Exhibit No. __ TC (DEK-1TC)
Dockets UE-072300/
UG-072301/UG-080064
Witness: Douglas E. Kilpatrick
REDACTED VERSION

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

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| WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,<br><br>Complainant,<br><br>v.<br><br>PUGET SOUND ENERGY, INC.,<br><br>Respondent. | DOCKET UE-072300<br>DOCKET UG-072301<br>*(Consolidated)*<br><br>DOCKET UG-080064 |

# TESTIMONY OF

# DOUGLAS E. KILPATRICK

## ON BEHALF OF THE STAFF OF WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

***Prudence of Resource Acquisitions***
***Outcomes from the Hanukkah Eve Storm of 2006***

**May 30, 2008**

**CONFIDENTIAL PER PROTECTIVE ORDER**

**REDACTED VERSION**

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## LIST OF EXHIBITS

## I. INTRODUCTION

**Q. Please state your name and business address.**

A. My name is Douglas Kilpatrick, P.E. My business address is the General Administration Building, Room 206, PO Box 41012, Olympia, Washington 98504-1012.

**Q. By whom are you employed and in what capacity?**

A. I am employed by the Department of General Administration ("GA") as an Energy Engineer 3. My employment with GA began on April 16, 2008. Prior to that date, I was employed by the Washington Utilities and Transportation Commission ("UTC") as a Senior Regulatory Engineering Specialist. My duties at the UTC involved analysis of a variety of energy regulatory issues. These included integrated resource planning, requests for proposals, power supply acquisition and emergency management planning.

**Q. Please describe your education and relevant employment experience in the energy industry and utility regulation.**

A. I hold a BS degree in Environmental Resources Engineering from Humboldt State University in California. I am licensed as a professional engineer in the field of mechanical engineering in the State of Washington. I worked for Pacific Gas and Electric Company in Eureka, California from 1980 to 1987. There, I worked on energy conservation program delivery to commercial and industrial customers and

was assigned as the division coordinator for interconnection of qualifying facility energy projects under PURPA. Following my move to Washington State in 1987, I was employed by the Washington State Energy Office where I held positions in the engineering group, including manager. I was next employed in 1996 by the UTC where I held positions as Electric Industry Coordinator, Director of Pipeline Safety, Emergency Management Planning Coordinator, and Senior Regulatory Engineering Specialist. I presented testimony in formal proceedings and made Staff recommendations at many open meetings. In all, I have approximately 19 years of experience in the energy utility industry.

## II. SCOPE OF TESTIMONY

**Q. On whose behalf are you testifying in this proceeding?**

A. I am testifying on behalf of UTC Staff. Before I left the UTC, I was a member of the Staff team investigating the filing of Puget Sound Energy, Inc. ("PSE" or "the Company") in these dockets.

**Q. Please outline the scope of your testimony.**

A. My testimony covers two topics. First, I discuss the acquisition of several electric generating resources and power purchase agreements made by PSE for which rate recovery is sought. Second, I discuss the Hanukkah Eve Storm of 2006 ("the Storm") and PSE's reaction to the recommendations of KEMA, an outside consultant that evaluated PSE's response and restoration efforts following the Storm.

**Q. Do you sponsor any exhibits in this proceeding?**

A. Yes, I sponsor the following exhibits:

Exhibit No. __ (DEK-2), Open Meeting Memorandum dated October 25, 2007
Exhibit No. __ (DEK-3), Memorandum dated January 30, 2008 Re: Staff Summary of PSE's Response to KEMA's December 2006 Windstorm Report

**Q. Please outline the first issue related to electric resource acquisitions.**

A. PSE seeks a prudence determination and inclusion in rates of the following power purchase agreements ("PPA") and generation resources:

- Whitehorn Units 2 and 3, a pair of simple cycle combustion turbines with a total capacity of 150 MW.
- Sumas natural gas fired combined cycle combustion turbine and an interest in the natural gas pipeline that serves the facility. This unit has a total capacity of approximately 125 MW.
- Addition of 7.2 MW of wind capacity at the PSE-owned Hopkins Ridge Wind Facility ("the Hopkins Ridge Infill").
- A two-year extension to the full requirements PPA with Powerex to PSE's Point Roberts load.
- A 20-year power purchase with PPM Energy for 50 MW of the 221-MW Klondike III wind project.
- An approximate four-year PPA with Lehman Commodity Services Group for 50 MW of replacement energy due to the Sumas PPA default.

