## Docket Nos. UE-151871 AND UG-151872 - Vol. III

Do	ket Nos. UE-151871 AND UG-151872 - Vol. III		WUTC v. Puget	Sound Energy
	Page 71			Page 73
1	BEFORE THE WASHINGTON	1	A P P E A R A N C E S (Continued)	
2	UTILITIES AND TRANSPORTATION COMMISSION	2		
3	WASHINGTON UTILITIES AND )	3	FOR WASHINGTON STATE HVAC CONTRACTORS ASSOCIATION:	
4	TRANSPORTATION COMMISSION, )	4		
5	Complainant, )	5	JAMES L. KING, JR. Public Affairs Consulting	
6	vs. ) DOCKETS UE-151871 ) and UG-151872	6	120 State Avenue Northeast Suite 199	
7	PUGET SOUND ENERGY, )	7	Ölympia, Washington 98501 360.480.0038	
8	Respondent.)	8	jimkingjr@yahoo.com	
9		9	FOR PUGET SOUND ENERGY:	
10	HEARING, Volume III	10	SHEREE STROM CARSON	
11	Pages 71 to 316	11	SHEREE STROM CARSON Perkins Coie LLP 10885_Northeast Fourth Street	
12	ADMINISTRATIVE LAW JUDGE GREGORY J. KOPTA	12	Suite 700 Bellevue, Washington 9800-55794 425.635.1422	
13	8:56 a.m.	13	425.635.1422 scarson@perkinscoie.com	
14	August 1, 2016	14		
15	-	15	DAVID S. STEELE Perking Cole LLP	
16	Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive Southwest Olympia, WA 98504-7250	16	1201 Unird Avenue	
17		17	Suite 4900 Seattle, Washington 98101-03099 206.359_3758	
18		18	dsteele@perkinscoie.com	
		19		
19 20	REPORTED BY: Diane Rugh, CRR, RMR, CRR WA No. 2399	20	FOR SHEET METAL AND AIR CONDITIONING CO NATIONAL ASSOCIATION:	NINACIONS
	Puell Pooltime Penerting 11 C		JEFFREY D. GOLTZ Çaşçadia Law Group PLLC	
21	1325 Fourth Avenue, Suite 1840	21	606 Columbia Street Northwest	
22	206.287.9066   Seattle	22	Suite 212 Olympia, Washington 98501 360,528.3026	
23	Buell Realtime Reporting, LLC 1325 Fourth Avenue, Suite 1840 Seattle, Washington 98101 206.287.9066   Seattle 360.534.9066   Olympia 800.846.6989   National	23	jgoltz@cascadialaw.com	
24	www.buellrealtime.com	24		
25		25		
	Page 72			Page 74
1	APPEARANCES	1	HEARING Volume III: INDEX	
2	ADMINISTRATIVE LAW JUDGE:	2		
3		3		AGE
4	GREGORY J. KOPTA Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive S.W. Olympia, Washington 98504 360.664.1136	4	LIZ NORTON	
5	1300 South Evergreen Park Drive S.W.	5	Cross-Examination by Mr. Casey	109
6	$\Delta \chi m D a$ , $W a$ hington 98504	6	Cross-Examination by Ms. Gafken	132
7		7	Cross-Examination by Mr. Goltz	140
8	COMMISSIONERS:	8	Cross-Examination by Mr. King	158
9	EHARMAN-RAYID RANNER	9	Redirect Examination by Ms. Carson	184
10	ĊŎŴŴĬŻŹĬŎŊĔ <u>₿</u> ĞĤĬŢĬĿĴ <u></u> QŅĘŖ	10	MALCOLM MCCULLOCH	
11		11	Cross-Examination by Mr. Casey	189
12	CHAIRMAN DAVID DANNER COMMISSIONER PHILIP JONES Washington Utilities and Transportation Commission 1300 South Evergreen Park Drive S.W. Olympia, Washington 98504 360.664.1136	12	Cross-Examination by Ms. Gafken	231
13	360.664.1136	13	AHMAD FARUQUI	179
14		14	MALCOLM MCCULLOCH	
15	FOR PUBLIC COUNSEL:	15	Cross-Examination by Mr. Goltz	268
16	Assistant Attorney General	16	Cross-Examination by Mr. King	306
17	LISA W. GAFKEN Assistant Attorney General Public Counsel Division 800 Fifth Avenue Suite 2000 cB-14 Suite 2000 cB-14	17		
18	Suite 2000, 18-14 Seattle, Washington 98104	18	EXHIBITS	
19	Suite 2000°TB-14 Seattle, Washington 98104 206.464 6595 lisa.gafken@atg.wa.gov	19	EXHIBIT NUMBER	ADMIT
20		20	JET-1T	
21	FOR COMMISSION STAFF:	21	LYN-1T through LYN-9S	. 103
	CHRISTOPHER CASEY	22	MBM-1T through MBM-22	
22		1	-	
22 23	Attorney General's Office of Washington	23	MBM-26 through MBM-35	103
23	Attorney General's Office of Washington Olympia, Washington 98504	23 24	MBM-26 through MBM-35 MBM-40HC through MBM-48	
	CHRISTOPHER CASEY Attorney General's Office of Washington Olympia, Washington 98504 360.664,1193 Sbrown@utc.wa.gov ccasey@utc.wa.gov	23 24 25	MBM-26 through MBM-35 MBM-40HC through MBM-48	

Page 75         Page 75           Image 75         Image 75 <th></th> <th>CKet Nos. UE-151871 AND UG-151872</th> <th></th> <th></th> <th>WUTC V. Puget Sound Energy</th>		CKet Nos. UE-151871 AND UG-151872			WUTC V. Puget Sound Energy
2         EXHEDT NUMBER         ADMIT         2         Interval         2         Exhed the analysis of a three on that complies the exhibit is.t. m           3         MBM-50         MBM-56         103         That's not now i would appreciate           4         AV-1T         103         That's not now i would appreciate         Personally, as well as that would appreciate           4         AV-1T         103         That's not now i would appreciate         Personally, as well as that would appreciate           7         AV-1T         103         That's not now i would appreciate         Personally, as well as that would appreciate           8         AV-2         103         That's not now i would appreciate         Personally, as well as that would appreciate           9         EXECTHCT through BTC-13         103         That's not now i would appreciate           10         AR-1T         103         That's mot now i would appreciate         Personally, as well as that would appreciate           11         AR-1T         103         That's mot now inthe the anima so that we can well hat radit now.           12         MAM-1T         104         The complex the appreciate         The complex the appreciate           13         JUM-1T         Through BF-6.         104         The astano no of the ase whibits, so the weana			Page 75		Page 77
3       MBM-32 through ABM-56.       103       1       the one that complex the xhbit list, so listed of a two-hour project, it took me all atternson.         6       AF-1T through AF-SHC       103       That's not how I would like to prepare for         7       A.W-1T.       103       That's not how I would be requirate the xhbit list. So would be requirate the xhbit list. Shbit so mit her xhbit list. Shbit so mit are and the xhbit list. Shbit so mit are xhbit list. Shbit so mit are xhbit list. Shbit so mit her xhbit list. Shbit so mit her xhbit list. Shbit so mit are xhbit list. Shbit so mit her xhbit list. Shbit so would be requirate the xhbit shbit so would be requirate the xhbit shbit so would be requirate thib shbit so mit so would be xhbit list. Shbit so woul					-
4         MBM-60         103         is well afteroon.           5         EEE-1T through EEE-12	2			2	
5       EEE-11 through EEE-12	3	-		3	
6       AF-1T through AF-5HC       103       6         7       AJW-1T       103       7         8       AJW-2       103       7         9       BTC-1HCT through BTC-13       103       7         10       ECO-1HCT through BTC-13       103       7         11       AR-1T       103       7       104       8         12       For through BTC-13       103       7       104 <td>4</td> <td></td> <td></td> <td>4</td> <td></td>	4			4	
7       A.W1T	5	EEE-1T through EEE-12		5	That's not how I would like to prepare for
8       AUW-2	б	-		6	hearings, so in the future I would appreciate
s       BTC-1HCT through BTC-13	7	AJW-1T	103	7	personally, as well as that would be required, that
10       ECO-1HCT through ECO-26	8			8	
11       AR-1T	9	BTC-1HCT through BTC-13		9	be offered by any party in the hearing so that we can
12       MMK-1HCT through MMK-9	10	ECO-1HCT through ECO-26		10	make the prehearing process go more smoothly.
13       JMN-1T	11	AR-1T	103	11	Speaking of exhibits, as I mentioned, we do
14       BF-2 through BF-6	12	MMK-1HCT through MMK-9	103	12	have an exhibit list. I asked the parties to consider
15       JvdH-1T through JvdH-6	13	JMN-1T	104	13	which of these exhibits we can or the parties would
16       SJK-2 through SJK-6	14	BF-2 through BF-6	104	14	be willing to stipulate to their admission into the
17       WEP-1T through WEP-3	15	JvdH-1T through JvdH-6	104	15	record so that we can handle that right now.
18       MBM-37	16	SJK-2 through SJK-6	104	16	I understand that there is an objection to
19       AF-6	17	WEP-1T through WEP-3		17	at least one of these exhibits, but I don't know whether
20       MBM-23 through 25	18			18	that's the only objection that we have.
21       MBM-49 through 52	19	AF-6	251	19	So, Ms. Carson, I think I'll turn to you as
22       MBM-57 through 59	20	MBM-23 through 25	267	20	the representative of Puget Sound Energy to let me know
23       MBM-61 through 66	21	MBM-49 through 52	305	21	what those discussions have been with the parties in
24       MS. CARSON: Certainly. We've had contact         25       Page 76         Page 76       Page 76         0LYMPIA, WASHINGTON, AUGUST 1, 2016       spoken with about this. But I do have a list of what         2       %56 A.M.         3       -oOo-         4       by oken with about this. But I do have a list of what         2       PR O C E E D I N G S         3       JUDGE KOPTA: Let's be on the record in         7       Dockets UE-151871 and UG-151872, captioned Washington         0       Utilities and Transportation Commission versus Puget         9       Sound Energy. Today is Monday, August 1, 2016, and we         10       are here for the evidentiary hearings in this docket.         11       I'm Gregory J. Kopta, the Administrative Law         12       Judge who will be positing us momentarily after         14       we take care of some preliminary matters.         15       One preliminary matter is exhibit lists. I         16       have prepared an exhibits we can         17       the yartening in this docket.         18       one preliminary matters.         19       Usigue work we have that we make the best         10       we take care of some preliminary matters.         16       have prepared an ex	22	MBM-57 through 59	305	22	terms of being able to stipulate to admission of the
25       with all parties except, I believe, Mr. King I have not         Page 76       Page 76         1       OLYMPIA, WASHINGTON, AUGUST 1, 2016         2       8:56 A.M.         3       -oOo-         4       PSE is willing to stipulate to. There are some portions         5       P R O C E E D I N G S         6       JUDGE KOPTA: Let's be on the record in         7       Dockets UE-151871 and UG-151872, captioned Washington         9       Dutilities and Transportation Commission versus Puget         9       Sound Energy. Today is Monday, August 1, 2016, and we         11       mare here for the evidentiary hearings in this docket.         12       Judge who will be pissing us momentarily after         14       we take care of some preliminary matters.         15       One preliminary matter is exhibit lists. I         16       have prepared an exhibit list at I have shared with         16       have prepared an exhibit sit we take the best         17       the yait this point to make sure that we make the best         18       used before we stipulate to them.         17       the yait discuss which exhibits we can         16       have inthe is docket. required parties to file         20       conference Order in this docket required parties to fi	23	-		23	exhibits on the exhibit list.
Page 76Page 761OLYMPIA, WASHINGTON, AUGUST 1, 2016128:56 A.M00-3-00-34PSE is willing to stipulate to. There are some portions5P R O C E E D I N G S56JUDGE KOPTA: Let's be on the record in57Dockets UE-151871 and UG-151872, captioned Washington48Utilities and Transportation Commission versus Puget59Sound Energy. Today is Monday, August 1, 2016, and we710are here for the evidentiary hearings in this docket.1011mGregory J. Kopta, the Administrative Law1112Judge who will be presiding with the Commissioners in1213this docket. They will be joining us momentarily after1214we take care of some preliminary matters.1415One preliminary matters.1416have prepared an exhibit list. I1516have prepared an exhibit list. I1616have prepared in this docket required paties to file1717Ube of our hearing time, but I note that Prehearing1919use of our hearing time, but I note that Prehearing1910conference Order in this docket required paties to file1016have in the Hearing and not all parties2017they intend to have in the Hearing and not all parties2118they intend to have in the Hearing and not all parties2219they intend to have in the Hearing an	24			24	MS. CARSON: Certainly. We've had contact
1OLYMPIA, WASHINGTON, AUGUST 1, 20161spoken with about this. But I do have a list of what28:56 A.M.2PE is willing to stipulate to. There are some portions3-oOo-3of the prefiled testimony of both WSHVACCA and SMACNA4that we have objections to, that we think goes beyond5P R O C E E D I N G S56JUDGE KOPTA: Let's be on the record in57Dockets UE-151871 and UG-151872, captioned Washington58Utilities and Transportation Commission versus Puget69Sound Energy. Today is Monday, August 1, 2016, and we99soud Energy. Today is Monday, August 1, 2016, and we910are here for the evidentiary hearings in this docket.1011I'm Gregory J. Kopta, the Administrative Law1112budge who will be presiding with the Commissioners in1213this docket. They will be joining us momentarily after1314we take care of some preliminary matters.1415One preliminary matter is exhibit lists. I1516have prepared an exhibit list that I have shared with1617the parties. We will discuss which exhibits we can1718admit at this point to make sure that we make the best1819use of our hearing time, but I note that Prehearing1919used of our hearing time, but I note that Prehearing1910confience Order in this docket required parties to file2012exhibit li	25			25	with all parties except, I believe, Mr. King I have not
28:56 A.M.2PSE is willing to stipulate to. There are some portions3-oOo-3of the prefiled testimony of both WSHVACCA and SMACNA4++we have objections to, that we think goes beyond5P R O C E E D I N G S5the scope of their intervention, and so we're prepared6JUDGE KOPTA: Let's be on the record in5to address that. There are other exhibits, SMACNA's,7Dockets UE-151871 and UG-151872, captioned Washington7that we think are beyond the scope of their8Utilities and Transportation Commission versus Puget8but I'm prepared to go through and tell you9Sound Energy. Today is Monday, August 1, 2016, and weare here for the evidentiary hearings in this docket.1011I'm Gregory J. Kopta, the Administrative Law11exhibit is of Staffs, as well, that we want to see how12Judge who will be presiding with the Commissioners in12they tree used. They were not exhibits that were prepared13this docket. They will be joining us momentarily after13by the witness and against the cross-exam exhibits, so14we take care of some preliminary matters.14used before we stipulate to them.15One preliminary matter is exhibit lists. I1616have prepared an exhibit list that I have shared with1617the parties. We will discuss which exhibits we can1718admit at this point to make sure that we make the best1819use of our hearing time, but I note that Prehearing19 </td <td></td> <td></td> <td>Page 76</td> <td></td> <td>Page 78</td>			Page 76		Page 78
3-oOo-3of the prefield testimony of both WSHVACCA and SMACNA4PROCEEDINGSof the prefield testimony of both WSHVACCA and SMACNA5PROCEEDINGSthat we have objections to, that we think goes beyond6JUDGE KOPTA: Let's be on the record in57Dockets UE-151871 and UG-151872, captioned Washington68Utilities and Transportation Commission versus Puget69Sound Energy. Today is Monday, August 1, 2016, and we7are here for the evidentiary hearings in this docket.1011I'm Gregory J. Kopta, the Administrative Law102Judge who will be presiding with the Commissioners in1212Judge who will be presiding with the Commissioners in1213this docket. They will be joining us momentarily after1314we take care of some preliminary matters.1415One preliminary matter is exhibit lists. I1516have prepared an exhibit list that 1 have shared with1617the parties. We will discuss which exhibits we can1718admit at this point to make sure that we make the best1819use of our hearing time, but I note that Prehearing1910conference Order in this docket required parties to file2020conference Order in this docket required parties1114we intert the use and that included all of their exhibits that2115use of our hearing time, but I note that Prehearing1916have inther			- <b>J</b>		r age r e
44that we have objections to, that we think goes beyond5PROCEEDINGS56JUDGE KOPTA: Let's be on the record in57Dockets UE-151871 and UG-151872, captioned Washington68Utilities and Transportation Commission versus Puget69Sound Energy. Today is Monday, August 1, 2016, and we710are here for the evidentiary hearings in this docket.1011I'm Gregory J. Kopta, the Administrative Law1112Judge who will be presiding with the Commissioners in1213this docket. They will be joining us momentarily after1314we take care of some preliminary matters.1415One preliminary matter is exhibit lists. I1516have prepared an exhibit list that I have shared with1617the parties. We will discuss which exhibits we can1718admit at this point to make sure that we make the best1819use of our hearing time, but I note that Prehearing1919use of our hearing time, but I note that Prehearing1910Conference Order in this docket required parties to file2020conference Order in this docket required parties to file2021exhibit lists that included all of their exhibits that2122they intend to have in the Hearing and not all parties2223complied with that.2324And that is a problem, not just because it24	1	OLYMPIA, WASHINGTON, AUGUS	-	1	
5PROCEEDINGS5the scope of their intervention, and so we're prepared to address that. There are other exhibits, SMACNA's, that we think are beyond the scope of their intervention, so we've talked to Mr. Goltz about that.7Dockets UE-151871 and UG-151872, captioned Washington Utilities and Transportation Commission versus Puget Sound Energy. Today is Monday, August 1, 2016, and we are here for the evidentiary hearings in this docket.7but I'm prepared to go through and tell you what PSE is willing to stipulate to. There are a few exhibits of Staffs, as well, that we want to see how11I'm Gregory J. Kopta, the Administrative Law1012Judge who will be presiding with the Commissioners in this docket. They will be joining us momentarily after we take care of some preliminary matters.1013this docket. They will be joining us momentarily after we take care of some preliminary matters.1414we take care of some preliminary matters.1415One preliminary matter is exhibit lists. I1516have prepared an exhibit list that I have shared with admit at this point to make sure that we make the best use of our hearing time, but I note that Prehearing use of our hearing time, but I note that Prehearing1912UDGE KOPTA: It sounds like there are a number of exhibits that are going to be at issue, and I think it might be most efficient to deal with those first, and then we can see which ones, to the extent that we can't deal with them, for example, those that you believe you'll have to wait to see how they're being			-		spoken with about this. But I do have a list of what
6JUDGE KOPTA: Let's be on the record in Dockets UE-151871 and UG-151872, captioned Washington Utilities and Transportation Commission versus Puget6to address that. There are other exhibits, SMACNA's, that we think are beyond the scope of their intervention, so we've talked to Mr. Goltz about that. But I'm prepared to go through and tell you what PSE is willing to stipulate to. There are a few exhibits of Staff's, as well, that we want to see how10are here for the evidentiary hearings in this docket.1011I'm Gregory J. Kopta, the Administrative Law1112Judge who will be presiding with the Commissioners in this docket. They will be joining us momentarily after we take care of some preliminary matters.1213One preliminary matter is exhibit lists. I have prepared an exhibit is that 1 have shared with admit at this point to make sure that we make the best use of our hearing time, but I note that Prehearing use of our hearing time, but I note that Prehearing1114exhibit lists that included all of their exhibits that they intend to have in the Hearing and not all parties complied with that.1212And that is a problem, not just because it2424And that is a problem, not just because it24	2	8:56 A.M.	-	2	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions
7Dockets UE-151871 and UG-151872, captioned Washington Utilities and Transportation Commission versus Puget7that we think are beyond the scope of their intervention, so we've talked to Mr. Goltz about that.9Sound Energy. Today is Monday, August 1, 2016, and we are here for the evidentiary hearings in this docket.10But I'm prepared to go through and tell you 	2 3	8:56 A.M.	-	2 3	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA
8Utilities and Transportation Commission versus Puget8intervention, so we've talked to Mr. Goltz about that.9Sound Energy. Today is Monday, August 1, 2016, and we are here for the evidentiary hearings in this docket.10But I'm prepared to go through and tell you what PSE is willing to stipulate to. There are a few11I'm Gregory J. Kopta, the Administrative Law11exhibits of Staff's, as well, that we want to see how12Judge who will be presiding with the Commissioners in this docket. They will be joining us momentarily after1313this docket. They will be joining us momentarily after1314we take care of some preliminary matters.1415One preliminary matter is exhibit lists. I1516have prepared an exhibit list that I have shared with1617the parties. We will discuss which exhibits we can1718admit at this point to make sure that we make the best1819use of our hearing time, but I note that Prehearing1910conference Order in this docket required parties to file2012they intend to have in the Hearing and not all parties2213think it might be most efficient to deal with those14And that is a problem, not just because it24	2 3 4	8:56 A.M. -oOo-	-	2 3 4	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA that we have objections to, that we think goes beyond
9Sound Energy. Today is Monday, August 1, 2016, and we are here for the evidentiary hearings in this docket.9But I'm prepared to go through and tell you what PSE is willing to stipulate to. There are a few11I'm Gregory J. Kopta, the Administrative Law11exhibits of Staff's, as well, that we want to see how12Judge who will be presiding with the Commissioners in this docket. They will be joining us momentarily after13they're used. They were not exhibits that were prepared13this docket. They will be joining us momentarily after13by the witness and against the cross-exam exhibits, so14we take care of some preliminary matters.14we are wanting to wait and see how those exhibits are15One preliminary matter is exhibit lists. I15used before we stipulate to them.16have prepared an exhibit list that I have shared with16JUDGE KOPTA: Okay.17the parties. We will discuss which exhibits we can17MS. CARSON: Would it be helpful to run18admit at this point to make sure that we make the best18through the witnesses and find out?19use of our hearing time, but I note that Prehearing19JUDGE KOPTA: It sounds like there are a20Conference Order in this docket required parties to file20number of exhibits that are going to be at issue, and I21they intend to have in the Hearing and not all parties22first, and then we can see which ones, to the extent23complied with that.23you believe you'll have to wait to see how they're being	2 3 4 5	8:56 A.M. -oOo- P R O C E E D I N G S	GT 1, 2016	2 3 4 5	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA that we have objections to, that we think goes beyond the scope of their intervention, and so we're prepared
10are here for the evidentiary hearings in this docket.10what PSE is willing to stipulate to. There are a few11I'm Gregory J. Kopta, the Administrative Law11exhibits of Staff's, as well, that we want to see how12Judge who will be presiding with the Commissioners in12they're used. They were not exhibits that were prepared13this docket. They will be joining us momentarily after13by the witness and against the cross-exam exhibits, so14we take care of some preliminary matters.14we are wanting to wait and see how those exhibits are15One preliminary matter is exhibit lists. I15used before we stipulate to them.16have prepared an exhibit list that I have shared with16JUDGE KOPTA: Okay.17the parties. We will discuss which exhibits we can17MS. CARSON: Would it be helpful to run18admit at this point to make sure that we make the best18through the witnesses and find out?19use of our hearing time, but I note that Prehearing19JUDGE KOPTA: It sounds like there are a20Conference Order in this docket required parties to file20number of exhibits that are going to be at issue, and I21they intend to have in the Hearing and not all parties22first, and then we can see which ones, to the extent23Complied with that.23you believe you'll have to wait to see how they're being	2 3 4 5 6	8:56 A.M. -oOo- P R O C E E D I N G S JUDGE KOPTA: Let's be on the re	ST 1, 2016	2 3 4 5 6	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA that we have objections to, that we think goes beyond the scope of their intervention, and so we're prepared to address that. There are other exhibits, SMACNA's,
11I'm Gregory J. Kopta, the Administrative Law11exhibits of Staff's, as well, that we want to see how12Judge who will be presiding with the Commissioners in this docket. They will be joining us momentarily after13by the witness and against the cross-exam exhibits, so13we take care of some preliminary matters.14we are wanting to wait and see how those exhibits are15One preliminary matter is exhibit lists. I15used before we stipulate to them.16have prepared an exhibit list that I have shared with16JUDGE KOPTA: Okay.17the parties. We will discuss which exhibits we can17MS. CARSON: Would it be helpful to run18admit at this point to make sure that we make the best18through the witnesses and find out?19use of our hearing time, but I note that Prehearing19JUDGE KOPTA: It sounds like there are a20Conference Order in this docket required parties to file20number of exhibits that are going to be at issue, and I21exhibit lists that included all of their exhibits that21think it might be most efficient to deal with those22they intend to have in the Hearing and not all parties22first, and then we can see which ones, to the extent23And that is a problem, not just because it24you believe you'll have to wait to see how they're being	2 3 4 5 6 7	8:56 A.M. -oOo- P R O C E E D I N G S JUDGE KOPTA: Let's be on the re Dockets UE-151871 and UG-151872, capt	ST 1, 2016 ecord in tioned Washington	2 3 4 5 6 7	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA that we have objections to, that we think goes beyond the scope of their intervention, and so we're prepared to address that. There are other exhibits, SMACNA's, that we think are beyond the scope of their
12Judge who will be presiding with the Commissioners in this docket. They will be joining us momentarily after12they're used. They were not exhibits that were prepared13this docket. They will be joining us momentarily after13by the witness and against the cross-exam exhibits, so14we take care of some preliminary matters.14we are wanting to wait and see how those exhibits are15One preliminary matter is exhibit lists. I15used before we stipulate to them.16have prepared an exhibit list that I have shared with16JUDGE KOPTA: Okay.17the parties. We will discuss which exhibits we can17MS. CARSON: Would it be helpful to run18admit at this point to make sure that we make the best18through the witnesses and find out?19use of our hearing time, but I note that Prehearing19JUDGE KOPTA: It sounds like there are a20Conference Order in this docket required parties to file20number of exhibits that are going to be at issue, and I21exhibit lists that included all of their exhibits that21think it might be most efficient to deal with those22they intend to have in the Hearing and not all parties22first, and then we can see which ones, to the extent23And that is a problem, not just because it24you believe you'll have to wait to see how they're being	2 3 4 5 6 7 8	8:56 A.M. -oOo- P R O C E E D I N G S JUDGE KOPTA: Let's be on the re Dockets UE-151871 and UG-151872, capt Utilities and Transportation Commission ve	ST 1, 2016 ecord in tioned Washington ersus Puget	2 3 4 5 6 7 8	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA that we have objections to, that we think goes beyond the scope of their intervention, and so we're prepared to address that. There are other exhibits, SMACNA's, that we think are beyond the scope of their intervention, so we've talked to Mr. Goltz about that.
13this docket. They will be joining us momentarily after we take care of some preliminary matters.13by the witness and against the cross-exam exhibits, so we are wanting to wait and see how those exhibits are used before we stipulate to them.15One preliminary matter is exhibit lists. I have prepared an exhibit list that I have shared with the parties. We will discuss which exhibits we can admit at this point to make sure that we make the best use of our hearing time, but I note that Prehearing16JUDGE KOPTA: Okay.19Use of our hearing time, but I note that Prehearing19JUDGE KOPTA: It sounds like there are a number of exhibits that are going to be at issue, and I think it might be most efficient to deal with those20Conference Order in this docket required parties to file exhibit lists that included all of their exhibits that they intend to have in the Hearing and not all parties complied with that.2223And that is a problem, not just because it24	2 3 4 5 6 7 8 9	8:56 A.M. -oOo- P R O C E E D I N G S JUDGE KOPTA: Let's be on the re Dockets UE-151871 and UG-151872, capt Utilities and Transportation Commission ve Sound Energy. Today is Monday, August	ST 1, 2016 ecord in tioned Washington ersus Puget 1, 2016, and we	2 3 4 5 6 7 8 9	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA that we have objections to, that we think goes beyond the scope of their intervention, and so we're prepared to address that. There are other exhibits, SMACNA's, that we think are beyond the scope of their intervention, so we've talked to Mr. Goltz about that. But I'm prepared to go through and tell you
14we take care of some preliminary matters.14we are wanting to wait and see how those exhibits are used before we stipulate to them.15One preliminary matter is exhibit lists. I15used before we stipulate to them.16have prepared an exhibit list that I have shared with the parties. We will discuss which exhibits we can16JUDGE KOPTA: Okay.17the parties. We will discuss which exhibits we can17MS. CARSON: Would it be helpful to run18admit at this point to make sure that we make the best18through the witnesses and find out?19use of our hearing time, but I note that Prehearing19JUDGE KOPTA: It sounds like there are a20Conference Order in this docket required parties to file20number of exhibits that are going to be at issue, and I21exhibit lists that included all of their exhibits that21think it might be most efficient to deal with those22they intend to have in the Hearing and not all parties22first, and then we can see which ones, to the extent23complied with that.23that we can't deal with them, for example, those that24And that is a problem, not just because it24you believe you'll have to wait to see how they're being	2 3 4 5 6 7 8 9	8:56 A.M. -oOo- P R O C E E D I N G S JUDGE KOPTA: Let's be on the re Dockets UE-151871 and UG-151872, capt Utilities and Transportation Commission ve Sound Energy. Today is Monday, August are here for the evidentiary hearings in this	ST 1, 2016 ecord in tioned Washington ersus Puget 1, 2016, and we s docket.	2 3 4 5 6 7 8 9	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA that we have objections to, that we think goes beyond the scope of their intervention, and so we're prepared to address that. There are other exhibits, SMACNA's, that we think are beyond the scope of their intervention, so we've talked to Mr. Goltz about that. But I'm prepared to go through and tell you what PSE is willing to stipulate to. There are a few
15One preliminary matter is exhibit lists. I15used before we stipulate to them.16have prepared an exhibit list that I have shared with16JUDGE KOPTA: Okay.17the parties. We will discuss which exhibits we can17MS. CARSON: Would it be helpful to run18admit at this point to make sure that we make the best18through the witnesses and find out?19use of our hearing time, but I note that Prehearing19JUDGE KOPTA: It sounds like there are a20Conference Order in this docket required parties to file20number of exhibits that are going to be at issue, and I21exhibit lists that included all of their exhibits that21think it might be most efficient to deal with those22they intend to have in the Hearing and not all parties22first, and then we can see which ones, to the extent23complied with that.23you believe you'll have to wait to see how they're being	2 3 4 5 6 7 8 9 10 11	8:56 A.M. -oOo- P R O C E E D I N G S JUDGE KOPTA: Let's be on the re Dockets UE-151871 and UG-151872, capt Utilities and Transportation Commission ve Sound Energy. Today is Monday, August are here for the evidentiary hearings in this I'm Gregory J. Kopta, the Administr	ECORD IN 2016 ECORD IN ECORD IN 2016 ECORD I	2 3 4 5 6 7 8 9 10 11	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA that we have objections to, that we think goes beyond the scope of their intervention, and so we're prepared to address that. There are other exhibits, SMACNA's, that we think are beyond the scope of their intervention, so we've talked to Mr. Goltz about that. But I'm prepared to go through and tell you what PSE is willing to stipulate to. There are a few exhibits of Staff's, as well, that we want to see how
16have prepared an exhibit list that I have shared with16JUDGE KOPTA: Okay.17the parties. We will discuss which exhibits we can17MS. CARSON: Would it be helpful to run18admit at this point to make sure that we make the best18through the witnesses and find out?19use of our hearing time, but I note that Prehearing19JUDGE KOPTA: It sounds like there are a20Conference Order in this docket required parties to file20number of exhibits that are going to be at issue, and I21exhibit lists that included all of their exhibits that21think it might be most efficient to deal with those22they intend to have in the Hearing and not all parties22first, and then we can see which ones, to the extent23complied with that.23that we can't deal with them, for example, those that24And that is a problem, not just because it24you believe you'll have to wait to see how they're being	2 3 4 5 6 7 8 9 10 11 12	8:56 A.M. -oOo- P R O C E E D I N G S JUDGE KOPTA: Let's be on the re Dockets UE-151871 and UG-151872, capt Utilities and Transportation Commission ve Sound Energy. Today is Monday, August are here for the evidentiary hearings in this I'm Gregory J. Kopta, the Administr Judge who will be presiding with the Comm	ECORD IN 2016 ECORD IN 2016 EC	2 3 4 5 6 7 8 9 10 11 12	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA that we have objections to, that we think goes beyond the scope of their intervention, and so we're prepared to address that. There are other exhibits, SMACNA's, that we think are beyond the scope of their intervention, so we've talked to Mr. Goltz about that. But I'm prepared to go through and tell you what PSE is willing to stipulate to. There are a few exhibits of Staff's, as well, that we want to see how they're used. They were not exhibits that were prepared
17the parties. We will discuss which exhibits we can17MS. CARSON: Would it be helpful to run18admit at this point to make sure that we make the best18through the witnesses and find out?19use of our hearing time, but I note that Prehearing19JUDGE KOPTA: It sounds like there are a20Conference Order in this docket required parties to file20number of exhibits that are going to be at issue, and I21exhibit lists that included all of their exhibits that21think it might be most efficient to deal with those22they intend to have in the Hearing and not all parties22first, and then we can see which ones, to the extent23complied with that.23you believe you'll have to wait to see how they're being	2 3 4 5 6 7 8 9 10 11 12 13	8:56 A.M. -oOo- P R O C E E D I N G S JUDGE KOPTA: Let's be on the re Dockets UE-151871 and UG-151872, capt Utilities and Transportation Commission ve Sound Energy. Today is Monday, August are here for the evidentiary hearings in this I'm Gregory J. Kopta, the Administu Judge who will be presiding with the Comm this docket. They will be joining us momen	ECORD IN 2016 ECORD IN 2016 EC	2 3 4 5 6 7 8 9 10 11 12 13	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA that we have objections to, that we think goes beyond the scope of their intervention, and so we're prepared to address that. There are other exhibits, SMACNA's, that we think are beyond the scope of their intervention, so we've talked to Mr. Goltz about that. But I'm prepared to go through and tell you what PSE is willing to stipulate to. There are a few exhibits of Staff's, as well, that we want to see how they're used. They were not exhibits that were prepared by the witness and against the cross-exam exhibits, so
18admit at this point to make sure that we make the best18through the witnesses and find out?19use of our hearing time, but I note that Prehearing19JUDGE KOPTA: It sounds like there are a20Conference Order in this docket required parties to file20number of exhibits that are going to be at issue, and I21exhibit lists that included all of their exhibits that21think it might be most efficient to deal with those22they intend to have in the Hearing and not all parties22first, and then we can see which ones, to the extent23complied with that.23that we can't deal with them, for example, those that24And that is a problem, not just because it24	2 3 4 5 6 7 8 9 10 11 12 13 14	8:56 A.M. -oOo- P R O C E E D I N G S JUDGE KOPTA: Let's be on the re Dockets UE-151871 and UG-151872, capt Utilities and Transportation Commission ve Sound Energy. Today is Monday, August are here for the evidentiary hearings in this I'm Gregory J. Kopta, the Administr Judge who will be presiding with the Comm this docket. They will be joining us momen we take care of some preliminary matters.	ECORD IN 2016 ECORD IN 2016 EC	2 3 4 5 6 7 8 9 10 11 12 13 14	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA that we have objections to, that we think goes beyond the scope of their intervention, and so we're prepared to address that. There are other exhibits, SMACNA's, that we think are beyond the scope of their intervention, so we've talked to Mr. Goltz about that. But I'm prepared to go through and tell you what PSE is willing to stipulate to. There are a few exhibits of Staff's, as well, that we want to see how they're used. They were not exhibits that were prepared by the witness and against the cross-exam exhibits, so we are wanting to wait and see how those exhibits are
19use of our hearing time, but I note that Prehearing19JUDGE KOPTA: It sounds like there are a20Conference Order in this docket required parties to file20number of exhibits that are going to be at issue, and I21exhibit lists that included all of their exhibits that21think it might be most efficient to deal with those22they intend to have in the Hearing and not all parties22first, and then we can see which ones, to the extent23complied with that.23that we can't deal with them, for example, those that24And that is a problem, not just because it24	2 3 4 5 6 7 8 9 10 11 12 13 14 15	8:56 A.M. -oOo- P R O C E E D I N G S JUDGE KOPTA: Let's be on the re Dockets UE-151871 and UG-151872, capt Utilities and Transportation Commission ve Sound Energy. Today is Monday, August are here for the evidentiary hearings in this I'm Gregory J. Kopta, the Administe Judge who will be presiding with the Comm this docket. They will be joining us momen we take care of some preliminary matters. One preliminary matter is exhibit list	ECORD IN 2016 ECORD IN 2016 EC	2 3 4 5 6 7 8 9 10 11 12 13 14 15	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA that we have objections to, that we think goes beyond the scope of their intervention, and so we're prepared to address that. There are other exhibits, SMACNA's, that we think are beyond the scope of their intervention, so we've talked to Mr. Goltz about that. But I'm prepared to go through and tell you what PSE is willing to stipulate to. There are a few exhibits of Staff's, as well, that we want to see how they're used. They were not exhibits that were prepared by the witness and against the cross-exam exhibits, so we are wanting to wait and see how those exhibits are used before we stipulate to them.
20Conference Order in this docket required parties to file20number of exhibits that are going to be at issue, and I21exhibit lists that included all of their exhibits that21think it might be most efficient to deal with those22they intend to have in the Hearing and not all parties22first, and then we can see which ones, to the extent23complied with that.23that we can't deal with them, for example, those that24And that is a problem, not just because it24	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	8:56 A.M. -oOo- P R O C E E D I N G S JUDGE KOPTA: Let's be on the re Dockets UE-151871 and UG-151872, capt Utilities and Transportation Commission ve Sound Energy. Today is Monday, August are here for the evidentiary hearings in this I'm Gregory J. Kopta, the Administu Judge who will be presiding with the Comm this docket. They will be joining us moment we take care of some preliminary matters. One preliminary matter is exhibit list have prepared an exhibit list that I have sh	ECORD IN 2016 ECORD IN 2016 EC	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA that we have objections to, that we think goes beyond the scope of their intervention, and so we're prepared to address that. There are other exhibits, SMACNA's, that we think are beyond the scope of their intervention, so we've talked to Mr. Goltz about that. But I'm prepared to go through and tell you what PSE is willing to stipulate to. There are a few exhibits of Staff's, as well, that we want to see how they're used. They were not exhibits that were prepared by the witness and against the cross-exam exhibits, so we are wanting to wait and see how those exhibits are used before we stipulate to them. JUDGE KOPTA: Okay.
21exhibit lists that included all of their exhibits that21think it might be most efficient to deal with those22they intend to have in the Hearing and not all parties22first, and then we can see which ones, to the extent23complied with that.23that we can't deal with them, for example, those that24And that is a problem, not just because it24	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	8:56 A.M. -oOo- P R O C E E D I N G S JUDGE KOPTA: Let's be on the re Dockets UE-151871 and UG-151872, capt Utilities and Transportation Commission ve Sound Energy. Today is Monday, August are here for the evidentiary hearings in this I'm Gregory J. Kopta, the Administr Judge who will be presiding with the Comr this docket. They will be joining us momer we take care of some preliminary matters. One preliminary matter is exhibit lis have prepared an exhibit list that I have sh the parties. We will discuss which exhibits	ECORD IN 2016 ECORD IN 2016 EC	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA that we have objections to, that we think goes beyond the scope of their intervention, and so we're prepared to address that. There are other exhibits, SMACNA's, that we think are beyond the scope of their intervention, so we've talked to Mr. Goltz about that. But I'm prepared to go through and tell you what PSE is willing to stipulate to. There are a few exhibits of Staff's, as well, that we want to see how they're used. They were not exhibits that were prepared by the witness and against the cross-exam exhibits, so we are wanting to wait and see how those exhibits are used before we stipulate to them. JUDGE KOPTA: Okay. MS. CARSON: Would it be helpful to run
22they intend to have in the Hearing and not all parties22first, and then we can see which ones, to the extent23complied with that.23that we can't deal with them, for example, those that24And that is a problem, not just because it24	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	8:56 A.M. -oOo- P R O C E E D I N G S JUDGE KOPTA: Let's be on the re Dockets UE-151871 and UG-151872, capt Utilities and Transportation Commission ve Sound Energy. Today is Monday, August are here for the evidentiary hearings in this I'm Gregory J. Kopta, the Administe Judge who will be presiding with the Comm this docket. They will be joining us momen we take care of some preliminary matters. One preliminary matter is exhibit lis have prepared an exhibit list that I have shi the parties. We will discuss which exhibits admit at this point to make sure that we mat	ECORD IN 2016 ECORD IN 2016 ECORD IN 2016 ECORD IN 2016 ERISSION PUGET 1, 2016, and we so docket. Frative Law Inissioners in Intarily after EST. I Intared with So we can ake the best	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA that we have objections to, that we think goes beyond the scope of their intervention, and so we're prepared to address that. There are other exhibits, SMACNA's, that we think are beyond the scope of their intervention, so we've talked to Mr. Goltz about that. But I'm prepared to go through and tell you what PSE is willing to stipulate to. There are a few exhibits of Staff's, as well, that we want to see how they're used. They were not exhibits that were prepared by the witness and against the cross-exam exhibits, so we are wanting to wait and see how those exhibits are used before we stipulate to them. JUDGE KOPTA: Okay. MS. CARSON: Would it be helpful to run through the witnesses and find out?
23complied with that.23that we can't deal with them, for example, those that24And that is a problem, not just because it24you believe you'll have to wait to see how they're being	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	8:56 A.M. -oOo- P R O C E E D I N G S JUDGE KOPTA: Let's be on the re Dockets UE-151871 and UG-151872, capt Utilities and Transportation Commission ve Sound Energy. Today is Monday, August are here for the evidentiary hearings in this I'm Gregory J. Kopta, the Administu Judge who will be presiding with the Comm this docket. They will be joining us momen we take care of some preliminary matters. One preliminary matter is exhibit lis have prepared an exhibit list that I have sh the parties. We will discuss which exhibits admit at this point to make sure that we may	ECORD IN 2016 ECORD IN 2016 EC	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA that we have objections to, that we think goes beyond the scope of their intervention, and so we're prepared to address that. There are other exhibits, SMACNA's, that we think are beyond the scope of their intervention, so we've talked to Mr. Goltz about that. But I'm prepared to go through and tell you what PSE is willing to stipulate to. There are a few exhibits of Staff's, as well, that we want to see how they're used. They were not exhibits that were prepared by the witness and against the cross-exam exhibits, so we are wanting to wait and see how those exhibits are used before we stipulate to them. JUDGE KOPTA: Okay. MS. CARSON: Would it be helpful to run through the witnesses and find out? JUDGE KOPTA: It sounds like there are a
23complied with that.23that we can't deal with them, for example, those that24And that is a problem, not just because it24you believe you'll have to wait to see how they're being	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	8:56 A.M. -oOo- P R O C E E D I N G S JUDGE KOPTA: Let's be on the re Dockets UE-151871 and UG-151872, capt Utilities and Transportation Commission ve Sound Energy. Today is Monday, August are here for the evidentiary hearings in this I'm Gregory J. Kopta, the Administ Judge who will be presiding with the Comm this docket. They will be joining us momen we take care of some preliminary matters. One preliminary matter is exhibit lis have prepared an exhibit list that I have sh the parties. We will discuss which exhibits admit at this point to make sure that we ma use of our hearing time, but I note that Pre Conference Order in this docket required p	ECORD IN 2016 ECORD IN 2016 EC	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA that we have objections to, that we think goes beyond the scope of their intervention, and so we're prepared to address that. There are other exhibits, SMACNA's, that we think are beyond the scope of their intervention, so we've talked to Mr. Goltz about that. But I'm prepared to go through and tell you what PSE is willing to stipulate to. There are a few exhibits of Staff's, as well, that we want to see how they're used. They were not exhibits that were prepared by the witness and against the cross-exam exhibits, so we are wanting to wait and see how those exhibits are used before we stipulate to them. JUDGE KOPTA: Okay. MS. CARSON: Would it be helpful to run through the witnesses and find out? JUDGE KOPTA: It sounds like there are a number of exhibits that are going to be at issue, and I
	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	8:56 A.M. -oOo- P R O C E E D I N G S JUDGE KOPTA: Let's be on the re Dockets UE-151871 and UG-151872, capt Utilities and Transportation Commission ve Sound Energy. Today is Monday, August are here for the evidentiary hearings in this I'm Gregory J. Kopta, the Administe Judge who will be presiding with the Comm this docket. They will be joining us momen we take care of some preliminary matters. One preliminary matter is exhibit lis have prepared an exhibit list that I have sh the parties. We will discuss which exhibits admit at this point to make sure that we ma use of our hearing time, but I note that Pre Conference Order in this docket required p exhibit lists that included all of their exhibit	ECORD IN 2016 ECORD IN 2016 EC	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA that we have objections to, that we think goes beyond the scope of their intervention, and so we're prepared to address that. There are other exhibits, SMACNA's, that we think are beyond the scope of their intervention, so we've talked to Mr. Goltz about that. But I'm prepared to go through and tell you what PSE is willing to stipulate to. There are a few exhibits of Staff's, as well, that we want to see how they're used. They were not exhibits that were prepared by the witness and against the cross-exam exhibits, so we are wanting to wait and see how those exhibits are used before we stipulate to them. JUDGE KOPTA: Okay. MS. CARSON: Would it be helpful to run through the witnesses and find out? JUDGE KOPTA: It sounds like there are a number of exhibits that are going to be at issue, and I think it might be most efficient to deal with those
25 was required in the order, but because it meant that I 25 used to determine whether you have an objection that we	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	8:56 A.M. -oOo- P R O C E E D I N G S JUDGE KOPTA: Let's be on the re Dockets UE-151871 and UG-151872, capt Utilities and Transportation Commission ve Sound Energy. Today is Monday, August are here for the evidentiary hearings in this I'm Gregory J. Kopta, the Administ Judge who will be presiding with the Comr this docket. They will be joining us momer we take care of some preliminary matters. One preliminary matter is exhibit lis have prepared an exhibit list that I have sh the parties. We will discuss which exhibits admit at this point to make sure that we ma use of our hearing time, but I note that Pre Conference Order in this docket required p exhibit lists that included all of their exhibit they intend to have in the Hearing and not	ECORD IN 2016 ECORD IN 2016 EC	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA that we have objections to, that we think goes beyond the scope of their intervention, and so we're prepared to address that. There are other exhibits, SMACNA's, that we think are beyond the scope of their intervention, so we've talked to Mr. Goltz about that. But I'm prepared to go through and tell you what PSE is willing to stipulate to. There are a few exhibits of Staff's, as well, that we want to see how they're used. They were not exhibits that were prepared by the witness and against the cross-exam exhibits, so we are wanting to wait and see how those exhibits are used before we stipulate to them. JUDGE KOPTA: Okay. MS. CARSON: Would it be helpful to run through the witnesses and find out? JUDGE KOPTA: It sounds like there are a number of exhibits that are going to be at issue, and I think it might be most efficient to deal with those first, and then we can see which ones, to the extent
	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	8:56 A.M. -oOo- P R O C E E D I N G S JUDGE KOPTA: Let's be on the re Dockets UE-151871 and UG-151872, capt Utilities and Transportation Commission ve Sound Energy. Today is Monday, August are here for the evidentiary hearings in this I'm Gregory J. Kopta, the Administu Judge who will be presiding with the Comm this docket. They will be joining us momen we take care of some preliminary matters. One preliminary matter is exhibit lis have prepared an exhibit list that I have sh the parties. We will discuss which exhibits admit at this point to make sure that we ma use of our hearing time, but I note that Pre Conference Order in this docket required p exhibit lists that included all of their exhibit they intend to have in the Hearing and not complied with that.	ECORD IN 2016 ECORD IN 2016 EC	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	spoken with about this. But I do have a list of what PSE is willing to stipulate to. There are some portions of the prefiled testimony of both WSHVACCA and SMACNA that we have objections to, that we think goes beyond the scope of their intervention, and so we're prepared to address that. There are other exhibits, SMACNA's, that we think are beyond the scope of their intervention, so we've talked to Mr. Goltz about that. But I'm prepared to go through and tell you what PSE is willing to stipulate to. There are a few exhibits of Staff's, as well, that we want to see how they're used. They were not exhibits that were prepared by the witness and against the cross-exam exhibits, so we are wanting to wait and see how those exhibits are used before we stipulate to them. JUDGE KOPTA: Okay. MS. CARSON: Would it be helpful to run through the witnesses and find out? JUDGE KOPTA: It sounds like there are a number of exhibits that are going to be at issue, and I think it might be most efficient to deal with those first, and then we can see which ones, to the extent that we can't deal with them, for example, those that

