

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKETS UE-111048 and
UG-111049 (*consolidated*)

COMMISSION STAFF
RESPONSE TO PSE'S
OBJECTION TO BENCH
REQUEST

1 On October 10, 2011, Puget Sound Energy, Inc. (“PSE” or the “Company”) objected to the Bench Request issued by the Commission on October 5, 2011 to all parties. The Commission should deny the objection for the following reasons.

2 First, PSE states that the Commission is improperly influencing the nature and content of evidence in this proceeding. This argument is disingenuous at best. At the prehearing conference on July 20, 2011, a “Staff Proposed Schedule” was provided to the Administrative Law Judge. That schedule expressly anticipated submission of the information requested in the Bench Request.¹ The Company agreed to the schedule,² which the Commission adopted.³ Nor did PSE object to the Administrative Law Judge requiring the information via the Bench Request.⁴

¹ See Attachment, footnote 1.

² Tr. 19:7-25.

³ Prehearing Conference Order 03, Appendix B.

⁴ Tr. 50:10-25.

3 PSE argues that the Bench Request may result in the imposition of a regulatory mechanism that the Company did not request in this proceeding. However, as the Bench Request notes, PSE has proposed a Conservation Savings Adjustment to address the effects that “conservation has on [PSE’s] ability to recover certain of its fixed costs.”⁵ Other parties are entitled to respond to that proposal and can do so with regulatory mechanisms that PSE did not request. Issuance of the Bench Request did not create that situation. It only outlines the type of information the Commission wishes to see on the subject matter.⁶

4 Finally, PSE states that the Bench Request suggests a policy preference for full decoupling that is inconsistent with the Decoupling Policy Statement issued by the Commission on November 4, 2010 in Docket U-100522. The argument misconstrues the Decoupling Policy Statement. Among the lost margin recovery mechanisms examined by the Commission, the Commission did, in fact, express support for a properly constructed full decoupling mechanism for electric and natural gas utilities.⁷ Its support for limited decoupling was confined to natural gas utilities for specific reasons.⁸

5 The Company’s argument also misses the point. By definition, the Decoupling Policy Statement is advisory only.⁹ It does not bind any party in any proceeding. Thus, while parties would certainly be wise to discuss the Decoupling Policy Statement when making a decoupling proposal, parties are free to propose the mechanism of their choice, and the Commission is obligated to give that proposal full and fair consideration.

⁵ Exhibit TAD-1T at 10:8-10.

⁶ Thus, the Bench Request parallels the procedure the Commission adopted in the pending Avista general rate case in Dockets UE-110876 and UG-110877. Attachment, footnote 1 and Tr. 50:1-22. As stated above, PSE agreed that decoupling would be examined in this case and did not object to issuance of the Bench Request on that subject matter.

⁷ Decoupling Policy Statement at ¶¶25-27.

⁸ Decoupling Policy Statement at ¶¶15, 21-24.

⁹ RCW 34.05.230(1).

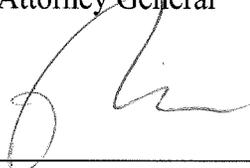
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In sum, the Company's objections to the Bench Request should be rejected. Staff will respond to the Bench Request unless otherwise directed by the Commission.

DATED this 12th day of October 2011.

Respectfully submitted,

ROBERT M. MCKENNA
Attorney General



ROBERT D. CEDARBAUM
Assistant Attorney General
Counsel for Commission Staff

STAFF PROPOSED SCHEDULE

Company Direct Testimony and Exhibits	June 13, 2011
Prehearing Conference	July 20, 2011
Public Notice Status Report	August 22, 2011
Company Supplemental Direct Testimony And Exhibits on Decoupling (Optional)	Sept. 1, 2011 ¹
Settlement Conference/ Issues Discussion	Nov. 9, 2011
Staff, Public Counsel, Intervenor Response Testimony and Exhibits (Includes Decoupling)	Dec. 7, 2011 ²
Second Settlement Conference/Issues Discussion	TBD
Company Rebuttal Testimony and Exhibits; Staff, Public Counsel and Intervenor Cross- Answering Testimony and Exhibits	January 17, 2012 (2 pm) ³
Discovery Deadline (last day to issue DRs)	February 2, 2012
Joint Issues List	February 3, 2012 ⁴
Deadline for Pre-distribution of Cross-Examination Exhibits and Cross-Examination Estimates	February 9, 2012
Evidentiary Hearings	February 13-17, 2012 ⁵
Public Hearing	TBD
Post-hearing Briefs	March 16, 2012
Reply Briefs	March 28, 2012 (15 p limit)

¹ In the pending Avista rate case, Dockets UE-110876 and UG-110877, a Bench Request established procedures for the parties to examine full decoupling in the context of the recent Policy Statement in Docket U-100522. The Staff proposed schedule for PSE anticipates the Commission will want the same information, which we propose be initiated as an optional supplement to PSE's direct case. If PSE does not file supplemental direct on decoupling, it can only respond to Staff, Public Counsel and Intervenor decoupling testimony in rebuttal.

² Data Request response turn-around time is reduced to 7 business days after Dec 7, 2011.

³ Data Request response turn-around time is reduced to 5 business days after Jan 17, 2012.

⁴ The initial burden to prepare the Joint Issues List is on the Company. Other parties then add their position to the initial list, including listing issues they intend to raise on cross or in briefs and on which that they have not offered a witness. PSE will then finalize the list with its rebuttal position and file with the Commission. The Staff proposal reflects the Avista case, but has only one issues list for filing before the hearing. As with Avista, the Joint Issues List will be prepared without advocacy.

⁵ Staff's proposal asks that the hearings commence on Feb. 14, 2012, unless it appears based on cross-estimates that Feb. 13 will be necessary for hearings.