- An approximate four-year PPA with Sempra Energy Trading Company for the balance of the energy replacement necessitated by the Sumas PPA default.
- A four-year winter on-peak power purchase with [redacted] for 150 MW.

I discuss my conclusions regarding the prudence and cost of these acquisitions, and my evaluation of the processes used by PSE to analyze and investigate them. I will also describe the information and documents that I reviewed in my evaluation.

**Q. Please summarize your conclusion regarding PSE's acquisition of these generation resources and PPAs.**

A. I conclude that the acquisition of these generating resources and PPAs were prudent and reasonably priced, according to the standards applied by the UTC in prior cases.

**Q. Please outline the second issue related to PSE's response to the KEMA report.**

A. PSE's witness, Mr. Greg Zeller, explains that PSE hired KEMA, an energy consulting firm, to provide an independent, third-party review of PSE's response to the December 13-15, 2006 storm event dubbed "The Hanukkah Eve Storm." Mr. Zeller suggests generally (Exhibit No. __ (GJZ-1T) at 19:3-7) that PSE has undertaken the actions recommended by KEMA in a report dated July 2, 2007 ("the KEMA Report") that he includes in Exhibit No. __ (GJZ-8). I examine his assertion in light of PSE's actual response to the KEMA Report. That response was filed with the UTC in Docket UE-071898 on November 30, 2007 and is included in Exhibit No. __ (GJZ-9) ("PSE's After Action Report").

I also provide recommendations on how the Company should implement some of the KEMA Report recommendations. These are important details lacking in PSE's After Action Report.

**Q. Please summarize your conclusion regarding PSE's response to the KEMA Report.**

A. PSE's After Action Report contradicts Mr. Zeller's general assertion that PSE has undertaken the actions recommended by KEMA. In Exhibit No. __ (DEK-3) I explain that several of the KEMA Report recommendations were either not accepted or were being studied further. For the recommendations where PSE said it would conduct further study, it only offered broad timelines for completion of this work and it made no offer to inform the UTC of the Company's analysis methods or conclusions.

## III. PRUDENCE OF THE GENERATING RESOURCE ACQUISITIONS

**Q. In regard to PSE's acquisition of the generating resources and PPAs described in this case, were the decision-making tools, methods and actions used by the Company to evaluate the purchase of these resources prudent?**

A. In my opinion, yes.

**Q. What materials did you review to come to this conclusion?**

A. I reviewed the testimony and exhibits of Company witnesses Ms. Harris, Mr. Garratt and Mr. Elsea, as well as Company responses to data requests. I worked with Mr. Elsea to examine the Company's portfolio model, power cost modeling using AURORA, and various supporting spreadsheets. I also made personal visits to the Whitehorn and Sumas generating resources in March 2008, touring these facilities with PSE's thermal asset manager, Mr. Charles Morton.

**Q. How do you define the term "prudent" for purposes of your analysis?**

A. "Prudent" means that the decisions to acquire these generating resources and PPAs were based upon appropriate, rational and reasoned quantitative and qualitative analyses; relied upon appropriate data; and satisfied the general "reasonableness" standard the UTC has applied to assess the prudence of power supply acquisitions in rate proceedings:

> The Commission has consistently applied a reasonableness standard when reviewing the prudence of decisions relating to power costs, including those arising from power generation asset acquisitions. The test the Commission applies to measure prudence is what would a reasonable board of directors and company management have decided given what they knew or reasonably should have known to be true at the time they made a decision. This test applies both to the question of need and the appropriateness of the expenditures. The company must establish that it adequately studied the question of whether to purchase these resources and made a reasonable decision, using the data and methods that a reasonable management would have used at the time the decisions were made. (Citations omitted.)

*WUTC v. Puget Sound Energy, Inc.* Order No. 12 at ¶ 19, Docket 031725 (April 7, 2004). This general standard reiterates policies the UTC adopted years ago in a general rate case involving the Company's predecessor. *WUTC v. Puget Sound*

*Power & Light Co.*, 19th Supplemental Order, Docket UE-921262, *et al.*, (September 27, 1994).

