system as well. Electric First Response addresses maintenance and real time repairs associated with PSE's distribution and transmission overhead lines and underground cables. This includes work performed by PSE where simple repairs can be made and PSE's service provider for more complex repairs. Substation Operations addresses maintenance and real time repairs of equipment in distribution and transmission substations, as well as protective and relay equipment. This work is primarily performed by PSE. Emergent Pole Replacement addresses poles that must be replaced in real-time when found to address reliability and/or safety concerns. Electric Abnormals are addressing a backlog of circuit repairs left in a configuration that was not as-designed as a result of outages that were restored through alternative supply paths in order to restore power to customers. Crews moved on to the next outages or work and these circuits were never returned to design configuration. As a result they pose an increased reliability risk relative to the "next" outage which will take longer to repair due to the unrepaired or the abnormal state it has been left in. Funding beyond there will ensure a sustained approach to returning circuits to the as-designed configuration in a more timely manner. Vegetation Management addresses proactive replacement of trees to prevent outages primarily near substations. Electric Meter Operations primarily accounts for removal, refurbishment, and retirement of meters. Other meter related activities are captured in the work such as new customer additions.</p>



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Desired State (Proposed Solution):

Core objective is to maintain customer and public safety. An outcome of this work impacts reliability and resiliency performance of the electric system as well. Electric First Response addresses maintenance and real-time repairs associated with PSE's distribution and transmission overhead lines and underground cables. This includes work performed by PSE where simple repairs can be made and PSE's service provider for more complex repairs.

Substation Operations addresses maintenance and real time repairs of equipment in distribution and transmission substations, as well as protective and relay equipment. This work is primarily performed by PSE.

Emergent Pole Replacement addresses poles that must be replaced in real-time when found to address reliability and/or safety concerns. Electric Abnormals are addressing a backlog of circuit repairs left in a configuration that was not as-designed as a result of outages that were restored through alternative supply paths in order to restore power to customers. Crews moved on to the next outages or work and these circuits were never returned to design configuration. As a result they pose an increased reliability risk relative to the "next" outage which will take longer to repair due to the unrepaired or the abnormal state it has been left in. This back log of System Abnormals will be completed by the end of 2026 (reaching a sustainable number of below than 50). Funding beyond there will ensure a sustained approach to returning circuits to the as-designed configuration in a more timely manner. Vegetation Management addresses proactive replacement of trees to prevent outages primarily near substations.



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Outcome/Results
(What are the
anticipated benefits):

Benefits support safety, reliability - SAIDI and SAIFI and financial benefits of reducing OT due to mitigating lengthy outages.



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Dependencies:

Dependencies comment:

Escalation Included:

Total Estimated Costs:

Estimated Five Year Allocation:

Funds Type	ID	Line Item Description	Previous Years Actuals	Fiscal 2024 Requested	Fiscal 2025 Requested	Fiscal 2026 Requested	Fiscal 2027 Requested	Fiscal 2028 Requested
Capital	W_R.10037.01.01.01	E Removal Cost Meters	\$ -	\$ 495,893	\$ 505,810	\$ 515,927	\$ 531,404	\$ 547,340
Capital	W_R.10009.14.05.11	E Subs Replacement Vegetation Management	\$ -	\$ 216,000	\$ 223,000	\$ 230,000	\$ 236,900	\$ 243,000
Capital	W_R.10009.14.05.03	E Emergent Substation Replacement Trans	\$ -	\$ 3,497,253.76	\$ 3,602,171.37	\$ 3,710,236.51	\$ 3,821,543.61	\$ 3,914,000.00
Capital	W_R.10009.14.05.02	E Emergent Substation Replacement Dist	\$ -	\$ 7,603,337.43	\$ 7,831,437.55	\$ 8,066,380.68	\$ 8,308,372.10	\$ 8,550,000.00
Capital	W_R.10009.08.05.03	E Emergent Pole Replacement Trans	\$ -	\$ 240,566.00	\$ 247,783.00	\$ 255,217.00	\$ 262,873.51	\$ 271,000.00
Capital	W_R.10009.08.05.02	E Emergent Pole Replacement Dist	\$ -	\$ 3,000,000.00	\$ 3,150,000.00	\$ 3,307,500.00	\$ 3,472,875.00	\$ 3,646,519.00

Incremental O&M:

Qualitative Benefits:

A 3.5% escalator for line repair was used for 2024. A 5% escalator for 2025 and beyond was assumed.
2024 estimates for 05.02.02 and 05.02.03 are based on averages (2020-2022) + increase for Potelco unit escalators.
System Abnormals assume 2024-2026 will be needed to reach steady state levels (elimination of back log), and then 2027-2028 will be normal burn (based on average costs to repair OH and UG Abnormals).

Quantitative Benefits:

Quantitative Benefits	Benefit Type	Previous Years	Fiscal 2023	Fiscal 2024	Fiscal 2025	Fiscal 2026	Fiscal 2027	Fiscal 2028	Remaining Costs	Life Total

Risk Summary:



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Change Summary:

Planning Cycle	Change Summary	Last Update Date
2022 Baseline Cycle	This CSA has been migrated into the EPPM tool at go-live as part of the Phase 1 EPPM implementation effort. The projects in this CSA were previously approved for the 2023-2027 capital plan. Please refer to the original CSA document for additional information (if available.)	2/10/2023
2023 Cycle 1	The dollars looking forward were updated to reflect average historical spends in prior years, for each respective WBS.	5/5/2023



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Approval History:

Approved By	Date Approved
Approved by Cost Center Owner: Lim , Thina	12/5/2023
Approved by Director Sponsor: Lim , Thina	12/5/2023
Approved by Executive Sponsor: Lim , Thina	12/5/2023
CSA Status changed to Approved	12/5/2023
Approved by Cost Center Owner: Saarinen , Robert	1/31/2024
Approved by Director Sponsor: Murphy , Ryan	1/31/2024
Approved by Executive Sponsor: Vargo , Michelle	2/1/2024
CSA Status changed to Approved	2/1/2024