

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
Docket No. UE-132027
Puget Sound Energy, Inc.'s
Petition for an Accounting Order Approving the Allocation of Proceeds of the
Sale of Certain Assets to Public Utility District #1 of Jefferson County

PUBLIC COUNSEL DATA REQUEST NO. 034

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Re: Excel workpaper “UE-13-XXX JAP-03-04-05-06 XP (10-XX-13.xlsx”, tab “JAP-3 P1 – ERF Direct”:

Does PSE agree that remaining PSE customers will have to absorb approximately \$3.2 million of non-power supply costs that Jefferson County customers previously paid (despite the fact that those costs were not directly attributable to that portion of the service territory) unless the Company can reduce costs/expenses before the non-PCA rates are reset (at the end of the ERF rate plan)? If no, please explain, describe and quantify in detail what exceptions PSE takes to reaching such conclusion.

Response:

Puget Sound Energy, Inc. (“PSE”) does not agree that its remaining customers will have to absorb approximately \$3.2 million of non-power supply costs that Jefferson County customers previously paid unless the utility can reduce costs/expenses before the end of the rate plan period approved in Docket Nos. UE-121697 and UG-121705 (consolidated).

PSE notes that Public Counsel is misinterpreting the analysis on page one of Exhibit No. ___(JAP-3). In fact, it is PSE’s shareholders, not its customers, that will absorb the \$3.2 million referenced in Public Counsel Data Request No. 034. Column A on page one of Exhibit No. ___(JAP-3) illustrates PSE’s \$30.9 million electric revenue deficiency approved in its expedited rate filing, Docket No. UE-130137. Column B, on page one of Exhibit No. ___(JAP-3) illustrates a \$3.2 million increase to PSE’s electric revenue deficiency such that the utility would have otherwise shown a \$34.1 million deficiency (i.e., based on this analysis, a larger rate increase should have been approved), as reflected in Column C.

Even if the results were as Public Counsel suggests, it is important to point out that PSE’s Jefferson County service area represented about one year’s load and customer growth on PSE’s entire system. Therefore, any costs would have been quickly “absorbed” by the new customers (and load) added to the system after PSE discontinued providing electric service in Jefferson County.