	Page 79		Page 81
1	can set to one side.	1	JUDGE KOPTA: Okay. I'm not going to worry
2	But if they're ones that the parties are	2	about that.
3	aware right now, they have objections to, but I would	3	MS. BROWN: Just to be clear, you identified
4	like to resolve those and identify as many exhibits as	4	the exhibits with which you had issues, excluding those.
5	possible that we can admit right now.	5	JUDGE KOPTA: All right. Anything else,
6	MS. CARSON: Okay. So just to be clear, do	6	Ms. Carson, that you've been waiting on?
7	you want me to run through the ones that we can admit	7	MS. CARSON: So MBM-44 and 45, we also
8	right now?	8	wanted to supplement those. They are Data Request
9	JUDGE KOPTA: No, not yet.	9	Responses, and did not include the full set of
10	MS. CARSON: Okay.	10	attachments. I discussed this with Ms. Gafken, and she
11	JUDGE KOPTA: I would rather deal the ones	11	was fine with that. We did bring a full supplemented
12	that we have issues with, and then once we have those	12	set of these exhibits, as well.
		13	MS. GAFKEN: I have a question about that.
13	out of the way, then we can deal with the other ones to		
14	which there are no objections.	14	So on 45, I believe the entire thing is in the record,
15	MS. CARSON: Okay. So there are a few of	15	and I thought we were okay with the way that it was
16	Staff's cross-exhibits, MBM-23, 24 and 25 that we will	16	presented with the renaming. On 44, Public Counsel is
17	want to see how they are used. So we're not willing to	17	going to be using it for limited purpose, but we have no
18	stipulate to them. They're not prepared by the witness.	18	objection to it being supplemented. I do have a
19	MR. CASEY: Can you repeat those numbers?	19	question of what's being supplemented on 45.
20	MS. CARSON: MBM-23, MBM-24, and MBM-25.	20	MS. CARSON: My understanding, after we
21	MR. CASEY: All right. Any others that you	21	talked, it looked like perhaps that is not the whole
22	want to wait to decide?	22	exhibit that's in, so I'm happy to share it with you.
23	MS. CARSON: Yes, there are. MBM-29 is one	23	MS. GAFKEN: I think that's fine.
24	that we've consulted with Staff, and we are willing for	24	JUDGE KOPTA: You have no objection?
25	it to come in, if it is supplemented with all the	25	MS. GAFKEN: I have no objection. It's just
	Page 80		Page 82
1	attachments to the Data Request and so we have brought a	1	slightly different from my understanding.
2	full supplemented version of that and have copies for	2	JUDGE KOPTA: Then that one seems to be all
3	everyone. That's MBM-29.	3	right. Any others?
4	JUDGE KOPTA: Does Staff have an objection	4	MS. CARSON: So we have a series of SMACNA
5	to including the entire Data Request Response?	5	cross-exhibits that we believe are outside the scope of
6	MR. CASEY: Yes. We want to use it today as	6	their limited intervention, and those are 49 through 52,
7	an illustrative exhibit.	7	MBM-49 through 52.
8	JUDGE KOPTA: PSE had said they have no	8	JUDGE KOPTA: So those are objections at
9	objection to it, as long as it includes all of the	9	this point or are they waiting to see how they're used?
10	attachments. I'm asking you if you have a problem with	10	MS. CARSON: No, those are objections. We
11	that?	11	think they're outside the scope of the limited
12	MR. CASEY: No.	12	intervention, and there are others. Do you want me to
13	JUDGE KOPTA: Okay, then that one is fine.	13	list them all?
14			JUDGE KOPTA: Well, you might as well.
	MS. CARSON: Okay. And then the other Staff	14	SODGE ROLTA. Weil, you might as well.
15	MS. CARSON: Okay. And then the other Staff cross-exhibits that we would like to wait and see how	14 15	MS. CARSON: MBM-57, 58, and 59. MBM-61
15 16			
	cross-exhibits that we would like to wait and see how	15	MS. CARSON: MBM-57, 58, and 59. MBM-61
16	cross-exhibits that we would like to wait and see how they're used are MBM-36 through 39. MS. BROWN: Your Honor, we're going to need a minute to look at these. We received an email	15 16	MS. CARSON: MBM-57, 58, and 59. MBM-61 through 66, Exhibit EEE-13 and 14, Exhibit AF-6, and
16 17	cross-exhibits that we would like to wait and see how they're used are MBM-36 through 39. MS. BROWN: Your Honor, we're going to need	15 16 17	MS. CARSON: MBM-57, 58, and 59. MBM-61 through 66, Exhibit EEE-13 and 14, Exhibit AF-6, and Exhibits MRM-6, 7, 8, and 9.
16 17 18	cross-exhibits that we would like to wait and see how they're used are MBM-36 through 39. MS. BROWN: Your Honor, we're going to need a minute to look at these. We received an email	15 16 17 18	MS. CARSON: MBM-57, 58, and 59. MBM-61 through 66, Exhibit EEE-13 and 14, Exhibit AF-6, and Exhibits MRM-6, 7, 8, and 9. JUDGE KOPTA: All right. Any others that
16 17 18 19	cross-exhibits that we would like to wait and see how they're used are MBM-36 through 39. MS. BROWN: Your Honor, we're going to need a minute to look at these. We received an email correspondence from Ms. Carson yesterday that neglected	15 16 17 18 19	MS. CARSON: MBM-57, 58, and 59. MBM-61 through 66, Exhibit EEE-13 and 14, Exhibit AF-6, and Exhibits MRM-6, 7, 8, and 9. JUDGE KOPTA: All right. Any others that you have issue with at this point?
16 17 18 19 20	cross-exhibits that we would like to wait and see how they're used are MBM-36 through 39. MS. BROWN: Your Honor, we're going to need a minute to look at these. We received an email correspondence from Ms. Carson yesterday that neglected to include 23, 24, 25, and 36. So we need a moment to	15 16 17 18 19 20	MS. CARSON: MBM-57, 58, and 59. MBM-61 through 66, Exhibit EEE-13 and 14, Exhibit AF-6, and Exhibits MRM-6, 7, 8, and 9. JUDGE KOPTA: All right. Any others that you have issue with at this point? MS. CARSON: I believe that's it.
16 17 18 19 20 21	cross-exhibits that we would like to wait and see how they're used are MBM-36 through 39. MS. BROWN: Your Honor, we're going to need a minute to look at these. We received an email correspondence from Ms. Carson yesterday that neglected to include 23, 24, 25, and 36. So we need a moment to reference those.	15 16 17 18 19 20 21	MS. CARSON: MBM-57, 58, and 59. MBM-61 through 66, Exhibit EEE-13 and 14, Exhibit AF-6, and Exhibits MRM-6, 7, 8, and 9. JUDGE KOPTA: All right. Any others that you have issue with at this point? MS. CARSON: I believe that's it. JUDGE KOPTA: Okay. So by process of
16 17 18 19 20 21 22	cross-exhibits that we would like to wait and see how they're used are MBM-36 through 39. MS. BROWN: Your Honor, we're going to need a minute to look at these. We received an email correspondence from Ms. Carson yesterday that neglected to include 23, 24, 25, and 36. So we need a moment to reference those. JUDGE KOPTA: All right. Can	15 16 17 18 19 20 21 22	MS. CARSON: MBM-57, 58, and 59. MBM-61 through 66, Exhibit EEE-13 and 14, Exhibit AF-6, and Exhibits MRM-6, 7, 8, and 9. JUDGE KOPTA: All right. Any others that you have issue with at this point? MS. CARSON: I believe that's it. JUDGE KOPTA: Okay. So by process of elimination, you're willing to stipulate to the
16 17 18 19 20 21 22 23	cross-exhibits that we would like to wait and see how they're used are MBM-36 through 39. MS. BROWN: Your Honor, we're going to need a minute to look at these. We received an email correspondence from Ms. Carson yesterday that neglected to include 23, 24, 25, and 36. So we need a moment to reference those. JUDGE KOPTA: All right. Can MS. CARSON: Well, just to be clear, PSE provided the list of everything that we would stipulate	15 16 17 18 19 20 21 22 23	MS. CARSON: MBM-57, 58, and 59. MBM-61 through 66, Exhibit EEE-13 and 14, Exhibit AF-6, and Exhibits MRM-6, 7, 8, and 9. JUDGE KOPTA: All right. Any others that you have issue with at this point? MS. CARSON: I believe that's it. JUDGE KOPTA: Okay. So by process of elimination, you're willing to stipulate to the admission of all other exhibits?

	CREE 1903. OL-151071 AND 00-151072 - VOI. III		
-	Page 83		Page 85
1	testimony and Mr. Krecker's testimony, a witness with	1	few that fit together.
2	SMACNA, that we have objections to, and we've	2	And Your Honor's Prehearing Order 02 you
3	highlighted those sections and have provided it to	3	said, "The Commission will consider the market for HVAC
4	Mr. King and Mr. Goltz.	4	equipment to the extent necessary to determine the
5	JUDGE KOPTA: Okay.	5	effect of the tariffs on PSE's customers, not the impact
6	MS. CARSON: And, again, because we believe	6	on other market participants."
7	they're outside of the scope of the intervention.	7	So SMACNA, in developing its case, focused
8	JUDGE KOPTA: Okay. Well, how much of our	8	on the market, the so-called market gap, which we don't
9	discussion of the exhibits that they've SMACNA has	9	think exists. And basically we make the argument that
10	designated for cross will resolve the issues that you	10	it's not this proposal is not filling a market gap,
11	have with the direct testimony?	11	but it's creating, what we would call a "market
12	MS. CARSON: I think it's a little bit	12	aberration."
13	different issue. Mr. Steele is prepared to discuss it.	13	The result that PSE would be competing
14	I mean, most of the information in the testimony relates	14	unfairly in the market due to a whole number of statutes
15	to prior WNG contractor experience and how those WNG	15	that govern regulated companies, and when you take a
16	program had an effect on the contractors back in 1992.	16	regulated company and try to fit it or compete with
17	That's a little bit different issue than what we have in	17	unregulated entities, the statutes simply don't fit well
18	the cross-exhibits.	18	together, and either way as an aside, that also be our
19	JUDGE KOPTA: Okay. Well, at this point,	19	argument on brief, essentially to the jurisdictional
20	let's deal with the exhibits to which you object in	20	argument initially raised by Commission Staff.
21	their entirety. I think that's the cleanest thing to	21	Also, Puget has indicated that it will
22	do, since there's only portions of other exhibits that	22	one of the advantages of its program is, as Ms. Kimball
23	you have issues with. Again, with respect to those, do	23	points out in her testimony, our rates will be given an
24	we need are we going to need to discuss each of those	24	imprimatur by the Utilities and Transportation
25	individually or can we talk about them collectively?	25	Commission that they're fair, just, reasonable, and
	Page 84		Page 86
			C C
1	MR. STEELE: I mean, I think, based on Your	1	sufficient.
1 2	Honor's prehearing conference order, it restricted the	1 2	sufficient. And we're saying that's an inaccurate
	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information.		sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means
2	Honor's prehearing conference order, it restricted the	2	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they
2 3	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information.	2 3	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means
2 3 4	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information. I think that's intrinsic to who they are in contractors	2 3 4	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they will include all sorts of costs and things that really make the price of a lease product way more expensive
2 3 4 5	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information. I think that's intrinsic to who they are in contractors in the marketplace.	2 3 4 5	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they will include all sorts of costs and things that really
2 3 4 5 6	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information. I think that's intrinsic to who they are in contractors in the marketplace. And SMACNA, for example, frankly has more	2 3 4 5 6	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they will include all sorts of costs and things that really make the price of a lease product way more expensive
2 3 4 5 6 7	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information. I think that's intrinsic to who they are in contractors in the marketplace. And SMACNA, for example, frankly has more exhibits than any other party in this case, and many of them delve into issues such as PSE's tax structure with the proposed program, accounting, regulatory fees,	2 3 4 5 6 7	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they will include all sorts of costs and things that really make the price of a lease product way more expensive than a price of a sales product, but when you add Puget
2 3 4 5 6 7 8	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information. I think that's intrinsic to who they are in contractors in the marketplace. And SMACNA, for example, frankly has more exhibits than any other party in this case, and many of them delve into issues such as PSE's tax structure with	2 3 4 5 6 7 8	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they will include all sorts of costs and things that really make the price of a lease product way more expensive than a price of a sales product, but when you add Puget as a "trusted provider" as they say, coupled with a imprimatur by the Utilities and Transportation Commission, the customers will be at a very big
2 3 4 5 6 7 8 9	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information. I think that's intrinsic to who they are in contractors in the marketplace. And SMACNA, for example, frankly has more exhibits than any other party in this case, and many of them delve into issues such as PSE's tax structure with the proposed program, accounting, regulatory fees,	2 3 4 5 6 7 8 9	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they will include all sorts of costs and things that really make the price of a lease product way more expensive than a price of a sales product, but when you add Puget as a "trusted provider" as they say, coupled with a imprimatur by the Utilities and Transportation Commission, the customers will be at a very big disadvantage because they won't have the information and
2 3 4 5 6 7 8 9 10	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information. I think that's intrinsic to who they are in contractors in the marketplace. And SMACNA, for example, frankly has more exhibits than any other party in this case, and many of them delve into issues such as PSE's tax structure with the proposed program, accounting, regulatory fees, regulatory structure, topics that I think are better addressed by Commission Staff and Public Counsel and that are beyond the role of the contractors and	2 3 4 5 6 7 8 9 10	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they will include all sorts of costs and things that really make the price of a lease product way more expensive than a price of a sales product, but when you add Puget as a "trusted provider" as they say, coupled with a imprimatur by the Utilities and Transportation Commission, the customers will be at a very big disadvantage because they won't have the information and be able to make those sorts of choices in the market.
2 3 4 5 7 8 9 10 11	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information. I think that's intrinsic to who they are in contractors in the marketplace. And SMACNA, for example, frankly has more exhibits than any other party in this case, and many of them delve into issues such as PSE's tax structure with the proposed program, accounting, regulatory fees, regulatory structure, topics that I think are better addressed by Commission Staff and Public Counsel and	2 3 4 5 6 7 8 9 10 11	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they will include all sorts of costs and things that really make the price of a lease product way more expensive than a price of a sales product, but when you add Puget as a "trusted provider" as they say, coupled with a imprimatur by the Utilities and Transportation Commission, the customers will be at a very big disadvantage because they won't have the information and
2 3 4 5 7 8 9 10 11 12	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information. I think that's intrinsic to who they are in contractors in the marketplace. And SMACNA, for example, frankly has more exhibits than any other party in this case, and many of them delve into issues such as PSE's tax structure with the proposed program, accounting, regulatory fees, regulatory structure, topics that I think are better addressed by Commission Staff and Public Counsel and that are beyond the role of the contractors and	2 3 4 5 6 7 8 9 10 11 12	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they will include all sorts of costs and things that really make the price of a lease product way more expensive than a price of a sales product, but when you add Puget as a "trusted provider" as they say, coupled with a imprimatur by the Utilities and Transportation Commission, the customers will be at a very big disadvantage because they won't have the information and be able to make those sorts of choices in the market. So that's very directly a market type of issue. Also related to market is the complexity of
2 3 4 5 6 7 8 9 10 11 12 13	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information. I think that's intrinsic to who they are in contractors in the marketplace. And SMACNA, for example, frankly has more exhibits than any other party in this case, and many of them delve into issues such as PSE's tax structure with the proposed program, accounting, regulatory fees, regulatory structure, topics that I think are better addressed by Commission Staff and Public Counsel and that are beyond the role of the contractors and intervenors who were here to provide market information	2 3 4 5 6 7 8 9 10 11 12 13	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they will include all sorts of costs and things that really make the price of a lease product way more expensive than a price of a sales product, but when you add Puget as a "trusted provider" as they say, coupled with a imprimatur by the Utilities and Transportation Commission, the customers will be at a very big disadvantage because they won't have the information and be able to make those sorts of choices in the market. So that's very directly a market type of issue.
2 3 4 5 6 7 8 9 10 11 12 13 14	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information. I think that's intrinsic to who they are in contractors in the marketplace. And SMACNA, for example, frankly has more exhibits than any other party in this case, and many of them delve into issues such as PSE's tax structure with the proposed program, accounting, regulatory fees, regulatory structure, topics that I think are better addressed by Commission Staff and Public Counsel and that are beyond the role of the contractors and intervenors who were here to provide market information as to really necessarily who they are as contractors.	2 3 4 5 6 7 8 9 10 11 12 13 14	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they will include all sorts of costs and things that really make the price of a lease product way more expensive than a price of a sales product, but when you add Puget as a "trusted provider" as they say, coupled with a imprimatur by the Utilities and Transportation Commission, the customers will be at a very big disadvantage because they won't have the information and be able to make those sorts of choices in the market. So that's very directly a market type of issue. Also related to market is the complexity of
2 3 4 5 6 7 8 9 10 11 12 13 14 15	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information. I think that's intrinsic to who they are in contractors in the marketplace. And SMACNA, for example, frankly has more exhibits than any other party in this case, and many of them delve into issues such as PSE's tax structure with the proposed program, accounting, regulatory fees, regulatory structure, topics that I think are better addressed by Commission Staff and Public Counsel and that are beyond the role of the contractors and intervenors who were here to provide market information as to really necessarily who they are as contractors. They had market information that they offered to the Commission, as part of this case that they could provide as to how PSE's program would apply	2 3 4 5 6 7 8 9 10 11 12 13 14 15	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they will include all sorts of costs and things that really make the price of a lease product way more expensive than a price of a sales product, but when you add Puget as a "trusted provider" as they say, coupled with a imprimatur by the Utilities and Transportation Commission, the customers will be at a very big disadvantage because they won't have the information and be able to make those sorts of choices in the market. So that's very directly a market type of issue. Also related to market is the complexity of the process. A number of our documents go into talking about how does a customer taking a lease product figure things out. One of those issues is going to be, well,
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information. I think that's intrinsic to who they are in contractors in the marketplace. And SMACNA, for example, frankly has more exhibits than any other party in this case, and many of them delve into issues such as PSE's tax structure with the proposed program, accounting, regulatory fees, regulatory structure, topics that I think are better addressed by Commission Staff and Public Counsel and that are beyond the role of the contractors and intervenors who were here to provide market information as to really necessarily who they are as contractors. They had market information that they offered to the Commission, as part of this case that	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they will include all sorts of costs and things that really make the price of a lease product way more expensive than a price of a sales product, but when you add Puget as a "trusted provider" as they say, coupled with a imprimatur by the Utilities and Transportation Commission, the customers will be at a very big disadvantage because they won't have the information and be able to make those sorts of choices in the market. So that's very directly a market type of issue. Also related to market is the complexity of the process. A number of our documents go into talking about how does a customer taking a lease product figure
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information. I think that's intrinsic to who they are in contractors in the marketplace. And SMACNA, for example, frankly has more exhibits than any other party in this case, and many of them delve into issues such as PSE's tax structure with the proposed program, accounting, regulatory fees, regulatory structure, topics that I think are better addressed by Commission Staff and Public Counsel and that are beyond the role of the contractors and intervenors who were here to provide market information as to really necessarily who they are as contractors. They had market information that they offered to the Commission, as part of this case that they could provide as to how PSE's program would apply to rate pairs, and we believe that many of the exhibits go far beyond that role. And so that's we can go	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they will include all sorts of costs and things that really make the price of a lease product way more expensive than a price of a sales product, but when you add Puget as a "trusted provider" as they say, coupled with a imprimatur by the Utilities and Transportation Commission, the customers will be at a very big disadvantage because they won't have the information and be able to make those sorts of choices in the market. So that's very directly a market type of issue. Also related to market is the complexity of the process. A number of our documents go into talking about how does a customer taking a lease product figure things out. One of those issues is going to be, well,
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information. I think that's intrinsic to who they are in contractors in the marketplace. And SMACNA, for example, frankly has more exhibits than any other party in this case, and many of them delve into issues such as PSE's tax structure with the proposed program, accounting, regulatory fees, regulatory structure, topics that I think are better addressed by Commission Staff and Public Counsel and that are beyond the role of the contractors and intervenors who were here to provide market information as to really necessarily who they are as contractors. They had market information that they offered to the Commission, as part of this case that they could provide as to how PSE's program would apply to rate pairs, and we believe that many of the exhibits	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they will include all sorts of costs and things that really make the price of a lease product way more expensive than a price of a sales product, but when you add Puget as a "trusted provider" as they say, coupled with a imprimatur by the Utilities and Transportation Commission, the customers will be at a very big disadvantage because they won't have the information and be able to make those sorts of choices in the market. So that's very directly a market type of issue. Also related to market is the complexity of the process. A number of our documents go into talking about how does a customer taking a lease product figure things out. One of those issues is going to be, well, what about all the taxes that are going to be passed
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information. I think that's intrinsic to who they are in contractors in the marketplace. And SMACNA, for example, frankly has more exhibits than any other party in this case, and many of them delve into issues such as PSE's tax structure with the proposed program, accounting, regulatory fees, regulatory structure, topics that I think are better addressed by Commission Staff and Public Counsel and that are beyond the role of the contractors and intervenors who were here to provide market information as to really necessarily who they are as contractors. They had market information that they offered to the Commission, as part of this case that they could provide as to how PSE's program would apply to rate pairs, and we believe that many of the exhibits go far beyond that role. And so that's we can go	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they will include all sorts of costs and things that really make the price of a lease product way more expensive than a price of a sales product, but when you add Puget as a "trusted provider" as they say, coupled with a imprimatur by the Utilities and Transportation Commission, the customers will be at a very big disadvantage because they won't have the information and be able to make those sorts of choices in the market. So that's very directly a market type of issue. Also related to market is the complexity of the process. A number of our documents go into talking about how does a customer taking a lease product figure things out. One of those issues is going to be, well, what about all the taxes that are going to be passed through? Those aren't in the price of the product as
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information. I think that's intrinsic to who they are in contractors in the marketplace. And SMACNA, for example, frankly has more exhibits than any other party in this case, and many of them delve into issues such as PSE's tax structure with the proposed program, accounting, regulatory fees, regulatory structure, topics that I think are better addressed by Commission Staff and Public Counsel and that are beyond the role of the contractors and intervenors who were here to provide market information as to really necessarily who they are as contractors. They had market information that they offered to the Commission, as part of this case that they could provide as to how PSE's program would apply to rate pairs, and we believe that many of the exhibits go far beyond that role. And so that's we can go through each one, but that's our general objection.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they will include all sorts of costs and things that really make the price of a lease product way more expensive than a price of a sales product, but when you add Puget as a "trusted provider" as they say, coupled with a imprimatur by the Utilities and Transportation Commission, the customers will be at a very big disadvantage because they won't have the information and be able to make those sorts of choices in the market. So that's very directly a market type of issue. Also related to market is the complexity of the process. A number of our documents go into talking about how does a customer taking a lease product figure things out. One of those issues is going to be, well, what about all the taxes that are going to be passed through? Those aren't in the price of the product as they are in an unregulated product. Those are passed through by a different tariff. So at some point, customers, that's what we're all about here, are going
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information. I think that's intrinsic to who they are in contractors in the marketplace. And SMACNA, for example, frankly has more exhibits than any other party in this case, and many of them delve into issues such as PSE's tax structure with the proposed program, accounting, regulatory fees, regulatory structure, topics that I think are better addressed by Commission Staff and Public Counsel and that are beyond the role of the contractors and intervenors who were here to provide market information as to really necessarily who they are as contractors. They had market information that they offered to the Commission, as part of this case that they could provide as to how PSE's program would apply to rate pairs, and we believe that many of the exhibits go far beyond that role. And so that's we can go through each one, but that's our general objection. JUDGE KOPTA: All right. Mr. Goltz?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they will include all sorts of costs and things that really make the price of a lease product way more expensive than a price of a sales product, but when you add Puget as a "trusted provider" as they say, coupled with a imprimatur by the Utilities and Transportation Commission, the customers will be at a very big disadvantage because they won't have the information and be able to make those sorts of choices in the market. So that's very directly a market type of issue. Also related to market is the complexity of the process. A number of our documents go into talking about how does a customer taking a lease product figure things out. One of those issues is going to be, well, what about all the taxes that are going to be passed through? Those aren't in the price of the product as they are in an unregulated product. Those are passed through by a different tariff. So at some point,
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information. I think that's intrinsic to who they are in contractors in the marketplace. And SMACNA, for example, frankly has more exhibits than any other party in this case, and many of them delve into issues such as PSE's tax structure with the proposed program, accounting, regulatory fees, regulatory structure, topics that I think are better addressed by Commission Staff and Public Counsel and that are beyond the role of the contractors and intervenors who were here to provide market information as to really necessarily who they are as contractors. They had market information that they offered to the Commission, as part of this case that they could provide as to how PSE's program would apply to rate pairs, and we believe that many of the exhibits go far beyond that role. And so that's we can go through each one, but that's our general objection. JUDGE KOPTA: All right. Mr. Goltz? MR. GOLTZ: Thank you, Your Honor. And	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they will include all sorts of costs and things that really make the price of a lease product way more expensive than a price of a sales product, but when you add Puget as a "trusted provider" as they say, coupled with a imprimatur by the Utilities and Transportation Commission, the customers will be at a very big disadvantage because they won't have the information and be able to make those sorts of choices in the market. So that's very directly a market type of issue. Also related to market is the complexity of the process. A number of our documents go into talking about how does a customer taking a lease product figure things out. One of those issues is going to be, well, what about all the taxes that are going to be passed through? Those aren't in the price of the product as they are in an unregulated product. Those are passed through by a different tariff. So at some point, customers, that's what we're all about here, are going
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Honor's prehearing conference order, it restricted the role of the Intervenors to providing market information. I think that's intrinsic to who they are in contractors in the marketplace. And SMACNA, for example, frankly has more exhibits than any other party in this case, and many of them delve into issues such as PSE's tax structure with the proposed program, accounting, regulatory fees, regulatory structure, topics that I think are better addressed by Commission Staff and Public Counsel and that are beyond the role of the contractors and intervenors who were here to provide market information as to really necessarily who they are as contractors. They had market information that they offered to the Commission, as part of this case that they could provide as to how PSE's program would apply to rate pairs, and we believe that many of the exhibits go far beyond that role. And so that's we can go through each one, but that's our general objection. JUDGE KOPTA: All right. Mr. Goltz? MR. GOLTZ: Thank you, Your Honor. And Puget contacted me on Friday about the objections to	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	sufficient. And we're saying that's an inaccurate imprimatur in the sense that the rates are by no means fair, just, reasonable, and sufficient, because they will include all sorts of costs and things that really make the price of a lease product way more expensive than a price of a sales product, but when you add Puget as a "trusted provider" as they say, coupled with a imprimatur by the Utilities and Transportation Commission, the customers will be at a very big disadvantage because they won't have the information and be able to make those sorts of choices in the market. So that's very directly a market type of issue. Also related to market is the complexity of the process. A number of our documents go into talking about how does a customer taking a lease product figure things out. One of those issues is going to be, well, what about all the taxes that are going to be passed through? Those aren't in the price of the product as they are in an unregulated product. Those are passed through by a different tariff. So at some point, customers, that's what we're all about here, are going to be very much surprised by that issue. Another issue one of our documents gets

