Q.PSD.WEC.1.23. On page 9 of Mr. Enterline's testimony, it is noted that the adjustment to energy market prices is calculated using the average forward settlement prices during the month of August, 2022. In answering the following, please provide any analyses in native format.

a. How did the [forward] settlement prices during August 2022 compare to the forward settlement prices throughout 2022?
b. Were August forward prices higher or lower than those in other months?
c. What would be the impact to WEC's power supply costs if more current forward settlement prices (for example, for a settlement in December) were used?
d. Please provide forward on- and off-peak settlement prices for the first trading day of the last six months.
e. What were the actual market [ISO] prices for November, 2022?
f. How do those actual market prices for November of 2022 compare to the prices assumed in the Test Year?
g. What is the impact on additional revenue necessary if actual energy market prices were utilized in the Test Year?

A.PSD.WEC.1.23.
Shawn Enterline, VPPSA, WEC Consultant

a. Please refer to Exhibit Q.PSD.WEC.1-23 1. That Exhibit shows the beginningof-the-month forward prices from July 2022 to December 2022. This period was chosen to align with the data request in part d of this request. These prices average $118/MWH around-the-clock (ATC). The prices in Exhibit WEC-SPE-7 (the August 2022 data) averaged $130/MWH ATC. Please note the bracketed word, above, clarifying this request.
b. August forward prices were generally higher than those in other months.
c. Forward prices have been volatile throughout 2022, up to and including December 2022. As a result, it is difficult to assess the impact of more current prices. Assuming the same supply and demand assumptions in WEC-SPE-1, higher forward prices would increase WEC's power supply costs and lower forward prices would decrease them.
d. Please refer to Exhibit PSD.WEC.1-23 2 which shows the beginning-of-themonth forward prices from July 2022 to December 2022.
e. According to ISO-NE (https://www.iso-ne.com/isoexpress/web/reports/pricing/-/tree/monthly-lmp-indices), actual market prices at the Vermont Zone for November 2022 averaged $61.19/MWH in the day-ahead market and $66.84 in the real-time market. Please note the bracketed word, above, clarifying this request.
f. The forward price for November 2022 that was assumed in the Test Year is higher than the ISO settlement price for the same month.
g. Given the supply and demand assumptions in Exhibit WEC-SPE-1, higher energy market prices would increase WEC's revenue requirement. Similarly, lower energy market prices would decrease WEC's revenue requirement. Please note, however, that WEC's power supply costs are influenced by forward prices in the Rate Year, not actual prices in a prior period (the Test Year).

WASHINGTON ELECTRIC COOPERATIVE
EXHIBIT PSD.WEC.1.23 - BEGINNING OF MONTH FORWARD ENERGY MARKET PRICES

Average of Beginning of Month 2022 Forward Prices (n=10)
March 1, 2022 to December 1, 2022 (Post Ukrainian Invasion)

MMM-YY	On Peak	Off Peak	ATC
Nov-22	$121	$101	$110
Dec-22	$205	$186	$195
Jan-23	$263	$230	$245
Feb-23	$261	$229	$245
Mar-23	$136	$123	$129
Apr-23	$71	$59	$64
May-23	$54	$43	$49
Jun-23	$59	$44	$51
Jul-23	$72	$51	$60
Aug-23	$72	$51	$61
Sep-23	$53	$41	$46
Oct-23	$54	$45	$49
Average	**$118**	**$100**	**$109**