

**EXHIBIT NO. ___(TAD-3T)
DOCKET NO. U-110808
WITNESS: TOM DE BOER**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

Docket No. U-110808

**PREFILED RESPONSE TESTIMONY (NONCONFIDENTIAL) OF
TOM DE BOER
ON BEHALF OF PUGET SOUND ENERGY, INC.**

JUNE 1, 2012

1 **PUGET SOUND ENERGY, INC.**

2 **PREFILED RESPONSE TESTIMONY (NONCONFIDENTIAL) OF**
3 **TOM DE BOER**

4 **Q. Are you the same Tom De Boer who submitted prefiled initial testimony in**
5 **this proceeding on April 3, 2012 on behalf of Puget Sound Energy, Inc.**
6 **("PSE")?**

7 A. Yes. I filed Exhibit No. ___(TAD-1T) and one supporting exhibit, Exhibit
8 No. ___(TAD-2).

9 **Q. Please provide a brief summary of your response testimony**

10 A. The purpose of my testimony is to address certain aspects of the testimonies of
11 WUTC Staff ("Staff") witnesses Steven King, Exhibit No. ___(SVK-1T) and
12 Sharon Wallace, Exhibit No. ___(SW-1T).

13 **Q. Please summarize the Company's position.**

14 A. As discussed in Agnes Barard's testimony, Exhibit No. ___(APB-1T), the
15 investigation into the 26 accounts was just one part of the settlement agreement
16 reached in Docket No. U-100182. PSE acknowledges it could have done a better
17 job of implementing this aspect of the settlement. PSE should have been more
18 proactive in communicating with Staff and should have been quicker in
19 responding. However, in no way was PSE ever attempting to mislead Staff.
20 Rather, the missteps were the result of poor internal communication resulting in
21 this current proceeding.

1 **Q. Do you agree with Mr. King's and Ms. Wallace's recollection of the**
2 **conversation on May 3, 2011?**

3 A. Not exactly. First of all, I was not involved in the investigation of the 26 accounts
4 and had no first-hand knowledge of the account review. During the break
5 mentioned by Mr. King at the May 3, 2011 meeting, Exh. No. ___(SVK-1T), p. 4,
6 line 14, I asked Randy Dieterle about the status of the review. Mr. Dieterle told
7 me that the review was complete. I then told Mr. King and Ms. Wallace that it
8 was my understanding that the investigation was complete and PSE would submit
9 the summary report as soon as possible, likely the next day.

10 Based on Mr. Dieterle's statement that the investigation had been completed, I
11 believed that the report could be submitted in the next day or so. As it turned out,
12 Mr. Dieterle's information was incorrect and the timeline needed to slip. I
13 assumed that Randy Dieterle or Mike Hobbs, PSE employees who were both
14 more closely involved in the investigation would follow-up with Mr. King and/or
15 Ms. Wallace, and as a result I did not follow-up with either of them. Based on
16 Mr. King's testimony, Exh. No. ___(SVK-1T), p.4, lines 17-18 ("after further
17 conversation with Company representatives"), it appears Mr. Hobbs or Mr.
18 Dieterle did communicate to Staff that the report would be delayed.

19 **Q. How do you respond to Mr. King's testimony that Staff's interpretation**
20 **regarding the investigation requirements "came directly from the settlement**
21 **agreement, Joint Motion and Commission Order in U-100182"**

1 A. Staff's expectations regarding how the investigation was to be conducted must
2 have come from someplace other than the Order or the Joint Motion.

3 The specific language contained in the Joint Motion is "that the Commission issue
4 an Order.... Requiring investigation of twenty-six specific accounts".

5 Order 01 stated:

6 the Commission grants the joint motion and requires PSE to
7 promptly complete its investigations into twenty-six specific
8 accounts more fully described in Attachment A to the Joint
9 Motion.

10 Appendix A to the Joint Motion merely listed the specific 26 account numbers
11 labeled as A through Z. There were no instructions as to how the investigation
12 was to be conducted, nor were there specific timelines addressing when or how
13 PSE was to report back to Staff on the investigation. The obligations that Staff is
14 now placing on PSE simply do not exist in the Joint Motion or Order. If either the
15 Joint Motion or the Order were as explicit as Staff's witnesses purport it to be,
16 there likely would not have been the miscommunication as to the specific actions
17 required.

18 **Q. How do you respond to Ms. Wallace's testimony that PSE admitted the**
19 **violations regarding the 26 accounts from U-100182?**

20 A. Ms. Wallace's testimony states that the Commission alleged, and PSE admitted,
21 several rule violations. However, Ms. Wallace's testimony fails to point out that
22 the "admission" was in the form of a standard form Application for Mitigation of
23 Penalties, and PSE qualified its admission as follows:, "[T]here appears to remain

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a good faith disagreement between PSE and Staff over the interpretation of some of the Commission rules and factual disputes regarding a subset of the violations." See PSE's Application for Mitigation of Penalties in U-100182 (Oct. 27, 2010). As discussed in Ms. Barard's testimony, because the original violations stemmed from disagreements over interpretation of the rules, it was not reasonable to assume that PSE agreed with Staff that "corrections" were necessary for each account, and neither the language in the Joint Motion nor Order 01 support Staff's conclusion.

Q. Does this conclude your testimony?

A. Yes, it does.