

**EXHIBIT NO. _____ (GRP-4T)
DOCKET NO. UE-011570 and UG-011571
WITNESS: GEORGE R. POHNDORF, JR.**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.

Respondent.

**DIRECT TESTIMONY OF GEORGE R. POHNDORF, JR.
ON BEHALF OF PUGET SOUND ENERGY, INC.
REGARDING LOW-INCOME PROGRAM SETTLEMENT**

JUNE 7, 2002

PUGET SOUND ENERGY, INC.

DIRECT TESTIMONY OF GEORGE R. POHNDORF, JR.

LOW-INCOME PROGRAM SETTLEMENT

Q: Please state your name, business address and present position with Puget Sound Energy, Inc.

A: My name is George Pohndorf. My business address is One Bellevue Center, Suite 300, 411 – 108th Ave. N.E., Bellevue, Washington 98004. I am the Director, Rates and Regulation for Puget Sound Energy, Inc. ("PSE" or "the Company").

Q: What do your responsibilities as Director, Rates and Regulation include?

A: I am responsible for overall management of the Company's rates and regulation department, including the regulatory planning, regulatory compliance, revenue requirements, and cost of service functions. My job duties currently include providing support to Ms. Harris in her oversight of PSE's pending General Rate Case. I have participated on behalf of the Company in many of the collaboratives. I will testify about the settlement with respect to Rate Design, Rate Spread, Time of Use, Line Extension, Conservation, Low Income, Service Quality Indices, and Backup Distribution Service issues.

Q: Why is the Low-Income Program an important issue for the Company?

A: A low-income program assists the Company in meeting its public service obligations to serve all customers by providing low-income customers an improved ability to afford energy service.

Q: What were the Company's interests in the Low-income Collaborative?

A: The Company wished to achieve the following:

- To address the needs of low-income customers in a manner consistent with the Company's public service obligations;
- To take advantage of the opportunity created by RCW 80.28.068 to provide discounted rates to low-income customers, while taking care to spread the burden of such rates reasonably among PSE's other customers;
- To address these needs in a collaborative manner; and
- To empower low-income agencies to participate in the design and implementation of a low-income program that meets the needs of their constituents.

Q: Has the Low-income Collaborative arrived at a settlement that addresses the interests you have described above?

A: Yes.

Q: What are the basic elements of the settlement?

A: The low-income assistance program provides approximately \$8.6 million in direct and indirect benefits to qualifying households. The program targets both electric and natural gas customers of Puget Sound Energy.

The proposed settlement provides resources for low-income customers that build upon and complement other programs, such as the federally funded Low-income Home Energy Assistance Program (LIHEAP). The net effect is a program that reaches a broader array of low-income customers in need of assistance within Puget Sound Energy's natural gas and electric service territory. Puget Sound Energy's low-income program will

be the largest stand-alone low-income energy assistance program in the state of Washington.

The proposed settlement further provides for recovery of program costs and a reasonable allocation of those costs among customer classes.

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