

**EXHIBIT NO. ___(JMS-5)
DOCKET NO. UE-141335
WITNESS: JASON M. SANDERS**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of:

**King County, Washington; BNSF Railway;
Frontier Communications Northwest, Inc.;
Verizon Wireless; and New Cingular Wireless
PCS, LLC.**

Docket No. UE-141335

For a Declaratory Order

**FOURTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF
JASON M. SANDERS
ON BEHALF OF PUGET SOUND ENERGY, INC.**

NOVEMBER 19, 2014

July 1, 2013

Mr. Jason Sanders
Major Accounts Executive
Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734

Re: Degraded Service to Customers Via Puget's Maloney Ridge Line

Dear Jason:

This letter represents the collective views of all customers receiving retail electric service from Puget Sound Energy ("Puget") via its Maloney Ridge distribution line ("Maloney Ridge Line") in King County, Washington. This distribution dates back to 1971 when it was designed, constructed and owned by Puget's predecessor, Puget Sound Power & Light Company, to provide retail electric service to a single new customer, General Telephone Company of the Northwest, Inc. ("GTC"). Over the years, service drops for a number of additional Puget customers were added along the Maloney Ridge Line. Today, our records indicate that six customers with significant power loads take service from Puget over the Maloney Ridge Line:

- Frontier Communications
- Strata
- Bonneville Power Administration
- BNSF
- Verizon Wireless
- AT&T

We would like to thank you for meeting with several representatives of these customers on May 27, 2013, to discuss the concerns we share about the degrading quality of the electric service Puget provides over the Maloney Ridge Line. During 2012 alone, there were 16 power outages resulting in about \$200,000 in repair costs. Outages range from several hours to several days, largely depending on weather conditions. Service interruptions are too frequent, repairs are costly and the repairs may create safety issues for repair crews due to the steep terrain traversed by this line. Repeated service interruptions interfere with our business operations.

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We agree with Puget that it can only provide the safe and reliable electric service to which we are entitled if this partially underground line is replaced. All of the Puget customers listed above ask that Puget undertake this replacement as soon as reasonably possible.

In past conversations, and again on May 27, you have indicated that Puget will not undertake reconstruction of its Maloney Ridge Line unless and until we agree to make up-front capital contributions to fund the reconstruction. While we do not dispute your right to recover Puget's construction costs, we believe that you are not allowed to demand an up-front capital contribution, as GCT paid in 1971. The Maloney Ridge Line was originally built by Puget's predecessor in 1971 for service to a single customer. However, the character of that line has changed over the ensuing 42 years as more and more customers were added by Puget. We believe that the line, which is still owned and operated by Puget, is now part of your distribution network.

Each of the six customers listed above is served by Puget under a nearly identical "service agreement." Like the 1971 agreement with GTC, each of these service agreements specifies that it is covered by Puget's Electric Tariff G. While Electric Tariff G allows Puget to seek up-front payment of the cost of constructing facilities to serve an individual customer, we do not believe that Tariff G provides Puget with a right to capital contributions for lines that serve multiple customers. Multi-customer lines comprise Puget's distribution network, and network costs (including capital, operating and maintenance costs) should be recovered by Puget through its retail rates generally applicable to retail customers like the six of us.

Puget owes its customer's the duties of safe and reliable service and nondiscriminatory treatment. Safe and reliable service is no longer being provided over the 1971 Maloney Ridge Line. Puget and its customers agree that it should be replaced. For Puget to insist that its customers make a capital contribution to replace what has become part of its distribution network would subject these customers to undue discrimination in violation of relevant Washington utility law.

We are anxious to work with you to develop a mutually satisfactory plan by which the safety and reliability of our electric service, and the continuity of our business operations, can be restored. However, Puget's capital-contribution demand unfairly blocks its reconstruction of a line that, as you informed us, was designed poorly back in 1971 and does not meet current standards.

If Puget has any concern about its ability to include its Maloney Ridge Line reconstruction capital costs and related O&M expenses in its retail rates, we would be prepared to join Puget in a discussion of our electric-service problems and rights before the Washington Utilities and Transportation Commission ("WUTC"). In the absence of an amicable resolution

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of our rights as Puget customers, we understand that we have the right to file a complaint with the WUTC. I believe we all desire to avoid litigation, but we insist that our customer rights be recognized. We would like to have an answer from PSE by July 15th.

Each of us requests your immediate attention to our concerns. If you have any questions about this letter, please direct them to the PSE user group..

Sincerely,

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