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BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of  
PUGET SOUND ENERGY, INC.  
For An Order Authorizing Deferral Of Certain  
Electric Energy Supply Costs

No. UE – 011170

.....

No. UE – 011163

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,  
  
Complainant,

PETITION TO INTERVENE AND  
PROTEST OF CITIES OF FEDERAL  
WAY, SEATAC, KENT, AND DES  
MOINES

v.  
PUGET SOUND ENERGY, INC.

Respondent.

**1. Names and addresses of petitioners:**

City of Federal Way  
Bob C. Sterbank  
3350-1<sup>st</sup> Way South  
Federal Way, WA 98003  
Business: (253) 661-4572  
Fax: (253) 661-4024

PETITION TO INTERVENE AND PROTEST  
OF CITIES OF FEDERAL WAY, SEATAC,  
KENT AND DES MOINES - 1

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TELEPHONE: (206) 623-7580  
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City of SeaTac  
Mary E. Mirante  
17900 International Boulevard, Suite 401  
SeaTac, WA 98188-4236  
Business: (206) 433-1800  
Fax: (206) 433-1833

City of Kent  
Thomas C. Brubaker  
Law Department  
220 4th Avenue South  
Kent, WA 98032-5895  
Business: (253) 859-3340  
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City of Des Moines  
Gary McLean  
21630-11th Avenue South, Suite C  
Des Moines, WA 98198-6398  
Business: (206) 870-6553  
Direct dial: (206) 870-6518  
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**2. Name and address of attorney representing petitioners:**

Carol S. Arnold  
Preston Gates & Ellis LLP  
701 Fifth Avenue, Suite 5000  
Seattle, WA 98104-7078  
Business: (206) 623-7580  
Fax: (206) 623-7022

**3. Identity of petitioners:**

The City of Federal Way, the City of SeaTac, the City of Kent, and the City of Des Moines  
("Cities") are political subdivisions of the State of Washington.

1 **4. Petitioner’s interest in this proceeding:**

2 The Cities are customers of Puget Sound Energy, Inc. (“PSE”). The Cities are in PSE’s  
3 service territory, and homes and business located in the Cities are customers of PSE. The Cities’  
4 energy budgets will be adversely impacted if PSE’s proposed 17% increase is permitted to go into  
5 effect.  
6

7 **5. Issues To Be Raised and Protest:**

8 The Cities seek to intervene pursuant to WAC 480-09-430 for good cause shown. Because  
9 of the importance of observing appropriate municipal decision-making process, the Cities were  
10 unable to obtain authorization to file this petition prior to the prehearing conference held on  
11 September 4, 2001. However, the Cities intend solely to support the same issues as the City of  
12 Tukwila. The Cities do not intend to raise new or additional issues or broaden the scope of the  
13 proceeding. Tukwila’s Petition to Intervene has been granted, and the Cities request that their  
14 Petition to Intervene be granted as well.  
15

16 The Cities object to PSE’s accounting petition and to proposed Schedule 395. PSE is  
17 responsible for the prudent management of its resources, and the ratepayers should not bear the risk  
18 of PSE’s failure to do so. During the first half of 2001, PSE “maximized wholesale sales of surplus  
19 generation from its combustion turbines, leveraging the advantages of the differentials in gas and  
20 electric wholesale prices.” Direct Testimony of William A. Gaines, at 5:16-19. PSE chose to  
21 maximize its “market-based revenues” too offset poor hydro conditions. *Id.* at 6: 1-3. Now that the  
22 PSE’s resource management strategy has failed, PSE’s shareholders – not its ratepayers – should  
23 bear the financial responsibility of the failure of that strategy.  
24  
25  
26

1 PSE assured the Commission in February 1997 that a five year rate stability plan would  
2 provide a balance between “rate certainty” for customers and the “opportunity for the company to  
3 manage its resource cost pressures.” Fourteenth Supplemental Order, Docket Nos. UE-951270, UE-  
4 060195 (February 5, 1997). Within the five year rate plan, “PSE’s financial results will be a  
5 function of management’s ability to achieve savings in order to provide shareholders with an  
6 opportunity to earn a reasonable return on investment.” *Id.* Now – less than five years later – PSE’s  
7 shareholders rather than its ratepayers must bear responsibility for PSE’s failure to achieve those  
8 savings and earnings for its shareholders.

10 **6. Testimony and Witnesses**

11 The Cities have not decided at this time whether to submit written testimony or exhibits or  
12 call witnesses, but reserve the right to do so. The Cities intend to cross-examine the witnesses called  
13 by other parties and to submit written argument.

15 **7.** The undersigned submit this Petition to Intervene and Protest and request authorization to  
16 participate in this proceeding.

17 DATED this 27th day of September, 2001.

18 PRESTON GATES & ELLIS LLP

19  
20 By \_\_\_\_\_  
21 Carol S. Arnold, WSBA # 18474  
22 Laura Clinton, WSBA # 29846  
23 Attorneys for Petitioner City of Federal Way,  
24 City of SeaTac, City of Kent, and City of Des  
25 Moines  
26

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the Petition to Intervene and Protest of Cities of Federal Way, SeaTac, Kent, and Des Moines upon all parties of record in this proceeding, as follows via facsimile followed by U.S. mail:

Steven R. Secrist  
Puget Sound Energy, Inc.  
P.O. Box 97034  
OBC-03W  
Bellevue, WA 98009-9734

Markham A. Quehrn  
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S. Bradley Van Cleve and Melinda J. Davison  
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King County Prosecutor's Office  
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PETITION TO INTERVENE AND PROTEST  
OF CITIES OF FEDERAL WAY, SEATAC,  
KENT AND DES MOINES - 5

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Olympia, WA 98504-0128

C. Robert Wallis, Administrative Law Judge  
Washington Utilities & Transportation Commission  
1300 South Evergreen Park Drive SW  
P.O. Box 47250  
Olympia, WA 98504-7250

DATED: September 27, 2001.

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Jo Ann Sunderlage  
Secretary to Carol S. Arnold