**Q. What other specific factors has the UTC considered in evaluating the prudence of power supply acquisitions?**

A. The UTC has emphasized the following four areas of review, analysis, communications, and record keeping:

- The utility must first determine whether new resources are necessary. Once a need has been identified, the utility must determine how to fill that need in a cost-effective manner. When a utility is considering the purchase of a resource, it must evaluate that resource against the standards of what other purchases are available, and against the standard of what it would cost to build the resource itself.

- The utility must analyze the resource alternatives using current information that adjusts for such factors as end effects, capital costs, dispatchability, transmission costs, and whatever other factors need specific analysis at the time of a purchase decision.

- The utility should inform its board of directors about the purchase decision and its costs. The utility should also involve the board in the decision process.

- The utility must keep adequate contemporaneous records that will allow the Commission to evaluate its actions with respect to the decision process. The Commission should be able to follow the utility's decision process; understand the elements that the utility used; and determine the manner in which the utility valued these elements.

*WUTC v. Puget Sound Energy, Inc.* Order No. 12 at ¶ 20, Docket 031725 (April 7, 2004).

**Q. Did PSE conduct analyses consistent with these factors for the acquisitions under review in this case?**

A. Yes. First, consistent with the UTC's rule on Integrated Resource Planning (WAC 480-100-238), PSE filed a Least Cost Plan ("LCP") in Docket UE-050664 on April 29, 2005. In that LCP, the Company forecast a moderate near-term need for new electric supply resources and, by 2015, a need to secure approximately 1,500 average MWs of new supply to meet growing customer demand.

Second, PSE issued an all source request for proposals ("RFP") in 2005 seeking input from owners and developers of power projects.

Third, PSE evaluated the proposals received using a series of both quantitative and qualitative screens to arrive at a short list of potential projects and/or contract offers.

Fourth, PSE made presentations to its board of directors and other officers summarizing these analyses and the status of the various offers.

Finally, PSE maintained and provided substantial records of the analytic and negotiations work done to finalize these purchases.

**Q. Was this the first time that PSE determined through integrated resource planning that it needed to acquire additional electric supply resources?**

A. No. In its 2003 LCP, PSE also concluded that due to customer load growth and other factors it would need to acquire new electric supplies in the future. Following issuance of its 2003 LCP, PSE issued an RFP for resources and conducted quantitative and qualitative review of the proposals received out of that solicitation. The 2005 LCP was consistent with the analysis done previously.

**Q. Were all of these generating resources and PPAs within the offers received in the 2005 RFP solicitation?**

A. No. Only the Klondike III Wind PPA and the 150 MW [redacted] winter on-peak PPA were specifically part of the 2005 RFP evaluation process.

**Q. What about the other acquisitions for which PSE seeks rate recovery?**

A. I will describe each PPA or generating resource separately:

- The Sumas combustion turbine purchase was somewhat opportunistic. PSE had an existing PPA with Sumas Cogeneration Company, LP ("SCCLP") that was not due to expire until April 2013. Under the PPA, SCCLP provided PSE the entire electrical output of the facility, up to a maximum of 135 MW. PSE did not look at the replacement of this contract as part of its 2005 RFP analyses, but rather was required to consider options due to SCCLP's default of the long-term PPA in 2007.
- The Sempra and Lehman PPAs were the result of a targeted solicitation necessitated by the contract issue with SCCLP. PSE was required to consider replacement supplies for the SCCLP contract after it received notice in May 2007 that the independent power producer would no longer make deliveries of energy to PSE under the PPA after June 30, 2007. In response to SCCLP's notice, PSE sought replacement power through the targeted solicitation sent out to four counterparties.
- PSE had an existing lease for Whitehorn Units 2 and 3 through February 2009. The Company received two different offers from the plant owners, in 2003 and

2006, to cancel the existing lease and purchase the two units prior to the lease ending. PSE's analysis showed that compared to other capacity resource proposals offered through the 2005 RFP, purchase at the end of the lease was the lowest cost capacity option.

- The Hopkins Ridge Infill of four additional wind turbines on the existing project site was evaluated following passage of Initiative 937 (RCW 19.285).
- The Powerex PPA to serve the Point Roberts load was an extension of the existing PPA to serve this portion of PSE's service area.

**Q. What methods were most important in PSE's decision-making to acquire these generating resources and PPAs?**

A. The most important tools used in evaluating potential resource alternatives were the quantitative AURORA and the Portfolio Screening Models, the RFP process itself, the use of fuel cost scenarios, and the analysis of key qualitative assessments. The quantitative models allowed hourly dispatch simulation of each resource and contract alternative. The use of scenarios of fuel costs allowed for an analysis of price level and volatility and, therefore, of fuel risk on the portfolio.

