

**EXH. RJR-16
DOCKETS UE-22___/UG-22___
2022 PSE GENERAL RATE CASE
WITNESS: RONALD J. ROBERTS**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-22___
Docket UG-22___**

**FIFTEENTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF**

RONALD J. ROBERTS

ON BEHALF OF PUGET SOUND ENERGY

JANUARY 31, 2022



Portland General Electric Company
121 SW Salmon Street, 1WTC 1301
Portland, Oregon 97204



Avista Corporation
Post Office Box 3727
Spokane, Washington 99220



PacifiCorp
825 NE Multnomah Street
Portland, Oregon 97232



Puget Sound Energy
355 110th Avenue Northeast
Bellevue, Washington 98004

June 23, 2021

[Via Email]

Attention: Eric Wheatley
Talen Montana

Re: Request Pre-release Budget workshops

Dear Mr. Wheatley:

Portland General Electric Company, PacifiCorp, Avista Corporation, and Puget Sound Energy, Inc. (collectively referred to herein as “we” “us” or “our”) are writing to request Talen Montana provide pre-release 2022 budget workshops (“Budget Workshops”).

To facilitate the smooth review and approval of the 2022 operating budget, the undersigned members of the operator committee request the entire Committee engage in a series of workshops in advance of the budget creation and submittal process.

We request a series of workshops led by Talen Montana, as Operator, covering the below mentioned topics with the objective of providing sufficient detail and information for all owners to make an informed decision as to how the proposed budget will ensure safe, reliable and compliant operations. We anticipate the culmination of the five proposed workshops before submitting the budget on September 1, 2021.

Attention: Eric Wheatley
Talen Montana
June 23, 2021
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1. Baseline O&M
 - a. Plant Management & Administration
 - b. Insurance premiums
 - c. Balance of Plant / Plant Operations
 - d. Power Generation
 - e. Project Management and Services
 - f. A&G costs
2. Variable O&M
 - a. Chemical budget and assumptions
 - b. Fuels budget and assumptions
 - i. Plant Chemicals
 - ii. Fleet fuel, startup fuel etc.
3. Labor
 - a. Headcount / Staffing
 - b. Additional process assumptions
4. O & M Special Maintenance costs
5. Common Expense Costs

Information provided during the workshops and as part of the budget submittal should include at minimum the following:

- Nature of proposed activities and how they individually and collectively deliver safe, reliable and/or compliant operations
- Cost basis for proposed activities (i.e. historical? Estimated?)
- Methodology used to arrive at the proposed cost for activities

As a supplement to this process, we have engaged a consultant to engage in benchmarking activities. Owner's consultant will provide data and information requests to perform their analysis and a designated owner's representative will coordinate with Talen Montana to satisfy those requests. This activity intends to provide the owners with data beyond what some would classify as anecdotal. For clarity, any deliverables from the benchmarking activities are strictly for those commissioning the activity.

We recognize that for the 2022 budget Talen Montana has proposed to replicate the 2021 budget simply without the costs associated with the Unit #3 outage, as the initial proposal. Additionally, we acknowledge that Talen Montana has requested that the owners recommend specific areas for budget reductions on several occasions. Because the owners are not directly engaged in day-to-day operations, the owners must rely on Talen Montana to provide a budget that meets owner

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Talen Montana
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guidance that suggests reductions and impacts to the owners. These workshops and the resulting reports from the consultant are intended to help to better understand a final proposed budget.

Sincerely,

**PORTLAND GENERAL ELECTRIC
COMPANY**

By: *Shawn P Davis*
By: Shawn P Davis (Jun 23, 2021 15:14 PDT)

Name: Shawn Davis

AVISTA CORPORATION

By: *Steve Wenke*

Name: Steve Wenke

PACIFICORP

By: *Mike Johanson*

Name: Mike Johanson

PUGET SOUND ENERGY

By: *Nancy L Atwood*

Name: Nancy Atwood

cc Northwestern Energy
Attention: John Hines
Mike Barnes

Letter to Talen Re Budget Workshop Request (06.23.2021)

Final Audit Report

2021-06-24

Created:	2021-06-23
By:	Danielle McCain (danielle.mccain@pgn.com)
Status:	Signed
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 Document e-signed by Nancy L. Atwood (nancy.atwood@pse.com)

Signature Date: 2021-06-24 - 2:42:15 PM GMT - Time Source: server- IP address: 204.61.56.35

 Agreement completed.

2021-06-24 - 2:42:15 PM GMT