

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	
)	DOCKET NO. UE-031389
PUGET SOUND ENERGY, INC.)	
)	
For Approval of 2003 Power Cost)	NOTICE OF PREHEARING
Adjustment Mechanism Report)	CONFERENCE
)	(Set for September 29, 2003).
.....)	

1 On August 28, 2003, Puget Sound Energy (hereafter “PSE” or “the Company”) filed a Petition with the Commission. The Petition asks the Commission to review and approve the Company’s Power Cost Adjustment Mechanism Annual Report for the twelve months ended June 30, 2003.

2 The Petition arises from Commission orders in prior dockets. In the Commission’s Twelfth Supplemental Order in Docket Nos. UE-011570 and UG-011571, the Commission approved a Power Cost Adjustment Mechanism (hereafter “PCA”) for the Company. The Commission’s Fifteenth Supplemental Order in those same dockets established certain adjusted calculations to be used for purposes of the accounting requirements of the PCA.

3 The PCA accounts for differences in PSE’s actual power costs relative to a power cost baseline and sets forth various levels of costs and benefits sharing of those variations between the Company and its customers, with an overall cap for the period July 1, 2002 through June 30, 2006. The customers’ share of any power cost variability is deferred.

4 In order to implement the sharing provisions and the overall cap, the PCA requires an annual true-up of actual power costs and an accounting of sharing amounts. This is accomplished in August of 2003, and each year thereafter, by the Company’s filing for Commission review and approval of an annual report detailing the power supply costs included in the deferral calculation. The PCA also specifies that Staff and interested parties will have the opportunity to participate in the review process. The Petition in this docket is triggered by these

reporting provisions of the PCA. The Commission elects to conduct its review as an adjudication, pursuant to RCW 34.05.413(1).

5 Hearing in this matter is being held pursuant to Part IV of chapter 34.05 RCW pertaining to Adjudicative Proceedings, including but not limited to RCW 34.05.413, 34.05.419, 34.05.440, 34.05.443, 34.05.449, and 34.05.455. The Commission has jurisdiction over this matter under Title 80 RCW, having legal authority to regulate the rates, services, and practices of electric utilities. Statutes involved, in addition to those previously cited, include those within chapters 80.01, 80.04 and 80.28 RCW, including but not limited to RCW 80.01.040, 80.28.010, 80.28.020, 80.28.040, 80.28.090, and 80.28.100. Rules involved include those within chapters 480-100 and 480-09 WAC.

6 The ultimate issue is whether the power supply costs included in the deferral calculation are prudent and consistent with the Commission's Twelfth and Fifteenth Supplemental Orders in Docket Nos. UE-011570 and UG-011571. As the petitioning party, the burden of proof shall be on the Company.

7 **NOTICE IS HEREBY GIVEN That a prehearing conference in this docket will be convened at 2:00 p.m., on September 29, 2003, in the Commission's Hearing Room, Second Floor, Chandler Plaza Building, 1300 S. Evergreen Park Drive SW, Olympia, Washington.** The time and place for any evidentiary hearings will be set at the prehearing conference or by later written notice.

8 The purpose of the prehearing conference is to consider formulating the issues in the proceeding, to establish procedures, and to determine other matters to aid in their disposition, as specified in WAC 480-09-460. Petitions to intervene should be made in writing prior to that date or made orally at that time. Appearances will be taken.

9 Because this proceeding involves the first annual report filed by the Company pursuant to the PCA, the Commission declares this proceeding to be of a precedential nature, and hereby invokes the provisions of WAC 480-09-480. The Commission will establish a formal discovery schedule by later prehearing order, but the data request procedures in WAC 480-09-480 may be used now.

10 Please see the form attached to this Notice, which should be filled out and returned if any party or witness needs an interpreter or other assistance.

11 NOTICE IS FURTHER GIVEN THAT ANY PARTY WHO FAILS TO ATTEND OR PARTICIPATE IN THE HEARING SET HEREIN, OR OTHER STAGE OF THIS PROCEEDING, MAY BE HELD IN DEFAULT IN ACCORDANCE WITH THE TERMS OF RCW 34.05.440.

12 The names and mailing addresses of all parties and their known representatives are as follows:

Petitioner: John Story, Director, Cost and Regulation
Puget Sound Energy, Inc.
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(425) 462-3885

Representative Kirstin S. Dodge
Attorney at Law
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Commission: Washington Utilities and
Transportation Commission
1300 S. Evergreen Park Drive S.W.
P. O. Box 47250
Olympia, WA 98504-7250
(360) 664-1160

Representative: Robert D. Cedarbaum, Senior Counsel
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Public Counsel: Simon J. ffitch
 Public Counsel Section
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 900 Fourth Avenue, Suite 2000
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C. Robert Wallis has been designed as the Administrative Law Judge from the Washington Utilities and Transportation Commission's Administrative Law Division, 1300 S. Evergreen Park Drive S.W., Olympia, Washington 98504-7250, to preside at the prehearing conference.

Notice of any other procedural phase will be given in writing or on the record as the Commission may deem appropriate during the course of this proceeding.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN
Executive Secretary

Inquiries should be addressed to:

Executive Secretary
Washington Utilities and
Transportation Commission
Chandler Plaza Building
1300 S. Evergreen Park Drive SW
P. O. Box 47250
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(360) 664-1160

or Public Counsel Section
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 900 Fourth Avenue, Suite 2000
 Seattle, WA 98164-1012
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NOTICE

PLEASE NOTE: The hearing facilities are accessible to interested people with disabilities; that smoking is prohibited; and if limited English-speaking or hearing-impaired parties or witnesses are involved in a hearing and need an interpreter, a qualified interpreter will be appointed at no cost to the party or witness.

The information needed to provide an appropriate interpreter or other assistance should be stated below and returned to Washington Utilities and Transportation Commission, Attention: Carole J. Washburn, 1300 S. Evergreen Park Drive SW, P. O. Box 47250, Olympia, WA 98504-7250. (PLEASE SUPPLY ALL REQUESTED INFORMATION)

Docket No.: _____

Case Name: _____

Hearing Date: _____ Hearing Location: _____

Primary Language: _____

Hearing Impaired (Yes) _____ (No) _____

Do you need a certified sign language interpreter:

Visual _____ Tactile _____

Other type of assistance needed: _____

English-speaking person who can be contacted if there are questions:

Name: _____

Address: _____

Phone No.: (____) _____