

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET NO. UG-110723

PUGET SOUND ENERGY, INC.'S
RESPONSE TO PUBLIC COUNSEL
MOTION FOR MODIFICATION OF
SCHEDULE

I. INTRODUCTION

- 1.* Puget Sound Energy, Inc. ("PSE") respectfully submits to the Washington Utilities and Transportation Commission ("WUTC" or "the Commission") this response opposing the Public Counsel Motion For Modification of Schedule ("Public Counsel Motion") pursuant to WAC 480-07-375(4). The procedural schedule adopted by the Commission in Order 02 in this docket provides sufficient time for Public Counsel and other parties to develop and prepare for the very limited material factual issues presented in this proceeding. Significant informal discovery on the tariff—including informal data requests and meetings with parties—occurred after PSE filed its Pipeline Integrity Program ("PIP") tariff five months ago. Formal discovery has been ongoing since PSE filed its testimony on September 2. Further, as discussed herein, Public Counsel's proposed schedule modifications are not reasonable or workable for PSE.

II. MEMORANDUM

A. The Schedule Set By The Commission Is Reasonable

2. The schedule set by the Commission is reasonable, taking into consideration the limited scope of the filing and the fact that the tariff was filed five months ago. As the Commission noted in its Order Denying Motion To Consolidate: "The ultimate issue the PIP presents for Commission resolution is whether PSE should be authorized to create a tracker mechanism for a portion of its gas infrastructure investment, specifically for replacement of specified types of existing pipe. This issue is predominantly a policy issue"¹
3. Contrary to Public Counsel's Motion, there are minimal material factual issues in dispute, and for those limited factual issues that may be in dispute, there has been sufficient time for discovery. For example, PSE provided details regarding the calculation of the revenue requirement as part of the April 2011 tariff filing and in its July 14 filing. PSE further addressed the PIP revenue requirement calculation in face to face meetings with parties and in responses to informal data requests issued by Commission Staff in May and June 2011.
4. Moreover, the safety of PSE's current system is not a material fact at issue. PSE does not claim in its testimony that its system is not safe; rather it seeks to enhance safety through a collaborative process with stakeholders that encourages proactive replacement of pipe in need of replacement.
5. There also should not be material factual issues regarding the pipeline safety programs included in the PIP. These are programs that PSE has worked with the WUTC Pipeline Safety

¹ Order No. 04, ¶ 9.

Staff to develop. PSE has been gradually replacing the wrapped steel mains, services, and plastic pipe that comprise the proposed PIP tariff. The need to replace such pipe has not been challenged in past cases by WUTC Pipeline Safety Staff or any other party.

6. Several of the "factual matters" that Public Counsel claims remain at issue are matters that will be addressed on an annual basis by stakeholders who participate in the collaborative process described in the PIP filing. For example, Public Counsel cites as a factual matter the "natural gas plant investments to be included in the PIP."² However, the plant investments to be included in the PIP each year will be reviewed by the stakeholder group during their August meetings, and the stakeholders will have an opportunity to provide input into the process of determining what investments should be included in the PIP on an annual basis.³ Similarly, Public Counsel cites as factual matters "the alleged safety benefits for customers" and "the impact of the PIP on customer rates."⁴ These, too, are factors that the stakeholders will weigh each August as they review PSE's proposed pipe replacements and consider the safety benefits in comparison to the impact on customer rates. Thus, there are minimal material factual issues to be presented to the Commission, and there has been sufficient opportunity for discovery.

7. The current procedural schedule set forth in the PIP Order on Prehearing Conference provides the parties an adequate opportunity to gather and present evidence. PSE filed its PIP

² Public Counsel Motion, ¶ 2.

³ The pipe to be replaced in 2011-2012 is based on budgeted pipeline replacement projects that are already planned and are being designed or constructed. Once the PIP is approved, PSE will meet with stakeholders in the summer of 2012 to review proposed projects for 2013 and establish the target replacements with that input. Henderson, Exh. No. ____ (DAH-1T) 10:8-14.

⁴ Public Counsel Motion, ¶ 2.

tariff in April 2011, and parties spent significant time and effort reviewing and providing substantive comments on PSE's proposal. Parties had ample time to review the tariff, they met with PSE to discuss the program, and PSE responded to numerous informal data requests, which responses were shared with all the parties to the PIP. After PSE filed limited testimony in this docket, Public Counsel issued 31 data requests on September 6, and PSE promptly responded to these data requests.

B. The Commission Should Reject Public Counsel's Proposed Schedule

8. The Commission should reject Public Counsel's proposed schedule. First, much of Public Counsel's request is predicated on an inflated view of the factual issues and the need for expert testimony. As the Commission previously ruled, the issue to be decided is predominantly a policy issue,⁵ which should alleviate Public Counsel's concerns with respect to the availability of its expert witness and preparation for the evidentiary hearing. PSE questions whether expert testimony is necessary given the limited scope of the factual issues in this proceeding.
9. Second, to the extent Public Counsel is permitted to rely on expert testimony, PSE has no objection to Public Counsel's witness Andrea Crane appearing telephonically at the hearing on November 17. Based on Public Counsel's motion, it appears that Ms. Crane is *not* required to attend the hearings in New Jersey on November 17—the date of the PSE hearing.⁶

⁵ See Order No. 04, ¶ 9.

⁶ Public Counsel Motion, ¶ 4 ("Ms. Crane is scheduled for attendance at hearings in New Jersey on November 14, 16, 18, 2011. Ms. Crane may be able to arrange with the New Jersey . . . ALJ to be available for this case on November 18 via telephone . . .").

10. Third, Public Counsel's proposed discovery response times are inconsistent with the proposed testimony filing dates to which they correspond.⁷ Moreover, a seven-business day turnaround time for discovery response from Staff/Public Counsel/Intervenors is not reasonable, given that PSE has only nine business days between the filing of Staff/Public Counsel/Intervenor testimony and the filing of PSE rebuttal testimony in Public Counsel's proposed schedule.
11. Finally, PSE's counsel is not available for hearings on December 20-21, 2011, as proposed by Public Counsel.

III. CONCLUSION

12. For the reasons set forth above, PSE respectfully requests that the Commission deny the Public Counsel Motion For Modification of Schedule.

DATED: September 27, 2011

Respectfully Submitted,

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⁷ See Public Counsel Motion, ¶ 8. Public Counsel's request for a seven-day response time for discovery beginning on 12/14/11 and a three business day response time beginning on 1/24/11 is inconsistent with Public Counsel's request for Staff/Public Counsel/Intervenor Testimony to be due November 8, 2011, PSE Rebuttal testimony to be due November 22, 2011, and a hearing on December 20-21 or January 9, 2012.