

**EXHIBIT NO. _____ (GRP-8T)
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 BACKUP DISTRIBUTION SERVICE SETTLEMENT**

JUNE 7, 2002

1 **PUGET SOUND ENERGY, INC.**

2 **DIRECT TESTIMONY OF GEORGE R. POHNDORF, JR.**

3 **BACK-UP DISTRIBUTION SERVICE SETTLEMENT**

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5
6 **Q: Please state your name, business address and present position with Puget Sound Energy, Inc.**

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

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

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

21
22 **Q. Did the Collaborative members review the Company's proposal?**

23 A. Yes, the Collaborative reviewed the Company's proposed Back-up
24 Distribution Service Schedules 458 and 459. After months of negotiations
25 that predated, and then continued in, the Collaborative, the Collaborative
26 members (which included all customers currently served under Schedule

1 459) agreed the versions of Electric Schedules 458 and 459 that were filed
2 by PSE in its general rate case filing in Docket Nos. UE-011570 and UG-
3 011571 should be withdrawn and replaced by the versions of Electric
4 Schedules 458 and 459 that are attached to the settlement. Changes to
5 Schedule 459 are provided in redline form in Exhibit No. ____ (GRP-9) to this
6 testimony. Identical changes have been made to Schedule 458.¹

7 **Q. Please describe the changes to the Company's Back-up Distribution**
8 **Service Schedule 458 and 459.**

9 A. In recognition of the lack of a meeting of the minds on the application of
10 Reliability Adjustment Factor in Schedule 459 since it went into effect in
11 November 2001, the Collaborative agreed to its elimination rather than
12 revision of the amount of discount for installed self-generation, as originally
13 proposed. Elimination of the Reliability Adjustment Factor ensures
14 distribution service cost recovery regardless of when and how much
15 customers use self-generation and reduces the significant amount of time
16 involved with monitoring self-generation and calculating the discounts.

17 **Q. Please describe other changes to the Company's Back-up**
18 **Distribution Service Schedules 458 and 459.**

19 A. The Collaborative agreed that the Back-up Service should become
20 permanent. (As currently written, the existing Schedules 458 and 459
21 become unavailable at the end of this general rate case.) The Collaborative
22 also agreed to make explicit that customers taking service under those
23

24 _____
25 ¹ Please note that, in preparing Exhibit No. ____ (GRP-9), a few clerical errors
26 were discovered in the new schedule 458 and 459, which have been corrected in
Exhibit No. ____ (GRP-9).

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schedules are responsible for the costs of parallel operation, metering, and communication lines.

[BA021570.073]

**EXHIBIT NO. _____ (GRP-9)
DOCKET NO UE-011570 and UG-011571
WITNESS: GEORGE R. POHNDORF, JR.**

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