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2 **BEFORE THE**
3 **WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

4
5 WASHINGTON UTILITIES AND
6 TRANSPORTATION COMMISSION,

7 Complainant,

8 v.

9 PUGET SOUND ENERGY, INC.,

10 Respondent.

Docket No.: _____

PUGET SOUND ENERGY, INC.'S
MOTION FOR EXPEDITED
PROCEDURAL SCHEDULE
CONSISTENT WITH SETTLEMENT
STIPULATION

11
12 Puget Sound Energy, Inc. ("PSE") has filed a concurrent Application for
13 Adjustment of its Power Cost Rate (the "PCORC Application"). As part of the
14 settlement of PSE'S 2001-2002 General Rate Case (the "PCA Settlement"), PSE,
15 Commission Staff, Public Counsel and other parties to that docket agreed to complete
16 review of filings similar to the PCORC Application within four (4) months.¹ PSE
17 therefore requests that the Commission set an expedited procedural schedule in this
18 proceeding that is consistent with the commitment that the parties gave in the PCA
19 Settlement.

20
21 **I. ARGUMENT**

22 **A. The PCA Settlement Permits PSE to Initiate a Proceeding to True Up Its
Power Cost Rate and/or Add New Resources to the Power Cost Rate**

23 The parties to the PCA Settlement agreed that PSE could initiate a proceeding to
24 true up its Power Cost Rate and/or add new resources to the Power Cost Rate.² The
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26 ¹ See Settlement Terms for the Power Cost and Adjustment Mechanism ("PCA
27 Settlement"), Exhibit A to Settlement Stipulation approved as modified by the Commission on
28 June 20, 2002 (12th Supp. Order in Docket Nos. UE-011570/UG-011571), at § C.11.

² *Id.* at § C.8.

1 Commission approved the terms of the PCA Settlement (with modifications) in its
2 Twelfth Supplemental Order dated June 20, 2002 in Docket Nos. UE-011570 and UG-
3 011571, at § 63.

4 PSE has filed the PCORC Application because the Company has agreed to
5 acquire an ownership interest in the Frederickson 1 gas-fired generation facility located
6 near Spanaway, Washington. The Company has calculated a new Power Cost Rate that
7 accounts for the addition of the Frederickson 1 generation resource, updates expenses
8 to account for current power costs (only some of which are attributable to the
9 acquisition), and corrects the allocation for production-related costs.

10 Under the terms of the PCA Settlement, the PCORC Application must contain
11 testimony and exhibits that include, at a minimum, the following: (1) PSE's current or
12 updated least cost plan; (2) a description of PSE's need for an additional resource or
13 resources; (3) an evaluation of alternatives to the resource addition under various
14 scenarios; (4) adjustments to PSE's Fixed Rate Power Cost Component; and (5)
15 adjustments to PSE's Variable Rate Power Cost Component.³ PSE has submitted this
16 information along with other evidence in support of the PCORC Application.⁴

17 **B. The Parties to the PCA Settlement Stated Their Intent to Complete Review**
18 **of a PCORC Filing Within Four Months**

19 The parties to the PCA Settlement requested that the Commission schedule
20 hearings after a PCORC filing in order to review the appropriateness of adjusting the
21 Power Cost Rate and/or adding the new resource costs to the Power Cost Rate. The
22 PCA settlement then provided: "It is contemplated that this review would be
23 completed within four months."⁵

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³ *Id.*

26 ⁴ PSE has redacted certain confidential information from the testimony and exhibits
27 pending the Commission's decision on the Motion for Protective Order with "Highly
28 Confidential" Provisions, which PSE has also filed concurrently with the PCORC Application.

⁵ *See* PCA Settlement, at § C.11.

1 **C. The Commission Should Set an Expedited Procedural Schedule in this**
2 **Proceeding that is Consistent with the Four-Month Commitment that the**
3 **Parties Gave in the PCA Settlement**

4 There are several reasons why the Commission should grant PSE's Motion and
5 establish an expedited procedural schedule:

- 6 • **First**, the schedule that PSE requests is precisely what the parties to the PCA
7 Settlement agreed -- an expedited process to review a PCORC filing. The
8 expedited schedule will therefore further the goals of the PCA Settlement.
- 9 • **Second**, an expedited schedule is necessary so that the Power Cost Rate can
10 take effect by the time the Frederickson 1 acquisition closes. The parties to
11 the PCA Settlement acknowledged this linkage: "[O]ne objective of a new
12 resource proceeding is to have the new Power Cost Rate in effect by the time
13 the new resource would go into service."⁶ For this additional reason, an
14 expedited schedule will further the goals of the PCA Settlement.
- 15 • **Third**, it is important that PSE receive energy and capacity from the
16 Frederickson 1 facility as soon as possible so that PSE can rely less in the
17 coming year upon the illiquid short-term power market as a source for
18 needed power supplies. An expedited schedule will enable PSE and its
19 customers to obtain the benefits from the Frederickson 1 facility sooner
20 rather than later.
- 21 • **Fourth**, it is important that PSE acquire its share of the Frederickson 1
22 facility as soon as possible so that it can gain certainty with respect to this
23 resource acquisition and proceed to implement other components of its
24 diversified generation resource strategy. An expedited schedule will further
25 the objectives of PSE's generation resource strategy.

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28 ⁶ See PCA Settlement, at § C.11.

- 1 • **Fifth**, the Frederickson 1 acquisition transaction has a deadline – it must be
2 closed no later than June 17, 2004. Since an acceptable Commission order in
3 this proceeding is one of the conditions precedent to closing, PSE requests
4 that the Commission establish a procedural schedule that accommodates the
5 closing deadline.
- 6 • **Finally**, PSE will require approximately 30 days from the Commission's
7 order in this proceeding to accomplish various pre-closing matters. For that
8 reason, PSE requests that the Commission issue its order by April 1, 2004, so
9 that PSE has sufficient time to attend to these matters.

10
11 **II. CONCLUSION**

12 PSE requests that the Commission set an expedited procedural schedule in this
13 proceeding that is consistent with the four-month commitment that the parties gave in
14 the PCA Settlement.

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16 DATED: October 24, 2003

Respectfully Submitted,



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