

Exhibit T-___ (GE-1T)
Docket No. UE-011570
Witness: Graciela Etchart

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Washington Utilities and)	DOCKET NOS. UE-011570 and
Transportation Commission,)	UG-011571 (Consolidated)
)	
Complainant,)	
)	
v.)	
)	
Puget Sound Energy, Inc.,)	
)	
Respondent)	
)	
_____)	

TESTIMONY OF

GRACIELA ETCHART

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

RELOCATION AND UNDERGROUND CONVERSIONS

June 7, 2002

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

2 A: My name is Graciela Etchart. My business address is 1300 S. Evergreen Park Dr. SW,
3 Olympia, WA 98504.

4

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

6 A: I am employed by the Washington Utilities and Transportation Commission as a
7 Regulatory Analyst 3. I have been on the Commission staff since February 1998.

8

9 **Q: What is your educational and professional experience?**

10 A: I have a PhD in Sustainable Development and a Masters Degree in Public
11 Administration from the University of Washington, and a combined Master in Public
12 Accounting – Business Administration from the University of Uruguay.

13

14 **Q: What is the purpose of your testimony?**

15 A. The purpose of my testimony is to provide Staff's support for the Settlement Terms for
16 Relocation and Underground Conversions, and the associated proposed Schedules 70 and
17 71. I attended the collaborative meetings held on these subjects, and I participated in the
18 development and exchange of data and analysis that this collaborative considered.

19

20 **Q: Briefly, what are the significant changes in the proposed Schedule 70 as compared**
21 **to the existing Schedule 70?**

1 A: The existing Schedule 70 provides terms and conditions for replacement and conversion
2 to an underground system of certain overhead distribution systems serving residential and
3 similar loads for all classes of customers. Under the existing Schedule 70, the Company
4 is reimbursed up to a certain amount, established in the schedule. The proposed Schedule
5 70 will provide terms and conditions for conversion to an underground system of
6 overhead distribution systems when requested by customers other than Government
7 Entities. Under the proposed Schedule, the customers requesting undergrounding of the
8 distribution system are responsible for the total cost of conversion.

9

10 **Q: Briefly, what are the significant changes in the proposed Schedule 71 as compared**
11 **to the existing Schedule 71?**

12 A: The existing Schedule 71 provides terms and conditions for conversion and replacement
13 of certain overhead distribution systems serving commercial and similar loads to a
14 comparable underground distribution system for all classes of customers. Under the
15 existing Schedule 71, PSE is paid 70% of the total cost of conversion, excluding
16 trenching and restoration or 30% of the cost of conversion, excluding trenching and
17 restoration, when the relocation is due to the addition of one or more full lanes to a road.
18 The proposed Schedule 71 will provide terms and conditions for conversion of all
19 overhead distribution systems when requested by a Government Entity and the Company
20 will be paid of 40% of the total cost of conversion, except trenching and restoration, in all
21 scenarios.

22

1 **Q: Is it your position that the changes to Schedules 70 and 71 are in the public interest?**

2 A: Yes. Proposed Schedules 70 and 71 are the result of a collaborative process between PSE
3 and several government entities. Within the structure of the proposed Schedule 71, PSE
4 and the government entities will work collaboratively at the project level in order to
5 reduce costs through collaborative planning, scheduling and determining least cost
6 solutions with respect to conversions. Additionally, the proposed language is easier to
7 understand, clarifies and simplifies the tariff application, is more user-friendly, and
8 minimizes confusion. Finally, the proposed Schedules clearly outline the obligations of
9 each party thereby promoting an unambiguous application of the tariff.

10

11 **Q: Does Staff recommend that the Commission approve the Settlement Terms for**
12 **Relocation and Underground Conversion, along with proposed Schedules 70 and**
13 **71?**

14 A: Yes. The proposed Schedule 70 establishes that a customer requesting an Underground
15 Distribution System will pay the total cost of the conversion. The undergrounding of a
16 distribution system is likely to increase the value of the real estate properties in the area
17 that is converted. The proposed language of Schedule 70 is fair, just, and reasonable
18 because it provides that a customer who may see the increased value to his or her
19 property will be the customer paying the cost of such an increase, without receiving a
20 cross-subsidy from other Company's customers living in faraway locations. It is
21 sufficient because the customers requesting the undergrounding of the distribution system
22 will pay the total cost of the conversion.

1 The proposed Schedule 71 has been drafted to match current practices and current
2 project conditions. It is the product of a collaborative process in which all the intervening
3 parties were able to express their own needs and to provide their own approaches to
4 solutions. The result is language that will promote future cooperation between PSE and
5 government entities. As such, it will allow for ways to mitigate future conflicts at the
6 conceptual phases of a project, and to reduce the need for future conversion and/or
7 relocation of new facilities by finding other least cost solutions. In this way, it is likely to
8 reduce the costs of conversion. The proposed Schedule 71 will reduce the growth in
9 revenue requirement in the future, when compared to the growth in revenue requirement
10 under the existing conversion schedule. The analysis of the proposed 60/40 cost sharing
11 represents an improvement over the current cost sharing practices when analyzed in
12 actual figures.

13
14 **Q. Does this conclude your testimony?**

15 **A. Yes.**