



Department of Energy
Bonneville Power Administration
P.O. Box 3621
Portland, Oregon 97208 - 3621

June 12, 1992

OFFICE OF GENERAL COUNSEL

In reply refer to: APR

Mr. Paul Curl, Secretary
Washington Utilities and
Transportation Commission
1300 South Evergreen Park Dr. S.W.
Olympia, WA 98504

RE: In The Matter Of Washington Utilities And Transportation Commission v.
Puget Sound Power & Light Company. Docket No. UE-920499

Dear Mr. Curl:

Enclosed please find the original and nineteen (19) copies of a Petition for Leave to Intervene submitted by the Bonneville Power Administration in the above-referenced proceeding.

Also enclosed is one additional copy of the petition to be date-stamped and returned to BPA in the enclosed pre-addressed, stamped envelope.

Thank you for your assistance in this matter.

Sincerely,

A handwritten signature in blue ink that reads "Susan B. Millar".

Susan B. Millar
Attorney

Enclosures

RECEIVED
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STATE OF WASH
UTIL & TRANSP
COMMISSION

Susan B. Millar
Geoffrey M. Kronick
Office of General Counsel, APR
Bonneville Power Administration
905 NE. 11th St. - P.O. Box 3621
Portland, Oregon 97208-3621
(503) 230-4201

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION)	
)	
Complainant)	Docket No. UE-920499
)	
vs.)	PETITION OF THE BONNEVILLE
)	POWER ADMINISTRATION FOR
PUGET SOUND POWER & LIGHT COMPANY)	LEAVE TO INTERVENE
)	
Respondent)	
)	

I.

RELIEF SOUGHT AND TIMELINESS THEREOF

The Bonneville Power Administration ("BPA") petitions the Commission for leave to intervene in the above captioned proceeding pursuant to WAC 480-09-430. Petitioner's address is Bonneville Power Administration, 905 NE. 11th Avenue, P.O. Box 3621, Portland, Oregon 97208-3621. BPA has direct and substantial interest in the outcome of this proceeding, as demonstrated herein. BPA's petition to intervene is timely, and BPA's participation will not unreasonably broaden the issues of this proceeding.

II.

REPRESENTATIVES

BPA's representatives for service in this matter are Susan B. Millar and Geoffrey M. Kronick, full-time employees and attorneys of the BPA, and Paul T. Kaptur, a full-time employee of the BPA.

Their addresses for purpose of receipt of all official documents are:

Susan B. Millar
Geoffrey M. Kronick
Office of General Counsel, APR
Bonneville Power Administration
905 N E. 11th
P.O. Box 3621
Portland, Oregon 97208

Paul W. Kaptur
Exchange Program Branch, DRER
Bonneville Power Administration
905 N E. 11th
P. O. Box 3621
Portland, Oregon 97208

Susan B. Millar is a member of the State Bars of Oregon and Alaska. Geoffrey M. Kronick is a member of the Oregon State Bar and District of Columbia Bar. BPA requests that one copy of all pleadings and documents be sent to Susan B. Millar, and that one copy be sent to Paul W. Kaptur at the addresses indicated.

III.

DIRECT AND SUBSTANTIAL INTEREST OF THE BONNEVILLE POWER ADMINISTRATION
IN THIS PROCEEDING

BPA is a self-financing power marketing agency within the United States Department of Energy. BPA's power marketing authority is exercised with the objective of operating the BPA system "at the lowest possible rates to consumers consistent with sound business principles" while, at the same time, producing revenues sufficient to repay all Federal investments in the power and transmission systems. See 16 U.S.C. §§ 832f, 839e(a) and 838g. BPA's activities cannot be subsidized by the Federal Treasury. Hence, rates for the sale of electric power and

transmission services are BPA's only sources of revenue. See Central Lincoln Peoples' Util. Dist. v. Johnson, 735 F.2d 1101, 1116 (9th Cir. 1984).

Section 5(c) of the Pacific Northwest Electric Power Planning and Conservation Act ("Northwest Power Act") provides for the purchase and exchange of power between BPA and Pacific Northwest electric utilities for residential use (the "residential exchange" or "exchange"). 16 U.S.C. § 839c(c)(1) et seq. In particular, section 5(c)(1) provides that BPA shall acquire certain amounts of power offered for sale by Pacific Northwest electric utilities at "the average system cost of that utility's resources." In exchange, BPA offers to sell "an equivalent amount of electric power to such utility for resale to that utility's residential users within the region", at a rate established for that purpose (the "exchange rate"). See 16 U.S.C. §§ 839c(c)(1) and 839e(b)(1). Puget Sound Power and Light Company ("Puget") participates in BPA's residential exchange program.