	CKELINOS. UE-1516/ 1 AND UG-1516/2 - VOI. III		WOTC V. Puget Sound Energy
-	Page 87		Page 89
1	lease tariff; it's a sales tariff. And at some point in	1	JUDGE KOPTA: Okay.
2	the process, and we'd like to ask Mr. McCulloch about	2	Mr. King, did you have any objections?
3	this some more, at some point in the process, a customer	3	MR. KING: No, Your Honor.
4	can say, you know, I think I want to buy this. I'm	4	JUDGE KOPTA: Okay. All right, so,
5	going to sell my house. I had this it's a 17-year	5	Mr. Casey, why don't you go ahead and make your
6	lease term, I'm going to I'm ten years into it, I'm	6	argument.
/	selling my house. I've got to convert this lease over	7	MR. CASEY: Commission Staff asked the
8 9	to the new purchaser of my house. How do I do that?	8 9	Commission to exclude Exhibit MBM-4 from the record in
	Well, there's a provision in the tariff for a sale there's legal issues with that we can get to	9 10	these documents. MBM-4 is the Cocker Fennessy survey relied on by PSE's witnesses to show customer interest
10 11	later, but the relevancy of it is, and we have a	11	in the proposed leasing program.
12	DR response in the record about this, it's very, very	12	Commission Staff moves to strike this
	difficult for the customer to figure out, okay, I'm now		exhibit under WAC 480-07-375(d) which permits parties to
13	in this regulated market. How do I figure out how much	13	move, to add, or subtract from the record, and the
14	I have to pay to buy this product ten years into the	14 15	motion is based on WAC 480-07-495(1) which permits the
15	lease, five years into the lease or whatever. So	15	presiding offer to exclude evidence that is irrelevant.
16 17	JUDGE KOPTA: Let me stop you there,	17	WAC 480-07-495 provides that Washington
18	Mr. Goltz. It's become apparent to me that this is	18	Civil Rules for Superior Court inform the Commission's
19	intertwined with a lot of the stuff that we're going to	10 19	definition of relevance. Those rules provide that
20	talk about with the witnesses and the commissioners. I	20	relevant evidence is "evidence having any tendency to
20	don't think that ruling on it by me at this point is	20	make the existence of any fact that is of consequence to
21	going to make much sense.	22	the determination of the action more probable or less
23	So I think we will wait until they're	23	probable than it would be without the evidence." And
24	offered during your cross-examination, and then we can	24	that's ER 401. The proponent of evidence, which is PSE,
25	take it up with the commissioners to see what they want	25	bears the burden of establishing its relevance and
	Page 88	23	
1		1	Page 90 materiality.
1 2	to hear. At this point it's really their case. When I	1 2	materiality.
	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me.		materiality. Exhibit MBM-4 should be excluded because the
2	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me. And while I can make some decisions on my own, I'd	2	materiality. Exhibit MBM-4 should be excluded because the evidence is irrelevant for three reasons, and I'll just
2 3	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me.	2 3	materiality. Exhibit MBM-4 should be excluded because the
2 3 4	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me. And while I can make some decisions on my own, I'd prefer to have the commissioners decide what they	2 3 4	materiality. Exhibit MBM-4 should be excluded because the evidence is irrelevant for three reasons, and I'll just list those reasons quickly, and I'll go into an argument
2 3 4	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me. And while I can make some decisions on my own, I'd prefer to have the commissioners decide what they believe should be part of the record and offered by	2 3 4 5	materiality. Exhibit MBM-4 should be excluded because the evidence is irrelevant for three reasons, and I'll just list those reasons quickly, and I'll go into an argument for each one.
2 3 4 5 6	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me. And while I can make some decisions on my own, I'd prefer to have the commissioners decide what they believe should be part of the record and offered by whom. So I think we'll just put those on hold for now.	2 3 4 5 6	materiality. Exhibit MBM-4 should be excluded because the evidence is irrelevant for three reasons, and I'll just list those reasons quickly, and I'll go into an argument for each one. The first reason is the study is
2 3 4 5 6 7	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me. And while I can make some decisions on my own, I'd prefer to have the commissioners decide what they believe should be part of the record and offered by whom. So I think we'll just put those on hold for now. And with respect to the cross-exhibits from	2 3 4 5 6 7	materiality. Exhibit MBM-4 should be excluded because the evidence is irrelevant for three reasons, and I'll just list those reasons quickly, and I'll go into an argument for each one. The first reason is the study is fundamentally flawed due to the bias presented in its
2 3 4 5 6 7 8	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me. And while I can make some decisions on my own, I'd prefer to have the commissioners decide what they believe should be part of the record and offered by whom. So I think we'll just put those on hold for now. And with respect to the cross-exhibits from Staff, those are just wait-and-see on those, as well, as	2 3 4 5 6 7 8	materiality. Exhibit MBM-4 should be excluded because the evidence is irrelevant for three reasons, and I'll just list those reasons quickly, and I'll go into an argument for each one. The first reason is the study is fundamentally flawed due to the bias presented in its creation.
2 3 4 5 6 7 8 9	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me. And while I can make some decisions on my own, I'd prefer to have the commissioners decide what they believe should be part of the record and offered by whom. So I think we'll just put those on hold for now. And with respect to the cross-exhibits from Staff, those are just wait-and-see on those, as well, as I recall.	2 3 4 5 6 7 8 9	materiality. Exhibit MBM-4 should be excluded because the evidence is irrelevant for three reasons, and I'll just list those reasons quickly, and I'll go into an argument for each one. The first reason is the study is fundamentally flawed due to the bias presented in its creation. Second, PSE failed to produce any testimony
2 3 4 5 6 7 8 9	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me. And while I can make some decisions on my own, I'd prefer to have the commissioners decide what they believe should be part of the record and offered by whom. So I think we'll just put those on hold for now. And with respect to the cross-exhibits from Staff, those are just wait-and-see on those, as well, as I recall. MS. CARSON: That's correct.	2 3 4 5 6 7 8 9 10	materiality. Exhibit MBM-4 should be excluded because the evidence is irrelevant for three reasons, and I'll just list those reasons quickly, and I'll go into an argument for each one. The first reason is the study is fundamentally flawed due to the bias presented in its creation. Second, PSE failed to produce any testimony or evidence stating that Cocker Fennessy designed the
2 3 4 5 7 8 9 10 11	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me. And while I can make some decisions on my own, I'd prefer to have the commissioners decide what they believe should be part of the record and offered by whom. So I think we'll just put those on hold for now. And with respect to the cross-exhibits from Staff, those are just wait-and-see on those, as well, as I recall. MS. CARSON: That's correct. JUDGE KOPTA: So then Staff, I believe, you	2 3 4 5 6 7 8 9 10 11	materiality. Exhibit MBM-4 should be excluded because the evidence is irrelevant for three reasons, and I'll just list those reasons quickly, and I'll go into an argument for each one. The first reason is the study is fundamentally flawed due to the bias presented in its creation. Second, PSE failed to produce any testimony or evidence stating that Cocker Fennessy designed the study using proper methodology or followed that proper
2 3 4 5 7 8 9 10 11 12	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me. And while I can make some decisions on my own, I'd prefer to have the commissioners decide what they believe should be part of the record and offered by whom. So I think we'll just put those on hold for now. And with respect to the cross-exhibits from Staff, those are just wait-and-see on those, as well, as I recall. MS. CARSON: That's correct. JUDGE KOPTA: So then Staff, I believe, you had an objection to one or more exhibits?	2 3 4 5 6 7 8 9 10 11 12	materiality. Exhibit MBM-4 should be excluded because the evidence is irrelevant for three reasons, and I'll just list those reasons quickly, and I'll go into an argument for each one. The first reason is the study is fundamentally flawed due to the bias presented in its creation. Second, PSE failed to produce any testimony or evidence stating that Cocker Fennessy designed the study using proper methodology or followed that proper methodology when performing this study.
2 3 4 5 6 7 8 9 10 11 12 13	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me. And while I can make some decisions on my own, I'd prefer to have the commissioners decide what they believe should be part of the record and offered by whom. So I think we'll just put those on hold for now. And with respect to the cross-exhibits from Staff, those are just wait-and-see on those, as well, as I recall. MS. CARSON: That's correct. JUDGE KOPTA: So then Staff, I believe, you had an objection to one or more exhibits? MR. CASEY: Yes, Your Honor. Staff objects	2 3 4 5 6 7 8 9 10 11 12 13	materiality. Exhibit MBM-4 should be excluded because the evidence is irrelevant for three reasons, and I'll just list those reasons quickly, and I'll go into an argument for each one. The first reason is the study is fundamentally flawed due to the bias presented in its creation. Second, PSE failed to produce any testimony or evidence stating that Cocker Fennessy designed the study using proper methodology or followed that proper methodology when performing this study. And third, the study is fundamentally flawed
2 3 4 5 6 7 8 9 10 11 12 13 14	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me. And while I can make some decisions on my own, I'd prefer to have the commissioners decide what they believe should be part of the record and offered by whom. So I think we'll just put those on hold for now. And with respect to the cross-exhibits from Staff, those are just wait-and-see on those, as well, as I recall. MS. CARSON: That's correct. JUDGE KOPTA: So then Staff, I believe, you had an objection to one or more exhibits? MR. CASEY: Yes, Your Honor. Staff objects to Exhibit Number MBM-4 and wants it to be excluded from	2 3 4 5 6 7 8 9 10 11 12 13 14	materiality. Exhibit MBM-4 should be excluded because the evidence is irrelevant for three reasons, and I'll just list those reasons quickly, and I'll go into an argument for each one. The first reason is the study is fundamentally flawed due to the bias presented in its creation. Second, PSE failed to produce any testimony or evidence stating that Cocker Fennessy designed the study using proper methodology or followed that proper methodology when performing this study. And third, the study is fundamentally flawed because it fails to provide critical information to
2 3 4 5 6 7 8 9 10 11 12 13 14 15	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me. And while I can make some decisions on my own, I'd prefer to have the commissioners decide what they believe should be part of the record and offered by whom. So I think we'll just put those on hold for now. And with respect to the cross-exhibits from Staff, those are just wait-and-see on those, as well, as I recall. MS. CARSON: That's correct. JUDGE KOPTA: So then Staff, I believe, you had an objection to one or more exhibits? MR. CASEY: Yes, Your Honor. Staff objects to Exhibit Number MBM-4 and wants it to be excluded from the record and is prepared to make a substantive	2 3 4 5 6 7 8 9 10 11 12 13 14 15	materiality. Exhibit MBM-4 should be excluded because the evidence is irrelevant for three reasons, and I'll just list those reasons quickly, and I'll go into an argument for each one. The first reason is the study is fundamentally flawed due to the bias presented in its creation. Second, PSE failed to produce any testimony or evidence stating that Cocker Fennessy designed the study using proper methodology or followed that proper methodology when performing this study. And third, the study is fundamentally flawed because it fails to provide critical information to participants, specifically the information necessary to
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me. And while I can make some decisions on my own, I'd prefer to have the commissioners decide what they believe should be part of the record and offered by whom. So I think we'll just put those on hold for now. And with respect to the cross-exhibits from Staff, those are just wait-and-see on those, as well, as I recall. MS. CARSON: That's correct. JUDGE KOPTA: So then Staff, I believe, you had an objection to one or more exhibits? MR. CASEY: Yes, Your Honor. Staff objects to Exhibit Number MBM-4 and wants it to be excluded from the record and is prepared to make a substantive argument as to why that should be.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	materiality. Exhibit MBM-4 should be excluded because the evidence is irrelevant for three reasons, and I'll just list those reasons quickly, and I'll go into an argument for each one. The first reason is the study is fundamentally flawed due to the bias presented in its creation. Second, PSE failed to produce any testimony or evidence stating that Cocker Fennessy designed the study using proper methodology or followed that proper methodology when performing this study. And third, the study is fundamentally flawed because it fails to provide critical information to participants, specifically the information necessary to compare the proposed leasing program to equipment
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me. And while I can make some decisions on my own, I'd prefer to have the commissioners decide what they believe should be part of the record and offered by whom. So I think we'll just put those on hold for now. And with respect to the cross-exhibits from Staff, those are just wait-and-see on those, as well, as I recall. MS. CARSON: That's correct. JUDGE KOPTA: So then Staff, I believe, you had an objection to one or more exhibits? MR. CASEY: Yes, Your Honor. Staff objects to Exhibit Number MBM-4 and wants it to be excluded from the record and is prepared to make a substantive argument as to why that should be. JUDGE KOPTA: Is that the only exhibit to	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	materiality. Exhibit MBM-4 should be excluded because the evidence is irrelevant for three reasons, and I'll just list those reasons quickly, and I'll go into an argument for each one. The first reason is the study is fundamentally flawed due to the bias presented in its creation. Second, PSE failed to produce any testimony or evidence stating that Cocker Fennessy designed the study using proper methodology or followed that proper methodology when performing this study. And third, the study is fundamentally flawed because it fails to provide critical information to participants, specifically the information necessary to compare the proposed leasing program to equipment purchases.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me. And while I can make some decisions on my own, I'd prefer to have the commissioners decide what they believe should be part of the record and offered by whom. So I think we'll just put those on hold for now. And with respect to the cross-exhibits from Staff, those are just wait-and-see on those, as well, as I recall. MS. CARSON: That's correct. JUDGE KOPTA: So then Staff, I believe, you had an objection to one or more exhibits? MR. CASEY: Yes, Your Honor. Staff objects to Exhibit Number MBM-4 and wants it to be excluded from the record and is prepared to make a substantive argument as to why that should be. JUDGE KOPTA: Is that the only exhibit to which you object?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	materiality. Exhibit MBM-4 should be excluded because the evidence is irrelevant for three reasons, and I'll just list those reasons quickly, and I'll go into an argument for each one. The first reason is the study is fundamentally flawed due to the bias presented in its creation. Second, PSE failed to produce any testimony or evidence stating that Cocker Fennessy designed the study using proper methodology or followed that proper methodology when performing this study. And third, the study is fundamentally flawed because it fails to provide critical information to participants, specifically the information necessary to compare the proposed leasing program to equipment purchases. With regard to the first point, which is the
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me. And while I can make some decisions on my own, I'd prefer to have the commissioners decide what they believe should be part of the record and offered by whom. So I think we'll just put those on hold for now. And with respect to the cross-exhibits from Staff, those are just wait-and-see on those, as well, as I recall. MS. CARSON: That's correct. JUDGE KOPTA: So then Staff, I believe, you had an objection to one or more exhibits? MR. CASEY: Yes, Your Honor. Staff objects to Exhibit Number MBM-4 and wants it to be excluded from the record and is prepared to make a substantive argument as to why that should be. JUDGE KOPTA: Is that the only exhibit to which you object? MR. CASEY: Yes.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	materiality. Exhibit MBM-4 should be excluded because the evidence is irrelevant for three reasons, and I'll just list those reasons quickly, and I'll go into an argument for each one. The first reason is the study is fundamentally flawed due to the bias presented in its creation. Second, PSE failed to produce any testimony or evidence stating that Cocker Fennessy designed the study using proper methodology or followed that proper methodology when performing this study. And third, the study is fundamentally flawed because it fails to provide critical information to participants, specifically the information necessary to compare the proposed leasing program to equipment purchases. With regard to the first point, which is the study is fundamentally flawed due to the bias presented
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me. And while I can make some decisions on my own, I'd prefer to have the commissioners decide what they believe should be part of the record and offered by whom. So I think we'll just put those on hold for now. And with respect to the cross-exhibits from Staff, those are just wait-and-see on those, as well, as I recall. MS. CARSON: That's correct. JUDGE KOPTA: So then Staff, I believe, you had an objection to one or more exhibits? MR. CASEY: Yes, Your Honor. Staff objects to Exhibit Number MBM-4 and wants it to be excluded from the record and is prepared to make a substantive argument as to why that should be. JUDGE KOPTA: Is that the only exhibit to which you object? MR. CASEY: Yes. JUDGE KOPTA: Are there objections on	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	materiality. Exhibit MBM-4 should be excluded because the evidence is irrelevant for three reasons, and I'll just list those reasons quickly, and I'll go into an argument for each one. The first reason is the study is fundamentally flawed due to the bias presented in its creation. Second, PSE failed to produce any testimony or evidence stating that Cocker Fennessy designed the study using proper methodology or followed that proper methodology when performing this study. And third, the study is fundamentally flawed because it fails to provide critical information to participants, specifically the information necessary to compare the proposed leasing program to equipment purchases. With regard to the first point, which is the study is fundamentally flawed due to the bias presented in creation, Perkins Coie contracted Cocker Fennessy to
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me. And while I can make some decisions on my own, I'd prefer to have the commissioners decide what they believe should be part of the record and offered by whom. So I think we'll just put those on hold for now. And with respect to the cross-exhibits from Staff, those are just wait-and-see on those, as well, as I recall. MS. CARSON: That's correct. JUDGE KOPTA: So then Staff, I believe, you had an objection to one or more exhibits? MR. CASEY: Yes, Your Honor. Staff objects to Exhibit Number MBM-4 and wants it to be excluded from the record and is prepared to make a substantive argument as to why that should be. JUDGE KOPTA: Is that the only exhibit to which you object? MR. CASEY: Yes. JUDGE KOPTA: Are there objections on exhibits from any other party or is this the scope?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	materiality. Exhibit MBM-4 should be excluded because the evidence is irrelevant for three reasons, and I'll just list those reasons quickly, and I'll go into an argument for each one. The first reason is the study is fundamentally flawed due to the bias presented in its creation. Second, PSE failed to produce any testimony or evidence stating that Cocker Fennessy designed the study using proper methodology or followed that proper methodology when performing this study. And third, the study is fundamentally flawed because it fails to provide critical information to participants, specifically the information necessary to compare the proposed leasing program to equipment purchases. With regard to the first point, which is the study is fundamentally flawed due to the bias presented in creation, Perkins Coie contracted Cocker Fennessy to develop the survey for the purpose of this litigation to
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	to hear. At this point it's really their case. When I made my Prehearing Conference Order, that was for me. And while I can make some decisions on my own, I'd prefer to have the commissioners decide what they believe should be part of the record and offered by whom. So I think we'll just put those on hold for now. And with respect to the cross-exhibits from Staff, those are just wait-and-see on those, as well, as I recall. MS. CARSON: That's correct. JUDGE KOPTA: So then Staff, I believe, you had an objection to one or more exhibits? MR. CASEY: Yes, Your Honor. Staff objects to Exhibit Number MBM-4 and wants it to be excluded from the record and is prepared to make a substantive argument as to why that should be. JUDGE KOPTA: Is that the only exhibit to which you object? MR. CASEY: Yes. JUDGE KOPTA: Are there objections on exhibits from any other party or is this the scope? MS. GAFKEN: I believe there was only one	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	materiality. Exhibit MBM-4 should be excluded because the evidence is irrelevant for three reasons, and I'll just list those reasons quickly, and I'll go into an argument for each one. The first reason is the study is fundamentally flawed due to the bias presented in its creation. Second, PSE failed to produce any testimony or evidence stating that Cocker Fennessy designed the study using proper methodology or followed that proper methodology when performing this study. And third, the study is fundamentally flawed because it fails to provide critical information to participants, specifically the information necessary to compare the proposed leasing program to equipment purchases. With regard to the first point, which is the study is fundamentally flawed due to the bias presented in creation, Perkins Coie contracted Cocker Fennessy to develop the survey for the purpose of this litigation to substantiate PSE's deficient proposal.

Page 91         Page 93           I February 4th, 2016. PSE's witnesses provided the survey         in burden of showing the survey is relevant and material.           i questions Coder Fennessy and then relevant questions         carried out.           is participation in the study on of different tyman.         the Commission should treat PSE's employees'           is participation in the study on of different tyman.         the Commission should treat PSE's employees'           is reason.         the study on of different tyman.           is reason.         the study on of different tyman.           is reason.         the study on of these kinds of           is dividicative proceedings.         the study on otherse y testifies           is dividicative proceedings.         the study on otherse y testifies           is dividicative proceedings.         the study on otherse y testifies           is dividicative proceedings.         the study on these kinds of           is dividicative proceedings.         the study on these kinds of           is process can render a survey indifferent the the testify.         the different tyman.           is process can render a survey indifferent ensure.         the different tyman.           is process can render a survey indifference.         the different tyman.           is process can render a survey indifference.         the commission the study on or operentenchecode tyme.		CRELINUS. DE-13107 I AND UG-131072 - VOI. III		
2       Injust to Cocker Fennessy and then reviewed the survey contained the relevant questions.       2       meaning, showing the survey was properly designed and carried out.         3       The Commission should treat PSE's employees' participation in the study no fidernity than it would feature the participation of lawyers. PSE has every reason to shape this study to reach a desired result.       9         4       No whenes from Cocker Fennessy testifies 10       9         10       The fact or consequence in these dockets is whether PSE's customers would use the proposed leasing participation on to to do so requires 13         12       Inductative proceedings.       13         13       Edimension of hases powice, meaning the Survey is impartable.       13         14       Fenessy does not testify, this, because Cocker 14       The Cocker Fennessy Survey informed         15       Evidence similar to those governing the Commissions 24       14       The Cocker Fennessy Survey informed         15       Evidence similar to those governing the Commissions 24       16       The Cocker Fennessy Survey informed         16       Evidence similar to those governing the survey was properly designed and 25       26       27         17       the admission of those involved in the litigation 26       16       The Cocker Fennessy Survey informed         16       the admission of those involved in the litigation 26       16       16       17	-	Page 91		Page 93
a guestions Cocker Fennessy drafted to ensure that the survey contained the relevant questions.       Third, the study is fundamentally flawed         b guestions Cocker Fennessy traffect to ensure that the survey is fundamentally flawed       Third, the study is fundamentally flawed         compare the proposed leasing program to equipment       participation of always with the survey is fundamentally flawed         compare the proposed leasing program to equipment       participation of always with the survey is hearsay and         compare the proposed leasing view in the set kinds of alguideative proceedings.       participation of always with energy is hearsay and         compare the proposed leasing view in fiber profile that is normally allowed in these kinds of alguideative proceedings.       participation of always with energy is hearsay and         compare the process of compare profiles for leased equipment.       by process compare the equipment.         compare the process of leased equipment.       by process compare the equipment.         compare the process of leased equipment.       by process compare the quipment.         compare the process of leased equipment.       by process compare the quipment.         compare the process of leased equipment.       by process compare the quipment.         compare the process of leased equipment.       by process compare the quipment.         compare the process of leased equipment.       by process compare the quipment.         compare the process of leased equipment.				
4       Third. The study is fundamentally flawed         5       The Commission should treat PSE's employees'       5         6       participation in the study to differently than it would       5         7       treat the participation of lawyers. PSE has every       7         8       reson to shape this study to reach a desired result.       9         9       No witness from Cocker Fennessy testifies       9         10       that this survey is hearsay and       10         12       fortace study is fundamentally the information necessary to         13       divident proceedings.       11         14       Federal courts interpreting the Rules of       12       PSE's customers to compare prices for leased equipment.         14       Federal courts interpreting the Rules of       13       participatits that the monthly tarff charge would be         15       process can render a survey inadmissible.       19       process can render a survey inadmissible.         14       heardsay evidence in the past. ALJ Moss has rejected this       14       provide anterial information, including the total         14       heardsay evidence in the past. ALJ Moss bas rejected this       12       provide anterial information, including the total         15       horize dece Cocker Fennessy Survey failed to       12       indicitation, inclu				
5     The Commission should treat PSE's employees'     5       6     participation in the study to different PSE's every     5       7     reast the participation of lawyers. PSE has every     6       8     reason to shape this study to reach a desired result.     8       10     how thress from Cocker Fernessy testifies     9       11     Federal courts interpreting the Rules of     11       12     Federal courts interpreting the Rules of     12       13     Adjuidicative proceedings.     13       14     Federal courts interpreting the Rules of     14       15     Evidence similar to those governing the Commission's     15       14     Federal courts interpreting the Rules of     14       15     Evidence similar to those governing the Commission's     16       16     participantis and the monthy lattif charge would be     18       17     The admission of those involved in the litigation     18       18     participantis and the cocker Fernessy Survey indimissible.     19       19     The commission has also rejected similar     18       10     The second reason is PSE failed to produe     18       11     that proceeding.     19       12     any testimony or evidence stating that Cocker Fernessy Survey failed to produe       2     any testimony or ev				
c       participation in the study no differently than it would       c       participants, specifically the information necessary to compare the proposed leasing program to equipment         i       reason to shape this study to reach a desired result.       ormare the proposed leasing program to equipment         i       participants, specifically the information necessary to compare the proposed leasing program to equipment         i       participants, specifically the information necessary to compare prices for the seed deckets is         i       how where so that is this survey is hearsay and         i       participants net the contined couplement.         i       adjudicative proceedings.         i       Performation of nearsey vidence, meaning rule sallowing         i       adjudicative proceedings.         i       adjudicative proceeding.         i       adjudicative proceedings.         i       adjudicative proceedings. <td< td=""><td></td><td></td><td></td><td></td></td<>				
7       Ireat the participation of lawyers. PSE has every       ?       compare the proposed leasing program to equipment         8       No witness from Cocker Fennessy testifies       purchases.       The fact or consequence in these dockets is         10       that this survey is ingarial; thus, because Cocker       10       whether PSE's customers would use the proposed leasing         11       Fennessy does not testify, this survey is hearsay and       11       service, determining whether or not to do so requires         13       adjudicative proceedings.       12       PSE's customers to compare prices for leased equipment.         14       Federal courts interpreting the Rules of       13       admission of trustworthy hearsay, hold that the         15       bridipation of those governing the Commission's       16       admission of trustworthy hearsay, hold that the         16       admission of trustworthy hearsay, hold that the       10       purchase.       repair, and future disposal costs.         16       trying to offer prior testimony of a witness than toxocket, a party was       10       involved.         24       admission of these and prior de witness.       11       infetince cost of the lease and the interest rate         24       admission of trustworthy hearsa, hold that the       12       infetince cost of the lease.       12         24       admission of th				-
is       purchases.         is       purchases. <td< td=""><td></td><td></td><td></td><td></td></td<>				
9     No witness from Cocker Fennessy testifies     9     The fact or consequence in these dockets is       10     that this survey is impartial; thus, because Cocker     10       12     not the kind that is normally allowed in these kinds of     12       13     adjuicative proceedings.     13       14     Federal courts interpreting the Rules of     14     The Cocker Fennessy Survey informed       15     Evidence similar to those governing the Commission's     15       16     admission of thearsay evidence, meaning rules allowing     14     The Cocker Fennessy Survey informed       17     the admission of trustworthy hearsay, hold that the     17     purchase, installation and permitting fees, maintenance,       19     process can render a survey inadmissible.     19     rocker Fennessy Survey failed to       12     admission of the stworthy hearsay, hold that the     10     rowide material information, including the total       14     The Commission has also rejected similar     12     cocker Fennessy Survey failed to       12     admission of witness testimony in Oxeker Fennessy     14     Public Coursel witness Mary Kimball also       14     The second reason is PSE failed to produce     14     Gestime to were field that the Cocker Fennessy's were yailed to       15     any testimony or evidence stating that Cocker Fennessy     SMACNA witness, I'm not exactly sure how to	7			
10       that this survey is impartial; thus, because Cocker       10       whether PSE's customers would use the proposed leasing         11       Fennessy does not testify, this survey is hearsay and       11       service. determining whether or not do so requires         12       not the kind that is normally allowed in the skinds of       11       PSE's customers to compare prices for leased equipment.         13       adjudicative proceedings.       13       to prices for purchased equipment.         14       Federal courts interpreting the Rules of       14       The Cocker Fennessy Survey informed         16       admission of hears avoidence, meaning rules allowing       16       similar to the combined costs of the upfront equipment         17       the admission of trusteworthy hearsay, hold that the       17       purchase dequipment.       18         18       participants that the monthy tariff charge would be       18       instemation and permitting fees, maintenance,         19       protoces can render a survey indmissible.       19       protoces framessy Survey failed to         21       hearsay evidence in the past. ALJ Moss has rejected the       21       information, including the total         22       Avista Decouping Docket. In that docker, a party was       21       ilfelite that the Cocker Fennessy Survey failed to         24       trying to offer prior testimony o				
11       Fennessy does not testify, this survey is hearsay and       11       service, determining whether or not to do so requires         12       not the kind that is normally allowed in these kinds of       13       by Caster of the sade equipment.         14       Federal courts interpreting the Rules of       14       The Cocker Fennessy Survey informed         15       Evidence similar to those governing the Cormission's       15       barticipants that the monthy later approxed to the lingation         16       admitsion of hearsay evidence, meaning rules allowing       16       similar to the combined costs of the upfront equipment         17       the admission of trustworthy hearsay, hold that the       17       purchase, installation and permitting fees, maintenance,         16       participation of those involved in the lingation       16       imiliar to the combined costs.         19       process can render a survey inadmissible.       17       cormission Staff wheness Stard Cebulko         20       The Cocker Fennessy Survey failed to       21       involved.         21       hearsay evidence inthe past. ALJ Moss bascluded It.       22       involved.         23       avites in that proceeding, and ALJ Moss excluded It.       23       involved.         24       trying to offer prior testimony or evidence stating that Cocker Fennessy       24       public Counsel wi	9	-	9	
12       not the kind that is normally allowed in these kinds of       12       PSE's customers to compare prices for leased equipment.         13       adjudicative proceedings.       13       to prices for purchased equipment.         14       Federal courts interpreting the Rules of       14       The Cocker Fennessy Survey informed         15       Evidence similar to those governing the Commission's       15       participants that the monthly tariff charge would be         16       admission of the upfront equipment.       17       purchase, installation and permitting fees, maintenance,         17       the admission of the sort has also rejected similar       10       Torvicase, installation and permitting fees, maintenance,         18       participation of thoses testimony in Docket UE 121697, the       21       Iffettime cost of the lease and the interest rate         12       Avista Decouping Docket. In that docket, a party was       23       involved.       21         14       The second reason is PSE failed to produce       12       failetime cost of the lease.       Page 94         14       The second reason is PSE failed to produce       12       factomers is used that cocker Fennessy's       Page 94         15       only evidence Cocker Fennessy provides about is       5       Fennessy's survey dual not communicate accurate cost in information, the testified that the cocker Fennessy's	10		10	
13       adjudicative proceedings.       13       to prices for purchased equipment.         14       Federal courts interpreting the Rules of       14       The Cocker Fennessy Survey informed         15       Evidence somilar to those governing the Commission's       15       admission of hearsay evidence, meaning rules allowing       15         16       admission of thearsay evidence, meaning rules allowing       15       aparticipation of the monthly tarff charge would be         17       the admission of thus involved in the lifigation       15       participation of those involved in the lifigation         18       participation of those involved in the lifigation       15       repair, and future disposal costs.         19       process can render a survey inadmissible.       19       Commission Staff witness Brad Cebulko         20       The Commission bas also rejected similar       20       testified that the Cocker Fennessy Survey failed to         21       hearsay evidence in the past. ALJ Moss who was not       21       Intolecoursel witness Mary Kimball also         22       avitas becoupling Docket. In that docket, a party was       22       involved.       22         3       designed the study using proper methodology or followed       3       SMACNA witness. In not exactly sure how to         2       any testimony or evidence stating that Cocker Fennessy	11		11	
14       Federal courts interpreting the Rules of       14       The Cocker Fennessy Survey informed         15       Evidence similar to those governing the Commission's       15       participation of hearsay evidence, meaning rules allowing         17       the admission of trustworthy hearsay, hold that the       17       purchase, installation and permitting fees, maintenance,         18       participation of hose involved in the litigation       18       ismilar to the combined costs of the upfornt equipment         17       the admission of a survey vindence       16       frepair, and future disposal costs.         19       process can render a survey inadmissible.       19       Commission Staff witness Brad Cebulko         11       hearsay evidence in the past. ALJ Moss has rejected the       11       orowide material information, including the total         12       hoffer prior testimony of a witness who was not       21       involved.       12         24       trying to offer prior testimony of a witness who was not       23       involved.       12         23       avista Decoupling Docket. In that docket, a party was       14       disclose the total amount customers would pay for       22         24       trying to offer prior testimony of a witness and       14       disclose the total amount customers would pay for       23         2       desig	12		12	
15       Evidence similar to those governing the Commission's       15         16       admission of hearsay evidence, meaning rules allowing       16         17       the admission of trustworthy hearsay, hold that the       17         18       participation of those involved in the tiltigation       18         19       process can render a survey inadmissible.       19         10       The Commission has also rejected similar       19         12       hearsay evidence in the past. ALJ Moss has rejected the       14         21       hearsay evidence in the past. ALJ Moss has rejected the       12         23       Avista Decoupling Docket. In that docket, a party was       23         24       trying to offer prior testimony of a witness who was not       24         2       avitness in that proceeding, and ALJ Moss excluded it.       25         3       Avista Decoupling pocket. In that docket, a party was       26         4       that proceer freenessy sorver failed to produce       24         4       that proceer fernessy provides about its       25         6       methodology comes from two sources. One is a letter       6         7       describes the controls that would ensure the method laid       27         10       Nothing documented by Cocker Fennessy       29	13		13	
16       admission of hearsay evidence, meaning rules allowing       16       similar to the combined costs of the upfront equipment         17       the admission of trustworthy hearsay, hold that the       17       purchase, installation and permitting fees, maintenance,         18       participation of those involved in the litigation       18       repair, and future disposal costs.         19       process can render a survey inadmissible.       19       Commission Staff witness Brad Cebulko         20       The Commission has also rejected similar       20       testified that the Cocker Fennessy Survey failed to         21       hearsay evidence in the past. ALJ Moss has rejected the       20       information, including the total         22       admission of vitness testimony in Docket UE 121697, the       21       lifetime cost of the lease and the interest rate         23       Avista Decoupling Docket. In that docket, a party was       24       Iublic Counsel witness Mary Kimball also         25       a vitestimony or evidence stating that Cocker Fennessy       24       Page 92       Page 94         1       At that proper methodology when performing this study. The       1       disclose the total amount customers would pay for       2         2       any testimony or evidence stating that typicate.       5       Fennessy's survey did not communicate accurate cost       1	14	Federal courts interpreting the Rules of	14	The Cocker Fennessy Survey informed
17       the admission of trustworthy hearsay, hold that the       17         18       participation of those involved in the litigation       18         19       process can render a survey inadmissible.       19         10       The Commission has also rejected similar       10         11       hearsay evidence in the past. ALJ Moss has rejected the       10       commission Staff witness Brad Cebulko         12       hearsay evidence in the past. ALJ Moss has rejected the       11       commission Staff witness bard Cebulko         12       admission of witness testimony in Docket UE 121697, the       11       involved.         14       trying to offer prior testimony of a witness who was not       24       Public Counsel witness Mary Kimball also         15       a witness in that proceeding, and ALJ Moss excluded it.       25       testified that the Cocker Fennessy Survey failed to         1       The second reason is PSE failed to produce       1       disclose the total amount customers would pay for         2       any testimony or evidence Cocker Fennessy revides about its       5       Fennessy's survey disted that Cocker         4       that proper methodology ornes from two sources. One is a letter       6       information. He testified that cocker of         6       methodology comes from two sources. One is a letter       7       phrasing of the surv	15		15	
18       participation of those involved in the litigation       18       repair, and future disposal costs.         19       process can render a survey inadmissible.       19       Commission Staff witness Brad Cebulko         20       The Commission shas also rejected similar       20       testified that the Cocker Fennessy Survey failed to         21       hearsay evidence in the past. ALJ Moss has rejected the       21       provide material information, including the total         22       admission of witness testimony in Docket UE 121697, the       22       lifetime cost of the lease and the interest rate         23       Avista Decouping Docket. In that docket, a party was       24       rying to offer prior testimony of a witness who was not       24         24       trying to offer prior testimony of a witness who was not       24       Public Counsel witness Mary Kimball also         25       a witness in that proceeding, and ALJ Moss excluded it.       25       testified that the Cocker Fennessy Survey failed to         2       any testimony or evidence stating that Cocker Fennessy       2       equipment over the life of the lease.       3         3       designed the study using proper methodology or followed       1       disclose the total amount customers would pay for         4       that proper methodology when performing this study. The       5       Fennessy's survey dial to conmunicate accurat	16	admission of hearsay evidence, meaning rules allowing	16	
19       process can render a survey inadmissible.       19       Commission Staff witness Brad Cebulko         20       The Commission has also rejected similar       20       testified that the Cocker Fennessy Survey failed to         21       hearsay evidence in the past. ALJ Moss has rejected within       20       testified that the Cocker Fennessy Survey failed to         22       admission of witness testimony in Docket UE 121697, the       21       involved.       21         23       Avista Decoupling Docket. In that docket, a party was       23       involved.       Public Counsel witness Mary Kimball also         24       trying to offer prior testimony of a witness who was not       24       Public Counsel witness Mary Kimball also         25       a witness in that proceeding, and ALJ Moss excluded it.       25       testified that the Cocker Fennessy Survey failed to         2       any testimony or evidence staing that Cocker Fennessy       1       disclose the total amount customers would pay for         2       any testimony or evidence staing that Cocker Fennessy Survey failed to cocker Fennessy Survey failed to       2         3       designed the study using proper methodology or followed       1       disclose the total amount customers would pay for         4       that proper methodology when performing this study. The       5       Fennessy's survey did not communicate accurate cost <t< td=""><td>17</td><td>the admission of trustworthy hearsay, hold that the</td><td>17</td><td>purchase, installation and permitting fees, maintenance,</td></t<>	17	the admission of trustworthy hearsay, hold that the	17	purchase, installation and permitting fees, maintenance,
20The Commission has also rejected similar20testified that the Cocker Fennessy Survey failed to21hearsay evidence in the past. ALJ Moss has rejected theadmission of witness testimony in Docket UE 121697, the21provide material information, including the total23Avista Decoupling Dockt. In that docket, a party was11fiftetime cost of the lease and the interest rate23Avista Decoupling Dockt. In that docket, a party was23Involved.24trying to offer prior testimony of a witness who was not24Public Counsel witness Mary Kimball also25a witness in that proceeding, and ALJ Moss excluded it.25Eestified that the Cocker Fennessy Survey failed to26The second reason is PSE failed to produce1disclose the total amount customers would pay for2any testimony or evidence stating that Cocker Fennessy2equipment over the life of the lease.3designed the study using proper methodology or followed4that proper methodology who performing this study. The44methodology comes from two sources. One is a letter6information. He testified that Cocker Fennessy's7describes the controls that would ensure the method laid7phrasing of the survey questions made the cost of8two short paragraphs devoid of substance that preface9equipment, despite the fact that purchasing9the summary's survey results.10And both Mr. Cebulko and Mr. Fluetsch12out was followed, assuming that method is even valid.11And both Mr. Cebulko and Mr. Fl	18	participation of those involved in the litigation	18	repair, and future disposal costs.
21       hearsay evidence in the past. ALJ Moss has rejected the       21       provide material information, including the total         22       admission of witness testimony in Docket UE 121697, the       22       lifetime cost of the lease and the interest rate         23       Avista Decoupling Docket. In that docket, a party was       23       involved.         24       trying to offer prior testimony of a witness who was not       24       Public Counsel witness Mary Kimball also         25       avitation or evidence stating that Cocker Fennessy       24       Page 92         1       The second reason is PSE failed to produce       1       disclose the total amount customers would pay for         2       any testimony or evidence stating that Cocker Fennessy       2       SMACNA witness, I'm not exactly sure how to         3       designed the study using proper methodology oren followed       4       pronouce his name, Fluetsch, testified that Cocker         5       only evidence Cocker Fennessy provides about its       5       Fennessy's survey did not communicate accurate cost         6       methodology comes from two sources.       one is a letter       6       information. He testified that Cocker Fennessy's         9       two short paragraphs devoid of substance that preface       1       describing the survey using two short builtet points and       1         10	19	process can render a survey inadmissible.	19	Commission Staff witness Brad Cebulko
22       admission of witness testimony in Docket UE 121697, the       22       lifetime cost of the lease and the interest rate         23       Avista Decoupling Docket. In that docket, a party was       23       involved.         24       trying to offer prior testimony of a witness who was not       24       Public Counsel witness Mary Kimball also         25       a witness in that proceeding, and ALJ Moss excluded it.       25       testified that the Cocker Fennessy Survey failed to         2       The second reason is PSE failed to produce       1       disclose the total amount customers would pay for         2       any testimony or evidence stating that Cocker Fennessy       2       equipment over the life of the lease.         3       designed the study using proper methodology of followed       3       SMACNA witness, I'm not exactly sure how to         4       tropoer methodology when performing this study. The       4       pronouce his name, Fluetsch, testified that Cocker         6       methodology comes from two sources. One is a letter       6       information. He testified that Cocker Fennessy's         7       describes the controls that would ensure the method laid       11       And both Mr. Cebulko and Mr. Fluetsch         12       out was followed, assuming that method is even valid.       12       testified that the survey would yiel significantly         13       differen	20	The Commission has also rejected similar	20	testified that the Cocker Fennessy Survey failed to
23       Avista Decoupling Docket. In that docket, a party was       23       involved.         24       trying to offer prior testimony of a witness who was not       24       Public Counsel witness Mary Kimball also         25       a witness in that proceeding, and ALJ Moss excluded it.       25       testified that the Cocker Fennessy Survey failed to         26       The second reason is PSE failed to produce       1       disclose the total amount customers would pay for         2       any testimony or evidence stating that Cocker Fennessy       1       disclose the total amount customers would pay for         3       designed the study using proper methodology or followed       1       disclose the total amount customers would pay for         4       that proper methodology when performing this study. The       1       formation. He testified that Cocker         5       only evidence Cocker Fennessy provides about its       5       formation. He testified that Cocker Fennessy's         7       describing the survey using two short builet points and       7       phrasing of the survey questions made the cost of         8       two short paragraphs devoid of substance that preface       8       leasing the equipment. despite the fact that purchasing is         9       the surmary's survey results.       9       equipment. despite the fact that purchasing is         10       Nothing documented	21	hearsay evidence in the past. ALJ Moss has rejected the	21	provide material information, including the total
24       trying to offer prior testimony of a witness who was not       24       Public Counsel witness Mary Kimball also         25       a witness in that proceeding, and ALJ Moss excluded it.       25       testified that the Cocker Fennessy Survey failed to         21       The second reason is PSE failed to produce       1       disclose the total amount customers would pay for         2       any testimony or evidence stating that Cocker Fennessy       2       equipment over the life of the lease.         3       designed the study using proper methodology or followed       3       SMACNA witness, I'm not exactly sure how to         4       that proper methodology when performing this study. The       5       Fennessy's survey did not communicate accurate cost         6       methodology comes from two sources. One is a letter       6       information. He testified that Cocker Fennessy's         7       phrssing of the survey questions made the cost of       leasing the equipment, despite the fact that purchasing is         8       two short paragraphs devoid of substance that preface       9       equipment, despite the fact that purchasing is         9       testrified that the survey would yield significantly       10       different results if participant had received the         10       out was followed, assuming that method is even valid.       12       testified that the survey would yield significantly	22	admission of witness testimony in Docket UE 121697, the	22	lifetime cost of the lease and the interest rate
25       a witness in that proceeding, and ALJ Moss excluded it.       25       testified that the Cocker Fennessy Survey failed to         1       The second reason is PSE failed to produce       1       disclose the total amount customers would pay for         2       any testimony or evidence stating that Cocker Fennessy       2       equipment over the life of the lease.         3       designed the study using proper methodology or followed       3       SMACNA witness, I'm not exactly sure how to         4       that proper methodology owne performing this study. The       4       pronounce his name, Fluetsch, testified that Cocker         5       only evidence Cocker Fennessy provides about its       5       Fennessy's survey did not communicate accurate cost         6       methodology comes from two sources. One is a letter       6       information. He testified that Cocker Fennessy's         7       describing the survey using two short bullet points and       7       phrasing of the survey questions made the cost of         8       two short paragraphs devoid of substance that preface       8       leasing the equipment, despite the fact that purchasing is         9       the summary's survey results.       9       equipment, despite the fact that purchasing is         10       out was followed, assuming that method is even valid.       11       And both Mr. Cebulko and Mr. Fluetsch         12 <td>23</td> <td>Avista Decoupling Docket. In that docket, a party was</td> <td>23</td> <td>involved.</td>	23	Avista Decoupling Docket. In that docket, a party was	23	involved.
Page 921The second reason is PSE failed to produce2any testimony or evidence stating that Cocker Fennessy3designed the study using proper methodology or followed4that proper methodology when performing this study. The5only evidence Cocker Fennessy provides about its6methodology comes from two sources. One is a letter7describing the survey using two short bullet points and8two short paragraphs devoid of substance that preface9the summary's survey results.10Nothing documented by Cocker Fennessy11describes the controls that would ensure the method laid12out was followed, assuming that method is even valid.13Without that foundational evidence, the Commission14hard both Mr. Cebulko and Mr. Fluetsch15methodology or performed. In this case,16As far as the Commission knows, the study16As far as the Commission knows, the study16without evidentiary weight at all, and17without evidentiary weight at all, and18without evidentiary weight at all, and19without evidentiary weight at all, and19without evidentiary weight at all, and19should be excluded.20PSE's witnesses suggest that this study21backerse nore or less likely. The study, therefore,22PSE's witnesses suggest that this study23should be admitted because no party produced expert24should be admitted because no part	24	trying to offer prior testimony of a witness who was not	24	Public Counsel witness Mary Kimball also
1The second reason is PSE failed to produce1disclose the total amount customers would pay for2any testimony or evidence stating that Cocker Fennessydesigned the study using proper methodology or followed3SMACNA witness, I'm not exactly sure how to3designed the study using proper methodology or followed3SMACNA witness, I'm not exactly sure how to4that proper methodology when performing this study. The3SMACNA witness, I'm not exactly sure how to5only evidence Cocker Fennessy provides about its5Fennessy's survey did not communicate accurate cost6methodology comes from two sources. One is a letter6information. He testfied that Cocker Fennessy's7describing the survey using two short bullet points and7phrasing of the survey questions made the cost of8two short paragraphs devoid of substance that preface8leasing the equipment similar to the cost of purchasing9equipment, despite the fact that purchasing issignificantly cheaper.10out was followed, assuming that method is even valid.11And both Mr. Cebulko and Mr. Fluetsch11describes the controls that would ensure the method laid11Information necessary to make an apple-to-apple12out was followed, assuming that method is even valid.12testified that customers refuse to12without ethorhalonal evidence, the Commission13different results if participant had received the13without evidentiary weight, it does not make any fact or15comparison between leasing and purc	25	a witness in that proceeding, and ALJ Moss excluded it.	25	testified that the Cocker Fennessy Survey failed to
2any testimony or evidence stating that Cocker Fennessy designed the study using proper methodology or followed that proper methodology when performing this study. The only evidence Cocker Fennessy provides about its methodology comes from two sources. One is a letter describing the survey using two short bullet points and two short paragraphs devoid of substance that preface the summary's survey results.SMACNA witness, I'm not exactly sure how to pronounce his name, Fluetsch, testified that Cocker fennessy's survey did not communicate accurate cost information. He testified that Cocker Fennessy's phrasing of the survey questions made the cost of leasing the equipment similar to the cost of purchasing equipment, despite the fact that purchasing is significantly cheaper.10Nothing documented by Cocker Fennessy describes the controls that would ensure the method laid out was followed, assuming that method is even valid.1011And both Mr. Cebulko and Mr. Fluetsch testified that the survey would yield significantly12without that foundational evidence, the Commission weight.1313different results if participant had received the information necessary to make an apple-to-apple comparison between leasing and purchasing.14As far as the Commission knows, the study without evidentiary weight at all, and without evidentiary weight, it does not make any fact or to is relevant and should be eacluded.1812PSE's witnesses suggest that this study should be admitted because no party produced expert1913should be admitted because no party produced expert2014Reserve to participants, the Cocker Fennessy Survey has no tendency of showing that PSE's cu		Page 92		Page 94
3designed the study using proper methodology or followed that proper methodology when performing this study. The only evidence Cocker Fennessy provides about its3SMACNA witness, I'm not exactly sure how to pronounce his name, Fluetsch, testified that Cocker5only evidence Cocker Fennessy provides about its5Fennessy's survey did not communicate accurate cost6methodology comes from two sources. One is a letter describing the survey using two short bullet points and two short paragraphs devoid of substance that preface the summary's survey results.610Nothing documented by Cocker Fennessy911equipment, despite the fact that purchasing is significantly cheaper.12out was followed, assuming that method is even valid.1013Without that foundational evidence, the Commission1314cannot know whether to assign the study any evidentiary weight.1415without evidentiary weight at all, and1616As far as the Commission knows, the study without evidentiary weight, it does not make any fact or usith at using even weight, it does not make any fact or participate in PSE's leasing program and instead participate.1916So Mr. Fluetsch, in fact, opined that the participate in PSE's leasing program and instead participate in PSE's leasing program and instead participate in PSE's leasing program and instead1916Spelicy Mr.1917weight.1918the source wore or less likely. The study, threefore, is irrelevant and should be excluded.1919prelevant and should be ex	1	The second reason is PSE failed to produce	1	disclose the total amount customers would pay for
4that proper methodology when performing this study. The only evidence Cocker Fennessy provides about its4pronounce his name, Fluetsch, testified that Cocker5only evidence Cocker Fennessy provides about its5Fennessy's survey did not communicate accurate cost6methodology comes from two sources. One is a letter6information. He testified that Cocker Fennessy's7describing the survey using two short bullet points and7phrasing of the survey questions made the cost of8two short paragraphs devoid of substance that preface8leasing the equipment similar to the cost of purchasing9the summary's survey results.9equipment, despite the fact that purchasing is10Nothing documented by Cocker Fennessy10significantly cheaper.11describes the controls that would ensure the method laid11And both Mr. Cebulko and Mr. Fluetsch12out was followed, assuming that method is even valid.12testified that the survey would yiel significantly13Without that foundational evidence, the Commission13different results if participant had received the14cannot know whether to assign the study any evidentiary14information necessary to make an apple-to-apple15weight.15So Mr. Fluetsch, in fact, opined that the16As far as the Commission knows, the study16So Mr. Fluetsch, in fact, opined that the17was not properly designed or performed. In this case,17reciber in PSE's leasing program and instead19without evidentiar	2	any testimony or evidence stating that Cocker Fennessy	2	equipment over the life of the lease.
5only evidence Cocker Fennessy provides about its5Fennessy's survey did not communicate accurate cost6methodology comes from two sources. One is a letter6information. He testified that Cocker Fennessy's7describing the survey using two short bullet points and7phrasing of the survey questions made the cost of8two short paragraphs devoid of substance that preface8leasing the equipment similar to the cost of purchasing9the summary's survey results.9equipment, despite the fact that purchasing is10Nothing documented by Cocker Fennessy10significantly cheaper.11describes the controls that would ensure the method laid11And both Mr. Cebulko and Mr. Fluetsch12out was followed, assuming that method is even valid.12testified that the survey would yield significantly13Without that foundational evidence, the Commission13different results if participant had received the14information necessary to make an apple-to-applecomparison between leasing and purchasing.15weight.16So Mr. Fluetsch, in fact, opined that the17was not properly designed or performed. In this case,17economics would dictate that customers refuse to18without evidentiary weight, it does not make any fact or19purchase equipment if given the relevant information.19without evidentiary weight, it does not make any fact or19purchase equipment if given the relevant19is irrelevant and should be excluded.21evidence to pa	3	designed the study using proper methodology or followed	3	SMACNA witness, I'm not exactly sure how to
6methodology comes from two sources. One is a letter describing the survey using two short bullet points and two short paragraphs devoid of substance that preface the summary's survey results.6information. He testified that Cocker Fennessy's phrasing of the survey questions made the cost of leasing the equipment similar to the cost of purchasing equipment, despite the fact that purchasing is significantly cheaper.11Nothing documented by Cocker Fennessy describes the controls that would ensure the method laid out was followed, assuming that method is even valid.10And both Mr. Cebulko and Mr. Fluetsch testified that the survey would yield significantly13Without that foundational evidence, the Commission cannot know whether to assign the study any evidentiary weight.13And both Mr. Cebulko and Mr. Fluetsch testified that the survey would yield significantly16As far as the Commission knows, the study was not properly designed or performed. In this case, it should receive no evidentiary weight at all, and without evidentiary weight, it does not make any fact or consequence more or less likely. The study, therefore, is irrelevant and should be excluded.10Given the failure to provide relevant evidence to participants, the Cocker Fennessy Survey has no tendency of showing that PSE's customer would use the evidence to participants, the Cocker Fennessy Survey has no tendency of showing that PSE's customer would use the easing program, is irrelevant under ER 401	4	that proper methodology when performing this study. The	4	pronounce his name, Fluetsch, testified that Cocker
7describing the survey using two short bullet points and two short paragraphs devoid of substance that preface the summary's survey results.7phrasing of the survey questions made the cost of leasing the equipment similar to the cost of purchasing equipment, despite the fact that purchasing is10Nothing documented by Cocker Fennessy describes the controls that would ensure the method laid out was followed, assuming that method is even valid.11And both Mr. Cebulko and Mr. Fluetsch12out was followed, assuming that method is even valid.12testified that the survey would yield significantly13Without that foundational evidence, the Commission13different results if participant had received the information necessary to make an apple-to-apple14cannot know whether to assign the study any evidentiary14information necessary to make an apple-to-apple15weight.1516As far as the Commission knows, the study16So Mr. Fluetsch, in fact, opined that the economics would dictate that customers refuse to participate in PSE's leasing program and instead purchase equipment if given the relevant information.19without evidentiary weight, it does not make any fact or is irrelevant and should be excluded.1120PSE's witnesses suggest that this study2121PSE's witnesses suggest that this study2222PSE's witnesses suggest that this study2223should be admitted because no party produced expert2323leasing program, is irrelevant under ER 401	5	only evidence Cocker Fennessy provides about its	5	Fennessy's survey did not communicate accurate cost
8two short paragraphs devoid of substance that preface the summary's survey results.8leasing the equipment similar to the cost of purchasing equipment, despite the fact that purchasing is significantly cheaper.11describes the controls that would ensure the method laid out was followed, assuming that method is even valid.11And both Mr. Cebulko and Mr. Fluetsch testified that the survey would yield significantly13Without that foundational evidence, the Commission team that not know whether to assign the study any evidentiary weight.13And both Mr. Cebulko and Mr. Fluetsch testified that the survey would yield significantly different results if participant had received the information necessary to make an apple-to-apple comparison between leasing and purchasing.16As far as the Commission knows, the study16So Mr. Fluetsch, in fact, opined that the economics would dictate that customers refuse to participate in PSE's leasing program and instead purchase equipment if given the relevant information.19without evidentiary weight, it does not make any fact or is irrelevant and should be excluded.2022PSE's witnesses suggest that this study should be admitted because no party produced expert2123should be admitted because no party produced expert23	6	methodology comes from two sources. One is a letter	6	information. He testified that Cocker Fennessy's
9the summary's survey results.9equipment, despite the fact that purchasing is significantly cheaper.11Nothing documented by Cocker Fennessy10significantly cheaper.11describes the controls that would ensure the method laid11And both Mr. Cebulko and Mr. Fluetsch12out was followed, assuming that method is even valid.12testified that the survey would yield significantly13Without that foundational evidence, the Commission13different results if participant had received the14cannot know whether to assign the study any evidentiary14information necessary to make an apple-to-apple15weight.15comparison between leasing and purchasing.16As far as the Commission knows, the study16So Mr. Fluetsch, in fact, opined that the17was not properly designed or performed. In this case,17economics would dictate that customers refuse to18it should receive no evidentiary weight at all, and18participate in PSE's leasing program and instead19without evidentiary weight, it does not make any fact or1910consequence more or less likely. The study, therefore,20Given the failure to provide relevant12PSE's witnesses suggest that this study22no tendency of showing that PSE's customer would use the13should be admitted because no party produced expert23leasing program, is irrelevant under ER 401	7	describing the survey using two short bullet points and	7	phrasing of the survey questions made the cost of
10Nothing documented by Cocker Fennessy10significantly cheaper.11describes the controls that would ensure the method laid11And both Mr. Cebulko and Mr. Fluetsch12out was followed, assuming that method is even valid.12testified that the survey would yield significantly13Without that foundational evidence, the Commission13different results if participant had received the14cannot know whether to assign the study any evidentiary14information necessary to make an apple-to-apple15weight.15comparison between leasing and purchasing.16As far as the Commission knows, the study16So Mr. Fluetsch, in fact, opined that the17was not properly designed or performed. In this case,17economics would dictate that customers refuse to19without evidentiary weight, it does not make any fact or19purchase equipment if given the relevant information.20consequence more or less likely. The study, therefore,20Given the failure to provide relevant21PSE's witnesses suggest that this study22no tendency of showing that PSE's customer would use the23should be admitted because no party produced expert23leasing program, is irrelevant under ER 401	8	two short paragraphs devoid of substance that preface	8	leasing the equipment similar to the cost of purchasing
11describes the controls that would ensure the method laid11And both Mr. Cebulko and Mr. Fluetsch12out was followed, assuming that method is even valid.12testified that the survey would yield significantly13Without that foundational evidence, the Commission13different results if participant had received the14cannot know whether to assign the study any evidentiary14information necessary to make an apple-to-apple15weight.15comparison between leasing and purchasing.16As far as the Commission knows, the study16So Mr. Fluetsch, in fact, opined that the17was not properly designed or performed. In this case,17economics would dictate that customers refuse to18it should receive no evidentiary weight at all, and18participate in PSE's leasing program and instead19without evidentiary weight, it does not make any fact or19purchase equipment if given the relevant information.20consequence more or less likely. The study, therefore,20Given the failure to provide relevant21is irrelevant and should be excluded.21evidence to participants, the Cocker Fennessy Survey has22PSE's witnesses suggest that this study22no tendency of showing that PSE's customer would use the23should be admitted because no party produced expert23leasing program, is irrelevant under ER 401	9	the summary's survey results.	9	equipment, despite the fact that purchasing is
12out was followed, assuming that method is even valid.12testified that the survey would yield significantly13Without that foundational evidence, the Commission13different results if participant had received the14cannot know whether to assign the study any evidentiary14information necessary to make an apple-to-apple15weight.15comparison between leasing and purchasing.16As far as the Commission knows, the study16So Mr. Fluetsch, in fact, opined that the17was not properly designed or performed. In this case,17economics would dictate that customers refuse to18it should receive no evidentiary weight at all, and18participate in PSE's leasing program and instead19without evidentiary weight, it does not make any fact or19purchase equipment if given the relevant information.20consequence more or less likely. The study, therefore,20Given the failure to provide relevant21is irrelevant and should be excluded.21evidence to participants, the Cocker Fennessy Survey has22PSE's witnesses suggest that this study22no tendency of showing that PSE's customer would use the23should be admitted because no party produced expert23leasing program, is irrelevant under ER 401	10	Nothing documented by Cocker Fennessy	10	significantly cheaper.
13Without that foundational evidence, the Commission13different results if participant had received the14cannot know whether to assign the study any evidentiary14information necessary to make an apple-to-apple15weight.15comparison between leasing and purchasing.16As far as the Commission knows, the study16So Mr. Fluetsch, in fact, opined that the17was not properly designed or performed. In this case,17economics would dictate that customers refuse to18it should receive no evidentiary weight at all, and18participate in PSE's leasing program and instead19without evidentiary weight, it does not make any fact or19purchase equipment if given the relevant information.20consequence more or less likely. The study, therefore,20Given the failure to provide relevant21is irrelevant and should be excluded.21evidence to participants, the Cocker Fennessy Survey has22PSE's witnesses suggest that this study22no tendency of showing that PSE's customer would use the23should be admitted because no party produced expert23leasing program, is irrelevant under ER 401	11	describes the controls that would ensure the method laid	11	And both Mr. Cebulko and Mr. Fluetsch
14cannot know whether to assign the study any evidentiary weight.14information necessary to make an apple-to-apple comparison between leasing and purchasing.16As far as the Commission knows, the study16So Mr. Fluetsch, in fact, opined that the17was not properly designed or performed. In this case, it should receive no evidentiary weight at all, and17economics would dictate that customers refuse to participate in PSE's leasing program and instead19without evidentiary weight, it does not make any fact or consequence more or less likely. The study, therefore, is irrelevant and should be excluded.20Given the failure to provide relevant21PSE's witnesses suggest that this study21evidence to participants, the Cocker Fennessy Survey has no tendency of showing that PSE's customer would use the leasing program, is irrelevant under ER 401	12	out was followed, assuming that method is even valid.	12	testified that the survey would yield significantly
15weight.15comparison between leasing and purchasing.16As far as the Commission knows, the study16So Mr. Fluetsch, in fact, opined that the17was not properly designed or performed. In this case,17economics would dictate that customers refuse to18it should receive no evidentiary weight at all, and18participate in PSE's leasing program and instead19without evidentiary weight, it does not make any fact or19purchase equipment if given the relevant information.20consequence more or less likely. The study, therefore,20Given the failure to provide relevant21is irrelevant and should be excluded.21evidence to participants, the Cocker Fennessy Survey has22PSE's witnesses suggest that this study22no tendency of showing that PSE's customer would use the23should be admitted because no party produced expert23leasing program, is irrelevant under ER 401	13	Without that foundational evidence, the Commission	13	different results if participant had received the
16As far as the Commission knows, the study16So Mr. Fluetsch, in fact, opined that the17was not properly designed or performed. In this case,17economics would dictate that customers refuse to18it should receive no evidentiary weight at all, and18participate in PSE's leasing program and instead19without evidentiary weight, it does not make any fact or19purchase equipment if given the relevant information.20consequence more or less likely. The study, therefore,20Given the failure to provide relevant21is irrelevant and should be excluded.21evidence to participants, the Cocker Fennessy Survey has22PSE's witnesses suggest that this study22no tendency of showing that PSE's customer would use the23should be admitted because no party produced expert23leasing program, is irrelevant under ER 401	14	cannot know whether to assign the study any evidentiary	14	information necessary to make an apple-to-apple
<ul> <li>17 was not properly designed or performed. In this case,</li> <li>it should receive no evidentiary weight at all, and</li> <li>without evidentiary weight, it does not make any fact or</li> <li>consequence more or less likely. The study, therefore,</li> <li>is irrelevant and should be excluded.</li> <li>PSE's witnesses suggest that this study</li> <li>should be admitted because no party produced expert</li> <li>la irrelevant under ER 401</li> </ul>	15			
18it should receive no evidentiary weight at all, and18participate in PSE's leasing program and instead19without evidentiary weight, it does not make any fact or19purchase equipment if given the relevant information.20consequence more or less likely. The study, therefore,20Given the failure to provide relevant21is irrelevant and should be excluded.21evidence to participants, the Cocker Fennessy Survey has22PSE's witnesses suggest that this study22no tendency of showing that PSE's customer would use the23should be admitted because no party produced expert23leasing program, is irrelevant under ER 401			15	comparison between leasing and purchasing.
19without evidentiary weight, it does not make any fact or consequence more or less likely. The study, therefore, is irrelevant and should be excluded.19purchase equipment if given the relevant information.20Given the failure to provide relevant21is irrelevant and should be excluded.2122PSE's witnesses suggest that this study2223should be admitted because no party produced expert23	16	weight.		
19without evidentiary weight, it does not make any fact or consequence more or less likely. The study, therefore, is irrelevant and should be excluded.19purchase equipment if given the relevant information.20Given the failure to provide relevant21is irrelevant and should be excluded.2122PSE's witnesses suggest that this study2223should be admitted because no party produced expert23		weight. As far as the Commission knows, the study	16	So Mr. Fluetsch, in fact, opined that the
20consequence more or less likely. The study, therefore, is irrelevant and should be excluded.20Given the failure to provide relevant evidence to participants, the Cocker Fennessy Survey has no tendency of showing that PSE's customer would use the 	17	weight. As far as the Commission knows, the study was not properly designed or performed. In this case,	16 17	So Mr. Fluetsch, in fact, opined that the economics would dictate that customers refuse to
21is irrelevant and should be excluded.21evidence to participants, the Cocker Fennessy Survey has22PSE's witnesses suggest that this study22no tendency of showing that PSE's customer would use the23should be admitted because no party produced expert23leasing program, is irrelevant under ER 401	17 18	weight. As far as the Commission knows, the study was not properly designed or performed. In this case, it should receive no evidentiary weight at all, and	16 17 18	So Mr. Fluetsch, in fact, opined that the economics would dictate that customers refuse to participate in PSE's leasing program and instead
22PSE's witnesses suggest that this study22no tendency of showing that PSE's customer would use the23should be admitted because no party produced expert23leasing program, is irrelevant under ER 401	17 18 19	weight. As far as the Commission knows, the study was not properly designed or performed. In this case, it should receive no evidentiary weight at all, and without evidentiary weight, it does not make any fact or	16 17 18 19	So Mr. Fluetsch, in fact, opined that the economics would dictate that customers refuse to participate in PSE's leasing program and instead purchase equipment if given the relevant information.
23       should be admitted because no party produced expert       23       leasing program, is irrelevant under ER 401	17 18 19 20	weight. As far as the Commission knows, the study was not properly designed or performed. In this case, it should receive no evidentiary weight at all, and without evidentiary weight, it does not make any fact or consequence more or less likely. The study, therefore,	16 17 18 19 20	So Mr. Fluetsch, in fact, opined that the economics would dictate that customers refuse to participate in PSE's leasing program and instead purchase equipment if given the relevant information. Given the failure to provide relevant
	17 18 19 20 21	weight. As far as the Commission knows, the study was not properly designed or performed. In this case, it should receive no evidentiary weight at all, and without evidentiary weight, it does not make any fact or consequence more or less likely. The study, therefore, is irrelevant and should be excluded.	16 17 18 19 20 21	So Mr. Fluetsch, in fact, opined that the economics would dictate that customers refuse to participate in PSE's leasing program and instead purchase equipment if given the relevant information. Given the failure to provide relevant evidence to participants, the Cocker Fennessy Survey has
	17 18 19 20 21 22	weight. As far as the Commission knows, the study was not properly designed or performed. In this case, it should receive no evidentiary weight at all, and without evidentiary weight, it does not make any fact or consequence more or less likely. The study, therefore, is irrelevant and should be excluded. PSE's witnesses suggest that this study	16 17 18 19 20 21 22	So Mr. Fluetsch, in fact, opined that the economics would dictate that customers refuse to participate in PSE's leasing program and instead purchase equipment if given the relevant information. Given the failure to provide relevant evidence to participants, the Cocker Fennessy Survey has no tendency of showing that PSE's customer would use the
25turns the burden of proof on its head. PSE bears the25filed back in February. Why are you only now making	17 18 19 20 21 22 23	weight. As far as the Commission knows, the study was not properly designed or performed. In this case, it should receive no evidentiary weight at all, and without evidentiary weight, it does not make any fact or consequence more or less likely. The study, therefore, is irrelevant and should be excluded. PSE's witnesses suggest that this study should be admitted because no party produced expert	16 17 18 19 20 21 22 23	So Mr. Fluetsch, in fact, opined that the economics would dictate that customers refuse to participate in PSE's leasing program and instead purchase equipment if given the relevant information. Given the failure to provide relevant evidence to participants, the Cocker Fennessy Survey has no tendency of showing that PSE's customer would use the leasing program, is irrelevant under ER 401