**Q. Please elaborate on PSE's quantitative methodology for evaluating project offers?**

A. With respect to the Klondike III Wind PPA and the 150 MW [redacted] winter on-peak PPA, the Company considered bids in response to the 2005 RFP solicitation, which resulted in a total of 48 different offers from 38 project owners/developers. PSE

organized the offers into a spreadsheet of key information including delivery date, capacity and energy offered, contract or equity status, developed or to be constructed, as well as fuel and transmission arrangements. Some screening for reasonableness was performed at this level. The remaining short list of projects was then modeled in "Phase I" of the assessment.

Phase I evaluation was conducted with the use of the Portfolio Screening Model (PSM), a Microsoft Excel-based simulation model that calculates the incremental portfolio costs of resources required to serve load. Phase I weighed compatibility with PSE resource needs, resource costs, risk management, public benefits, and strategic and financial considerations.

Phase II assessment was applied to 16 projects chosen from the candidates evaluated in Phase I. In Phase II, PSE again modeled the projects using the PSM. However, instead of using a single set of natural gas and power price assumptions, PSE evaluated the list of projects using four sets of pricing scenarios to simulate a range of possible futures. PSE also used the PSM to run a set of Monte Carlo simulations to check cost variability and risk. Finally, the Company looked at combinations of projects from the short list to evaluate the portfolio interaction of resources.

With respect to the projects other than the Klondike III Wind PPA and the 150 MW [redacted] winter on-peak PPA, the Company used AURORA and PSM modeling techniques in a similar fashion to the Phase II assessment.

**Q. What important qualitative assessments did PSE make in the screening and acquisition process?**

A. The prominent qualitative checks for the projects evaluated in the 2005 RFP were availability of transmission capacity to deliver project output, technical evaluation of the primary generation technology, potential problems related to fuel supply and transmission, environmental issues associated with either the technology or the location of a particular project, legal risk associated with the counterparties, community relations issues, and plant operations considerations. For the other generating resources and PPAs, the qualitative factors considered were legal and financial risk.

**Q. Did PSE make any substantive changes to the quantitative and qualitative analyses of the 2005 RFP submittals compared to the approach used to evaluate the earlier RFP submittals?**

A. Yes. Specifically, PSE used a more thorough evaluation tool to assess projects in the 2005 RFP. The Portfolio Screening Model was an improvement to the Acquisition Screening Model it had formerly used in Phase I evaluations of previous solicitations.

In the 2005 RFP, PSE also used a single set of criteria for project evaluations during its Phase I and Phase II screening to streamline the process and provide a more holistic look at proposals. In addition, PSE made updates to the qualitative criteria it used to evaluate the projects. For example, accounting considerations were added as a qualitative criterion in the 2005 RFP.

**Q. Where there other analytical changes to the way PSE evaluated the benefits of these resources subsequent to the 2005 RFP, Phase II analysis?**

A. Yes, in August 2006, PSE acquired updated gas price inputs for the AURORA model from Global Insight. In addition, the Company received the new release of AURORAxmp v8.2 from the software developer, EPIS.

**Q. Were the project acquisition costs for these generation resources and PPA's reasonable?**

A. Yes. PSE compared each of these generating resources and PPA's to recent market purchases and asset acquisitions. In each case the new acquisitions provided positive portfolio benefits compared to the generic resources included in the modeling runs made as part of the 2005 IRP development and they compared favorably with these other purchases.

**Q. Was risk appropriately considered for each resource modeled?**

A. Yes. As noted above, during the investigation of all resources, PSE evaluated a series of cost and risk scenarios in its analyses. The Company evaluated the levelized price of natural gas and its impacts on power prices considering market trends and natural gas-fired electric generation development. It also considered the potential for regulatory changes related to the production of greenhouse gas emissions by power plants and the risk of future carbon taxes being imposed. Finally, PSE's modeling runs were used to evaluate the effects of varying

hydrological conditions and dispatchability on power production costs, the cost of capital and end effects.

**Q. Did the Company keep its Board of Directors informed about the process and decision to acquire these resources?**

A. Yes. PSE's Energy Resources Group made several presentations to the Board of Directors and the Company's Energy Management Committee on the status of resource evaluations and the Company's intention to acquire the generating resources and PPAs.

