BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of

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PUGET SOUND ENERGY, INC.

For a Declaratory Order on Schedule 74 and the Schedule 74 Design Agreement between Puget Sound Energy, Inc. and the City of Tumwater No. UE-061626

CITY OF TUMWATER'S MOTION TO STRIKE PUGET SOUND ENERGY'S REPLY TO TUMWATER'S ANSWER

I. INTRODUCTION

The City of Tumwater ("City") moves to strike the reply of Puget Sound Energy Inc. ("PSE") to the City's answer to PSE's petition for review of the Commission's Initial Declaratory Order. PSE does not meet the requirements of WAC 480-07-825(5)(b).

II. ARGUMENT

The Commission's rules adopted in WAC 480-07-825(5)(b) allow a reply only where the matters raised in the answer were not reasonably anticipated. In its motion to submit a reply, PSE claims that it could not have anticipated three aspects of the City's answer. Yet each part of the City's answer to which PSE seeks permission to reply (PSE Motion to Submit a Reply,

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October 24, 2007 at 3) should have been anticipated. PSE's assertion to the contrary is not credible.

A. Adoption of Schedule 74

The interpretation of Schedule 74 is <u>the</u> issue in this proceeding. It was PSE that again argued that the Commission's Initial Order did not accurately reflect the history of Schedule 74's adoption and disregarded the *City of Kent* proceeding. (PSE Petition For Review, August 16, 2007, at 19-23.) It is hardly surprising therefore that in its Answer the City once again documented the facts surrounding the *City of Kent* case and the hearings which led to the Commission's adoption of Schedule 74. Nothing here should have been unanticipated.

B. State v. Public Utility District No. 1 of Clark County

The City's citation in its Answer to *State v. Public Utility District No. 1 of Clark County*, 55 Wn.2 645, 349 P.2d 426 (1960) and its recent reaffirmation by the Washington Supreme Court in *Scoccolo Construction, Inc. v. Renton*, 158 Wn.2d 506, 145 P.3d 371 (2006) should likewise have been anticipated by PSE. The Commission's Initial Declaratory Order cited *State v. Public Utility District No. 1 of Clark County* in support of its determination that RCW 35A.14.900 cancelled PSE's easement. (Initial Declaratory Order, May 25, 2007, at 10, n.20.) Yet PSE's Petition for Review studiously ignored *State v. Public Utility District No. 1 of Clark County* and the ALJ's reliance on it. (PSE Petition for Review at 9-12.) It is hardly surprising therefore that in its Answer the City once again discussed the import of that case.

C. New York case law

PSE's Petition for Review cited a New York case, *In re Algonquin Gas Transmission*Co., 2 Misc.2d 997, 157 N.Y.S.2d 748 (1956), at two different points in its brief as well as citing

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other foreign jurisdiction cases that later cited *Algonquin* (PSE Petition for Review at 10, 13-14). It is hardly surprising therefore that in its Answer the City discussed a subsequent, parallel case from the State of New York that specifically discussed and criticized *Algonquin*. For PSE now to claim that it could not have anticipated the City's citation to and analysis of *Colonial Pipeline Company v. State*, 366 N.Y.S.2d 949, 81 Misc.2d 696 (1975) – a case that PSE itself chose not to bring to the attention of the Commission – is just not credible.

III. CONCLUSION

PSE should have reasonably anticipated each of the three parts of the City's Answer to its Petition for Review of which it now claims surprise. Accordingly, PSE has not met the standard required by WAC 480-07-825(5)(b). The City therefore requests that PSE's Motion to Submit a Reply to the City's Answer be denied, and that PSE's Reply to the City's Answer be stricken.

RESPECTFULLY SUBMITTED this 25th day of October, 2007.

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