1         this motion?         1         evidence, and in none of them was there authentication           1         MR_CASEY: Frankly, Your Honor, it hadn't         2         in testimory by the party who – or the individual who           2         MR_CASEY: Frankly, Your Honor, it hadn't         2         in testimory by the party who – or the individual who           3         MR_CASEY: Trankly, Your Honor, it hadn't         2         in testimory by the party who – or the individual who           4         MR_CASEY: Trankly, Your Honor, it hadn't         2         in testimory by the party who – or the individual who           7         MR_CASEY: Staff has support the statmory balking         7         Commission – if's very relevant to this case; if's           8         about the reditility of this survey, that it certaint         2         othis survey, and you must have been avaire that you           9         had these concerns, at least when that testimory was         18         Identity or point. If a customer is interested in a           10         babout the reditility of this survey, that it certain there         18         Staff would prefer alfferent type of survey, one that           11         Staff would prefer alfferent type of survey, one that         Commission.         Survey that was the meristed in a           14         true, built dift quite occur to Staff that there         18         Survey that undertook was and t		Page 95		Page 97
1       MR, CASEY: Frankly, Your Honor, it hadm't       2       In testimony by the party who - or the individual who         3       quite occurred -       3       prepared the survey. PSE has two prior surveys in 2014         4       and 2015 looking at leasing that are less up to date       4         5       for the hearing.       5       5         7       Inthe your winess spent part of his testimony taking       5         8       about this survey. and your must have been aware that you       6         10       Ind.       10       Inthese concerns, at least when that testimony was       9         10       Individual windo       10       Inthe survey. and your must have been aware that you       6         11       Inthe survey. Inthe survey. The survey aware that you the survey. The survey aware in that the commission       10         12       Inte. Att diff that quite occur to Staff that there       13       10       Into The survey was, as Mr. Casey said,         13       Into that added the credibility of Staff and Proceedings,       15       16       16       16         14       was - that this was hearsay evidence, the hype of       16       16       16       16       16         14       trace that survey and auth methodology of the survey.       16       17       17	1	-	1	-
a guide occurred       Image: Second	2			
4       MS, BROWN: We only recently began preparing       4       and 2015 looking at leasing that are less up to date         5       for the hearing.       UDGE KOPTA: Well, but you just mentioned       5         7       hat your winess spent part of his testimony taking       7         8       about this survey, and your must have been aware that you       6         9       had these concerns, at least when that testimony taking       7         10       field.       10       10         11       Bod.       11       Commission - it's very relevant to this case; it's         12       badu the scale survey, and your must have been aware that you       11       Commission         12       badu the cadibility of his survey, that is catarinity       12       Commarks, directly compares a sale to a lease, desent         13       was - that this wate hearsay with should not be admitted in proceedings,       11       Commission       So, you know, we think that it's clear that         14       conservery mature was made in rebutal. And that's when       12       Paregerad with input from PSE; so that the survey was and use prepared to privide, but it was an independent         18       have opene thetween uby its and today.       12       Paregerad       12       Paregerad         14       became clear that PSE also offers no winness of upd ating its adiv				
is       for the hearing.       is than this, and there's a NEEA survey, as well.         is       JUDGE KOPTa: Well, but you just mentioned       is         is       identities spent part of his testimony taking       identities and there's a NEEA survey, as well.         is       but this survey, and you must have been aware that you       identities approximation that the         is       had these concerns, at least when that testimony was       identities approximation that the         is       main this, and there's a NEEA survey, as well.       Survey on point. If a customer is inferrested in a         is       interve that the credibility of this survey, that is certainty       is certainty       connerse, directly compares a sale to a lease, decent         is       was - that this was hearsay valence, the type of       interve that this is irrelevant or deesn't inform the         infigue this study and the methodology of the study.       in       connerse appreared to provide, but it was an independent         information provided to the survey.       acually FSE burden of provol.       information provide to the survey.         is backed the credibility of Naff and Public       in       survey or that undertook the survey.         is backed the credibility of Naff and Public       is       survey or that undertook the survey.         is backed the survey that is adio of the methodology, and it's       indentatappreation provide to the	4			
4       JUDGE KOPTA: Well, but you just mentioned       5       So this is information that the         7       Intury our witness spent part of his testimony taking       7       Commission - it's very relevant to this case; it's         9       had these concerns, at least when that testimony was       6       Gend.       Iteration is interested in a         10       field.       MR. CASEY: Staff has always had concerns       11       Staff would prefer a different type of survey, one that         11       about the credibility of this survey, that is certainly       12       compares. directly compares a sale to a lease, doesn't         14       was - that this was hearsay evidence, the type of       14       mean that this is irrelevant or doesn't inform the         15       hearsay that should not be admitted in proceedings,       15       So, you know, we think that it's clear that         16       understand what the program was, the service was, that       19       prepared with input from PSE, so that the survey row und         17       JUDGE KOPTA: Well, that was on July 151.       20       JUDGE KOPTA: Well, that was on July 151.       21         21       JUDGE KOPTA: Well, that was on July 151.       22       3       JUDGE KOPTA: Well, that was on July 151.       22         22       JUDGE KOPTA: Well, that was on July 151.       23       JUDGE KOPTA: Well, that was on July 151.<				
1       Part your witness spent part of his testimony talking       2       Commission – It's very relevant to this case; it's         1       Add these concerns, at least when that testimony was       6       directry on point. If a customer is likely to accelerate         1       MR. CASEY: Staff has always had concerns       10       like assign service, and our customers likely to accelerate         1       MR. CASEY: Staff has always had concerns       11       Staff would prefer a different type of survey, one that         2       two but it is survey, and it is certainly       12       compares, directly compares a sale to a lease, desent         1       this was hearsay vidence, the type of       13       Staff would prefer a different type of survey, one that         1       the was that this was hearsay vidence, the type of       10       commission.         1       counsels withssess asign that they ado no expertise to       10       commission.         1       counsels withssess asign prof.       10       prepared with input form PSE, so that the survey or would understand what the program was, the service was, that         2       about the survey.       10       See was prepared io provide, but it was an independent         2       about the survey.       12       See was prepared io provide.       12         2       about the survey.       14       See was pr		0		-
a bott this survey, and you must have been aware that you       a       idirectly on point. If a customers intersets in a         b had these concerns, at least when that testimony was       a       idirectly on point. If a customers intersets in a         b filled.       MR. CASEY: Staff has always had concerns       11       Staff would prefer a different type of survey, one that         b about the cudbility of this survey, that is certainly       12       commarces a safe to a lease, decen't         mean that this was hearsay evidence, the type of       12       commarces and to customers in inform the         b nearsey that should not be admitted in proceedings,       13       Staff would prefer a different type of survey, one staff and Public         consel's witnesses saying that they had no expertise to       14       this is relevant. This survey was, and Casey said,         oritique this sudy and the methodology and it's       18       survey or that underlook the survey. There's discussion         a that argument was made in rebuttal. And that synthem       19       PSE was prepared to provide, but it was an independent         survey that underlook the survey.       11       Staff would be field rebury that underlook the survey.         addaty PSE's burden of proot.       22       Addat argument was and addat survey and and the survey.         addaty PSE's burden of proot.       23       Add this it's important to recognize         addaty PSE	7			
9       had these concerns, at least when that testimony was       9       leasing service, and our customers likely to accelerate         10       MR. CASEY: Staff has always had concerns       10       International Staff would prefer a different type of survey, one that         12       about the credibility of this survey, that is certainty       12       compares, directly compares ale to a lease, doesn't         13       true, but it din't quite occur to Staff that there       13       Staff would prefer a different type of survey, one that         14       twas - that this was hearsay evidence, the type of       10       Commission.         15       teacher the credibility of Staff and Public       10       Commission.         16       until PSE tabcked the credibility of Staff and Public       10       10       Staff ways, that         16       attaily PSE burden of prof.       12       prepared with input from PSE, so that the surveyor would       10         17       prepared with angue that and you're only now raising       12       Indefinition provide to the survey was a switce and the attain and you're only now raising       12         12       atcually PSE burden of prof.       12       11       11         14       Here we are one month later and you're only now raising       12       14       14         14       have gone on between July 1st	8			-
10       filed.       replacement of equipment. And the fact that Commission         11       MR. CASEY: Staff has always had concerns       Staff would prefer a different type of survey, one that         12       about the credibility of this survey, that is certainly       mean that this is irrelevant or doesn't inform the         13       ther, buil it didn't quile occur to Staff that there       13         14       was - that this was hearsay evidence, the type of       14         15       hearsay that should not be admitted in proceedings.       To So, you know, we think that it's clear that         16       consel's witnessees saying that they had no expertise to       15         17       consel's witnessees saying that they had no expertise to       16         18       consel's witnessees saying that they had no expertise to       17         19       And that argument was made in rebuttal. And tha's when       10         21       bloce korpta: Well, that was on July 1st.       21         22       JUDGE KOPTA: Well, that was on July 1st.       21         23       JUDGE KOPTA: Well, that was on July 1st.       22         24       have gone on between July 1st and today.       24         25       these sues.       Page 98         26       MS. CARSON: Thank you, Your Honor.       56				
11       MR. CASEY: Staff has always had concerns       11       Staff would prefer a different type of survey, one that         12       about the credibility of this survey. That is certainly       12       compares, directly compares a sale to a lease, desent1         14       was that this was hearsay evidence, the type of       14       commission.       So, you know, we think that it's clear that         15       hearsay that should not be admitted in proceedings.       15       So, you know, we think that it's clear that         16       until PSE tatcked the credibility of Staff and Public       15       So, you know, we think that it's clear that         17       understand what the program was, the service was, that       16       Felevant This survey was, as Mr. Casey said,         18       citique this study and the methodology, and it's       21       BES was prepared to provide, but it was an independent         18       the expertise to speak to the methodology, and it's       22       Information provided to the surveyor.         21       Lecame clear that PSE also offers no witness that has       20       Staff would prefer a different type of survey. Mas due and the         22       have prepared with input from PSE. so that the surveyor would understand what the program was, the service was, that       PSE was prepared to provide, but it was an independent         24       thecame ore month later and you're only one raising				
12       about the credibility of this survey, that is certainly       12       compares, directly compares a sale to a lease, doesn't         13       true, buit it dicht quite occur to Staff that there       13       mean that this is inclevant or doesn't inform the         14       was - that this was hearsay evidence, the type of       14       Commission.         15       hearsay that should not be admitted in proceedings,       15       So, you know, we think that it's clear that         16       until PSE attacked the credibility of Staff and Public       16       this is relevant. This survey was, as Mr. Casey said,         17       prepared with input from PSE, so that the surveyor would       18       understand what the program was, the service was, that         18       And that argument was made in rebutal. And that's when       29       Is ware older that PSE als offers no witness that has       20       surveyor that undertook the survey. There's discussion         11       be expertise to speak to the methodology, and it's       21       and think it's important to recognize         12       actually PSE's burden of prof.       21       information provided to the survey. There's discussion         14       heave gone on between July 1st and tody.       23       And I think it's important to recognize         14       MSc. CARSOY: There's a lot of things that       1       PSE was in the process of up				
11       true, but it didn't quite occur to Staff that there       12       mean that this is irrelevant or doesn't inform the         14       was – that this was hearsay evidence, the type of       14       Commission.         15       hearsay that should not be admitted in proceedings, unspected to this is relevant. This survey was, as Mr. Casey said,         16       until PSE attacked the credibility of Staff and Public       15         16       ontil west study and the methodology of the study.       18         19       And that argument was made in rebutal. And that's when       19         20       It became clear that PSE also offers no witness that has       20         21       became clear that PSE also offers no witness that has       21         22       actually PSE's burden of proof.       22         23       JUDGE KOPTA: Well, that was on July 1st.       23         24       Here we are one month later and you're only now raising       24         25       MR. CASEY: There's a lot of things that       14         3       JUDGE KOPTA: Ckay.       3         4       Ms. Carason or Mr. Steele?       4         5       MS. CARSON: Thank you, Your Honor.       5         6       PSE respectfully disagree with Staffs       6         7       motion and Staffs interpretati				
14       was - that this was hearsay evidence, the type of       14       Commission.         15       hearsay that should not be admitted in proceedings,       15       So, you know, we think that it's clear that         16       until PSE attacked the credibility of Staff and Public       16       this is relevant. This survey was, as Mr. Casey said,         17       Counsel's witnesses saying that they had no expertise to       17       prepared with input from PSE, so that the surveyor would         18       oritique this study and the methodology, and it's       19       PSE was prepared to provide, but it was an independent         20       atually PSE's burden of proof.       22       and that may an independent         21       atually PSE's burden of proof.       22       and think it's important to recognize         22       atually PSE's burden of proof.       23       Commission Staff seems to draw some sort of line that         24       Hear ear ea one month later and you're only now raising       24       Commission Staff seems to draw of interest there would be         2       have gone on between July Sta and today.       25       this was prepared just for lifigation. You'll recall,         4       Msc. CarSEY: There's a lot of things that       1       PSE was in the process of updating its tariffed rates,         6       MSC. CARSON: Thank you, Your Honor.       5				
15       hearsay that should not be admitted in proceedings,       15       So, you know, we think that it's clear that         16       until PSE attacked the credibility of Staff and Public       16       this is relevant. This survey was, as Mr. Casey said,         17       Coursel's witnesses saying that they had no expertise to       17       prepared with input from PSE, so that the survey or would         18       and that argument was made in rebuttal. And that's when       18       PSE was prepared to provide, but it was an independent         19       And that argument was made in rebuttal. And that's when       19       PSE was prepared to provide, but it was an independent         10       the expertise to speak to the methodology, and it's       21       and testimony about how a survey was done and the         12       JUDGE KOPTA: Well, that was on July 1st.       23       And I think it's important to recognize         14       Here was can ce month later and you're only now raising       24       Commission Staff seems to draw some sort of line that         15       have gone on between July 1st and today.       2       MR. CASEY: There's a lot of things that       19         16       MS. CARSON: Thank you, Your Honor.       7       So to say that this is just for litigation.       10         17       motion and Staffs interpretation of WAC 480-07-495.       7       So to say that this is just for li				
16       until PSE attacked the credibility of Staff and Public       16       this is relevant. This survey was, as Mr. Casey said,         17       Counsel's witnesses saying that they had no expertise to       17       prepared with input from PSE, so that the surveyor would         18       critique this study and the methodology of the study.       18       understand what the program was, the service was, that         19       And that argument was made in rebutal. And that's when       18       understand what the program was, the service was, that         10       the expertise to speak to the methodology, and it's       21       information provided to the survey. There's discussion         21       the expertise to speak to the methodology. and it's       22       information provided to the survey.         22       JUDGE KOPTA: Well, that was on July 1st.       23       And I think it's important to recognize         24       Here we are one month later and you're only now raising       25       MR. CASEY: There's a lot of things that       1         2       have gone on between July 1st and today.       2       1       PSE was in the process of updating its tariffed rates,         3       JUDGE KOPTA: Okay.       3       1       PSE respectfully disagree with Staffs       7         6       MS. Carson or Mr. Steele?       4       was to determine what kind of inuterest there would be				
17       Counsel's witnesses saying that they had no expertise to       17       prepared with input from PSE, so that the surveyor would         18       critique this study and the methodology of the study.       16       understand what the program was, the service was, that         19       And that argument was made in rebuttal. And that's when       16       pSE was prepared to provide, but it was an independent         21       the expertise to speak to the methodology, and it's       21       and testimony about how a survey was done and the         22       actually PSE's burden of proof.       22       and testimony about how a survey was done and the         23       JUDGE KOPTA: Well, that was on July 1st.       23       And think it's important to recognize         24       Here wa are one month later and you're only now raising       25       Commission Staff seems to draw some sort of line that         25       those issues.       24       MR. CASEY: There's a lot of things that       1         2       have gone on between July 1st and today.       2       which had to be filed February 15th or 17th, and part of         3       JUDGE KOPTA: Ckay.       3       that was the pricing model and part of the pricing model         4       M.S. CARSON: Thank you, Your Honor.       5       and testifies injust for liftgation.         6       Mis rule prevetuintof WAC 480-07-495.				
18       critique this study and the methodology of the study.       18       understand what the program was, the service was, that         19       And that argument was made in nebuttal. And that's when       19       PSE was prepared to provide, but it was an independent         20       the expertise to speak to the methodology, and it's       21       and testimony about how a survey was done and the         21       actually PSE's burden of proof.       22       information provided to the surveyor.         23       JUDGE KOPTA: Well, that was on July 1st.       23       And I think it's important to recognize         24       Here was one nonth later and you're only now raising       24       Commission Staff seems to draw some sort of line that         25       MR. CASEY: There's a lot of things that       1       PSE was in the process of updating its tariffed rates,         4       Ms. Carson or Mr. Steele?       4       was to befind February 15th or 17th, and part of         5       MS. CARSON: Thank you, Your Honor.       5       and what kind of numbers should be included in terms of         6       projections and pricing.       7       Noto and Staff's interpretation of WAC 480-07-495.       7         7       This rule gives the Commission broad discretion in terms       6       projections and pricing.         10       evidence is admissible if the presiding officer believe				
19And that argument was made in rebuttal. And that's when19PSE was prepared to provide, but it was an independent20It became clear that PSE also offers no witness that has20surveyor that undertook the survey. There's discussion21the expertise to speak to the methodolog, and it's21and testimony about how a survey was done and the22actually PSE's burden of proof.22information provided to the surveyor.23JUDGE KOPTA: Well, that was on July 1st.23And I think it's important to recognize24Here we are one month later and you're only now raising those issues.24Commission Staff seems to draw some sort of line that25breas issues.Page 96Page 981MR. CASEY: There's a lot of things that JUDGE KOPTA: Okay.1PSE was in the process of updating its tariffed rates, which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of projections and pricing.7motion and Staff's interpretation of WAC 480-07-495.7So to say that this is just for litigation, which I'm not certain that that is a distinction worth talking about, but it smore than just litigation. It10evidence is admissible if the presiding officer believes10So you know, we think it's clear that the Commission allows hearsay in all the time.11the bustes of Civil Procedure. It looks to those for tustworthiness.11So, you know, we think it's clear that the size and autionity and discretion in t				
20       it became clear that PSE also offers no witness that has       20       surveyor that undertook the survey. There's discussion         21       the expertise to speak to the methodology, and it's       21       and testimony about how a survey was done and the         22       actually PSE's burden of proof.       22       information provided to the surveyor.         23       JUDGE KOPTA: Well, that was on July 1st.       23       And I think it's important to recognize         24       Here we are one month later and you're only now raising       24       Commission Staff seems to draw some sort of line that         25       those issues.       25       MR CASEY: There's a lot of things that       1       PSE was in the process of updating its tariffed rates,         2       have gone on between July 1st and today.       2       which had to be filed February 15th or 17th, and part of         3       JUDGE KOPTA: Okay.       3       that was the pricing model and part of the pricing model         4       MS. CARSON: Thank you, Your Honor.       5       and what kind of numbers should be included in terms of         5       of what type of evidence may be admitted. All relevant       9       which hat that is a distinction worth         5       of what type of evidence may be admitted. All relevant       9       sort you, we think it's clear that the       Commission hason follow the hearsay				
21       the expertise to speak to the methodology, and it's       21       and testimony about how a survey was done and the         22       JUDGE KOPTA: Well, that was on July 1st.       23       And I think it's important to recognize         25       Here we are one month later and you're only now raising       25       And I think it's important to recognize         26       MR. CASEY: There's a lot of things that       1       PSE was in the process of updating its tariffed rates,         2       have gone on between July 1st and today.       2       which had to be filed February 15th or 17th, and part of         4       MS. CARSON: Thank you, Your Honor.       5       and what kind of interest there would be         5       MS. CARSON: Thank you, Your Honor.       5       and what kind of numbers should be included in terms of         9       of what type of evidence may be admitted. All relevant       7       So to say that this is just for litigation,         10       evidence, reasonably attainable,       11       So (so you know, we think it's clear that the         12       considering its necessity, availability, and       12       is for PSE's design of its pricing model.         13       trustworthiness.       13       of looking at this type of evidence. It hink this is         14       The Commission does not follow the hearsay       14       recesting in dute the		-		
22       actually PSE's burden of proof.       22       information provided to the surveyor.         23       JUDGE KOPTA: Well, that was on July 1st.       23       And I think it's important to recognize         24       Here we are one month later and you're only now raising       24       Commission Staff seems to draw some sort of line that         25       those issues.       25       This vise sizes.       Page 96         1       MR. CASEY: There's a lot of things that       1       PSE was in the process of updating its tariffed rates,         24       have gone on between July 1st and today.       2       which had to be filed February 15th or 17th, and part of         3       JUDGE KOPTA: Okay.       3       that was the pricing model and part of the pricing model         4       Ms. Carson or Mr. Steele?       4       was to determine what kind of interest there would be         5       MS. CARSON: Thank you, Your Honor.       5       and what kind of numbers should be included in terms of         6       PSE respectfully disagree with Staff's       6       projections and pricing.         7       motion and Staff's interpretation of WAC 480-07-495.       7       8         8       This rule gives the Commission broad discretion in terms       6       projections and pricing.       11         10       considering its ne				
23       JUDGE KOPTA: Well, that was on July 1st.       23       And I think it's important to recognize         24       Here we are one month later and you're only now raising       24       Commission Staff seems to draw some sort of line that         25       those issues.       24       Commission Staff seems to draw some sort of line that         26       MR. CASEY: There's a lot of things that       1       PSE was in the process of updating its tariffed rates,         2       have gone on between July 1st and today.       2       which had to be filed February 15th or 17th, and part of         3       JUDGE KOPTA: Okay.       3       that was the pricing model and part of the pricing model         4       MS. CARSON: Thank you, Your Honor.       PSE respectfully disagree with Staff's       6         6       PSE respectfully disagree with Staff's       6       projections and pricing.       So to say that this is just for litigation,         7       motion and Staff's interpretation of WAC 480-07-495.       7       So to say that this is distinction worth         1       evidence is admissible if the presiding officer believant       9       for PSE's design of its pricing model.       11         10       evidence, reasonably attainable,       11       So, you know, we think it's is a distinction in terms       14         11       trustworthiness.       13 </td <td></td> <td></td> <td></td> <td></td>				
24Here we are one month later and you're only now raising those issues.24Commission Staff seems to draw some sort of line that this was prepared just for litigation. You'll recall,25MR. CASEY: There's a lot of things that have gone on between July 1st and today.1Page 983JUDGE KOPTA: Okay.2which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model4MS. CARSON: Thank you, Your Honor.5and what kind of numbers should be included in terms of projections and pricing.6MS. CARSON: Thank you, Your Honor.5and what kind of numbers should be included in terms of projections and pricing.7motion and Staff's interpretation of WAC 480-07-495.7So to say that this is just for litigation.8this rule gives the Commission broad discretion in terms of what type of evidence may be admitted. All relevant evidence is admissible if the presiding officer believes trust worthiness.7So to say that this is just for litigation. It is for PSE's design of its pricing model.11if's the best evidence, reasonably attainable, trust worthiness.11So, you know, we think it's clear that the Commission has broad authority and discretion in terms trust worthiness.14The Commission Joound by the Rules of Evidence or the Rules of Civil Procedure. It looks to those for the Rules of Civil Procedure. It looks to those for the Rules of Civil Procedure. It looks to those for the Rules of Civil Procedure. It looks to those for the Rules of Civil Procedure. It looks to those for the Rules of Civil Procedure. It looks to those for the Rules of Civil Procedu				
25       those issues.       25       this was prepared just for litigation. You'll recall,         1       Page 96       Page 98         1       MR. CASEY: There's a lot of things that       1         2       have gone on between July 1st and today.       2         3       JUDGE KOPTA: Okay.       2         4       Ms. Carson or Mr. Steele?       4         5       MS. CARSON: Thank you, Your Honor.       5         6       PSE respectfully disagree with Staff's       6         7       motion and Staff's interpretation of WAC 480-07-495.       7         7       motion and Staff's interpretation of WAC 480-07-495.       7         8       This rule gives the Commission broad discretion in terms of of what type of evidence, reasonably attainable,       7         10       evidence is admissible if the presiding officer believes       10         11       it's the best evidence, reasonably attainable,       11         12       considering its necessity, availability, and       12         13       fulle. The Commission does not follow the hearsay       13         14       The Commission is not bound by the Rules of Evidence or       16         17       the Rules of Civil Procedure. It looks to those for       17         16       The Comm				
Page 96Page 961MR. CASEY: There's a lot of things that have gone on between July 1st and today.12JUDGE KOPTA: Okay.23JUDGE KOPTA: Okay.34MS. Carson or Mr. Steele?45MS. CARSON: Thank you, Your Honor. PSE respectfully disagree with Staff's56PSE respectfully disagree with Staff's67motion and Staff's interpretation of WAC 480-07-495.78This rule gives the Commission broad discretion in terms of what type of evidence may be admitted. All relevant evidence is admissible if the presiding officer believes710evidence, reasonably attainable, trustworthiness.1112Considering its necessity, availability, and trustworthiness.1214The Commission allows hearsay in all the time. gidiance, but has, as a practice, allowed much more latited.1216The Commission routinely relies on surveys in litigated cases and otherwise to inform its decisions a dimitted.1321The Commission routinely relies on surveys in litigated cases and otherwise to inform its decisions a dimitted.1222in litigated cases and otherwise to inform its decisions a dimitted.1324only survey that's in evidence. There are at least2024only survey that's in evidence. There are at least21				
1MR. CASEY: There's a lot of things that1PSE was in the process of updating its tariffed rates,2have gone on between July 1st and today.2which had to be filed February 15th or 17th, and part of3JUDGE KOPTA: Okay.3that was the pricing model and part of the pricing model4Ms. CARSON: Thank you, Your Honor.5and that was the pricing.6PSE respectfully disagree with Staff's67motion and Staff's interpretation of WAC 480-07-495.78This rule gives the Commission broad discretion in terms9of what type of evidence may be admitted. All relevant9evidence is admissible if the presiding officer believes1011It's the best evidence, reasonably attainable,1112Commission allows hearsay in all the time.1113The Commission allows hearsay in all the time.1214The Commission allows hearsay in all the time.1415kuith de in terms of the types of evidence that are1416that was the pricing in testmony from a different case.17the Commission routinely relies on surveys1718with the way that the survey was undertaken or the19issues and otherwise to inform its decisions1120The Commission other the types of evidence that are133rule. The Commission allows hearsay in all the time.174The Commission son tobund by the Rules of Evidence or1616The Commission is not bound by the Rules of Evid	25		25	
2have gone on between July 1st and today.2which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model3JUDGE KOPTA: Okay.3that was the pricing model and part of the pricing model4Ms. Carson or Mr. Steele?45MS. CARSON: Thank you, Your Honor.56PSE respectfully disagree with Staffs67motion and Staffs interpretation of WAC 480-07-495.78This rule gives the Commission broad discretion in terms69of what type of evidence may be admitted. All relevant910evidence is admissible if the presiding officer believes1011it's the best evidence, reasonably attainable,1112Considering its necessity, availability, and1213trustworthiness.1314The Commission allows hearsay in all the time.1415the Rules of Civil Procedure. It looks to those for1716He Rules of Civil Procedure. It looks to those for1717the Rules of Civil Procedure. It looks to those for1718admitted.2019admitted.2020issues up as they already have, and the Commission can21interest of the types of evidence that are1922in Itigated cases and otherwise to inform its decisions2131trustworthiness.2032trustworthiness.1344wery different than the Avista case where someone	1	-	1	-
3JUDGE KOPTA: Okay.3that was the pricing model and part of the pricing model4Ms. Carson or Mr. Steele?4was to determine what kind of interest there would be5MS. CARSON: Thank you, Your Honor.5and what kind of numbers should be included in terms of6PSE respectfully disagree with Staffs6projections and pricing.7motion and Staffs interpretation of WAC 480-07-495.7So to say that this is just for litigation,8This rule gives the Commission broad discretion in terms9which I'm not certain that that is a distinction worth9of what type of evidence may be admitted. All relevant9talking about, but it is more than just litigation. It10evidence is admissible if the presiding officer believes10is for PSE's design of its pricing model.11So, you know, we think it's clear that the12considering its necessity, availability, and12Commission has broad authority and discretion in terms13trustworthiness.13of looking at this type of evidence. I think this is14The Commission allows hearsay in all the time.15attempted to bring in testimony from a different case.17the Rules of Civil Procedure. It looks to those for17And to the extent other parties have issues18guidance, but has, as a practice, allowed much more18with the way that the survey was undertaken or the19latitude in terms of the types of evidence that are19results of the survey, they're free to bring those18in	T			
4Ms. Carson or Mr. Steele?4was to determine what kind of interest there would be5MS. CARSON: Thank you, Your Honor.56PSE respectfully disagree with Staff's67motion and Staff's interpretation of WAC 480-07-495.78This rule gives the Commission broad discretion in terms79of what type of evidence may be admitted. All relevant99of what type of evidence, reasonably attainable,1011it's the best evidence, reasonably attainable,1112considering its necessity, availability, and1213trustworthiness.1314The Commission allows hearsay in all the time.1515rule. The Commission allows hearsay in all the time.1516the Rules of Civil Procedure. It looks to those for1717the Rules of Civil Procedure. It looks to those for1718withe the survey was undertaken or the19latitude.1810it is the best evidence, allowed much more1814with the way that the survey was undertaken or the15latitude.1016The Commission routinely relies on surveys1717And to the extent other parties have issues18with the way that the survey was undertaken or the19latitude.1011it stagate cases and otherwise to inform its decisions12The Commission routinely relies on surveys13interget those. But to completely s	~	_		
5MS. CARSON: Thank you, Your Honor. PSE respectfully disagree with Staff's motion and Staff's interpretation of WAC 480-07-495.5and what kind of numbers should be included in terms of projections and pricing.7motion and Staff's interpretation of WAC 480-07-495.7So to say that this is just for litigation, which I'm not certain that that is a distinction worth9of what type of evidence may be admitted. All relevant evidence is admissible if the presiding officer believes10is for PSE's design of its pricing model.11it's the best evidence, reasonably attainable, it's the best evidence, reasonably attainable,11So, you know, we think it's clear that the12considering its necessity, availability, and12Commission has broad authority and discretion in terms of looking at this type of evidence. I think this is13trustworthiness.13of looking at this type of evidence. I think this is14The Commission does not follow the hearsay rule. The Commission allows hearsay in all the time.1515rule. The Commission by the Rules of Evidence or latitude in terms of the types of evidence that are guidance, but has, as a practice, allowed much more1818with the way that the survey was undertaken or the results of the types of evidence that are issues up as they already have, and the Commission can cansider they.2019latitude in terms of the types of evidence that are admitted.2014The Commission routinely relies on surveys2115rule. The Commission routinely relies on surveys2116The Commissi		have gone on between July 1st and today.	2	which had to be filed February 15th or 17th, and part of
6PSE respectfully disagree with Staffs6projections and pricing.7motion and Staffs interpretation of WAC 480-07-495.7So to say that this is just for litigation,8This rule gives the Commission broad discretion in terms8which I'm not certain that that is a distinction worth9of what type of evidence may be admitted. All relevant9talking about, but it is more than just litigation. It10evidence is admissible if the presiding officer believes10is for PSE's design of its pricing model.11it's the best evidence, reasonably attainable,11So, you know, we think it's clear that the12considering its necessity, availability, and12Commission has broad authority and discretion in terms13trustworthiness.13of looking at this type of evidence. I think this is14The Commission allows hearsay in all the time.15attempted to bring in testimony from a different case.15rule. The Commission is not bound by the Rules of Evidence or16This is again a survey that's directly on point.17the Rules of Civil Procedure. It looks to those for17And to the extent other parties have issues18guidance, but has, as a practice, allowed much more18with the way that the survey, they're free to bring those12The Commission routinely relies on surveys20issues up as they already have, and the Commission can19in litigated cases and otherwise to inform its decisions21consider those. But to completely strike a survey24in li	3	have gone on between July 1st and today. JUDGE KOPTA: Okay.	2 3	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model
7motion and Staff's interpretation of WAC 480-07-495.7So to say that this is just for litigation,8This rule gives the Commission broad discretion in terms9which I'm not certain that that is a distinction worth9of what type of evidence may be admitted. All relevant9talking about, but it is more than just litigation. It10evidence is admissible if the presiding officer believes10is for PSE's design of its pricing model.11it's the best evidence, reasonably attainable,11So, you know, we think it's clear that the12considering its necessity, availability, and12Commission has broad authority and discretion in terms13trustworthiness.13of looking at this type of evidence. I think this is14The Commission does not follow the hearsay14very different than the Avista case where someone15rule. The Commission allows hearsay in all the time.15this is again a survey that's directly on point.17the Rules of Civil Procedure. It looks to those for17And to the extent other parties have issues18guidance, but has, as a practice, allowed much more18with the way that the survey was undertaken or the19latitude in terms of the types of evidence that are19results of the survey, they're free to bring those20admitted.20issues up as they already have, and the Commission can21The Commission routinely relies on surveys21consider those. But to consistent with the public22in litigated cases and otherwise t	3 4	have gone on between July 1st and today. JUDGE KOPTA: Okay. Ms. Carson or Mr. Steele?	2 3 4	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be
8This rule gives the Commission broad discretion in terms of what type of evidence may be admitted. All relevant evidence is admissible if the presiding officer believes it's the best evidence, reasonably attainable, considering its necessity, availability, and8which I'm not certain that that is a distinction worth talking about, but it is more than just litigation. It is for PSE's design of its pricing model.11Considering its necessity, availability, and12So, you know, we think it's clear that the Commission has broad authority and discretion in terms of looking at this type of evidence. I think this is13The Commission does not follow the hearsay rule. The Commission allows hearsay in all the time.1514The Commission is not bound by the Rules of Evidence or guidance, but has, as a practice, allowed much more1619latitude in terms of the types of evidence that are admitted.1920The Commission routinely relies on surveys in litigated cases and otherwise to inform its decisions and opinions and, in fact, in this case, this is not the only survey that's in evidence. There are at least2023only survey that's in evidence. There are at least2424only survey that's in evidence. There are at least24	3 4 5	have gone on between July 1st and today. JUDGE KOPTA: Okay. Ms. Carson or Mr. Steele? MS. CARSON: Thank you, Your Honor.	2 3 4 5	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of
9of what type of evidence may be admitted. All relevant9talking about, but it is more than just litigation. It10evidence is admissible if the presiding officer believes10is for PSE's design of its pricing model.11it's the best evidence, reasonably attainable,11So, you know, we think it's clear that the12considering its necessity, availability, and12Commission has broad authority and discretion in terms13trustworthiness.13of looking at this type of evidence. I think this is14The Commission does not follow the hearsay14very different than the Avista case where someone15rule. The Commission allows hearsay in all the time.15attempted to bring in testimony from a different case.16The Commission is not bound by the Rules of Evidence or16This is again a survey that's directly on point.17the Rules of Civil Procedure. It looks to those for17And to the extent other parties have issues19latitude in terms of the types of evidence that are19results of the survey, they're free to bring those10admitted.20issues up as they already have, and the Commission can12The Commission routinely relies on surveys21consider those. But to consistent with the public13in litigated cases and otherwise to inform its decisions22that's on point is not consistent with the public14in litigated cases and otherwise to inform its decisions23interest; it's not consistent with the Commission's past14only surve	3 4 5 6	have gone on between July 1st and today. JUDGE KOPTA: Okay. Ms. Carson or Mr. Steele? MS. CARSON: Thank you, Your Honor. PSE respectfully disagree with Staff's	2 3 4 5 6	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of projections and pricing.
10evidence is admissible if the presiding officer believes10is for PSE's design of its pricing model.11it's the best evidence, reasonably attainable,11So, you know, we think it's clear that the12considering its necessity, availability, and12Commission has broad authority and discretion in terms13trustworthiness.13of looking at this type of evidence. I think this is14The Commission does not follow the hearsay14very different than the Avista case where someone15rule. The Commission allows hearsay in all the time.15attempted to bring in testimony from a different case.16The Commission is not bound by the Rules of Evidence or16This is again a survey that's directly on point.17the Rules of Civil Procedure. It looks to those for17And to the extent other parties have issues19latitude in terms of the types of evidence that are19results of the survey, they're free to bring those20admitted.20issues up as they already have, and the Commission can21The Commission routinely relies on surveys21consider those. But to completely strike a survey22in litigated cases and otherwise to inform its decisions22that's on point is not consistent with the public23and opinions and, in fact, in this case, this is not the23interest; it's not consistent with the Commission's past24only survey that's in evidence. There are at least24practice. And we ask that you deny Staff's motion.	3 4 5 6 7	have gone on between July 1st and today. JUDGE KOPTA: Okay. Ms. Carson or Mr. Steele? MS. CARSON: Thank you, Your Honor. PSE respectfully disagree with Staff's motion and Staff's interpretation of WAC 480-07-495.	2 3 4 5 6 7	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of projections and pricing. So to say that this is just for litigation,
11it's the best evidence, reasonably attainable,11So, you know, we think it's clear that the12considering its necessity, availability, and12Commission has broad authority and discretion in terms13trustworthiness.13of looking at this type of evidence. I think this is14The Commission does not follow the hearsay14very different than the Avista case where someone15rule. The Commission allows hearsay in all the time.15attempted to bring in testimony from a different case.16The Commission is not bound by the Rules of Evidence or16This is again a survey that's directly on point.17the Rules of Civil Procedure. It looks to those for17And to the extent other parties have issues18guidance, but has, as a practice, allowed much more18with the way that the survey was undertaken or the19latitude in terms of the types of evidence that are19results of the survey, they're free to bring those20admitted.20issues up as they already have, and the Commission can21The Commission routinely relies on surveys21consider those. But to completely strike a survey22in litigated cases and otherwise to inform its decisions22that's on point is not consistent with the public23and opinions and, in fact, in this case, this is not the23interest; it's not consistent with the Commission's past24only survey that's in evidence. There are at least24practice. And we ask that you deny Staff's motion.	3 4 5 6 7 8	<ul> <li>have gone on between July 1st and today.</li> <li>JUDGE KOPTA: Okay.</li> <li>Ms. Carson or Mr. Steele?</li> <li>MS. CARSON: Thank you, Your Honor.</li> <li>PSE respectfully disagree with Staff's</li> <li>motion and Staff's interpretation of WAC 480-07-495.</li> <li>This rule gives the Commission broad discretion in terms</li> </ul>	2 3 4 5 6 7 8	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of projections and pricing. So to say that this is just for litigation, which I'm not certain that that is a distinction worth
12considering its necessity, availability, and12Commission has broad authority and discretion in terms13trustworthiness.13of looking at this type of evidence. I think this is14The Commission does not follow the hearsay14very different than the Avista case where someone15rule. The Commission allows hearsay in all the time.15attempted to bring in testimony from a different case.16The Commission is not bound by the Rules of Evidence or16This is again a survey that's directly on point.17the Rules of Civil Procedure. It looks to those for17And to the extent other parties have issues18guidance, but has, as a practice, allowed much more18with the way that the survey was undertaken or the19latitude in terms of the types of evidence that are19results of the survey, they're free to bring those20admitted.20issues up as they already have, and the Commission can21The Commission routinely relies on surveys21consider those. But to completely strike a survey22in litigated cases and otherwise to inform its decisions22that's on point is not consistent with the public23and opinions and, in fact, in this case, this is not the23interest; it's not consistent with the Commission's past24only survey that's in evidence. There are at least24practice. And we ask that you deny Staff's motion.	3 4 5 7 8 9	have gone on between July 1st and today. JUDGE KOPTA: Okay. Ms. Carson or Mr. Steele? MS. CARSON: Thank you, Your Honor. PSE respectfully disagree with Staff's motion and Staff's interpretation of WAC 480-07-495. This rule gives the Commission broad discretion in terms of what type of evidence may be admitted. All relevant	2 3 4 5 6 7 8 9	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of projections and pricing. So to say that this is just for litigation, which I'm not certain that that is a distinction worth talking about, but it is more than just litigation. It
13trustworthiness.13of looking at this type of evidence. I think this is14The Commission does not follow the hearsay14very different than the Avista case where someone15rule. The Commission allows hearsay in all the time.15attempted to bring in testimony from a different case.16The Commission is not bound by the Rules of Evidence or16This is again a survey that's directly on point.17the Rules of Civil Procedure. It looks to those for17And to the extent other parties have issues18guidance, but has, as a practice, allowed much more18with the way that the survey was undertaken or the19latitude in terms of the types of evidence that are19results of the survey, they're free to bring those20admitted.20issues up as they already have, and the Commission can21The Commission routinely relies on surveys21consider those. But to completely strike a survey22in litigated cases and otherwise to inform its decisions22interest; it's not consistent with the public23and opinions and, in fact, in this case, this is not the23interest; it's not consistent with the Commission's past24only survey that's in evidence. There are at least24practice. And we ask that you deny Staff's motion.	3 4 5 7 8 9	have gone on between July 1st and today. JUDGE KOPTA: Okay. Ms. Carson or Mr. Steele? MS. CARSON: Thank you, Your Honor. PSE respectfully disagree with Staff's motion and Staff's interpretation of WAC 480-07-495. This rule gives the Commission broad discretion in terms of what type of evidence may be admitted. All relevant evidence is admissible if the presiding officer believes	2 3 4 5 6 7 8 9	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of projections and pricing. So to say that this is just for litigation, which I'm not certain that that is a distinction worth talking about, but it is more than just litigation. It is for PSE's design of its pricing model.
14The Commission does not follow the hearsay14very different than the Avista case where someone15rule. The Commission allows hearsay in all the time.15attempted to bring in testimony from a different case.16The Commission is not bound by the Rules of Evidence or16This is again a survey that's directly on point.17the Rules of Civil Procedure. It looks to those for17And to the extent other parties have issues18guidance, but has, as a practice, allowed much more18with the way that the survey was undertaken or the19latitude in terms of the types of evidence that are19results of the survey, they're free to bring those20admitted.20issues up as they already have, and the Commission can21The Commission routinely relies on surveys21consider those. But to completely strike a survey22in litigated cases and otherwise to inform its decisions22that's on point is not consistent with the public23and opinions and, in fact, in this case, this is not the23interest; it's not consistent with the Commission's past24only survey that's in evidence. There are at least24practice. And we ask that you deny Staff's motion.	3 4 5 7 8 9 10 11	have gone on between July 1st and today. JUDGE KOPTA: Okay. Ms. Carson or Mr. Steele? MS. CARSON: Thank you, Your Honor. PSE respectfully disagree with Staff's motion and Staff's interpretation of WAC 480-07-495. This rule gives the Commission broad discretion in terms of what type of evidence may be admitted. All relevant evidence is admissible if the presiding officer believes it's the best evidence, reasonably attainable,	2 3 4 5 6 7 8 9 10 11	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of projections and pricing. So to say that this is just for litigation, which I'm not certain that that is a distinction worth talking about, but it is more than just litigation. It is for PSE's design of its pricing model. So, you know, we think it's clear that the
15rule. The Commission allows hearsay in all the time.15attempted to bring in testimony from a different case.16The Commission is not bound by the Rules of Evidence or16This is again a survey that's directly on point.17the Rules of Civil Procedure. It looks to those for17And to the extent other parties have issues18guidance, but has, as a practice, allowed much more18with the way that the survey was undertaken or the19latitude in terms of the types of evidence that are19results of the survey, they're free to bring those20admitted.20issues up as they already have, and the Commission can21The Commission routinely relies on surveys21consider those. But to completely strike a survey22in litigated cases and otherwise to inform its decisions22that's on point is not consistent with the public23and opinions and, in fact, in this case, this is not the23interest; it's not consistent with the Commission's past24only survey that's in evidence. There are at least24practice. And we ask that you deny Staff's motion.	3 4 5 7 8 9 10 11	have gone on between July 1st and today. JUDGE KOPTA: Okay. Ms. Carson or Mr. Steele? MS. CARSON: Thank you, Your Honor. PSE respectfully disagree with Staff's motion and Staff's interpretation of WAC 480-07-495. This rule gives the Commission broad discretion in terms of what type of evidence may be admitted. All relevant evidence is admissible if the presiding officer believes it's the best evidence, reasonably attainable, considering its necessity, availability, and	2 3 4 5 6 7 8 9 10 11 12	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of projections and pricing. So to say that this is just for litigation, which I'm not certain that that is a distinction worth talking about, but it is more than just litigation. It is for PSE's design of its pricing model. So, you know, we think it's clear that the Commission has broad authority and discretion in terms
16The Commission is not bound by the Rules of Evidence or the Rules of Civil Procedure. It looks to those for guidance, but has, as a practice, allowed much more16This is again a survey that's directly on point. And to the extent other parties have issues18guidance, but has, as a practice, allowed much more18with the way that the survey was undertaken or the19latitude in terms of the types of evidence that are admitted.19results of the survey, they're free to bring those20admitted.20issues up as they already have, and the Commission can21The Commission routinely relies on surveys2122in litigated cases and otherwise to inform its decisions2223and opinions and, in fact, in this case, this is not the only survey that's in evidence. There are at least2324only survey that's in evidence. There are at least24	3 4 5 6 7 8 9 10 11 12 13	have gone on between July 1st and today. JUDGE KOPTA: Okay. Ms. Carson or Mr. Steele? MS. CARSON: Thank you, Your Honor. PSE respectfully disagree with Staff's motion and Staff's interpretation of WAC 480-07-495. This rule gives the Commission broad discretion in terms of what type of evidence may be admitted. All relevant evidence is admissible if the presiding officer believes it's the best evidence, reasonably attainable, considering its necessity, availability, and trustworthiness.	2 3 4 5 6 7 8 9 10 11 12 13	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of projections and pricing. So to say that this is just for litigation, which I'm not certain that that is a distinction worth talking about, but it is more than just litigation. It is for PSE's design of its pricing model. So, you know, we think it's clear that the Commission has broad authority and discretion in terms of looking at this type of evidence. I think this is
17the Rules of Civil Procedure. It looks to those for17And to the extent other parties have issues18guidance, but has, as a practice, allowed much more18with the way that the survey was undertaken or the19latitude in terms of the types of evidence that are19results of the survey, they're free to bring those20admitted.20issues up as they already have, and the Commission can21The Commission routinely relies on surveys21consider those. But to completely strike a survey22in litigated cases and otherwise to inform its decisions22that's on point is not consistent with the public23and opinions and, in fact, in this case, this is not the23interest; it's not consistent with the Commission's past24only survey that's in evidence. There are at least24practice. And we ask that you deny Staff's motion.	3 4 5 6 7 8 9 10 11 12 13	have gone on between July 1st and today. JUDGE KOPTA: Okay. Ms. Carson or Mr. Steele? MS. CARSON: Thank you, Your Honor. PSE respectfully disagree with Staff's motion and Staff's interpretation of WAC 480-07-495. This rule gives the Commission broad discretion in terms of what type of evidence may be admitted. All relevant evidence is admissible if the presiding officer believes it's the best evidence, reasonably attainable, considering its necessity, availability, and trustworthiness. The Commission does not follow the hearsay	2 3 4 5 6 7 8 9 10 11 12 13	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of projections and pricing. So to say that this is just for litigation, which I'm not certain that that is a distinction worth talking about, but it is more than just litigation. It is for PSE's design of its pricing model. So, you know, we think it's clear that the Commission has broad authority and discretion in terms of looking at this type of evidence. I think this is very different than the Avista case where someone
18guidance, but has, as a practice, allowed much more18with the way that the survey was undertaken or the19latitude in terms of the types of evidence that are19results of the survey, they're free to bring those20admitted.20issues up as they already have, and the Commission can21The Commission routinely relies on surveys21consider those. But to completely strike a survey22in litigated cases and otherwise to inform its decisions22that's on point is not consistent with the public23and opinions and, in fact, in this case, this is not the23interest; it's not consistent with the Commission's past24only survey that's in evidence. There are at least24practice. And we ask that you deny Staff's motion.	3 4 5 6 7 8 9 10 11 12 13 14	have gone on between July 1st and today. JUDGE KOPTA: Okay. Ms. Carson or Mr. Steele? MS. CARSON: Thank you, Your Honor. PSE respectfully disagree with Staff's motion and Staff's interpretation of WAC 480-07-495. This rule gives the Commission broad discretion in terms of what type of evidence may be admitted. All relevant evidence is admissible if the presiding officer believes it's the best evidence, reasonably attainable, considering its necessity, availability, and trustworthiness. The Commission does not follow the hearsay rule. The Commission allows hearsay in all the time.	2 3 4 5 6 7 8 9 10 11 12 13 14	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of projections and pricing. So to say that this is just for litigation, which I'm not certain that that is a distinction worth talking about, but it is more than just litigation. It is for PSE's design of its pricing model. So, you know, we think it's clear that the Commission has broad authority and discretion in terms of looking at this type of evidence. I think this is very different than the Avista case where someone attempted to bring in testimony from a different case.
19latitude in terms of the types of evidence that are admitted.19results of the survey, they're free to bring those20admitted.20issues up as they already have, and the Commission can21The Commission routinely relies on surveys21consider those. But to completely strike a survey22in litigated cases and otherwise to inform its decisions22that's on point is not consistent with the public23and opinions and, in fact, in this case, this is not the23interest; it's not consistent with the Commission's past24only survey that's in evidence. There are at least24practice. And we ask that you deny Staff's motion.	3 4 5 6 7 8 9 10 11 12 13 14 15	have gone on between July 1st and today. JUDGE KOPTA: Okay. Ms. Carson or Mr. Steele? MS. CARSON: Thank you, Your Honor. PSE respectfully disagree with Staff's motion and Staff's interpretation of WAC 480-07-495. This rule gives the Commission broad discretion in terms of what type of evidence may be admitted. All relevant evidence is admissible if the presiding officer believes it's the best evidence, reasonably attainable, considering its necessity, availability, and trustworthiness. The Commission does not follow the hearsay rule. The Commission allows hearsay in all the time. The Commission is not bound by the Rules of Evidence or	2 3 4 5 6 7 8 9 10 11 12 13 14 15	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of projections and pricing. So to say that this is just for litigation, which I'm not certain that that is a distinction worth talking about, but it is more than just litigation. It is for PSE's design of its pricing model. So, you know, we think it's clear that the Commission has broad authority and discretion in terms of looking at this type of evidence. I think this is very different than the Avista case where someone attempted to bring in testimony from a different case. This is again a survey that's directly on point.
20admitted.20issues up as they already have, and the Commission can21The Commission routinely relies on surveys21consider those. But to completely strike a survey22in litigated cases and otherwise to inform its decisions22that's on point is not consistent with the public23and opinions and, in fact, in this case, this is not the23interest; it's not consistent with the Commission's past24only survey that's in evidence. There are at least24practice. And we ask that you deny Staff's motion.	3 4 5 6 7 8 9 10 11 12 13 14 15 16	have gone on between July 1st and today. JUDGE KOPTA: Okay. Ms. Carson or Mr. Steele? MS. CARSON: Thank you, Your Honor. PSE respectfully disagree with Staff's motion and Staff's interpretation of WAC 480-07-495. This rule gives the Commission broad discretion in terms of what type of evidence may be admitted. All relevant evidence is admissible if the presiding officer believes it's the best evidence, reasonably attainable, considering its necessity, availability, and trustworthiness. The Commission does not follow the hearsay rule. The Commission allows hearsay in all the time. The Commission is not bound by the Rules of Evidence or the Rules of Civil Procedure. It looks to those for	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of projections and pricing. So to say that this is just for litigation, which I'm not certain that that is a distinction worth talking about, but it is more than just litigation. It is for PSE's design of its pricing model. So, you know, we think it's clear that the Commission has broad authority and discretion in terms of looking at this type of evidence. I think this is very different than the Avista case where someone attempted to bring in testimony from a different case. This is again a survey that's directly on point.
21The Commission routinely relies on surveys21consider those. But to completely strike a survey22in litigated cases and otherwise to inform its decisions22that's on point is not consistent with the public23and opinions and, in fact, in this case, this is not the23interest; it's not consistent with the Commission's past24only survey that's in evidence. There are at least24practice. And we ask that you deny Staff's motion.	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	have gone on between July 1st and today. JUDGE KOPTA: Okay. Ms. Carson or Mr. Steele? MS. CARSON: Thank you, Your Honor. PSE respectfully disagree with Staff's motion and Staff's interpretation of WAC 480-07-495. This rule gives the Commission broad discretion in terms of what type of evidence may be admitted. All relevant evidence is admissible if the presiding officer believes it's the best evidence, reasonably attainable, considering its necessity, availability, and trustworthiness. The Commission does not follow the hearsay rule. The Commission allows hearsay in all the time. The Commission is not bound by the Rules of Evidence or the Rules of Civil Procedure. It looks to those for guidance, but has, as a practice, allowed much more	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	<ul> <li>which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of projections and pricing.</li> <li>So to say that this is just for litigation,</li> <li>which I'm not certain that that is a distinction worth talking about, but it is more than just litigation. It is for PSE's design of its pricing model.</li> <li>So, you know, we think it's clear that the</li> <li>Commission has broad authority and discretion in terms of looking at this type of evidence. I think this is very different than the Avista case where someone attempted to bring in testimony from a different case.</li> <li>This is again a survey that's directly on point.</li> <li>And to the extent other parties have issues</li> <li>with the way that the survey was undertaken or the</li> </ul>
<ul> <li>in litigated cases and otherwise to inform its decisions</li> <li>and opinions and, in fact, in this case, this is not the</li> <li>only survey that's in evidence. There are at least</li> <li>that's on point is not consistent with the public</li> <li>interest; it's not consistent with the Commission's past</li> <li>practice. And we ask that you deny Staff's motion.</li> </ul>	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	have gone on between July 1st and today. JUDGE KOPTA: Okay. Ms. Carson or Mr. Steele? MS. CARSON: Thank you, Your Honor. PSE respectfully disagree with Staff's motion and Staff's interpretation of WAC 480-07-495. This rule gives the Commission broad discretion in terms of what type of evidence may be admitted. All relevant evidence is admissible if the presiding officer believes it's the best evidence, reasonably attainable, considering its necessity, availability, and trustworthiness. The Commission does not follow the hearsay rule. The Commission allows hearsay in all the time. The Commission is not bound by the Rules of Evidence or the Rules of Civil Procedure. It looks to those for guidance, but has, as a practice, allowed much more	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of projections and pricing. So to say that this is just for litigation, which I'm not certain that that is a distinction worth talking about, but it is more than just litigation. It is for PSE's design of its pricing model. So, you know, we think it's clear that the Commission has broad authority and discretion in terms of looking at this type of evidence. I think this is very different than the Avista case where someone attempted to bring in testimony from a different case. This is again a survey that's directly on point. And to the extent other parties have issues with the way that the survey was undertaken or the results of the survey, they're free to bring those
23and opinions and, in fact, in this case, this is not the only survey that's in evidence. There are at least23interest; it's not consistent with the Commission's past practice. And we ask that you deny Staff's motion.	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	have gone on between July 1st and today. JUDGE KOPTA: Okay. Ms. Carson or Mr. Steele? MS. CARSON: Thank you, Your Honor. PSE respectfully disagree with Staff's motion and Staff's interpretation of WAC 480-07-495. This rule gives the Commission broad discretion in terms of what type of evidence may be admitted. All relevant evidence is admissible if the presiding officer believes it's the best evidence, reasonably attainable, considering its necessity, availability, and trustworthiness. The Commission does not follow the hearsay rule. The Commission allows hearsay in all the time. The Commission is not bound by the Rules of Evidence or the Rules of Civil Procedure. It looks to those for guidance, but has, as a practice, allowed much more latitude in terms of the types of evidence that are	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of projections and pricing. So to say that this is just for litigation, which I'm not certain that that is a distinction worth talking about, but it is more than just litigation. It is for PSE's design of its pricing model. So, you know, we think it's clear that the Commission has broad authority and discretion in terms of looking at this type of evidence. I think this is very different than the Avista case where someone attempted to bring in testimony from a different case. This is again a survey that's directly on point. And to the extent other parties have issues with the way that the survey was undertaken or the results of the survey, they're free to bring those issues up as they already have, and the Commission can
24only survey that's in evidence. There are at least24practice. And we ask that you deny Staff's motion.	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	have gone on between July 1st and today. JUDGE KOPTA: Okay. Ms. Carson or Mr. Steele? MS. CARSON: Thank you, Your Honor. PSE respectfully disagree with Staff's motion and Staff's interpretation of WAC 480-07-495. This rule gives the Commission broad discretion in terms of what type of evidence may be admitted. All relevant evidence is admissible if the presiding officer believes it's the best evidence, reasonably attainable, considering its necessity, availability, and trustworthiness. The Commission does not follow the hearsay rule. The Commission allows hearsay in all the time. The Commission is not bound by the Rules of Evidence or the Rules of Civil Procedure. It looks to those for guidance, but has, as a practice, allowed much more latitude in terms of the types of evidence that are admitted.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of projections and pricing. So to say that this is just for litigation, which I'm not certain that that is a distinction worth talking about, but it is more than just litigation. It is for PSE's design of its pricing model. So, you know, we think it's clear that the Commission has broad authority and discretion in terms of looking at this type of evidence. I think this is very different than the Avista case where someone attempted to bring in testimony from a different case. This is again a survey that's directly on point. And to the extent other parties have issues with the way that the survey was undertaken or the results of the survey, they're free to bring those issues up as they already have, and the Commission can
	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	have gone on between July 1st and today. JUDGE KOPTA: Okay. Ms. Carson or Mr. Steele? MS. CARSON: Thank you, Your Honor. PSE respectfully disagree with Staff's motion and Staff's interpretation of WAC 480-07-495. This rule gives the Commission broad discretion in terms of what type of evidence may be admitted. All relevant evidence is admissible if the presiding officer believes it's the best evidence, reasonably attainable, considering its necessity, availability, and trustworthiness. The Commission does not follow the hearsay rule. The Commission allows hearsay in all the time. The Commission is not bound by the Rules of Evidence or the Rules of Civil Procedure. It looks to those for guidance, but has, as a practice, allowed much more latitude in terms of the types of evidence that are admitted. The Commission routinely relies on surveys	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of projections and pricing. So to say that this is just for litigation, which I'm not certain that that is a distinction worth talking about, but it is more than just litigation. It is for PSE's design of its pricing model. So, you know, we think it's clear that the Commission has broad authority and discretion in terms of looking at this type of evidence. I think this is very different than the Avista case where someone attempted to bring in testimony from a different case. This is again a survey that's directly on point. And to the extent other parties have issues with the way that the survey was undertaken or the results of the survey, they're free to bring those issues up as they already have, and the Commission can consider those. But to completely strike a survey
25       three other surveys that I'm aware of that are in       25       JUDGE KOPTA: All right, thank you. I	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	have gone on between July 1st and today. JUDGE KOPTA: Okay. Ms. Carson or Mr. Steele? MS. CARSON: Thank you, Your Honor. PSE respectfully disagree with Staff's motion and Staff's interpretation of WAC 480-07-495. This rule gives the Commission broad discretion in terms of what type of evidence may be admitted. All relevant evidence is admissible if the presiding officer believes it's the best evidence, reasonably attainable, considering its necessity, availability, and trustworthiness. The Commission does not follow the hearsay rule. The Commission allows hearsay in all the time. The Commission is not bound by the Rules of Evidence or the Rules of Civil Procedure. It looks to those for guidance, but has, as a practice, allowed much more latitude in terms of the types of evidence that are admitted. The Commission routinely relies on surveys in litigated cases and otherwise to inform its decisions	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of projections and pricing. So to say that this is just for litigation, which I'm not certain that that is a distinction worth talking about, but it is more than just litigation. It is for PSE's design of its pricing model. So, you know, we think it's clear that the Commission has broad authority and discretion in terms of looking at this type of evidence. I think this is very different than the Avista case where someone attempted to bring in testimony from a different case. This is again a survey that's directly on point. And to the extent other parties have issues with the way that the survey was undertaken or the results of the survey, they're free to bring those issues up as they already have, and the Commission can consider those. But to completely strike a survey that's on point is not consistent with the public
	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	have gone on between July 1st and today. JUDGE KOPTA: Okay. Ms. Carson or Mr. Steele? MS. CARSON: Thank you, Your Honor. PSE respectfully disagree with Staff's motion and Staff's interpretation of WAC 480-07-495. This rule gives the Commission broad discretion in terms of what type of evidence may be admitted. All relevant evidence is admissible if the presiding officer believes it's the best evidence, reasonably attainable, considering its necessity, availability, and trustworthiness. The Commission does not follow the hearsay rule. The Commission allows hearsay in all the time. The Commission allows hearsay in all the time. The Commission is not bound by the Rules of Evidence or the Rules of Civil Procedure. It looks to those for guidance, but has, as a practice, allowed much more latitude in terms of the types of evidence that are admitted. The Commission routinely relies on surveys in litigated cases and otherwise to inform its decisions and opinions and, in fact, in this case, this is not the only survey that's in evidence. There are at least	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	which had to be filed February 15th or 17th, and part of that was the pricing model and part of the pricing model was to determine what kind of interest there would be and what kind of numbers should be included in terms of projections and pricing. So to say that this is just for litigation, which I'm not certain that that is a distinction worth talking about, but it is more than just litigation. It is for PSE's design of its pricing model. So, you know, we think it's clear that the Commission has broad authority and discretion in terms of looking at this type of evidence. I think this is very different than the Avista case where someone attempted to bring in testimony from a different case. This is again a survey that's directly on point. And to the extent other parties have issues with the way that the survey was undertaken or the results of the survey, they're free to bring those issues up as they already have, and the Commission can consider those. But to completely strike a survey that's on point is not consistent with the public interest; it's not consistent with the Commission's past practice. And we ask that you deny Staff's motion.