**Q. Please summarize the basis for your conclusion that the acquisition of the generating resources and PPAs were prudent decisions.**

A. The Company had a clear, documented need for power as detailed in both the 2003 and 2005 LCPs. For offers received that were part of the 2005 RFP, PSE also had a methodical, organized process for soliciting and evaluating bids. The Company examined self-build options, and it evaluated power purchase contracts and ownership of new resources. For offers received that were not part of the 2005 RFP, the Company compared each to its other options, including market purchases and other recent acquisitions. PSE kept detailed and contemporaneous records of the evaluation methods used, including data acquisition and modeling results using simulation software that can be replicated. Finally, PSE's Board of Directors was informed and involved in the decision-making process to acquire all of these resources and PPAs.

## IV. THE KEMA REPORT AND THE COMPANY'S RESPONSE

**Q. Please describe the genesis of the KEMA Report?**

A. Following the Storm in December 2006, a workshop was launched under Docket UE-070067 that invited electric and telecommunications companies to make presentations on the impacts to their systems and their response to those impacts. Representatives from PSE, Avista Utilities and PacifiCorp made presentations at a recessed open meeting on February 8, 2007. Company witness Ms. Sue McLain presented for PSE and concluded her remarks with an indication that under "Next Steps" the Company would conduct an evaluation of its Storm restoration and customer communications efforts. PSE employed KEMA to conduct and document that evaluation in the KEMA Report, which PSE filed in Docket UE-071898 on September 20, 2007. (Exhibit No. __ (GJZ-8).)

**Q. What was the UTC response to the filing of the KEMA Report?**

A. The UTC directed the energy staff to review the KEMA Report and arrange for a presentation by the Company at an open meeting. Staff prepared an open meeting memorandum (Exhibit No. __ (DEK-2)) that summarized the KEMA Report and the Company made a general PowerPoint presentation on October 25, 2007. However, PSE offered no response to the specific recommendations contained in the KEMA Report. The Company committed to develop such a response and file it with the

UTC. On November 30, 2007, the PSE filed its After Action Report. (Exhibit No. __ (GJZ-9).)

**Q. What direction did the UTC provide to Staff regarding PSE's After Action Report?**

A. Staff was directed to evaluate the After Action Report and provide a summary and recommendation. In response to this directive I drafted the January 30, 2008 memorandum provided as Exhibit No. __ (DEK-3).

**Q. Does your analysis of the After Action Report support Mr. Zeller's testimony that the Company has undertaken the actions recommended in the KEMA Report?**

A. No. My January 30, 2008 memo explains that PSE did not adopt all of the KEMA recommendations. Several KEMA recommendations were adopted, but others were only adopted partially or were rejected, and a few were set aside for further study.

**Q. Do you believe that PSE should adopt all of KEMA's recommendations?**

A. No. For example, PSE's After Action Report states that the Company partially accepted KEMA recommendation 14.4.1 to enhance its transmission system vegetation management program. PSE agreed with KEMA that it should focus on maintaining access to the transmission system in the event the Company needs to make repairs. However, PSE did not agree with KEMA that it should develop a formal plan to broaden transmission rights-of-way width. PSE stated that it intends

to work with stakeholders and legislators to attempt to introduce vegetation management policy solutions, including creating healthier vegetation buffer zones between utility infrastructure and new land developments. (Exhibit No. __ (GJZ-9) at 20). I agree that PSE should use its own judgment to decide how it will interact with local and state entities to develop solutions to the problems associated with vegetation and rights-of-way width for its facilities.

**Q. Do you believe that PSE is doing all it can to implement the remaining KEMA Report recommendations?**

A. That's difficult to tell. As mentioned in Exhibit No. __ (DEK-3), PSE indicated that it was studying a number of the recommendations, but it provided few specifics. For example, regarding KEMA's Recommendation 10.4.1 relating to the creation of an outage management system ("OMS"), PSE stated that it had hired KEMA to further define what a new, enterprise-level architecture for integrating technology and data for outage management might require and cost. The Company indicated that it would make its decision in this area based on cost, benefits and value-added functionality in emergency response and restoration.

