

Puget Sound Energy, Inc.
Response to OPUC Issues List in
Docket No. ASC-10-PS-01

These responses are submitted by Puget Sound Energy, Inc., (PSE) on OPUC's Issues List in Docket No. ASC-10-PS-01.

OPUC Issue No. 1, Regarding Accuracy Of Fuel Cost Estimate Amount And OPUC Issue No. 2, Regarding Consistency of Natural Gas Fuel Price Forecasts Across Utilities

Each of OPUC Issue No. 1 and OPUC Issue No. 2 address gas price cost projections to be used for new resources in the ASC forecast model. In its Issues List in Docket ASC-10-PS-01, BPA identified a similar issue as a Generic Issue. It is PSE's understanding that these Generic Issues will be and have been discussed at the March 4, 2009 FY10-11 ASC Issues List workshop for Docket No. ASC-10-PS-01, and PSE reserves the right to comment further on these issues.

In general, PSE prefers the use of utility specific gas price cost projections, particularly if there are fuel contracts in place for the new resource. If generic gas price cost projections were used in lieu of utility specific gas price cost projections, such generic gas price cost projections should be a default from which a utility could opt out in favor of utility specific gas price cost projections. In so opting out, the utility would bear the burden during the ASC review period to justify the use of utility specific gas price cost projections.

Specific details regarding the differences between (i) the gas price estimates included in Attachment 2A to PSE's Response to Data Request No. OPUC-PS-01 Non-Confidential and (ii) the gas price estimates provided on the New Resource tab in the ASC forecast model relate to differences in variable inputs to such gas price estimates. As noted in OPUC's issue statement, the associated new resource is included in both the FY09 and FY10-11 ASC forecasts because the new resource has a 2008 on-line date. In the context of the FY09 review period, PSE teleconferences with OPUC and discussed the differences in variable inputs with the OPUC. If further information is needed regarding these differences, please contact Sara Johnson at PSE at (425) 462-3681 to establish a teleconference to further discuss such differences in variable inputs.