	CREE 1003. OE-101071 AND OO-101072 - VOI. III		WOTO V. Tuget Sound Energy
	Page 99		Page 101
1	appreciate the heads-up that you gave me on Friday. It	1	JUDGE KOPTA: We have discussed that, but we
2	gave me the opportunity to consult with the	2	haven't identified it, the testimony for the record. So
3	commissioners as to their views on this in general,	3	let's do that now.
4	obviously without the benefit of your explanation. But	4	MR. STEELE: Your Honor, PSE has provided
5	I don't think that impacts what my understanding of	5	highlighted copies of the testimony for each witness
6	where they're coming from, which is, as Ms. Carson	6	that we believe is beyond the scope of their role in
7	indicates, the Commission routinely allows in evidence	7	this case, and if it's beneficial, we'd be happy to
8	that might ordinarily be excluded under the strict Rules	8	provide a copy to you and the parties.
9	of Evidence used in Superior Court and just determines	9	JUDGE KOPTA: Well, I think it would be
10	the weight to be given that evidence.	10	beneficial, but let's for right now, if you would tell
11	Perhaps as Staff argues, that weight should	11	me which exhibits it is that you are going to have
12	be zero, or next to zero; perhaps as PSE argues, it	12	objections to portions of it.
13	should be much higher. But that's something for the	13	MR. STEELE: Yes, Your Honor. It's BF-1T,
14	Commission to determine.	14	the direct testimony of Brian Fluetsch from SMACNA; and
15	This survey has been the subject of	15	SJK-1T, the testimony of Steven Krecker from WSHVACCA.
16	extensive testimony not only PSE's direct but responsive	16	JUDGE KOPTA: Okay.
17	testimony, and then PSE's rebuttal at this stage, I	17	MR. GOLTZ: To be clear, excerpts of it.
18	think it permeates the record and striking it now would	18	MR. STEELE: Excerpts, yes.
19	not give the Commission all of the information that it	19	JUDGE KOPTA: All right. Right, exactly.
20	needs to make a determination in this case. So the	20	And as I indicated before, we will take those up when
21	motion Commissioner denies the motion.	21	those witnesses are called to testify. I think that
22	Speaking of motions, are we finished with	22	would be the best way to handle those. So we will put
23	exhibits at this point?	23	those on hold for right now.
24	MR. GOLTZ: Your Honor, ever to be helpful	24	I had one question which is for the PSE-2,
25	here, two of our exhibits were also testimony exhibits	25	which is the professional qualifications for Mr. Teller
	Page 100		Page 102
1	by Mr. McCulloch. So we can and actually, his are	1	who as I understand will not be testifying but instead
1 2	by Mr. McCulloch. So we can and actually, his are broader; we just had excerpts that are broader, so we're	1 2	-
	-		who as I understand will not be testifying but instead
2	broader; we just had excerpts that are broader, so we're	2	who as I understand will not be testifying but instead Ms. Norton will be adopting his testimony.
2 3	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM	2 3	who as I understand will not be testifying but instead Ms. Norton will be adopting his testimony. Is there a reason that we need to disclose
2 3 4	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM Cross-Examination 55. That's assuming that we will	2 3 4	who as I understand will not be testifying but instead Ms. Norton will be adopting his testimony. Is there a reason that we need to disclose Mr. Teller's qualifications in the record since he's not
2 3 4 5	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM Cross-Examination 55. That's assuming that we will be they will be introducing those with Mr. McCulloch.	2 3 4 5	who as I understand will not be testifying but instead Ms. Norton will be adopting his testimony. Is there a reason that we need to disclose Mr. Teller's qualifications in the record since he's not actually testifying and the testimony is actually given
2 3 4 5 6	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM Cross-Examination 55. That's assuming that we will be they will be introducing those with Mr. McCulloch. JUDGE KOPTA: So that's MBM-54 and MBM-55	2 3 4 5 6	who as I understand will not be testifying but instead Ms. Norton will be adopting his testimony. Is there a reason that we need to disclose Mr. Teller's qualifications in the record since he's not actually testifying and the testimony is actually given by Ms. Norton?
2 3 4 5 6 7	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM Cross-Examination 55. That's assuming that we will be they will be introducing those with Mr. McCulloch. JUDGE KOPTA: So that's MBM-54 and MBM-55 you are withdrawing?	2 3 4 5 6 7	who as I understand will not be testifying but instead Ms. Norton will be adopting his testimony. Is there a reason that we need to disclose Mr. Teller's qualifications in the record since he's not actually testifying and the testimony is actually given by Ms. Norton? MS. CARSON: Well, that was not clear to us.
2 3 4 5 6 7 8	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM Cross-Examination 55. That's assuming that we will be they will be introducing those with Mr. McCulloch. JUDGE KOPTA: So that's MBM-54 and MBM-55 you are withdrawing? MR. GOLTZ: Right, in the assumption that	2 3 4 5 6 7 8	<ul> <li>who as I understand will not be testifying but instead</li> <li>Ms. Norton will be adopting his testimony.</li> <li>Is there a reason that we need to disclose</li> <li>Mr. Teller's qualifications in the record since he's not actually testifying and the testimony is actually given by Ms. Norton?</li> <li>MS. CARSON: Well, that was not clear to us.</li> <li>I mean, we don't want anyone to move to strike his</li> </ul>
2 3 4 5 6 7 8 9	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM Cross-Examination 55. That's assuming that we will be they will be introducing those with Mr. McCulloch. JUDGE KOPTA: So that's MBM-54 and MBM-55 you are withdrawing? MR. GOLTZ: Right, in the assumption that they are included in MBM-18 and 19. In other words, I'm	2 3 4 5 6 7 8 9	<ul> <li>who as I understand will not be testifying but instead</li> <li>Ms. Norton will be adopting his testimony.</li> <li>Is there a reason that we need to disclose</li> <li>Mr. Teller's qualifications in the record since he's not actually testifying and the testimony is actually given by Ms. Norton?</li> <li>MS. CARSON: Well, that was not clear to us.</li> <li>I mean, we don't want anyone to move to strike his testimony because it lacks professional qualifications,</li> </ul>
2 3 4 5 6 7 8 9 10	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM Cross-Examination 55. That's assuming that we will be they will be introducing those with Mr. McCulloch. JUDGE KOPTA: So that's MBM-54 and MBM-55 you are withdrawing? MR. GOLTZ: Right, in the assumption that they are included in MBM-18 and 19. In other words, I'm assuming that Mr. Carson and Mr. Steele will offer	2 3 4 5 6 7 8 9	<ul> <li>who as I understand will not be testifying but instead</li> <li>Ms. Norton will be adopting his testimony.</li> <li>Is there a reason that we need to disclose</li> <li>Mr. Teller's qualifications in the record since he's not</li> <li>actually testifying and the testimony is actually given</li> <li>by Ms. Norton?</li> <li>MS. CARSON: Well, that was not clear to us.</li> <li>I mean, we don't want anyone to move to strike his</li> <li>testimony because it lacks professional qualifications,</li> <li>but as long as it's stipulated that that will not occur,</li> </ul>
2 3 4 5 7 8 9 10 11	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM Cross-Examination 55. That's assuming that we will be they will be introducing those with Mr. McCulloch. JUDGE KOPTA: So that's MBM-54 and MBM-55 you are withdrawing? MR. GOLTZ: Right, in the assumption that they are included in MBM-18 and 19. In other words, I'm assuming that Mr. Carson and Mr. Steele will offer MBM-18 and 19.	2 3 4 5 6 7 8 9 10 11	<ul> <li>who as I understand will not be testifying but instead</li> <li>Ms. Norton will be adopting his testimony.</li> <li>Is there a reason that we need to disclose</li> <li>Mr. Teller's qualifications in the record since he's not actually testifying and the testimony is actually given by Ms. Norton?</li> <li>MS. CARSON: Well, that was not clear to us.</li> <li>I mean, we don't want anyone to move to strike his testimony because it lacks professional qualifications, but as long as it's stipulated that that will not occur, then we're fine withdrawing it.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM Cross-Examination 55. That's assuming that we will be they will be introducing those with Mr. McCulloch. JUDGE KOPTA: So that's MBM-54 and MBM-55 you are withdrawing? MR. GOLTZ: Right, in the assumption that they are included in MBM-18 and 19. In other words, I'm assuming that Mr. Carson and Mr. Steele will offer MBM-18 and 19. MS. CARSON: Yes.	2 3 4 5 6 7 8 9 10 11 12	<ul> <li>who as I understand will not be testifying but instead</li> <li>Ms. Norton will be adopting his testimony. <ul> <li>Is there a reason that we need to disclose</li> </ul> </li> <li>Mr. Teller's qualifications in the record since he's not actually testifying and the testimony is actually given by Ms. Norton? <ul> <li>MS. CARSON: Well, that was not clear to us.</li> </ul> </li> <li>I mean, we don't want anyone to move to strike his testimony because it lacks professional qualifications, but as long as it's stipulated that that will not occur, then we're fine withdrawing it. <ul> <li>JUDGE KOPTA: Well, Ms. Norton has her</li> </ul> </li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM Cross-Examination 55. That's assuming that we will be they will be introducing those with Mr. McCulloch. JUDGE KOPTA: So that's MBM-54 and MBM-55 you are withdrawing? MR. GOLTZ: Right, in the assumption that they are included in MBM-18 and 19. In other words, I'm assuming that Mr. Carson and Mr. Steele will offer MBM-18 and 19. MS. CARSON: Yes. JUDGE KOPTA: Okay. I will make I've	2 3 4 5 6 7 8 9 10 11 12 13	<ul> <li>who as I understand will not be testifying but instead</li> <li>Ms. Norton will be adopting his testimony.</li> <li>Is there a reason that we need to disclose</li> <li>Mr. Teller's qualifications in the record since he's not</li> <li>actually testifying and the testimony is actually given</li> <li>by Ms. Norton?</li> <li>MS. CARSON: Well, that was not clear to us.</li> <li>I mean, we don't want anyone to move to strike his</li> <li>testimony because it lacks professional qualifications,</li> <li>but as long as it's stipulated that that will not occur,</li> <li>then we're fine withdrawing it.</li> <li>JUDGE KOPTA: Well, Ms. Norton has her</li> <li>qualifications. Since she's adopting the testimony, one</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM Cross-Examination 55. That's assuming that we will be they will be introducing those with Mr. McCulloch. JUDGE KOPTA: So that's MBM-54 and MBM-55 you are withdrawing? MR. GOLTZ: Right, in the assumption that they are included in MBM-18 and 19. In other words, I'm assuming that Mr. Carson and Mr. Steele will offer MBM-18 and 19. MS. CARSON: Yes. JUDGE KOPTA: Okay. I will make I've made that notation.	2 3 4 5 6 7 8 9 10 11 12 13 14	<ul> <li>who as I understand will not be testifying but instead</li> <li>Ms. Norton will be adopting his testimony.</li> <li>Is there a reason that we need to disclose</li> <li>Mr. Teller's qualifications in the record since he's not actually testifying and the testimony is actually given by Ms. Norton?</li> <li>MS. CARSON: Well, that was not clear to us.</li> <li>I mean, we don't want anyone to move to strike his testimony because it lacks professional qualifications, but as long as it's stipulated that that will not occur, then we're fine withdrawing it.</li> <li>JUDGE KOPTA: Well, Ms. Norton has her qualifications. Since she's adopting the testimony, or that's my</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM Cross-Examination 55. That's assuming that we will be they will be introducing those with Mr. McCulloch. JUDGE KOPTA: So that's MBM-54 and MBM-55 you are withdrawing? MR. GOLTZ: Right, in the assumption that they are included in MBM-18 and 19. In other words, I'm assuming that Mr. Carson and Mr. Steele will offer MBM-18 and 19. MS. CARSON: Yes. JUDGE KOPTA: Okay. I will make I've made that notation. MR. GOLTZ: Thank you.	2 3 4 5 6 7 8 9 10 11 12 13 14 15	<ul> <li>who as I understand will not be testifying but instead</li> <li>Ms. Norton will be adopting his testimony. <ul> <li>Is there a reason that we need to disclose</li> </ul> </li> <li>Mr. Teller's qualifications in the record since he's not actually testifying and the testimony is actually given by Ms. Norton? <ul> <li>MS. CARSON: Well, that was not clear to us.</li> </ul> </li> <li>I mean, we don't want anyone to move to strike his testimony because it lacks professional qualifications, but as long as it's stipulated that that will not occur, then we're fine withdrawing it. <ul> <li>JUDGE KOPTA: Well, Ms. Norton has her qualifications. Since she's adopting the testimony, or that's my assumption.</li> </ul> </li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM Cross-Examination 55. That's assuming that we will be they will be introducing those with Mr. McCulloch. JUDGE KOPTA: So that's MBM-54 and MBM-55 you are withdrawing? MR. GOLTZ: Right, in the assumption that they are included in MBM-18 and 19. In other words, I'm assuming that Mr. Carson and Mr. Steele will offer MBM-18 and 19. MS. CARSON: Yes. JUDGE KOPTA: Okay. I will make I've made that notation. MR. GOLTZ: Thank you. JUDGE KOPTA: All right. My understanding,	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	<ul> <li>who as I understand will not be testifying but instead</li> <li>Ms. Norton will be adopting his testimony.</li> <li>Is there a reason that we need to disclose</li> <li>Mr. Teller's qualifications in the record since he's not</li> <li>actually testifying and the testimony is actually given</li> <li>by Ms. Norton?</li> <li>MS. CARSON: Well, that was not clear to us.</li> <li>I mean, we don't want anyone to move to strike his</li> <li>testimony because it lacks professional qualifications,</li> <li>but as long as it's stipulated that that will not occur,</li> <li>then we're fine withdrawing it.</li> <li>JUDGE KOPTA: Well, Ms. Norton has her</li> <li>qualifications. Since she's adopting the testimony, one</li> <li>assumes those cover Mr. Teller's testimony, or that's my</li> <li>assumption.</li> <li>MS. CARSON: That makes sense.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM Cross-Examination 55. That's assuming that we will be they will be introducing those with Mr. McCulloch. JUDGE KOPTA: So that's MBM-54 and MBM-55 you are withdrawing? MR. GOLTZ: Right, in the assumption that they are included in MBM-18 and 19. In other words, I'm assuming that Mr. Carson and Mr. Steele will offer MBM-18 and 19. MS. CARSON: Yes. JUDGE KOPTA: Okay. I will make I've made that notation. MR. GOLTZ: Thank you. JUDGE KOPTA: All right. My understanding, based on our conversation this morning, is that all of	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	<ul> <li>who as I understand will not be testifying but instead</li> <li>Ms. Norton will be adopting his testimony. <ul> <li>Is there a reason that we need to disclose</li> </ul> </li> <li>Mr. Teller's qualifications in the record since he's not actually testifying and the testimony is actually given by Ms. Norton? <ul> <li>MS. CARSON: Well, that was not clear to us.</li> </ul> </li> <li>I mean, we don't want anyone to move to strike his testimony because it lacks professional qualifications, but as long as it's stipulated that that will not occur, then we're fine withdrawing it. <ul> <li>JUDGE KOPTA: Well, Ms. Norton has her qualifications. Since she's adopting the testimony, one assumes those cover Mr. Teller's testimony, or that's my assumption.</li> <li>MS. CARSON: That makes sense.</li> <li>MR. GOLTZ: When one adopts testimony, is</li> </ul> </li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM Cross-Examination 55. That's assuming that we will be they will be introducing those with Mr. McCulloch. JUDGE KOPTA: So that's MBM-54 and MBM-55 you are withdrawing? MR. GOLTZ: Right, in the assumption that they are included in MBM-18 and 19. In other words, I'm assuming that Mr. Carson and Mr. Steele will offer MBM-18 and 19. MS. CARSON: Yes. JUDGE KOPTA: Okay. I will make I've made that notation. MR. GOLTZ: Thank you. JUDGE KOPTA: All right. My understanding, based on our conversation this morning, is that all of the exhibits that we have not discussed, the parties	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>who as I understand will not be testifying but instead</li> <li>Ms. Norton will be adopting his testimony. <ul> <li>Is there a reason that we need to disclose</li> </ul> </li> <li>Mr. Teller's qualifications in the record since he's not actually testifying and the testimony is actually given by Ms. Norton? <ul> <li>MS. CARSON: Well, that was not clear to us.</li> </ul> </li> <li>I mean, we don't want anyone to move to strike his testimony because it lacks professional qualifications, but as long as it's stipulated that that will not occur, then we're fine withdrawing it. <ul> <li>JUDGE KOPTA: Well, Ms. Norton has her qualifications. Since she's adopting the testimony, one assumes those cover Mr. Teller's testimony, or that's my assumption.</li> <li>MS. CARSON: That makes sense.</li> <li>MR. GOLTZ: When one adopts testimony is now her</li> </ul> </li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM Cross-Examination 55. That's assuming that we will be they will be introducing those with Mr. McCulloch. JUDGE KOPTA: So that's MBM-54 and MBM-55 you are withdrawing? MR. GOLTZ: Right, in the assumption that they are included in MBM-18 and 19. In other words, I'm assuming that Mr. Carson and Mr. Steele will offer MBM-18 and 19. MS. CARSON: Yes. JUDGE KOPTA: Okay. I will make I've made that notation. MR. GOLTZ: Thank you. JUDGE KOPTA: All right. My understanding, based on our conversation this morning, is that all of the exhibits that we have not discussed, the parties have stipulated to the admission in the record, am I	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	<ul> <li>who as I understand will not be testifying but instead</li> <li>Ms. Norton will be adopting his testimony. <ul> <li>Is there a reason that we need to disclose</li> </ul> </li> <li>Mr. Teller's qualifications in the record since he's not actually testifying and the testimony is actually given by Ms. Norton? <ul> <li>MS. CARSON: Well, that was not clear to us.</li> </ul> </li> <li>I mean, we don't want anyone to move to strike his testimony because it lacks professional qualifications, but as long as it's stipulated that that will not occur, then we're fine withdrawing it. <ul> <li>JUDGE KOPTA: Well, Ms. Norton has her</li> <li>qualifications. Since she's adopting the testimony, one assumes those cover Mr. Teller's testimony, or that's my assumption.</li> <li>MS. CARSON: That makes sense.</li> <li>MR. GOLTZ: When one adopts testimony, is</li> </ul> </li> <li>Ms. Norton saying that Mr. Teller's testimony?</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM Cross-Examination 55. That's assuming that we will be they will be introducing those with Mr. McCulloch. JUDGE KOPTA: So that's MBM-54 and MBM-55 you are withdrawing? MR. GOLTZ: Right, in the assumption that they are included in MBM-18 and 19. In other words, I'm assuming that Mr. Carson and Mr. Steele will offer MBM-18 and 19. MS. CARSON: Yes. JUDGE KOPTA: Okay. I will make I've made that notation. MR. GOLTZ: Thank you. JUDGE KOPTA: All right. My understanding, based on our conversation this morning, is that all of the exhibits that we have not discussed, the parties have stipulated to the admission in the record, am I correct?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	<ul> <li>who as I understand will not be testifying but instead</li> <li>Ms. Norton will be adopting his testimony. <ul> <li>Is there a reason that we need to disclose</li> </ul> </li> <li>Mr. Teller's qualifications in the record since he's not actually testifying and the testimony is actually given by Ms. Norton? <ul> <li>MS. CARSON: Well, that was not clear to us.</li> </ul> </li> <li>I mean, we don't want anyone to move to strike his testimony because it lacks professional qualifications, but as long as it's stipulated that that will not occur, then we're fine withdrawing it. <ul> <li>JUDGE KOPTA: Well, Ms. Norton has her qualifications. Since she's adopting the testimony, one assumes those cover Mr. Teller's testimony, or that's my assumption.</li> <li>MS. CARSON: That makes sense.</li> <li>MR. GOLTZ: When one adopts testimony, is</li> </ul> </li> <li>Ms. Norton saying that Mr. Teller's testimony? There's a difference.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM Cross-Examination 55. That's assuming that we will be they will be introducing those with Mr. McCulloch. JUDGE KOPTA: So that's MBM-54 and MBM-55 you are withdrawing? MR. GOLTZ: Right, in the assumption that they are included in MBM-18 and 19. In other words, I'm assuming that Mr. Carson and Mr. Steele will offer MBM-18 and 19. MS. CARSON: Yes. JUDGE KOPTA: Okay. I will make I've made that notation. MR. GOLTZ: Thank you. JUDGE KOPTA: All right. My understanding, based on our conversation this morning, is that all of the exhibits that we have not discussed, the parties have stipulated to the admission in the record, am I correct? MR. STEELE: The only other issue, Your	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	who as I understand will not be testifying but instead Ms. Norton will be adopting his testimony. Is there a reason that we need to disclose Mr. Teller's qualifications in the record since he's not actually testifying and the testimony is actually given by Ms. Norton? MS. CARSON: Well, that was not clear to us. I mean, we don't want anyone to move to strike his testimony because it lacks professional qualifications, but as long as it's stipulated that that will not occur, then we're fine withdrawing it. JUDGE KOPTA: Well, Ms. Norton has her qualifications. Since she's adopting the testimony, one assumes those cover Mr. Teller's testimony, or that's my assumption. MS. CARSON: That makes sense. MR. GOLTZ: When one adopts testimony, is Ms. Norton saying that Mr. Teller's testimony is now her own, or is she here to defend Mr. Teller's testimony? There's a difference. JUDGE KOPTA: I'm assuming that she is adopting it as her own. That's generally what happens
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM Cross-Examination 55. That's assuming that we will be they will be introducing those with Mr. McCulloch. JUDGE KOPTA: So that's MBM-54 and MBM-55 you are withdrawing? MR. GOLTZ: Right, in the assumption that they are included in MBM-18 and 19. In other words, I'm assuming that Mr. Carson and Mr. Steele will offer MBM-18 and 19. MS. CARSON: Yes. JUDGE KOPTA: Okay. I will make I've made that notation. MR. GOLTZ: Thank you. JUDGE KOPTA: All right. My understanding, based on our conversation this morning, is that all of the exhibits that we have not discussed, the parties have stipulated to the admission in the record, am I correct? MR. STEELE: The only other issue, Your Honor, is the testimony provided by Mr. Fluetsch and	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>who as I understand will not be testifying but instead</li> <li>Ms. Norton will be adopting his testimony. <ul> <li>Is there a reason that we need to disclose</li> </ul> </li> <li>Mr. Teller's qualifications in the record since he's not actually testifying and the testimony is actually given by Ms. Norton? <ul> <li>MS. CARSON: Well, that was not clear to us.</li> </ul> </li> <li>I mean, we don't want anyone to move to strike his testimony because it lacks professional qualifications, but as long as it's stipulated that that will not occur, then we're fine withdrawing it. <ul> <li>JUDGE KOPTA: Well, Ms. Norton has her qualifications. Since she's adopting the testimony, one assumes those cover Mr. Teller's testimony, or that's my assumption.</li> <li>MS. CARSON: That makes sense.</li> <li>MR. GOLTZ: When one adopts testimony, is</li> </ul> </li> <li>Ms. Norton saying that Mr. Teller's testimony? <ul> <li>There's a difference.</li> <li>JUDGE KOPTA: I'm assuming that she is</li> </ul> </li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	broader; we just had excerpts that are broader, so we're fine to withdraw MBM Cross-Examination 54 and MBM Cross-Examination 55. That's assuming that we will be they will be introducing those with Mr. McCulloch. JUDGE KOPTA: So that's MBM-54 and MBM-55 you are withdrawing? MR. GOLTZ: Right, in the assumption that they are included in MBM-18 and 19. In other words, I'm assuming that Mr. Carson and Mr. Steele will offer MBM-18 and 19. MS. CARSON: Yes. JUDGE KOPTA: Okay. I will make I've made that notation. MR. GOLTZ: Thank you. JUDGE KOPTA: All right. My understanding, based on our conversation this morning, is that all of the exhibits that we have not discussed, the parties have stipulated to the admission in the record, am I correct? MR. STEELE: The only other issue, Your Honor, is the testimony provided by Mr. Fluetsch and Mr. Krecker from SMACNA and WSHVACCA that PSE believes	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	who as I understand will not be testifying but instead Ms. Norton will be adopting his testimony. Is there a reason that we need to disclose Mr. Teller's qualifications in the record since he's not actually testifying and the testimony is actually given by Ms. Norton? MS. CARSON: Well, that was not clear to us. I mean, we don't want anyone to move to strike his testimony because it lacks professional qualifications, but as long as it's stipulated that that will not occur, then we're fine withdrawing it. JUDGE KOPTA: Well, Ms. Norton has her qualifications. Since she's adopting the testimony, one assumes those cover Mr. Teller's testimony, or that's my assumption. MS. CARSON: That makes sense. MR. GOLTZ: When one adopts testimony, is Ms. Norton saying that Mr. Teller's testimony is now her own, or is she here to defend Mr. Teller's testimony? There's a difference. JUDGE KOPTA: I'm assuming that she is adopting it as her own. That's generally what happens in these circumstances; am I incorrect, Ms. Carson?