**Q. Has the Company provided any further information about this cost/benefit analysis for the outage management system?**

A. Yes, in response to Public Counsel Data Request No. 131, PSE provided a copy of a cost/benefit analysis completed by KEMA for an OMS based on and compatible with a geographic information system ("GIS").

**Q. What conclusions did KEMA reach in this cost/benefit analysis?**

A. KEMA concluded that "implementation of a commercial OMS will meet PSE's outage management requirements, that a commercial GIS is needed to support the OMS, and that a phased implementation and deployment of OMS and GIS will provide the needed benefits and operational efficiency for outage management and service restoration."

**Q. Do you agree that KEMA's conclusion is reasonable?**

A. Yes. KEMA conducted its analysis based on its prior evaluation of PSE's restoration processes following the Storm. Using this understanding of PSE's current processes and systems, KEMA then evaluated the expected benefits of developing an OMS based on systems similar to those currently in use by other utilities and currently offered by commercial vendors for utility applications. The analysis brought together the discounted net present value of the costs and benefits of the proposed system over a 15-year time horizon, inclusive of a 3-year implementation path. KEMA concluded that PSE would realize a net reduction in its System Average Interruption Duration Index ("SAIDI") in addition to gaining operational efficiencies associated with emergency restoration and routine operations and maintenance of its distribution system.

**Q. Please explain why an OMS would result in a reduction of PSE's SAIDI metric?**

A A conclusion that SAIDI will go down is based on the assumption that an OMS would allow for more efficient identification of outage scope and thus faster dispatch of repair crews and equipment. This will reduce average outage durations, as compared to PSE's current system where outage information is collected and summarized through a process that relies on paper reports and telephonic conference calls.

**Q. If that is the case, does Staff recommend that the UTC order PSE to develop an OMS along with the supporting GIS?**

A. Not at this time. The Company's response to Staff Data Request No. 176 explains that PSE has engaged a consultant to evaluate what kinds of systems and processes other than OMS will benefit from development of an enterprise-wide GIS. Such other systems or departments include but are not limited to: maps and records, power production, transmission and distribution design, system planning, contract management, and real estate services.

This evaluation is a logical next step to determine the overall cost effectiveness and benefits of moving to a GIS. Consequently, I recommend that PSE be required to report back to the UTC on the work done in house or by its consultant to evaluate the benefits of implementing an OMS with the associated enterprise-wide GIS. This reporting must include a detailed description of the cost/benefit analyses it is doing or is having done, what quantitative and/or qualitative results would convince the Company to move forward with the OMS/GIS, and what timeline it

proposes for implementation assuming the internal hurdle is met. It is important that implementation of the OMS not be unduly delayed by PSE's enterprise-wide evaluation of GIS. The reporting I recommend will allow the UTC to monitor that issue.

**Q. Please summarize your other recommendations in this proceeding that you made in the January 30, 2008 Staff memo in Exhibit No. __ (DEK-3).**

A. The justifications for my recommendations related to the KEMA Report are detailed in that exhibit. In summary, I recommend the following:

- PSE must ensure that its prime contractor, Potelco, assigns an appropriate number of its staff to the emergency response job of damage assessor and also requires these individuals to attend training and use PSE-developed forms.
- PSE must formalize the leadership expectation and storm role clarifications with Potelco and develop service provider performance metrics that support these concepts. PSE must report its service provider effectiveness to the UTC using these metrics, following future storm events.
- PSE must provide initial restoration information to its customers no later than 72 hours after the beginning of a storm event where electric infrastructure is damaged and customers are without power. This information must be specific enough that customers can decide what actions to take to mitigate their own situation.

- PSE must provide outage and restoration reports to the UTC within 24 hours of initial storm impact and follow up with daily status reports thereafter until all storm-related outages are resolved.
- PSE must formalize and coordinate its local area coordination planning with the associated jurisdictions and inform the UTC when this is complete.
- PSE must provide the UTC with more and detailed information about how the Bothell Emergency Center fits into PSE's overall storm response process.
- PSE must document the actions it is engaged in to implement the master list of recommendations that came from the Company's 2006 internal storm debriefs. The information must be specific enough so that the UTC can determine what those actions are, when the actions are being started, and when they are planned to be completed.
- PSE must provide more detail to the UTC on its proposed legislative and regulatory solutions to vegetation management and infrastructure rights-of-way so the UTC can evaluate the propriety of these actions.

**Q. Does this conclude your testimony?**

A. Yes.