Power is not actually exchanged in the residential exchange program. Instead, BPA issues a check to the exchanging utility for the difference between BPA's exchange rate and the utility's average system cost ("ASC"). Pub. Util. Comm'r of Ore. v. BPA, 583 F. Supp. 752, 754 (D. Or. 1984). BPA, however, must maintain the fiscal integrity of the residential exchange program, as the cost for the exchange must be paid by BPA's customers. Thus, BPA has a substantial and direct economic interest in ensuring that its rates are reasonable, and that Puget's exchange costs are not unreasonable.

Each exchanging utility's ASC is determined on the basis of a methodology developed for that purpose pursuant to section 5(c)(7) of the Northwest Power Act. Under the 1984 ASC Methodology, state retail rate decisions continue to form the data base used by the exchanging utility in proposing an ASC to BPA. The Review Procedures applicable to the 1984 Methodology provide that BPA may intervene in each jurisdictional rate proceeding. BPA's Review Procedures, however, have no effect on the Commission's power to decide who may properly intervene in the proceeding before it under its own rules of practice and procedure. On the other hand, if BPA or any of its customers are denied the right to participate in a jurisdictional rate proceeding, the Review Procedures provide that no change in the utility's ASC shall be effective until BPA has completed an independent review of the utility's ASC filing. Accordingly, BPA has a direct and substantial interest in the outcome of the instant proceeding, as approved by the Commission.

Generally, the 1984 ASC Methodology and Review Procedures require each exchanging utility to file a preliminary Appendix 1 with BPA whenever that utility files for a jurisdictional rate change or otherwise commences a rate change proceeding. See Order No. 400, III FERC Stats. & Regs. ¶ 30,601 (1984). Appendix 1 lists costs and loads that are the basis for calculating the utility's ASC. Appendix 1 is subsequently revised following the Commission's approval of the utility's final retail rates. BPA reviews the data in the Appendix 1 filing for, among other things, conformance with the 1984 Methodology.

Here, however, BPA waived the preliminary Appendix 1 filing requirement based on the understanding that the instant proceeding is limited to rate design issues, and does not affect changes in Puget's overall revenue requirements. BPA, however, reserves the right to reinstate the Appendix 1 filing requirement if, in fact, the revised tariffs result in a change in Puget's gross revenue requirements.

IV.

POSITION IN REGARD TO THE MATTER IN CONTROVERSY

Until it has had sufficient time to review Puget's filing, BPA is unable to state its position in regard to the matter in controversy. BPA's purpose in intervening is primarily to gather information and monitor the proceeding in order to aid BPA in its subsequent determination of Puget's ASC.

WHEREFORE, for the reasons stated above, BPA respectfully requests that it be allowed to intervene in this proceeding.

DATED this 12th day of June, 1992

Respectfully submitted by,



SUSAN B. MILLAR
GEOFFREY M. KRONICK
Of Attorneys for the
Bonneville Power Administration

VERIFICATION

Susan B. Millar hereby certifies upon penalty of perjury that she has read the foregoing Petition of the Bonneville Power Administration for Leave to Intervene in the instant proceeding, and that to the best of her knowledge and belief the contents thereof are true and accurate.

DATED this 12th day of June, 1992.

Susan B. Millar

Susan B. Millar
Attorney for the
Bonneville Power Administration

SUBSCRIBED AND SWORN to before me, a Notary Public for the State of Oregon, this 12th day of June 1992, in Portland Oregon.

Louis A. Saynes

Notary Public for the State of Oregon
Residing at Portland, Oregon
My Commission Expires 7/31/92

CERTIFICATE OF SERVICE
Docket No. UE-920499

I HEREBY CERTIFY that I have this day served copies of the foregoing Petition for Leave to Intervene in Docket No. UE-920499 upon all of the following parties, by causing such petition to be deposited in an envelope with postage thereon prepaid, in a receptacle maintained by the United States Postal Service for the deposit of letters for mailing in Portland, Oregon.

Mr. Paul Curl, Secretary
Washington Utilities and
Transportation Commission
Chandler Plaza Building
1300 S. Evergreen Park Drive SW
Olympia, WA 98504

Mr. Charles F. Adams
Counsel
Assistant Attorney General
900 Fourth Avenue, Suite 2000
Seattle, WA 98164

Mr. Grant E. Tanner
Davis Wright Tremaine
2300 First Interstate Tower
1300 SW Fifth Ave.
Portland, OR 97201-5682


Mr. Donald T. Trotter
Assistant Attorney General
1400 S. Evergreen Park Drive SW
Olympia, WA 98504

Mr. Norman J. Furuta
Associate Counsel (Code 09C2)
Office of General

Department of the Navy
Naval Fac. Eng. Commd.
P.O. Box 727
San Bruno, CA 94066-0720

Ms. Shelley Richardson
Public Power Council
500 N.E. Multnomah
Portland, OR 97232-2037

DATED this 12th day of June, 1992.



Susan B. Millar
Attorney for the Bonneville
Power Administration