	CRELINUS. DE-13107 I AND UG-131072 - VOI. III		
-	Page 103		Page 105
1	not admit that exhibit. I don't see it's useful. But	1	mentioned, a few supplemented versions of exhibits that
2	I'm going to go through the exhibits right now that are	2	no one has objected to that we will provide.
3	admitted, and follow along with me, if you will, to make	3	JUDGE KOPTA: Yes. I believe we discussed
4	sure that I get this right.	4	those, and so that's my understanding that I'm including
5	JET-1T, which is the direct testimony of	5	those.
6	Mr. Teller that Ms. Norton is adopting; JET-3; LYN-1T	6	All right, then. The exhibits that I just
7	through LYN-9S; exhibit MBM-1T through MBM-22,	7	listed off are admitted, and the remaining exhibits we
8	recognizing that MBM-7 is MBM-7H2, which contains highly	8	will take up when they arise in the hearings.
9	confidential information. There's also highly	9	MR. CASEY: Judge Kopta, we just noticed
10	confidential information in MBM-8HC and 13HC and 14HC		that Elizabeth O'Connell's initials are actually ECO,
11	and 15HC.	11	not EOC. Her middle name starts with a "C," her last
12	Then MBM-26 through MBM-35; MBM-40HC through	12	name is O'Connell, so it's ECO.
13	MBM-48, recognizing that MBM-42C contains confidential	13	JUDGE KOPTA: All right. We can make that
14	information; MBM-53 through MBM-56; MBM-60; Exhibit	14	designation change.
15	EEE-1T through EEE-12; Exhibit AF-1T through AF-5HC.	15	MS. BROWN: Thank you.
16	Exhibit MRM-1T through MRM-5; Exhibit AJW-1T	16	JUDGE KOPTA: All right, then. Those
17	and AJW-2; Exhibit BTC-1HCT through BTC-13, recognizing	17	exhibits are admitted.
18	that BTC-2HC and 9HC both include information that has	18	And finally, with respect to Staff's Motion
19	been designated as highly confidential.		for Summary Determination, as I indicated off the record
20	Exhibit EOC-1HCT through EOC-26, recognizing	20	before we began, we are here in the hearings, and so,
21	that Exhibits EOC-3HC, 4HC, 5HC, 6HC, 8HC, 13HC all	21	obviously, the Commission is not going to rule on the
22	contain information that has been designated as highly	22	substance of those motions at this point.
23	confidential.	23	Basically the statutes are very broad in
24	Exhibit AR-1T; Exhibits MMK-1HCT through	24	their definition of what is and is not included in
25	MMK-9, recognizing that Exhibit MMK-4HC and 7HC contain	25	utility service.
	Page 104		Page 106
1	information that's been designated as highly	1	Commission has not found to this point
2	confidential.	2	anything in the statutes that would require drawing a
3	Exhibit JMN-1T; Exhibits BF-2 through BF-6;	3	bright line at the meter or determining whether a
4	Exhibit JvdH-1T through JvdH-6; Exhibit SJK-2 through	4	service, utility service that's regulated by the
5	SJK-6; and Exhibit WEP-1T through WEP-3.	5	Commission or not.
6	I baliava all of these aybibits are		
7	I believe all of those exhibits are	6	And so even as SMACNA had pointed out, there
	stipulated to be admitted into the record.	6 7	are factors that the Commission will look at and those
8	stipulated to be admitted into the record. Any corrections to that list?	7 8	are factors that the Commission will look at and those are factors that require a factual determination, which
8 9	stipulated to be admitted into the record. Any corrections to that list? MS. GAFKEN: Not really a correction, but	7 8 9	are factors that the Commission will look at and those are factors that require a factual determination, which is why we are here in this hearing. So the Commission
	stipulated to be admitted into the record. Any corrections to that list? MS. GAFKEN: Not really a correction, but I'm noticing that you identified the exhibits that also	7 8 9 10	are factors that the Commission will look at and those are factors that require a factual determination, which is why we are here in this hearing. So the Commission certainly will entertain those arguments, but only on
9	stipulated to be admitted into the record. Any corrections to that list? MS. GAFKEN: Not really a correction, but I'm noticing that you identified the exhibits that also had confidential or highly confidential. Noting also	7 8 9 10 11	are factors that the Commission will look at and those are factors that require a factual determination, which is why we are here in this hearing. So the Commission certainly will entertain those arguments, but only on the basis of the record that we develop here today.
9 10	stipulated to be admitted into the record. Any corrections to that list? MS. GAFKEN: Not really a correction, but I'm noticing that you identified the exhibits that also had confidential or highly confidential. Noting also Exhibit MBM-40 as highly confidential, information of	7 8 9 10 11 12	are factors that the Commission will look at and those are factors that require a factual determination, which is why we are here in this hearing. So the Commission certainly will entertain those arguments, but only on the basis of the record that we develop here today. MR. GOLTZ: So do I understand Your Honor
9 10 11	stipulated to be admitted into the record. Any corrections to that list? MS. GAFKEN: Not really a correction, but I'm noticing that you identified the exhibits that also had confidential or highly confidential. Noting also Exhibit MBM-40 as highly confidential, information of off Public Counsel cross-exhibit for Mr. McCulloch. And	7 8 9 10 11 12 13	are factors that the Commission will look at and those are factors that require a factual determination, which is why we are here in this hearing. So the Commission certainly will entertain those arguments, but only on the basis of the record that we develop here today. MR. GOLTZ: So do I understand Your Honor saying that the legal issue, jurisdictional issue, is
9 10 11 12 13 14	stipulated to be admitted into the record. Any corrections to that list? MS. GAFKEN: Not really a correction, but I'm noticing that you identified the exhibits that also had confidential or highly confidential. Noting also Exhibit MBM-40 as highly confidential, information of off Public Counsel cross-exhibit for Mr. McCulloch. And then also Ms. Kimball's testimony, Exhibit MMK-1T, also	7 8 9 10 11 12 13 14	are factors that the Commission will look at and those are factors that require a factual determination, which is why we are here in this hearing. So the Commission certainly will entertain those arguments, but only on the basis of the record that we develop here today. MR. GOLTZ: So do I understand Your Honor saying that the legal issue, jurisdictional issue, is reserved for further briefing in the closing briefs?
9 10 11 12 13 14 15	stipulated to be admitted into the record. Any corrections to that list? MS. GAFKEN: Not really a correction, but I'm noticing that you identified the exhibits that also had confidential or highly confidential. Noting also Exhibit MBM-40 as highly confidential, information of off Public Counsel cross-exhibit for Mr. McCulloch. And then also Ms. Kimball's testimony, Exhibit MMK-1T, also has highly confidential.	7 8 9 10 11 12 13 14 15	are factors that the Commission will look at and those are factors that require a factual determination, which is why we are here in this hearing. So the Commission certainly will entertain those arguments, but only on the basis of the record that we develop here today. MR. GOLTZ: So do I understand Your Honor saying that the legal issue, jurisdictional issue, is reserved for further briefing in the closing briefs? JUDGE KOPTA: Yes, it is. As I say, the
9 10 11 12 13 14	stipulated to be admitted into the record. Any corrections to that list? MS. GAFKEN: Not really a correction, but I'm noticing that you identified the exhibits that also had confidential or highly confidential. Noting also Exhibit MBM-40 as highly confidential, information of off Public Counsel cross-exhibit for Mr. McCulloch. And then also Ms. Kimball's testimony, Exhibit MMK-1T, also has highly confidential. JUDGE KOPTA: Okay. Thank you for that.	7 8 9 10 11 12 13 14	are factors that the Commission will look at and those are factors that require a factual determination, which is why we are here in this hearing. So the Commission certainly will entertain those arguments, but only on the basis of the record that we develop here today. MR. GOLTZ: So do I understand Your Honor saying that the legal issue, jurisdictional issue, is reserved for further briefing in the closing briefs? JUDGE KOPTA: Yes, it is. As I say, the Commission feels like it needs more facts to be able to
9 10 11 12 13 14 15 16 17	stipulated to be admitted into the record. Any corrections to that list? MS. GAFKEN: Not really a correction, but I'm noticing that you identified the exhibits that also had confidential or highly confidential. Noting also Exhibit MBM-40 as highly confidential, information of off Public Counsel cross-exhibit for Mr. McCulloch. And then also Ms. Kimball's testimony, Exhibit MMK-1T, also has highly confidential. JUDGE KOPTA: Okay. Thank you for that. Anything else that needs to be corrected?	7 8 9 10 11 12 13 14 15 16 17	are factors that the Commission will look at and those are factors that require a factual determination, which is why we are here in this hearing. So the Commission certainly will entertain those arguments, but only on the basis of the record that we develop here today. MR. GOLTZ: So do I understand Your Honor saying that the legal issue, jurisdictional issue, is reserved for further briefing in the closing briefs? JUDGE KOPTA: Yes, it is. As I say, the Commission feels like it needs more facts to be able to make that determination and, therefore, it will be an
9 10 11 12 13 14 15 16	stipulated to be admitted into the record. Any corrections to that list? MS. GAFKEN: Not really a correction, but I'm noticing that you identified the exhibits that also had confidential or highly confidential. Noting also Exhibit MBM-40 as highly confidential, information of off Public Counsel cross-exhibit for Mr. McCulloch. And then also Ms. Kimball's testimony, Exhibit MMK-1T, also has highly confidential. JUDGE KOPTA: Okay. Thank you for that. Anything else that needs to be corrected? MS. CARSON: Yes, Your Honor. We wanted to	7 8 9 10 11 12 13 14 15 16	are factors that the Commission will look at and those are factors that require a factual determination, which is why we are here in this hearing. So the Commission certainly will entertain those arguments, but only on the basis of the record that we develop here today. MR. GOLTZ: So do I understand Your Honor saying that the legal issue, jurisdictional issue, is reserved for further briefing in the closing briefs? JUDGE KOPTA: Yes, it is. As I say, the Commission feels like it needs more facts to be able to make that determination and, therefore, it will be an issue that we will expect parties to, perhaps,
9 10 11 12 13 14 15 16 17	stipulated to be admitted into the record. Any corrections to that list? MS. GAFKEN: Not really a correction, but I'm noticing that you identified the exhibits that also had confidential or highly confidential. Noting also Exhibit MBM-40 as highly confidential, information of off Public Counsel cross-exhibit for Mr. McCulloch. And then also Ms. Kimball's testimony, Exhibit MMK-1T, also has highly confidential. JUDGE KOPTA: Okay. Thank you for that. Anything else that needs to be corrected? MS. CARSON: Yes, Your Honor. We wanted to clarify on the Marcelia exhibits, I'm not sure if we got	7 8 9 10 11 12 13 14 15 16 17	are factors that the Commission will look at and those are factors that require a factual determination, which is why we are here in this hearing. So the Commission certainly will entertain those arguments, but only on the basis of the record that we develop here today. MR. GOLTZ: So do I understand Your Honor saying that the legal issue, jurisdictional issue, is reserved for further briefing in the closing briefs? JUDGE KOPTA: Yes, it is. As I say, the Commission feels like it needs more facts to be able to make that determination and, therefore, it will be an issue that we will expect parties to, perhaps, supplement their briefing on in the post hearing briefs.
9 10 11 12 13 14 15 16 17 18	stipulated to be admitted into the record. Any corrections to that list? MS. GAFKEN: Not really a correction, but I'm noticing that you identified the exhibits that also had confidential or highly confidential. Noting also Exhibit MBM-40 as highly confidential, information of off Public Counsel cross-exhibit for Mr. McCulloch. And then also Ms. Kimball's testimony, Exhibit MMK-1T, also has highly confidential. JUDGE KOPTA: Okay. Thank you for that. Anything else that needs to be corrected? MS. CARSON: Yes, Your Honor. We wanted to clarify on the Marcelia exhibits, I'm not sure if we got that down right. There were three, MRM-6, 7, and 8,	7 8 9 10 11 12 13 14 15 16 17 18	are factors that the Commission will look at and those are factors that require a factual determination, which is why we are here in this hearing. So the Commission certainly will entertain those arguments, but only on the basis of the record that we develop here today. MR. GOLTZ: So do I understand Your Honor saying that the legal issue, jurisdictional issue, is reserved for further briefing in the closing briefs? JUDGE KOPTA: Yes, it is. As I say, the Commission feels like it needs more facts to be able to make that determination and, therefore, it will be an issue that we will expect parties to, perhaps, supplement their briefing on in the post hearing briefs. All right, is there anything further that we
9 10 11 12 13 14 15 16 17 18 19	stipulated to be admitted into the record. Any corrections to that list? MS. GAFKEN: Not really a correction, but I'm noticing that you identified the exhibits that also had confidential or highly confidential. Noting also Exhibit MBM-40 as highly confidential, information of off Public Counsel cross-exhibit for Mr. McCulloch. And then also Ms. Kimball's testimony, Exhibit MMK-1T, also has highly confidential. JUDGE KOPTA: Okay. Thank you for that. Anything else that needs to be corrected? MS. CARSON: Yes, Your Honor. We wanted to clarify on the Marcelia exhibits, I'm not sure if we got that down right. There were three, MRM-6, 7, and 8, that we had not yet stipulated to. I'm sorry, 6	7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	are factors that the Commission will look at and those are factors that require a factual determination, which is why we are here in this hearing. So the Commission certainly will entertain those arguments, but only on the basis of the record that we develop here today. MR. GOLTZ: So do I understand Your Honor saying that the legal issue, jurisdictional issue, is reserved for further briefing in the closing briefs? JUDGE KOPTA: Yes, it is. As I say, the Commission feels like it needs more facts to be able to make that determination and, therefore, it will be an issue that we will expect parties to, perhaps, supplement their briefing on in the post hearing briefs. All right, is there anything further that we need to take up before the Commissioners join us?
<ul> <li>9</li> <li>10</li> <li>11</li> <li>12</li> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> </ul>	stipulated to be admitted into the record. Any corrections to that list? MS. GAFKEN: Not really a correction, but I'm noticing that you identified the exhibits that also had confidential or highly confidential. Noting also Exhibit MBM-40 as highly confidential, information of off Public Counsel cross-exhibit for Mr. McCulloch. And then also Ms. Kimball's testimony, Exhibit MMK-1T, also has highly confidential. JUDGE KOPTA: Okay. Thank you for that. Anything else that needs to be corrected? MS. CARSON: Yes, Your Honor. We wanted to clarify on the Marcelia exhibits, I'm not sure if we got that down right. There were three, MRM-6, 7, and 8, that we had not yet stipulated to. I'm sorry, 6 through 9.	7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	are factors that the Commission will look at and those are factors that require a factual determination, which is why we are here in this hearing. So the Commission certainly will entertain those arguments, but only on the basis of the record that we develop here today. MR. GOLTZ: So do I understand Your Honor saying that the legal issue, jurisdictional issue, is reserved for further briefing in the closing briefs? JUDGE KOPTA: Yes, it is. As I say, the Commission feels like it needs more facts to be able to make that determination and, therefore, it will be an issue that we will expect parties to, perhaps, supplement their briefing on in the post hearing briefs. All right, is there anything further that we need to take up before the Commissioners join us? MS. GAFKEN: Just one minor thing. I
<ul> <li>9</li> <li>10</li> <li>11</li> <li>12</li> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> </ul>	stipulated to be admitted into the record. Any corrections to that list? MS. GAFKEN: Not really a correction, but I'm noticing that you identified the exhibits that also had confidential or highly confidential. Noting also Exhibit MBM-40 as highly confidential, information of off Public Counsel cross-exhibit for Mr. McCulloch. And then also Ms. Kimball's testimony, Exhibit MMK-1T, also has highly confidential. JUDGE KOPTA: Okay. Thank you for that. Anything else that needs to be corrected? MS. CARSON: Yes, Your Honor. We wanted to clarify on the Marcelia exhibits, I'm not sure if we got that down right. There were three, MRM-6, 7, and 8, that we had not yet stipulated to. I'm sorry, 6 through 9. JUDGE KOPTA: Correct. I believe I omitted	7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	are factors that the Commission will look at and those are factors that require a factual determination, which is why we are here in this hearing. So the Commission certainly will entertain those arguments, but only on the basis of the record that we develop here today. MR. GOLTZ: So do I understand Your Honor saying that the legal issue, jurisdictional issue, is reserved for further briefing in the closing briefs? JUDGE KOPTA: Yes, it is. As I say, the Commission feels like it needs more facts to be able to make that determination and, therefore, it will be an issue that we will expect parties to, perhaps, supplement their briefing on in the post hearing briefs. All right, is there anything further that we need to take up before the Commissioners join us? MS. GAFKEN: Just one minor thing. I believe in your email before the hearing you mentioned
<ul> <li>9</li> <li>10</li> <li>11</li> <li>12</li> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> </ul>	stipulated to be admitted into the record. Any corrections to that list? MS. GAFKEN: Not really a correction, but I'm noticing that you identified the exhibits that also had confidential or highly confidential. Noting also Exhibit MBM-40 as highly confidential, information of off Public Counsel cross-exhibit for Mr. McCulloch. And then also Ms. Kimball's testimony, Exhibit MMK-1T, also has highly confidential. JUDGE KOPTA: Okay. Thank you for that. Anything else that needs to be corrected? MS. CARSON: Yes, Your Honor. We wanted to clarify on the Marcelia exhibits, I'm not sure if we got that down right. There were three, MRM-6, 7, and 8, that we had not yet stipulated to. I'm sorry, 6 through 9. JUDGE KOPTA: Correct. I believe I omitted them, did I not?	7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	are factors that the Commission will look at and those are factors that require a factual determination, which is why we are here in this hearing. So the Commission certainly will entertain those arguments, but only on the basis of the record that we develop here today. MR. GOLTZ: So do I understand Your Honor saying that the legal issue, jurisdictional issue, is reserved for further briefing in the closing briefs? JUDGE KOPTA: Yes, it is. As I say, the Commission feels like it needs more facts to be able to make that determination and, therefore, it will be an issue that we will expect parties to, perhaps, supplement their briefing on in the post hearing briefs. All right, is there anything further that we need to take up before the Commissioners join us? MS. GAFKEN: Just one minor thing. I believe in your email before the hearing you mentioned the possible public comment exhibit, and to my
<ul> <li>9</li> <li>10</li> <li>11</li> <li>12</li> <li>13</li> <li>14</li> <li>15</li> <li>16</li> <li>17</li> <li>18</li> <li>19</li> <li>20</li> <li>21</li> <li>22</li> <li>23</li> </ul>	stipulated to be admitted into the record. Any corrections to that list? MS. GAFKEN: Not really a correction, but I'm noticing that you identified the exhibits that also had confidential or highly confidential. Noting also Exhibit MBM-40 as highly confidential, information of off Public Counsel cross-exhibit for Mr. McCulloch. And then also Ms. Kimball's testimony, Exhibit MMK-1T, also has highly confidential. JUDGE KOPTA: Okay. Thank you for that. Anything else that needs to be corrected? MS. CARSON: Yes, Your Honor. We wanted to clarify on the Marcelia exhibits, I'm not sure if we got that down right. There were three, MRM-6, 7, and 8, that we had not yet stipulated to. I'm sorry, 6 through 9. JUDGE KOPTA: Correct. I believe I omitted	7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	are factors that the Commission will look at and those are factors that require a factual determination, which is why we are here in this hearing. So the Commission certainly will entertain those arguments, but only on the basis of the record that we develop here today. MR. GOLTZ: So do I understand Your Honor saying that the legal issue, jurisdictional issue, is reserved for further briefing in the closing briefs? JUDGE KOPTA: Yes, it is. As I say, the Commission feels like it needs more facts to be able to make that determination and, therefore, it will be an issue that we will expect parties to, perhaps, supplement their briefing on in the post hearing briefs. All right, is there anything further that we need to take up before the Commissioners join us? MS. GAFKEN: Just one minor thing. I believe in your email before the hearing you mentioned

1 2 3 4	Page 107		
2 3	been submitted either by my office with the Commission.		Page 109 CASEY / NORTON
3	JUDGE KOPTA: I believe there's at least one		CASET/NORTON
		1	LIZ NORTON,
4	that has been submitted with the Commission, but you	2	having been duly sworn, testified as follows:
	might want to check with our Records Center and our	3	JUDGE KOPTA: We did not establish an order
5	Public Comments Staff to see.	4	of cross, but the exhibit lists, I took the liberty of
6	MS. GAFKEN: We'll double-check and make	5	having Staff first. If that works for the parties, then
7	sure.	6	that works for me.
8	JUDGE KOPTA: I merely reserved that because	7	Do you want to start the cross, Mr. Casey.
9	it's a matter of course, and I know that there have been	8	MR. CASEY: I'm ready; thank you, Your
10	some interest expressed by outside folks, so.	9	Honor.
11	MS. GAFKEN: We'll double-check and make	10	
12	sure, but there may not be.	11	CROSS-EXAMINATION
13	JUDGE KOPTA: Okay, great. Anything else?	12	BY MR. CASEY:
14	All right, then, let's be off the record.	13	Q. I want to start by addressing PSE's financial
15	(Discussion off the record.)	14	health.
16	JUDGE KOPTA: All right. I believe we are	15	Ms. Norton, you testified that (as read),
17	ready to go back on the record.	16	Leasing services will diversify PSE's business providing
18	We are now joined by the Commissioners:	17	new revenue and earning opportunities that will provide
19	Chairman Danner, Commissioners Jones and Rendahl. They	18	the utility with greater financial stability. Correct?
20	will be presiding with me during these evidentiary	19	A. Yes, I did.
21	hearings, so let's take appearances of the parties	20	Q. Now, that was not an argument made by Jason
22	beginning with PSE.	21	Teller or any other company witness in direct testimony;
	MS. CARSON: Good morning, Commissioners,	22	correct?
23	_	23	A. So what I let me give you the broader context
24	Judge Kopta. Sheree Strom Carson with Perkins Cole	24	of that response.
25	representing Puget Sound Energy.	25	Q. Can you start with a "yes" or "no," please?
	Page 108		Page 110
1	MR. STEELE: David Steele also with Perkins		CASEY / NORTON
2	Coie on behalf of PSE.	1	A As Mr. Cabulka testified in his pressedings, the
3	JUDGE KOPTA: Let's go around the table.	1	A. As Mr. Cebulko testified in his proceedings, the industry is going through a transformation in totality,
4	Mr. Goltz?	2	and the Puget Sound Energy is interested in looking for
5	MR. GOLTZ: Good morning. My name is	4	additional ways to provide value and partner with its
6	Jeffrey Goltz with Cascadia Law Group, representing the	5	customers while at the same time looking at ways to
7	Sheet Metal and Air Conditioning Contractors	6	transition and evolve its utility business in a way
8	Association, National Association of Western Washington	7	that's financially stable for the customers, as well as
9	Chapter, or SMACNA.	8	in a way that's financially stable for our company.
10	MR. KING: James King, lay representative	9	Q. So you acknowledge that no that Mr. Teller
11	for the Washington State Heating Ventilation and Air	10	nor any other company witness in direct testimony made
12	Conditioning Contractors Association.	11	that argument?
13	MS. GAFKEN: Lisa Gafken, Senior Assistant	12	MS. CARSON: Objection; misstates her
14	Attorney General, appearing on behalf of Public Counsel.	13	testimony.
15	MS. BROWN: Sally Brown, Assistant Attorney	14	MR. CASEY: No, it doesn't. I quoted it
16	General, appearing on behalf of Commission Staff.	15	verbatim.
17	MR. CASEY: Christopher Casey, Assistant	16	JUDGE KOPTA: I'll allow the question.
	Attorney General, also on behalf of Commission Staff.	17	THE WITNESS: Can you point me to the part
18	JUDGE KOPTA: Thank you. Any other	18	of my testimony you're referring to?
18 19	appearances? Hearing none, we are prepared to proceed.	19	BY MR. CASEY:
19		120	Q. Yes. It's Exhibit Number LYN-1T, Page 14.
19 20		20	
19 20 21	Ms. Carson, your first witness.	21	A. On Line 20? Are you referring to Lines 19
19 20 21 22	Ms. Carson, your first witness. MS. CARSON: Thank you, Your Honor. PSE	21 22	A. On Line 20? Are you referring to Lines 19 through 20?
19 20 21 22 23	Ms. Carson, your first witness. MS. CARSON: Thank you, Your Honor. PSE calls as its first witness Ms. Liz Norton and is	21 22 23	<ul><li>A. On Line 20? Are you referring to Lines 19 through 20?</li><li>Q. 20 and 21.</li></ul>
19 20 21 22 23 24	Ms. Carson, your first witness. MS. CARSON: Thank you, Your Honor. PSE	21 22	A. On Line 20? Are you referring to Lines 19 through 20?

**BUELL REALTIME REPORTING, LLC** 

	Page 111		Page 113
	CASEY / NORTON		CASEY / NORTON
1	testified that leasing services will diversify PSE's	1	stable, but we're looking to the future.
2	business providing new revenue and earning opportunities	2	MR. CASEY: Objection, Your Honor. Can you
3	that will provide the utilities with greater financial	3	please instruct the witness to answer my question? The
4	stability.	4	question was, it's not your intention to imply that PSE
5	And then I said, this was not an argument made	5	is currently financially unstable?
6	by Jason Teller or any other company witness in direct	6	JUDGE KOPTA: I believe that she was
7	testimony; correct?	7	addressing that in part at least.
8	A. I made it in my testimony as a benefit of the	8	THE WITNESS: I am not the financial expert
9	service, not only creating value for our customers, but	9	in the Company. Based on my understanding, the Company
10	creating some financial stability for the Company to	10	is stable and looking for ways to continue to be so.
11	evolve to the future.	11	BY MR. CASEY:
12	Q. So are you not familiar with the Company's	12	Q. Okay. One last question on this point. Outside
13	direct testimony in this case, Ms. Norton?	13	of that one statement that Mr. Cebulko made in his
14	A. I am familiar with the testimony.	14	testimony that you were referring to, isn't it true that
15	Q. And so do you or do you not acknowledge that	15	no evidence in the record, there's no evidence in the
16	this was not an argument made in direct testimony?	16	record that directly addresses whether the Company
17	MS. CARSON: Your Honor, I'm objecting to	17	actually needs greater financial stability or not?
18	this line of questioning. Ms. Norton was responding in	18	MS. CARSON: Object to the form of the
19	her testimony to the testimony of Mr. Cebulko, as she	19	question, ambiguous.
20	said, who talked about the utility of the future. So	20	JUDGE KOPTA: It's very broad, as well. I'm
21	I'm not sure what the point is whether or not Mr. Teller	21	really not sure where you're going with this, Mr. Casey.
22	made that direct statement in his testimony.	22	MR. CASEY: I'm trying to make the point
23	JUDGE KOPTA: I'm having a hard time seeing	23	that they are bringing up the Company's financial health
24	the point myself, but I think he's entitled to a	24	here, and I just want to make it abundantly clear that
25	yes-or-no response to that question.	25	there's no evidence in the record that addresses the
	Page 112		Dogo 114
			Paue 114
	CASEY / NORTON		Page 114 CASEY / NORTON
1	CASEY / NORTON	1	CASEY / NORTON
	CASEY / NORTON MS. CARSON: Recognizing that she would have	1	CASEY / NORTON Company's financial health.
1 2 3	CASEY / NORTON MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any	2	CASEY / NORTON Company's financial health. So that is not a basis for making a decision
2	CASEY / NORTON MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there.		CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's
2 3	CASEY / NORTON MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there. JUDGE KOPTA: Well, a "yes" or "no" or an "I	2 3	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate
2 3 4	CASEY / NORTON MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there. JUDGE KOPTA: Well, a "yes" or "no" or an "I don't know," one of those three.	2 3 4	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate case.
2 3 4 5	CASEY / NORTON MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there. JUDGE KOPTA: Well, a "yes" or "no" or an "I don't know," one of those three. THE WITNESS: I do not recall if Mr. Teller	2 3 4 5	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate case. JUDGE KOPTA: Well, we're dealing with a
2 3 4 5	CASEY / NORTON MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there. JUDGE KOPTA: Well, a "yes" or "no" or an "I don't know," one of those three. THE WITNESS: I do not recall if Mr. Teller stated anywhere in his testimony what you're asking.	2 3 4 5 6	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate case. JUDGE KOPTA: Well, we're dealing with a very specific tariff here, and I don't have a problem
2 3 4 5 6 7	CASEY / NORTON MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there. JUDGE KOPTA: Well, a "yes" or "no" or an "I don't know," one of those three. THE WITNESS: I do not recall if Mr. Teller	2 3 4 5 6 7	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate case. JUDGE KOPTA: Well, we're dealing with a very specific tariff here, and I don't have a problem with you asking whether or not this particular tariff
2 3 4 5 6 7 8	CASEY / NORTON MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there. JUDGE KOPTA: Well, a "yes" or "no" or an "I don't know," one of those three. THE WITNESS: I do not recall if Mr. Teller stated anywhere in his testimony what you're asking. MS. BROWN: She adopted his testimony. BY MR. CASEY:	2 3 4 5 6 7 8	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate case. JUDGE KOPTA: Well, we're dealing with a very specific tariff here, and I don't have a problem with you asking whether or not this particular tariff filing impacts the Company's financial health, but I
2 3 4 5 6 7 8 9	CASEY / NORTON MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there. JUDGE KOPTA: Well, a "yes" or "no" or an "I don't know," one of those three. THE WITNESS: I do not recall if Mr. Teller stated anywhere in his testimony what you're asking. MS. BROWN: She adopted his testimony. BY MR. CASEY: Q. You adopted his testimony as if it was your own	2 3 4 5 6 7 8 9	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate case. JUDGE KOPTA: Well, we're dealing with a very specific tariff here, and I don't have a problem with you asking whether or not this particular tariff filing impacts the Company's financial health, but I think broadly asking what the Company's financial health
2 3 6 7 8 9	CASEY / NORTON MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there. JUDGE KOPTA: Well, a "yes" or "no" or an "I don't know," one of those three. THE WITNESS: I do not recall if Mr. Teller stated anywhere in his testimony what you're asking. MS. BROWN: She adopted his testimony. BY MR. CASEY: Q. You adopted his testimony as if it was your own words; correct?	2 3 4 5 6 7 8 9 10	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate case. JUDGE KOPTA: Well, we're dealing with a very specific tariff here, and I don't have a problem with you asking whether or not this particular tariff filing impacts the Company's financial health, but I think broadly asking what the Company's financial health is beyond the scope of this proceeding.
2 3 6 7 8 9 10 11	CASEY / NORTON MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there. JUDGE KOPTA: Well, a "yes" or "no" or an "I don't know," one of those three. THE WITNESS: I do not recall if Mr. Teller stated anywhere in his testimony what you're asking. MS. BROWN: She adopted his testimony. BY MR. CASEY: Q. You adopted his testimony as if it was your own words; correct? A. Correct.	2 3 4 5 6 7 8 9 10 11	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate case. JUDGE KOPTA: Well, we're dealing with a very specific tariff here, and I don't have a problem with you asking whether or not this particular tariff filing impacts the Company's financial health, but I think broadly asking what the Company's financial health
2 3 4 5 7 8 9 10 11 12	CASEY / NORTON MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there. JUDGE KOPTA: Well, a "yes" or "no" or an "I don't know," one of those three. THE WITNESS: I do not recall if Mr. Teller stated anywhere in his testimony what you're asking. MS. BROWN: She adopted his testimony. BY MR. CASEY: Q. You adopted his testimony as if it was your own words; correct? A. Correct. JUDGE KOPTA: I think you've made your	2 3 4 5 6 7 8 9 10 11 12	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate case. JUDGE KOPTA: Well, we're dealing with a very specific tariff here, and I don't have a problem with you asking whether or not this particular tariff filing impacts the Company's financial health, but I think broadly asking what the Company's financial health is beyond the scope of this proceeding. Are you willing to limit your question to that?
2 3 4 5 6 7 8 9 10 11 12 13	CASEY / NORTON MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there. JUDGE KOPTA: Well, a "yes" or "no" or an "I don't know," one of those three. THE WITNESS: I do not recall if Mr. Teller stated anywhere in his testimony what you're asking. MS. BROWN: She adopted his testimony. BY MR. CASEY: Q. You adopted his testimony as if it was your own words; correct? A. Correct. JUDGE KOPTA: I think you've made your point, Mr. Casey. Move on.	2 3 4 5 6 7 8 9 10 11 12 13	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate case. JUDGE KOPTA: Well, we're dealing with a very specific tariff here, and I don't have a problem with you asking whether or not this particular tariff filing impacts the Company's financial health, but I think broadly asking what the Company's financial health is beyond the scope of this proceeding. Are you willing to limit your question to that? MR. CASEY: I'll move on, Your Honor.
2 3 4 5 7 8 9 10 11 12 13 14	CASEY / NORTON MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there. JUDGE KOPTA: Well, a "yes" or "no" or an "I don't know," one of those three. THE WITNESS: I do not recall if Mr. Teller stated anywhere in his testimony what you're asking. MS. BROWN: She adopted his testimony. BY MR. CASEY: Q. You adopted his testimony as if it was your own words; correct? A. Correct. JUDGE KOPTA: I think you've made your point, Mr. Casey. Move on. MR. CASEY: Thank you. Well, I'll go on.	2 3 4 5 6 7 8 9 10 11 12 13 14	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate case. JUDGE KOPTA: Well, we're dealing with a very specific tariff here, and I don't have a problem with you asking whether or not this particular tariff filing impacts the Company's financial health, but I think broadly asking what the Company's financial health is beyond the scope of this proceeding. Are you willing to limit your question to that? MR. CASEY: I'll move on, Your Honor. JUDGE KOPTA: Thank you.
2 3 4 5 6 7 8 9 10 11 12 13 14 15	CASEY / NORTON MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there. JUDGE KOPTA: Well, a "yes" or "no" or an "I don't know," one of those three. THE WITNESS: I do not recall if Mr. Teller stated anywhere in his testimony what you're asking. MS. BROWN: She adopted his testimony. BY MR. CASEY: <b>Q. You adopted his testimony as if it was your own</b> words; correct? A. Correct. JUDGE KOPTA: I think you've made your point, Mr. Casey. Move on. MR. CASEY: Thank you. Well, I'll go on. BY MR. CASEY:	2 3 4 5 6 7 8 9 10 11 12 13 14 15	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate case. JUDGE KOPTA: Well, we're dealing with a very specific tariff here, and I don't have a problem with you asking whether or not this particular tariff filing impacts the Company's financial health, but I think broadly asking what the Company's financial health is beyond the scope of this proceeding. Are you willing to limit your question to that? MR. CASEY: I'll move on, Your Honor. JUDGE KOPTA: Thank you. BY MR. CASEY:
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	CASEY / NORTON MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there. JUDGE KOPTA: Well, a "yes" or "no" or an "I don't know," one of those three. THE WITNESS: I do not recall if Mr. Teller stated anywhere in his testimony what you're asking. MS. BROWN: She adopted his testimony. BY MR. CASEY: Q. You adopted his testimony as if it was your own words; correct? A. Correct. JUDGE KOPTA: I think you've made your point, Mr. Casey. Move on. MR. CASEY: Thank you. Well, I'll go on. BY MR. CASEY: Q. So it is not your intention to imply that PSE is	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate case. JUDGE KOPTA: Well, we're dealing with a very specific tariff here, and I don't have a problem with you asking whether or not this particular tariff filing impacts the Company's financial health, but I think broadly asking what the Company's financial health is beyond the scope of this proceeding. Are you willing to limit your question to that? MR. CASEY: I'll move on, Your Honor. JUDGE KOPTA: Thank you.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	CASEY / NORTON MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there. JUDGE KOPTA: Well, a "yes" or "no" or an "I don't know," one of those three. THE WITNESS: I do not recall if Mr. Teller stated anywhere in his testimony what you're asking. MS. BROWN: She adopted his testimony. BY MR. CASEY: Q. You adopted his testimony as if it was your own words; correct? A. Correct. JUDGE KOPTA: I think you've made your point, Mr. Casey. Move on. MR. CASEY: Thank you. Well, I'll go on. BY MR. CASEY: Q. So it is not your intention to imply that PSE is currently financially unstable; correct?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate case. JUDGE KOPTA: Well, we're dealing with a very specific tariff here, and I don't have a problem with you asking whether or not this particular tariff filing impacts the Company's financial health, but I think broadly asking what the Company's financial health is beyond the scope of this proceeding. Are you willing to limit your question to that? MR. CASEY: I'll move on, Your Honor. JUDGE KOPTA: Thank you. BY MR. CASEY: <b>Q. Next, I want to discuss the scope and scale of</b>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	CASEY / NORTON MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there. JUDGE KOPTA: Well, a "yes" or "no" or an "I don't know," one of those three. THE WITNESS: I do not recall if Mr. Teller stated anywhere in his testimony what you're asking. MS. BROWN: She adopted his testimony. BY MR. CASEY: Q. You adopted his testimony as if it was your own words; correct? A. Correct. JUDGE KOPTA: I think you've made your point, Mr. Casey. Move on. MR. CASEY: Thank you. Well, I'll go on. BY MR. CASEY: Q. So it is not your intention to imply that PSE is currently financially unstable; correct? A. PSE is, as Mr. Cebulko's testimony also	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate case. JUDGE KOPTA: Well, we're dealing with a very specific tariff here, and I don't have a problem with you asking whether or not this particular tariff filing impacts the Company's financial health, but I think broadly asking what the Company's financial health is beyond the scope of this proceeding. Are you willing to limit your question to that? MR. CASEY: I'll move on, Your Honor. JUDGE KOPTA: Thank you. BY MR. CASEY: <b>Q. Next, I want to discuss the scope and scale of</b> <b>PSE's proposal. Now, there's a my questions do not</b> <b>touch on highly confidential information. There is a</b>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	CASEY / NORTON MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there. JUDGE KOPTA: Well, a "yes" or "no" or an "I don't know," one of those three. THE WITNESS: I do not recall if Mr. Teller stated anywhere in his testimony what you're asking. MS. BROWN: She adopted his testimony. BY MR. CASEY: Q. You adopted his testimony as if it was your own words; correct? A. Correct. JUDGE KOPTA: I think you've made your point, Mr. Casey. Move on. MR. CASEY: Thank you. Well, I'll go on. BY MR. CASEY: Q. So it is not your intention to imply that PSE is currently financially unstable; correct? A. PSE is, as Mr. Cebulko's testimony also suggests, PSE and all utilities are going through a	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate case. JUDGE KOPTA: Well, we're dealing with a very specific tariff here, and I don't have a problem with you asking whether or not this particular tariff filing impacts the Company's financial health, but I think broadly asking what the Company's financial health is beyond the scope of this proceeding. Are you willing to limit your question to that? MR. CASEY: I'll move on, Your Honor. JUDGE KOPTA: Thank you. BY MR. CASEY: Q. Next, I want to discuss the scope and scale of PSE's proposal. Now, there's a my questions do not touch on highly confidential information. There is a possibility that Ms. Norton's responses could, so I'm
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	CASEY / NORTON MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there. JUDGE KOPTA: Well, a "yes" or "no" or an "I don't know," one of those three. THE WITNESS: I do not recall if Mr. Teller stated anywhere in his testimony what you're asking. MS. BROWN: She adopted his testimony. BY MR. CASEY: Q. You adopted his testimony as if it was your own words; correct? A. Correct. JUDGE KOPTA: I think you've made your point, Mr. Casey. Move on. MR. CASEY: Thank you. Well, I'll go on. BY MR. CASEY: Q. So it is not your intention to imply that PSE is currently financially unstable; correct? A. PSE is, as Mr. Cebulko's testimony also suggests, PSE and all utilities are going through a state of transition, and that's and we're looking at	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate case. JUDGE KOPTA: Well, we're dealing with a very specific tariff here, and I don't have a problem with you asking whether or not this particular tariff filing impacts the Company's financial health, but I think broadly asking what the Company's financial health is beyond the scope of this proceeding. Are you willing to limit your question to that? MR. CASEY: I'll move on, Your Honor. JUDGE KOPTA: Thank you. BY MR. CASEY: Q. Next, I want to discuss the scope and scale of PSE's proposal. Now, there's a my questions do not touch on highly confidential information. There is a possibility that Ms. Norton's responses could, so I'm going to leave it up to the Company of how to deal with
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<ul> <li>CASEY / NORTON</li> <li>MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there.</li> <li>JUDGE KOPTA: Well, a "yes" or "no" or an "I don't know," one of those three.</li> <li>THE WITNESS: I do not recall if Mr. Teller stated anywhere in his testimony what you're asking. MS. BROWN: She adopted his testimony.</li> <li>BY MR. CASEY:</li> <li><b>Q.</b> You adopted his testimony as if it was your own words; correct?</li> <li>A. Correct.</li> <li>JUDGE KOPTA: I think you've made your point, Mr. Casey. Move on.</li> <li>MR. CASEY:</li> <li><b>Q.</b> So it is not your intention to imply that PSE is currently financially unstable; correct?</li> <li>A. PSE is, as Mr. Cebulko's testimony also suggests, PSE and all utilities are going through a state of transition, and that's and we're looking at ways we're looking at ways to continue to evolve our</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate case. JUDGE KOPTA: Well, we're dealing with a very specific tariff here, and I don't have a problem with you asking whether or not this particular tariff filing impacts the Company's financial health, but I think broadly asking what the Company's financial health is beyond the scope of this proceeding. Are you willing to limit your question to that? MR. CASEY: I'll move on, Your Honor. JUDGE KOPTA: Thank you. BY MR. CASEY: Q. Next, I want to discuss the scope and scale of PSE's proposal. Now, there's a my questions do not touch on highly confidential information. There is a possibility that Ms. Norton's responses could, so I'm going to leave it up to the Company of how to deal with that. I will turn to some highly confidential material,
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>CASEY / NORTON</li> <li>MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there.</li> <li>JUDGE KOPTA: Well, a "yes" or "no" or an "I don't know," one of those three.</li> <li>THE WITNESS: I do not recall if Mr. Teller stated anywhere in his testimony what you're asking. MS. BROWN: She adopted his testimony.</li> <li>BY MR. CASEY:</li> <li>Q. You adopted his testimony as if it was your own words; correct?</li> <li>A. Correct.</li> <li>JUDGE KOPTA: I think you've made your point, Mr. Casey. Move on.</li> <li>MR. CASEY: Thank you. Well, I'll go on.</li> <li>BY MR. CASEY:</li> <li>A. So it is not your intention to imply that PSE is currently financially unstable; correct?</li> <li>A. PSE is, as Mr. Cebulko's testimony also suggests, PSE and all utilities are going through a state of transition, and that's and we're looking at ways we're looking at ways to continue to evolve our business in a way that would provide the Company to</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate case. JUDGE KOPTA: Well, we're dealing with a very specific tariff here, and I don't have a problem with you asking whether or not this particular tariff filing impacts the Company's financial health, but I think broadly asking what the Company's financial health is beyond the scope of this proceeding. Are you willing to limit your question to that? MR. CASEY: I'll move on, Your Honor. JUDGE KOPTA: Thank you. BY MR. CASEY: Q. Next, I want to discuss the scope and scale of PSE's proposal. Now, there's a my questions do not touch on highly confidential information. There is a possibility that Ms. Norton's responses could, so I'm going to leave it up to the Company of how to deal with that. I will turn to some highly confidential material, but just for the people who have that material to look
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	<ul> <li>CASEY / NORTON</li> <li>MS. CARSON: Recognizing that she would have to review his full testimony to see if there was any statement in there.</li> <li>JUDGE KOPTA: Well, a "yes" or "no" or an "I don't know," one of those three.</li> <li>THE WITNESS: I do not recall if Mr. Teller stated anywhere in his testimony what you're asking. MS. BROWN: She adopted his testimony.</li> <li>BY MR. CASEY:</li> <li><b>Q.</b> You adopted his testimony as if it was your own words; correct?</li> <li>A. Correct.</li> <li>JUDGE KOPTA: I think you've made your point, Mr. Casey. Move on.</li> <li>MR. CASEY:</li> <li><b>Q.</b> So it is not your intention to imply that PSE is currently financially unstable; correct?</li> <li>A. PSE is, as Mr. Cebulko's testimony also suggests, PSE and all utilities are going through a state of transition, and that's and we're looking at ways we're looking at ways to continue to evolve our</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	CASEY / NORTON Company's financial health. So that is not a basis for making a decision in this case. My understanding is the Company's financial health will be dealt with in the next rate case. JUDGE KOPTA: Well, we're dealing with a very specific tariff here, and I don't have a problem with you asking whether or not this particular tariff filing impacts the Company's financial health, but I think broadly asking what the Company's financial health is beyond the scope of this proceeding. Are you willing to limit your question to that? MR. CASEY: I'll move on, Your Honor. JUDGE KOPTA: Thank you. BY MR. CASEY: Q. Next, I want to discuss the scope and scale of PSE's proposal. Now, there's a my questions do not touch on highly confidential information. There is a possibility that Ms. Norton's responses could, so I'm going to leave it up to the Company of how to deal with that. I will turn to some highly confidential material,

	Page 115		Page 117
	CASEY / NORTON		CASEY / NORTON
1	that's a good reminder to folks. There are exhibits	1	Q. Okay, can we turn to LYN-3, please. This is
2	that have been introduced and admitted into the record	2	your exhibit; correct?
3	that include highly confidential or confidential	3	A. Yes.
4	information. To the extent possible, I would ask	4	Q. And on Page 2 of that exhibit, just as one
5	counsel and witnesses to avoid discussing that in open	5	example, we have customer generation and energy storage.
6	hearing.	6	The bullet point under it says, "Utilize leasing
7	If necessary, we can close the hearing to	7	platform to test the viability of leasing customer
8	only those who have signed a Protective Order. We would	8	generation and storage equipment such as batteries, both
9	prefer not to do that, so please make best efforts to	9	independently and in combination."
10	keep the testimony and the questions to only that	10	MS. CARSON: Objection. Again, Mr. Casey
11	information that is publicly available. Thank you.	11	has repeatedly been inserting words like "quickly" and
12	Mr. Casey, you may proceed.	12	"immediately" which are not here in the provision that
13	BY MR. CASEY:	13	he cites.
14	Q. Ms. Norton, PSE is seeking to expand its	14	BY MR. CASEY:
15	business through the leasing of various products;	15	Q. How about one under; within 60 days of approval.
16	correct?	16	It's two months, relatively quick. They plan to submit
17	A. Correct.	17	compliance filing and provide additional equipment
18	Q. PSE intentionally designed its leasing platform	18	options. That's bullet point two.
19	to support the addition of future leasing products over	19	MS. CARSON: Well, it depends on what
20	time with little to no modification required; is that	20	equipment options you're talking about. I think the
21	correct?	21	witness can clarify that.
22	A. Puget Sound Energy has considered the role of	22	JUDGE KOPTA: Proceed with your question
23	leasing business can play into the future; however, has	23	based on that reference to the witness's testimony.
24	done specific work on the HVAC and the products that we	24	BY MR. CASEY:
25	put forth in this proposal.	25	Q. Is it PSE's intention to quickly expand its
	Page 116		Page 118
	Page 116 CASEY / NORTON		Page 118 CASEY / NORTON
1	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it	1	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval?
1 2	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after	1 2	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the
1 2 3	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct?	1 2 3	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing
1 2 3 4	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility	1 2 3 4	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in
1 2 3 4 5	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility to offer desired solutions for customers on products	1 2 3 4 5	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in this case and the Commission.
1 2 3 4 5 6	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility to offer desired solutions for customers on products where there's large capital investment to make them more	1 2 3 4 5 6	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in this case and the Commission. The intention of that compliance filing is to do
1 2 3 4 5 6 7	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility to offer desired solutions for customers on products where there's large capital investment to make them more affordable, to simplify the complexity of that decision,	1 2 3 4 5 6 7	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in this case and the Commission. The intention of that compliance filing is to do possibly two things. One, if the commissioners feel
1 2 3 4 5 6 7 8	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility to offer desired solutions for customers on products where there's large capital investment to make them more affordable, to simplify the complexity of that decision, and the leasing platform will help do that if it's	1 2 3 4 5 6 7 8	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in this case and the Commission. The intention of that compliance filing is to do possibly two things. One, if the commissioners feel that it needs to refresh our rates based on what we
1 2 3 4 5 6 7 8 9	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility to offer desired solutions for customers on products where there's large capital investment to make them more affordable, to simplify the complexity of that decision, and the leasing platform will help do that if it's deemed valuable to our customers.	1 2 3 4 5 6 7 8 9	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in this case and the Commission. The intention of that compliance filing is to do possibly two things. One, if the commissioners feel that it needs to refresh our rates based on what we proposed back in February, and if there is any
1 2 3 4 5 6 7 8 9 10	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility to offer desired solutions for customers on products where there's large capital investment to make them more affordable, to simplify the complexity of that decision, and the leasing platform will help do that if it's deemed valuable to our customers. Q. So that's a "yes"?	1 2 3 4 5 6 7 8 9 10	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in this case and the Commission. The intention of that compliance filing is to do possibly two things. One, if the commissioners feel that it needs to refresh our rates based on what we proposed back in February, and if there is any additional relevant equipment that needs to be added, we
1 2 3 4 5 6 7 8 9 10 11	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility to offer desired solutions for customers on products where there's large capital investment to make them more affordable, to simplify the complexity of that decision, and the leasing platform will help do that if it's deemed valuable to our customers. Q. So that's a "yes"? A. Yes.	1 2 3 4 5 6 7 8 9 10 11	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in this case and the Commission. The intention of that compliance filing is to do possibly two things. One, if the commissioners feel that it needs to refresh our rates based on what we proposed back in February, and if there is any additional relevant equipment that needs to be added, we will consider that at that point as well, as it relates
1 2 3 4 5 6 7 8 9 10 11 12	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility to offer desired solutions for customers on products where there's large capital investment to make them more affordable, to simplify the complexity of that decision, and the leasing platform will help do that if it's deemed valuable to our customers. Q. So that's a "yes"? A. Yes. Q. Thank you. The equipment PSE proposes to offer	1 2 3 4 5 6 7 8 9 10 11 12	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in this case and the Commission. The intention of that compliance filing is to do possibly two things. One, if the commissioners feel that it needs to refresh our rates based on what we proposed back in February, and if there is any additional relevant equipment that needs to be added, we will consider that at that point as well, as it relates to heating, water heating, and heat pumps as we've
1 2 3 4 5 6 7 8 9 10 11 12 13	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility to offer desired solutions for customers on products where there's large capital investment to make them more affordable, to simplify the complexity of that decision, and the leasing platform will help do that if it's deemed valuable to our customers. Q. So that's a "yes"? A. Yes. Q. Thank you. The equipment PSE proposes to offer would form a whole new segment of rate-based eligible	1 2 3 4 5 6 7 8 9 10 11 12 13	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in this case and the Commission. The intention of that compliance filing is to do possibly two things. One, if the commissioners feel that it needs to refresh our rates based on what we proposed back in February, and if there is any additional relevant equipment that needs to be added, we will consider that at that point as well, as it relates to heating, water heating, and heat pumps as we've proposed.
1 2 3 4 5 6 7 8 9 10 11 12 13 14	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility to offer desired solutions for customers on products where there's large capital investment to make them more affordable, to simplify the complexity of that decision, and the leasing platform will help do that if it's deemed valuable to our customers. Q. So that's a "yes"? A. Yes. Q. Thank you. The equipment PSE proposes to offer would form a whole new segment of rate-based eligible equipment upon which the Company can earn a rate of	1 2 3 4 5 6 7 8 9 10 11 12 13 14	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in this case and the Commission. The intention of that compliance filing is to do possibly two things. One, if the commissioners feel that it needs to refresh our rates based on what we proposed back in February, and if there is any additional relevant equipment that needs to be added, we will consider that at that point as well, as it relates to heating, water heating, and heat pumps as we've proposed. We are not the Company is very willing to
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility to offer desired solutions for customers on products where there's large capital investment to make them more affordable, to simplify the complexity of that decision, and the leasing platform will help do that if it's deemed valuable to our customers. Q. So that's a "yes"? A. Yes. Q. Thank you. The equipment PSE proposes to offer would form a whole new segment of rate-based eligible equipment upon which the Company can earn a rate of return; correct?	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in this case and the Commission. The intention of that compliance filing is to do possibly two things. One, if the commissioners feel that it needs to refresh our rates based on what we proposed back in February, and if there is any additional relevant equipment that needs to be added, we will consider that at that point as well, as it relates to heating, water heating, and heat pumps as we've proposed. We are not the Company is very willing to or is very confident in its proposal that it made in
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility to offer desired solutions for customers on products where there's large capital investment to make them more affordable, to simplify the complexity of that decision, and the leasing platform will help do that if it's deemed valuable to our customers. Q. So that's a "yes"? A. Yes. Q. Thank you. The equipment PSE proposes to offer would form a whole new segment of rate-based eligible equipment upon which the Company can earn a rate of return; correct? A. The intention of the service is that we would	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in this case and the Commission. The intention of that compliance filing is to do possibly two things. One, if the commissioners feel that it needs to refresh our rates based on what we proposed back in February, and if there is any additional relevant equipment that needs to be added, we will consider that at that point as well, as it relates to heating, water heating, and heat pumps as we've proposed. We are not the Company is very willing to or is very confident in its proposal that it made in February and the compliance filing is only if the
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility to offer desired solutions for customers on products where there's large capital investment to make them more affordable, to simplify the complexity of that decision, and the leasing platform will help do that if it's deemed valuable to our customers. Q. So that's a "yes"? A. Yes. Q. Thank you. The equipment PSE proposes to offer would form a whole new segment of rate-based eligible equipment upon which the Company can earn a rate of return; correct? A. The intention of the service is that we would own and operate, on behalf of our customers, equipment	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in this case and the Commission. The intention of that compliance filing is to do possibly two things. One, if the commissioners feel that it needs to refresh our rates based on what we proposed back in February, and if there is any additional relevant equipment that needs to be added, we will consider that at that point as well, as it relates to heating, water heating, and heat pumps as we've proposed. We are not the Company is very willing to or is very confident in its proposal that it made in February and the compliance filing is only if the commissioners feel as though it is necessary.
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility to offer desired solutions for customers on products where there's large capital investment to make them more affordable, to simplify the complexity of that decision, and the leasing platform will help do that if it's deemed valuable to our customers. Q. So that's a "yes"? A. Yes. Q. Thank you. The equipment PSE proposes to offer would form a whole new segment of rate-based eligible equipment upon which the Company can earn a rate of return; correct? A. The intention of the service is that we would own and operate, on behalf of our customers, equipment that includes an earning our authorized rate of return,	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in this case and the Commission. The intention of that compliance filing is to do possibly two things. One, if the commissioners feel that it needs to refresh our rates based on what we proposed back in February, and if there is any additional relevant equipment that needs to be added, we will consider that at that point as well, as it relates to heating, water heating, and heat pumps as we've proposed. We are not the Company is very willing to or is very confident in its proposal that it made in February and the compliance filing is only if the commissioners feel as though it is necessary. <b>Q. PSE expects to gain a large market share for</b>
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility to offer desired solutions for customers on products where there's large capital investment to make them more affordable, to simplify the complexity of that decision, and the leasing platform will help do that if it's deemed valuable to our customers. Q. So that's a "yes"? A. Yes. Q. Thank you. The equipment PSE proposes to offer would form a whole new segment of rate-based eligible equipment upon which the Company can earn a rate of return; correct? A. The intention of the service is that we would own and operate, on behalf of our customers, equipment that includes an earning our authorized rate of return, correct.	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in this case and the Commission. The intention of that compliance filing is to do possibly two things. One, if the commissioners feel that it needs to refresh our rates based on what we proposed back in February, and if there is any additional relevant equipment that needs to be added, we will consider that at that point as well, as it relates to heating, water heating, and heat pumps as we've proposed. We are not the Company is very willing to or is very confident in its proposal that it made in February and the compliance filing is only if the commissioners feel as though it is necessary. Q. PSE expects to gain a large market share for HVAC and water heat installation; correct?
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility to offer desired solutions for customers on products where there's large capital investment to make them more affordable, to simplify the complexity of that decision, and the leasing platform will help do that if it's deemed valuable to our customers. Q. So that's a "yes"? A. Yes. Q. Thank you. The equipment PSE proposes to offer would form a whole new segment of rate-based eligible equipment upon which the Company can earn a rate of return; correct? A. The intention of the service is that we would own and operate, on behalf of our customers, equipment that includes an earning our authorized rate of return, correct. Q. And it is PSE's intention to quickly expand its	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in this case and the Commission. The intention of that compliance filing is to do possibly two things. One, if the commissioners feel that it needs to refresh our rates based on what we proposed back in February, and if there is any additional relevant equipment that needs to be added, we will consider that at that point as well, as it relates to heating, water heating, and heat pumps as we've proposed. We are not the Company is very willing to or is very confident in its proposal that it made in February and the compliance filing is only if the commissioners feel as though it is necessary. <b>Q. PSE expects to gain a large market share for</b> <b>HVAC and water heat installation; correct?</b> A. As our testimony suggests and the research that
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility to offer desired solutions for customers on products where there's large capital investment to make them more affordable, to simplify the complexity of that decision, and the leasing platform will help do that if it's deemed valuable to our customers. Q. So that's a "yes"? A. Yes. Q. Thank you. The equipment PSE proposes to offer would form a whole new segment of rate-based eligible equipment upon which the Company can earn a rate of return; correct? A. The intention of the service is that we would own and operate, on behalf of our customers, equipment that includes an earning our authorized rate of return, correct. Q. And it is PSE's intention to quickly expand its offering as soon as the Commission grants approval;	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in this case and the Commission. The intention of that compliance filing is to do possibly two things. One, if the commissioners feel that it needs to refresh our rates based on what we proposed back in February, and if there is any additional relevant equipment that needs to be added, we will consider that at that point as well, as it relates to heating, water heating, and heat pumps as we've proposed. We are not the Company is very willing to or is very confident in its proposal that it made in February and the compliance filing is only if the commissioners feel as though it is necessary. <b>Q. PSE expects to gain a large market share for</b> <b>HVAC and water heat installation; correct?</b> A. As our testimony suggests and the research that we've done, about 25 percent of our customers are
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility to offer desired solutions for customers on products where there's large capital investment to make them more affordable, to simplify the complexity of that decision, and the leasing platform will help do that if it's deemed valuable to our customers. Q. So that's a "yes"? A. Yes. Q. Thank you. The equipment PSE proposes to offer would form a whole new segment of rate-based eligible equipment upon which the Company can earn a rate of return; correct? A. The intention of the service is that we would own and operate, on behalf of our customers, equipment that includes an earning our authorized rate of return, correct. Q. And it is PSE's intention to quickly expand its offering as soon as the Commission grants approval; correct?	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in this case and the Commission. The intention of that compliance filing is to do possibly two things. One, if the commissioners feel that it needs to refresh our rates based on what we proposed back in February, and if there is any additional relevant equipment that needs to be added, we will consider that at that point as well, as it relates to heating, water heating, and heat pumps as we've proposed. We are not the Company is very willing to or is very confident in its proposal that it made in February and the compliance filing is only if the commissioners feel as though it is necessary. <b>Q. PSE expects to gain a large market share for</b> <b>HVAC and water heat installation; correct?</b> A. As our testimony suggests and the research that we've done, about 25 percent of our customers are interested in leasing the relevant equipment.
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility to offer desired solutions for customers on products where there's large capital investment to make them more affordable, to simplify the complexity of that decision, and the leasing platform will help do that if it's deemed valuable to our customers. Q. So that's a "yes"? A. Yes. Q. Thank you. The equipment PSE proposes to offer would form a whole new segment of rate-based eligible equipment upon which the Company can earn a rate of return; correct? A. The intention of the service is that we would own and operate, on behalf of our customers, equipment that includes an earning our authorized rate of return, correct. Q. And it is PSE's intention to quickly expand its offering as soon as the Commission grants approval; correct? MS. CARSON: Objection; misstates facts not	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in this case and the Commission. The intention of that compliance filing is to do possibly two things. One, if the commissioners feel that it needs to refresh our rates based on what we proposed back in February, and if there is any additional relevant equipment that needs to be added, we will consider that at that point as well, as it relates to heating, water heating, and heat pumps as we've proposed. We are not the Company is very willing to or is very confident in its proposal that it made in February and the compliance filing is only if the commissioners feel as though it is necessary. <b>Q. PSE expects to gain a large market share for HVAC and water heat installation; correct?</b> A. As our testimony suggests and the research that we've done, about 25 percent of our customers are interested in leasing the relevant equipment. <b>Q. I'd like to turn to BTC-2HC, Page 4.</b>
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	Page 116 CASEY / NORTON Q. But the Company has openly acknowledged that it hopes to add new products and services immediately after approval; correct? A. We see the platform as having some flexibility to offer desired solutions for customers on products where there's large capital investment to make them more affordable, to simplify the complexity of that decision, and the leasing platform will help do that if it's deemed valuable to our customers. Q. So that's a "yes"? A. Yes. Q. Thank you. The equipment PSE proposes to offer would form a whole new segment of rate-based eligible equipment upon which the Company can earn a rate of return; correct? A. The intention of the service is that we would own and operate, on behalf of our customers, equipment that includes an earning our authorized rate of return, correct. Q. And it is PSE's intention to quickly expand its offering as soon as the Commission grants approval; correct?	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 118 CASEY / NORTON offerings as soon as the Commission grants approval? A. As a part of its commitments in my exhibit, the Company has offered to provide a compliance filing shortly after approval, if necessary, by the parties in this case and the Commission. The intention of that compliance filing is to do possibly two things. One, if the commissioners feel that it needs to refresh our rates based on what we proposed back in February, and if there is any additional relevant equipment that needs to be added, we will consider that at that point as well, as it relates to heating, water heating, and heat pumps as we've proposed. We are not the Company is very willing to or is very confident in its proposal that it made in February and the compliance filing is only if the commissioners feel as though it is necessary. <b>Q. PSE expects to gain a large market share for</b> <b>HVAC and water heat installation; correct?</b> A. As our testimony suggests and the research that we've done, about 25 percent of our customers are interested in leasing the relevant equipment.

		-	
	Page 119 CASEY / NORTON		Page 121 CASEY / NORTON
1	BY MR. CASEY:	1	included in our pricing model.
2	Q. It's an exhibit to Mr. Cebulko's testimony on	2	BY MR. CASEY:
3	Page 1. This is an exhibit you're familiar with, I	3	Q. That is your understanding?
4	assume?	4	A. Perhaps the one scenario of them is what we
5	A. I am familiar with it.	5	concluded in the
6	MS. CARSON: Just as a caution, this is	6	MS. CARSON: Mr. McCulloch is the witness on
7	highly confidential.	7	our pricing model, so I think these questions would be
8	MR. CASEY: Yes. I want the commissioners	8	better directed towards him.
9	and the witness to turn to Page 4 of that exhibit.	9	MR. CASEY: Okay.
10	MR. GOLTZ: I apologize, which number?	10	BY MR. CASEY:
11	JUDGE KOPTA: BTC-4HC.	11	Q. I just have one last question. If you can't
12	MR. CASEY: Exhibit 2, Page 4.	12	answer it, I'll ask Mr. McCulloch later.
13	JUDGE KOPTA: Right.	13	A. Okay.
14	BY MR. CASEY:	14	Q. So PSE's rate model included an assumption for
15	Q. So I'm interested in these assumptions in this	15	the market share, and if it installs more than the
16	exhibit. So Mr. Cebulko addressed these directly on	16	assumption that it uses, does it over-earn or
17	Page 9 of his testimony, and PSE did not refute these	17	under-earn?
18	numbers, these market-share forecasts, upon rebuttal;	18	A. The pricing model was built on an assumption
19	correct?	19	that we expect to occur. We don't expect to
20	A. Could I have	20	under-recover or over-recover over the period of time.
21	Q. You did not? How about that.	21	Q. You expect your assumption exactly?
22	A. I did not. I did not refute Mr. Cebulko's.	22	A. If we underachieve, there will be we will
23	Q. Yes or no, would you consider any of these	23	there might be over-recovery and under-recovery at
24	market-share forecasts a monopolization of the market?	24	various points in time, but the rates are set based on
25	MS. CARSON: Objection; calls for a legal	25	···· ····· ···························
	Page 120		Page 122
	CASEY / NORTON		CASEY / NORTON
1	conclusion.	1	authorized rate of return over the term of the lease.
1 2		1 2	
	conclusion.		authorized rate of return over the term of the lease.
2	conclusion. JUDGE KOPTA: I will sustain that.	2	authorized rate of return over the term of the lease. Q. Yes, but maybe these are better directed at
2 3	conclusion. JUDGE KOPTA: I will sustain that. BY MR. CASEY:	2 3	authorized rate of return over the term of the lease. Q. Yes, but maybe these are better directed at Mr. McCulloch what the term of the lease. Those rates
2 3 4	conclusion. JUDGE KOPTA: I will sustain that. BY MR. CASEY: <b>Q. You testified that PSE's rates are not based on</b>	2 3 4	authorized rate of return over the term of the lease. Q. Yes, but maybe these are better directed at Mr. McCulloch what the term of the lease. Those rates were based on assumptions of a certain market share, a
2 3 4 5	conclusion. JUDGE KOPTA: I will sustain that. BY MR. CASEY: Q. You testified that PSE's rates are not based on these assumptions, correct, the assumptions these	2 3 4 5	authorized rate of return over the term of the lease. Q. Yes, but maybe these are better directed at Mr. McCulloch what the term of the lease. Those rates were based on assumptions of a certain market share, a certain amount of customer participation. And if you
2 3 4 5 6	conclusion. JUDGE KOPTA: I will sustain that. BY MR. CASEY: Q. You testified that PSE's rates are not based on these assumptions, correct, the assumptions these forecasts?	2 3 4 5 6	authorized rate of return over the term of the lease. Q. Yes, but maybe these are better directed at Mr. McCulloch what the term of the lease. Those rates were based on assumptions of a certain market share, a certain amount of customer participation. And if you don't hit that, like if you get less participation, you
2 3 4 5 6 7	conclusion. JUDGE KOPTA: I will sustain that. BY MR. CASEY: Q. You testified that PSE's rates are not based on these assumptions, correct, the assumptions these forecasts? A. Our rates are based on the level of interest	2 3 4 5 6 7	authorized rate of return over the term of the lease. Q. Yes, but maybe these are better directed at Mr. McCulloch what the term of the lease. Those rates were based on assumptions of a certain market share, a certain amount of customer participation. And if you don't hit that, like if you get less participation, you under-earn, and if you get more participation you
2 3 4 5 6 7 8	<ul> <li>conclusion. JUDGE KOPTA: I will sustain that.</li> <li>BY MR. CASEY:</li> <li>Q. You testified that PSE's rates are not based on these assumptions, correct, the assumptions these forecasts?</li> <li>A. Our rates are based on the level of interest that was defined by the surveys that we conducted over time. And a share of that interest is included in our pricing model and included in our rates.</li> </ul>	2 3 4 5 6 7 8 9 10	<ul> <li>authorized rate of return over the term of the lease.</li> <li>Q. Yes, but maybe these are better directed at</li> <li>Mr. McCulloch what the term of the lease. Those rates</li> <li>were based on assumptions of a certain market share, a</li> <li>certain amount of customer participation. And if you</li> <li>don't hit that, like if you get less participation, you</li> <li>under-earn, and if you get more participation you</li> <li>over-earn; correct?</li> <li>A. Correct.</li> <li>Q. Thank you. Next I want to discuss the many new</li> </ul>
2 3 4 5 6 7 8 9	<ul> <li>conclusion. JUDGE KOPTA: I will sustain that.</li> <li>BY MR. CASEY:</li> <li>Q. You testified that PSE's rates are not based on these assumptions, correct, the assumptions these forecasts?</li> <li>A. Our rates are based on the level of interest that was defined by the surveys that we conducted over time. And a share of that interest is included in our pricing model and included in our rates.</li> <li>Q. Thank you. Would you acknowledge whether the</li> </ul>	2 3 4 5 6 7 8 9	<ul> <li>authorized rate of return over the term of the lease.</li> <li>Q. Yes, but maybe these are better directed at</li> <li>Mr. McCulloch what the term of the lease. Those rates</li> <li>were based on assumptions of a certain market share, a</li> <li>certain amount of customer participation. And if you</li> <li>don't hit that, like if you get less participation, you</li> <li>under-earn, and if you get more participation you</li> <li>over-earn; correct?</li> <li>A. Correct.</li> <li>Q. Thank you. Next I want to discuss the many new</li> <li>features you proposed on rebuttal, so can we turn back</li> </ul>
2 3 4 5 6 7 8 9	<ul> <li>conclusion. JUDGE KOPTA: I will sustain that.</li> <li>BY MR. CASEY:</li> <li>Q. You testified that PSE's rates are not based on these assumptions, correct, the assumptions these forecasts?</li> <li>A. Our rates are based on the level of interest that was defined by the surveys that we conducted over time. And a share of that interest is included in our pricing model and included in our rates.</li> <li>Q. Thank you. Would you acknowledge whether the assumptions used in rates are higher or lower than these</li> </ul>	2 3 4 5 6 7 8 9 10	<ul> <li>authorized rate of return over the term of the lease.</li> <li>Q. Yes, but maybe these are better directed at</li> <li>Mr. McCulloch what the term of the lease. Those rates</li> <li>were based on assumptions of a certain market share, a</li> <li>certain amount of customer participation. And if you</li> <li>don't hit that, like if you get less participation, you</li> <li>under-earn, and if you get more participation you</li> <li>over-earn; correct?</li> <li>A. Correct.</li> <li>Q. Thank you. Next I want to discuss the many new</li> </ul>
2 3 4 5 6 7 8 9 10 11	conclusion. JUDGE KOPTA: I will sustain that. BY MR. CASEY: Q. You testified that PSE's rates are not based on these assumptions, correct, the assumptions these forecasts? A. Our rates are based on the level of interest that was defined by the surveys that we conducted over time. And a share of that interest is included in our pricing model and included in our rates. Q. Thank you. Would you acknowledge whether the assumptions used in rates are higher or lower than these assumptions here?	2 3 4 5 6 7 8 9 10 11	authorized rate of return over the term of the lease. Q. Yes, but maybe these are better directed at Mr. McCulloch what the term of the lease. Those rates were based on assumptions of a certain market share, a certain amount of customer participation. And if you don't hit that, like if you get less participation, you under-earn, and if you get more participation you over-earn; correct? A. Correct. Q. Thank you. Next I want to discuss the many new features you proposed on rebuttal, so can we turn back to LYN-3. The Company's direct testimony did not address
2 3 4 5 6 7 8 9 10 11	conclusion. JUDGE KOPTA: I will sustain that. BY MR. CASEY: Q. You testified that PSE's rates are not based on these assumptions, correct, the assumptions these forecasts? A. Our rates are based on the level of interest that was defined by the surveys that we conducted over time. And a share of that interest is included in our pricing model and included in our rates. Q. Thank you. Would you acknowledge whether the assumptions used in rates are higher or lower than these assumptions here? MS. CARSON: I'm going to object. It's not	2 3 4 5 6 7 8 9 10 11 12	<ul> <li>authorized rate of return over the term of the lease.</li> <li>Q. Yes, but maybe these are better directed at</li> <li>Mr. McCulloch what the term of the lease. Those rates</li> <li>were based on assumptions of a certain market share, a</li> <li>certain amount of customer participation. And if you</li> <li>don't hit that, like if you get less participation, you</li> <li>under-earn, and if you get more participation you</li> <li>over-earn; correct?</li> <li>A. Correct.</li> <li>Q. Thank you. Next I want to discuss the many new</li> <li>features you proposed on rebuttal, so can we turn back</li> <li>to LYN-3.</li> <li>The Company's direct testimony did not address</li> <li>annual tracking and recording of conservation benefits;</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13	conclusion. JUDGE KOPTA: I will sustain that. BY MR. CASEY: Q. You testified that PSE's rates are not based on these assumptions, correct, the assumptions these forecasts? A. Our rates are based on the level of interest that was defined by the surveys that we conducted over time. And a share of that interest is included in our pricing model and included in our rates. Q. Thank you. Would you acknowledge whether the assumptions used in rates are higher or lower than these assumptions here? MS. CARSON: I'm going to object. It's not clear what assumptions I believe there's various	2 3 4 5 6 7 8 9 10 11 12 13	<ul> <li>authorized rate of return over the term of the lease.</li> <li>Q. Yes, but maybe these are better directed at</li> <li>Mr. McCulloch what the term of the lease. Those rates were based on assumptions of a certain market share, a certain amount of customer participation. And if you don't hit that, like if you get less participation, you under-earn, and if you get more participation you over-earn; correct?</li> <li>A. Correct.</li> <li>Q. Thank you. Next I want to discuss the many new features you proposed on rebuttal, so can we turn back to LYN-3.</li> <li>The Company's direct testimony did not address annual tracking and recording of conservation benefits; correct?</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	conclusion. JUDGE KOPTA: I will sustain that. BY MR. CASEY: Q. You testified that PSE's rates are not based on these assumptions, correct, the assumptions these forecasts? A. Our rates are based on the level of interest that was defined by the surveys that we conducted over time. And a share of that interest is included in our pricing model and included in our rates. Q. Thank you. Would you acknowledge whether the assumptions used in rates are higher or lower than these assumptions here? MS. CARSON: I'm going to object. It's not clear what assumptions I believe there's various assumptions on this page.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	authorized rate of return over the term of the lease. Q. Yes, but maybe these are better directed at Mr. McCulloch what the term of the lease. Those rates were based on assumptions of a certain market share, a certain amount of customer participation. And if you don't hit that, like if you get less participation, you under-earn, and if you get more participation you over-earn; correct? A. Correct. Q. Thank you. Next I want to discuss the many new features you proposed on rebuttal, so can we turn back to LYN-3. The Company's direct testimony did not address annual tracking and recording of conservation benefits; correct? A. My testimony did not. Although, as I've
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	conclusion. JUDGE KOPTA: I will sustain that. BY MR. CASEY: <b>Q. You testified that PSE's rates are not based on these assumptions, correct, the assumptions these forecasts?</b> A. Our rates are based on the level of interest that was defined by the surveys that we conducted over time. And a share of that interest is included in our pricing model and included in our rates. <b>Q. Thank you. Would you acknowledge whether the assumptions used in rates are higher or lower than these assumptions here?</b> MS. CARSON: I'm going to object. It's not clear what assumptions I believe there's various assumptions on this page. MR. CASEY: All of them.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	authorized rate of return over the term of the lease. Q. Yes, but maybe these are better directed at Mr. McCulloch what the term of the lease. Those rates were based on assumptions of a certain market share, a certain amount of customer participation. And if you don't hit that, like if you get less participation, you under-earn, and if you get more participation you over-earn; correct? A. Correct. Q. Thank you. Next I want to discuss the many new features you proposed on rebuttal, so can we turn back to LYN-3. The Company's direct testimony did not address annual tracking and recording of conservation benefits; correct? A. My testimony did not. Although, as I've provided in an exhibit, if it's common for us to report
2 3 4 5 6 7 8 9 100 11 122 133 14 155 16 177 18	conclusion. JUDGE KOPTA: I will sustain that. BY MR. CASEY: Q. You testified that PSE's rates are not based on these assumptions, correct, the assumptions these forecasts? A. Our rates are based on the level of interest that was defined by the surveys that we conducted over time. And a share of that interest is included in our pricing model and included in our rates. Q. Thank you. Would you acknowledge whether the assumptions used in rates are higher or lower than these assumptions here? MS. CARSON: I'm going to object. It's not clear what assumptions I believe there's various assumptions on this page. MR. CASEY: All of them. MS. CARSON: All of the assumptions?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>authorized rate of return over the term of the lease.</li> <li>Q. Yes, but maybe these are better directed at</li> <li>Mr. McCulloch what the term of the lease. Those rates</li> <li>were based on assumptions of a certain market share, a</li> <li>certain amount of customer participation. And if you</li> <li>don't hit that, like if you get less participation, you</li> <li>under-earn, and if you get more participation you</li> <li>over-earn; correct?</li> <li>A. Correct.</li> <li>Q. Thank you. Next I want to discuss the many new</li> <li>features you proposed on rebuttal, so can we turn back</li> <li>to LYN-3.</li> <li>The Company's direct testimony did not address</li> <li>annual tracking and recording of conservation benefits;</li> <li>correct?</li> <li>A. My testimony did not. Although, as I've</li> <li>provided in an exhibit, if it's common for us to report</li> <li>and track performance on a number of different programs</li> </ul>
2 3 4 5 6 7 8 9 100 111 122 133 144 155 166 177 188 19	conclusion. JUDGE KOPTA: I will sustain that. BY MR. CASEY: Q. You testified that PSE's rates are not based on these assumptions, correct, the assumptions these forecasts? A. Our rates are based on the level of interest that was defined by the surveys that we conducted over time. And a share of that interest is included in our pricing model and included in our rates. Q. Thank you. Would you acknowledge whether the assumptions used in rates are higher or lower than these assumptions here? MS. CARSON: I'm going to object. It's not clear what assumptions I believe there's various assumptions on this page. MR. CASEY: All of them. MS. CARSON: All of the assumptions? MR. CASEY: Yes.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	<ul> <li>authorized rate of return over the term of the lease.</li> <li>Q. Yes, but maybe these are better directed at</li> <li>Mr. McCulloch what the term of the lease. Those rates</li> <li>were based on assumptions of a certain market share, a</li> <li>certain amount of customer participation. And if you</li> <li>don't hit that, like if you get less participation, you</li> <li>under-earn, and if you get more participation you</li> <li>over-earn; correct?</li> <li>A. Correct.</li> <li>Q. Thank you. Next I want to discuss the many new</li> <li>features you proposed on rebuttal, so can we turn back</li> <li>to LYN-3.</li> <li>The Company's direct testimony did not address</li> <li>annual tracking and recording of conservation benefits;</li> <li>correct?</li> <li>A. My testimony did not. Although, as I've</li> <li>provided in an exhibit, if it's common for us to report</li> <li>and track performance on a number of different programs</li> <li>and services, we have to go the Utilities Commission on</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	conclusion. JUDGE KOPTA: I will sustain that. BY MR. CASEY: Q. You testified that PSE's rates are not based on these assumptions, correct, the assumptions these forecasts? A. Our rates are based on the level of interest that was defined by the surveys that we conducted over time. And a share of that interest is included in our pricing model and included in our rates. Q. Thank you. Would you acknowledge whether the assumptions used in rates are higher or lower than these assumptions here? MS. CARSON: I'm going to object. It's not clear what assumptions I believe there's various assumptions on this page. MR. CASEY: All of them. MS. CARSON: All of the assumptions? MR. CASEY: Yes. MS. CARSON: Objection; ambiguous.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	<ul> <li>authorized rate of return over the term of the lease.</li> <li>Q. Yes, but maybe these are better directed at</li> <li>Mr. McCulloch what the term of the lease. Those rates</li> <li>were based on assumptions of a certain market share, a</li> <li>certain amount of customer participation. And if you</li> <li>don't hit that, like if you get less participation, you</li> <li>under-earn, and if you get more participation you</li> <li>over-earn; correct?</li> <li>A. Correct.</li> <li>Q. Thank you. Next I want to discuss the many new</li> <li>features you proposed on rebuttal, so can we turn back</li> <li>to LYN-3.</li> <li>The Company's direct testimony did not address</li> <li>annual tracking and recording of conservation benefits;</li> <li>correct?</li> <li>A. My testimony did not. Although, as I've</li> <li>provided in an exhibit, if it's common for us to report</li> <li>and track performance on a number of different programs</li> <li>and services, we have to go the Utilities Commission on</li> <li>a regular basis.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	conclusion. JUDGE KOPTA: I will sustain that. BY MR. CASEY: <b>Q. You testified that PSE's rates are not based on these assumptions, correct, the assumptions these forecasts?</b> A. Our rates are based on the level of interest that was defined by the surveys that we conducted over time. And a share of that interest is included in our pricing model and included in our rates. <b>Q. Thank you. Would you acknowledge whether the assumptions used in rates are higher or lower than these assumptions here?</b> MS. CARSON: I'm going to object. It's not clear what assumptions I believe there's various assumptions on this page. MR. CASEY: All of them. MS. CARSON: All of the assumptions? MR. CASEY: Yes. MS. CARSON: Objection; ambiguous. JUDGE KOPTA: Well, to the extent that she	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<ul> <li>authorized rate of return over the term of the lease.</li> <li>Q. Yes, but maybe these are better directed at</li> <li>Mr. McCulloch what the term of the lease. Those rates</li> <li>were based on assumptions of a certain market share, a</li> <li>certain amount of customer participation. And if you</li> <li>don't hit that, like if you get less participation, you</li> <li>under-earn, and if you get more participation you</li> <li>over-earn; correct?</li> <li>A. Correct.</li> <li>Q. Thank you. Next I want to discuss the many new</li> <li>features you proposed on rebuttal, so can we turn back</li> <li>to LYN-3.</li> <li>The Company's direct testimony did not address</li> <li>annual tracking and recording of conservation benefits;</li> <li>correct?</li> <li>A. My testimony did not. Although, as I've</li> <li>provided in an exhibit, if it's common for us to report</li> <li>and track performance on a number of different programs</li> <li>and services, we have to go the Utilities Commission on</li> <li>a regular basis.</li> <li>Q. A little bit vague. I just want to clarify, did</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	conclusion. JUDGE KOPTA: I will sustain that. BY MR. CASEY: <b>Q.</b> You testified that PSE's rates are not based on these assumptions, correct, the assumptions these forecasts? A. Our rates are based on the level of interest that was defined by the surveys that we conducted over time. And a share of that interest is included in our pricing model and included in our rates. <b>Q.</b> Thank you. Would you acknowledge whether the assumptions used in rates are higher or lower than these assumptions here? MS. CARSON: I'm going to object. It's not clear what assumptions I believe there's various assumptions on this page. MR. CASEY: All of them. MS. CARSON: All of the assumptions? MR. CASEY: Yes. MS. CARSON: Objection; ambiguous. JUDGE KOPTA: Well, to the extent that she can answer.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>authorized rate of return over the term of the lease.</li> <li>Q. Yes, but maybe these are better directed at</li> <li>Mr. McCulloch what the term of the lease. Those rates</li> <li>were based on assumptions of a certain market share, a</li> <li>certain amount of customer participation. And if you</li> <li>don't hit that, like if you get less participation, you</li> <li>under-earn, and if you get more participation you</li> <li>over-earn; correct?</li> <li>A. Correct.</li> <li>Q. Thank you. Next I want to discuss the many new</li> <li>features you proposed on rebuttal, so can we turn back</li> <li>to LYN-3.</li> <li>The Company's direct testimony did not address</li> <li>annual tracking and recording of conservation benefits;</li> <li>correct?</li> <li>A. My testimony did not. Although, as I've</li> <li>provided in an exhibit, if it's common for us to report</li> <li>and track performance on a number of different programs</li> <li>and services, we have to go the Utilities Commission on</li> <li>a regular basis.</li> <li>Q. A little bit vague. I just want to clarify, did</li> <li>or did not the Company's testimony address annual</li> </ul>
2 3 4 5 6 7 8 9 10 11 122 13 14 15 16 17 18 19 20 21 22 23	conclusion. JUDGE KOPTA: I will sustain that. BY MR. CASEY: <b>Q. You testified that PSE's rates are not based on these assumptions, correct, the assumptions these forecasts?</b> A. Our rates are based on the level of interest that was defined by the surveys that we conducted over time. And a share of that interest is included in our pricing model and included in our rates. <b>Q. Thank you. Would you acknowledge whether the assumptions used in rates are higher or lower than these assumptions here?</b> MS. CARSON: I'm going to object. It's not clear what assumptions I believe there's various assumptions on this page. MR. CASEY: All of them. MS. CARSON: All of the assumptions? MR. CASEY: Yes. MS. CARSON: Objection; ambiguous. JUDGE KOPTA: Well, to the extent that she can answer. THE WITNESS: As defined, this is a range,	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	<ul> <li>authorized rate of return over the term of the lease.</li> <li>Q. Yes, but maybe these are better directed at</li> <li>Mr. McCulloch what the term of the lease. Those rates</li> <li>were based on assumptions of a certain market share, a</li> <li>certain amount of customer participation. And if you</li> <li>don't hit that, like if you get less participation, you</li> <li>under-earn, and if you get more participation you</li> <li>over-earn; correct?</li> <li>A. Correct.</li> <li>Q. Thank you. Next I want to discuss the many new</li> <li>features you proposed on rebuttal, so can we turn back</li> <li>to LYN-3.</li> <li>The Company's direct testimony did not address</li> <li>annual tracking and recording of conservation benefits;</li> <li>correct?</li> <li>A. My testimony did not. Although, as I've</li> <li>provided in an exhibit, if it's common for us to report</li> <li>and track performance on a number of different programs</li> <li>and services, we have to go the Utilities Commission on</li> <li>a regular basis.</li> <li>Q. A little bit vague. I just want to clarify, did</li> <li>or did not the Company's testimony address annual</li> <li>tracking and reporting of conservation?</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	conclusion. JUDGE KOPTA: I will sustain that. BY MR. CASEY: <b>Q.</b> You testified that PSE's rates are not based on these assumptions, correct, the assumptions these forecasts? A. Our rates are based on the level of interest that was defined by the surveys that we conducted over time. And a share of that interest is included in our pricing model and included in our rates. <b>Q.</b> Thank you. Would you acknowledge whether the assumptions used in rates are higher or lower than these assumptions here? MS. CARSON: I'm going to object. It's not clear what assumptions I believe there's various assumptions on this page. MR. CASEY: All of them. MS. CARSON: All of the assumptions? MR. CASEY: Yes. MS. CARSON: Objection; ambiguous. JUDGE KOPTA: Well, to the extent that she can answer.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>authorized rate of return over the term of the lease.</li> <li>Q. Yes, but maybe these are better directed at</li> <li>Mr. McCulloch what the term of the lease. Those rates</li> <li>were based on assumptions of a certain market share, a</li> <li>certain amount of customer participation. And if you</li> <li>don't hit that, like if you get less participation, you</li> <li>under-earn, and if you get more participation you</li> <li>over-earn; correct?</li> <li>A. Correct.</li> <li>Q. Thank you. Next I want to discuss the many new</li> <li>features you proposed on rebuttal, so can we turn back</li> <li>to LYN-3.</li> <li>The Company's direct testimony did not address</li> <li>annual tracking and recording of conservation benefits;</li> <li>correct?</li> <li>A. My testimony did not. Although, as I've</li> <li>provided in an exhibit, if it's common for us to report</li> <li>and track performance on a number of different programs</li> <li>and services, we have to go the Utilities Commission on</li> <li>a regular basis.</li> <li>Q. A little bit vague. I just want to clarify, did</li> <li>or did not the Company's testimony address annual</li> </ul>

	Page 123		Page 125
	CASEY / NORTON		CASEY / NORTON
1	more than willing to go above and beyond and report the	1	that there are numerous different ways of how to, quote,
2	tracking and reporting of some of the key features that	2	estimate O efficiency of replaced equipment, end quote?
3	we expect the service to deliver. And we intend and	3	A. There certainly might be a few ways. I think
4	plan to do that with the Commission on an annual basis.	4	that we have a lot of experience in understanding
5	Q. Thank you. And just for clarification, that	5	efficiency and working with our customers, and would
6	proposal came on rebuttal; correct?	6	rely on that to use that as a reporting device.
7	MS. CARSON: Objection to the extent he's	7	Q. Thank you. The Company's direct testimony also
8	asking her to testify about all Company witnesses'	8	did not address transitioning the Legacy Rental Program;
9	testimony; I think that's overbroad. And if he wants to	9	correct?
10	establish that with each witness, he can.	10	MS. CARSON: Objection; misstates the
11	JUDGE KOPTA: Well, this is a witness who	11	record.
12	directly addresses this particular point. I think the	12	JUDGE KOPTA: Can you ask it a different
13	Company is permissible, to the extent that you are	13	way, Mr. Casey?
14	aware.	14	BY MR. CASEY:
15	THE WITNESS: Can you repeat your question,	15	Q. The Company, in its direct case, addressed
16	please.	16	transitioning the Legacy Rental Program.
17	BY MR. CASEY:	17	A. I'm not familiar I cannot recall.
18	Q. That you first the Company first addressed	18	Q. Thank you. On rebuttal, the Company provided a
19	annual tracking and conservation reporting in its	19	Transition Plan as a hybrid form of question-and-answer
20	rebuttal case; is that correct?	20	testimony in an exhibit; correct? I believe it's
21	A. It's my understanding I mean, it's something	21	Exhibit MBM-22.
22	we often do as a regular course of activity, report to	22	A. Yes, we did. And I believe Mr. McCulloch is the
23	the Commission, so we named it specifically in a	23	witness that can speak to that specifically.
24	commitments document personally. It's something we	24	Q. And because this plan was provided on rebuttal,
	regularly do as a part of our being a regulated utility.		no party had an opportunity to adequately analyze and
25	I EQUIATIV UU AS A DATE UI UUI DEITIU A TEQUIATEU UTIITIV.	20	
25		25	
25	Page 124	25	Page 126
25		25	
	Page 124 CASEY / NORTON		Page 126 CASEY / NORTON
1	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase	1	Page 126 CASEY / NORTON respond to the proposal; correct?
1 2	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this.	1 2	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had
1	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the	1 2 3	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and
1 2 3 4	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that	1 2 3 4	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we
1 2 3 4 5	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that that information is contained in any other part of Puget	1 2 3 4 5	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we Q. We're in a litigated case, so the discussion
1 2 3 4 5 6	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that that information is contained in any other part of Puget Sound Energy's testimony in this case?	1 2 3 4 5 6	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we Q. We're in a litigated case, so the discussion needs to be in testimony; correct?
1 2 3 4 5 6 7	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that that information is contained in any other part of Puget Sound Energy's testimony in this case? THE WITNESS: I do not recall.	1 2 3 4 5 6 7	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we Q. We're in a litigated case, so the discussion needs to be in testimony; correct? A. So the Transition Plan was submitted by our
1 2 3 4 5 6 7 8	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that that information is contained in any other part of Puget Sound Energy's testimony in this case? THE WITNESS: I do not recall. BY MR. CASEY:	1 2 3 4 5 6 7 8	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we Q. We're in a litigated case, so the discussion needs to be in testimony; correct? A. So the Transition Plan was submitted by our witness Malcolm McCulloch in rebuttal.
1 2 3 4 5 6 7 8 9	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that that information is contained in any other part of Puget Sound Energy's testimony in this case? THE WITNESS: I do not recall. BY MR. CASEY: Q. Outside of these bullet points, the Company's	1 2 3 4 5 6 7 8 9	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we Q. We're in a litigated case, so the discussion needs to be in testimony; correct? A. So the Transition Plan was submitted by our witness Malcolm McCulloch in rebuttal. Q. So yes or no. Because it was provided in
1 2 3 4 5 6 7 8 9 10	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that that information is contained in any other part of Puget Sound Energy's testimony in this case? THE WITNESS: I do not recall. BY MR. CASEY: Q. Outside of these bullet points, the Company's testimony, or any other testimony, provides no details	1 2 3 4 5 6 7 8 9 10	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we Q. We're in a litigated case, so the discussion needs to be in testimony; correct? A. So the Transition Plan was submitted by our witness Malcolm McCulloch in rebuttal. Q. So yes or no. Because it was provided in rebuttal, no party had an opportunity to adequately
1 2 3 4 5 6 7 8 9 10 11	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that that information is contained in any other part of Puget Sound Energy's testimony in this case? THE WITNESS: I do not recall. BY MR. CASEY: Q. Outside of these bullet points, the Company's testimony, or any other testimony, provides no details as to how annual tracking and reporting will be	1 2 3 4 5 6 7 8 9 10 11	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we Q. We're in a litigated case, so the discussion needs to be in testimony; correct? A. So the Transition Plan was submitted by our witness Malcolm McCulloch in rebuttal. Q. So yes or no. Because it was provided in rebuttal, no party had an opportunity to adequately analyze and respond to that proposal?
1 2 3 4 5 6 7 8 9 10 11 12	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that that information is contained in any other part of Puget Sound Energy's testimony in this case? THE WITNESS: I do not recall. BY MR. CASEY: Q. Outside of these bullet points, the Company's testimony, or any other testimony, provides no details as to how annual tracking and reporting will be accomplished; correct?	1 2 3 4 5 6 7 8 9 10 11 12	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we Q. We're in a litigated case, so the discussion needs to be in testimony; correct? A. So the Transition Plan was submitted by our witness Malcolm McCulloch in rebuttal. Q. So yes or no. Because it was provided in rebuttal, no party had an opportunity to adequately analyze and respond to that proposal? MS. CARSON: Objection; calls for
1 2 3 4 5 6 7 8 9 10 11 12 13	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that that information is contained in any other part of Puget Sound Energy's testimony in this case? THE WITNESS: I do not recall. BY MR. CASEY: Q. Outside of these bullet points, the Company's testimony, or any other testimony, provides no details as to how annual tracking and reporting will be accomplished; correct? A. Based on my recollection, it is not detailed,	1 2 3 4 5 6 7 8 9 10 11 12 13	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we Q. We're in a litigated case, so the discussion needs to be in testimony; correct? A. So the Transition Plan was submitted by our witness Malcolm McCulloch in rebuttal. Q. So yes or no. Because it was provided in rebuttal, no party had an opportunity to adequately analyze and respond to that proposal? MS. CARSON: Objection; calls for speculation as to whether other parties have an
1 2 3 4 5 6 7 8 9 10 11 12 13 14	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that that information is contained in any other part of Puget Sound Energy's testimony in this case? THE WITNESS: I do not recall. BY MR. CASEY: Q. Outside of these bullet points, the Company's testimony, or any other testimony, provides no details as to how annual tracking and reporting will be accomplished; correct? A. Based on my recollection, it is not detailed, but it's common practice for us to report to the	1 2 3 4 5 6 7 8 9 10 11 12 13 14	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we Q. We're in a litigated case, so the discussion needs to be in testimony; correct? A. So the Transition Plan was submitted by our witness Malcolm McCulloch in rebuttal. Q. So yes or no. Because it was provided in rebuttal, no party had an opportunity to adequately analyze and respond to that proposal? MS. CARSON: Objection; calls for speculation as to whether other parties have an opportunity to analyze.
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that that information is contained in any other part of Puget Sound Energy's testimony in this case? THE WITNESS: I do not recall. BY MR. CASEY: Q. Outside of these bullet points, the Company's testimony, or any other testimony, provides no details as to how annual tracking and reporting will be accomplished; correct? A. Based on my recollection, it is not detailed, but it's common practice for us to report to the Utilities Commission, and I'm sure we can figure out a	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we Q. We're in a litigated case, so the discussion needs to be in testimony; correct? A. So the Transition Plan was submitted by our witness Malcolm McCulloch in rebuttal. Q. So yes or no. Because it was provided in rebuttal, no party had an opportunity to adequately analyze and respond to that proposal? MS. CARSON: Objection; calls for speculation as to whether other parties have an opportunity to analyze. JUDGE KOPTA: Sustained. I was looking for
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that that information is contained in any other part of Puget Sound Energy's testimony in this case? THE WITNESS: I do not recall. BY MR. CASEY: Q. Outside of these bullet points, the Company's testimony, or any other testimony, provides no details as to how annual tracking and reporting will be accomplished; correct? A. Based on my recollection, it is not detailed, but it's common practice for us to report to the Utilities Commission, and I'm sure we can figure out a way to do that effectively.	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we Q. We're in a litigated case, so the discussion needs to be in testimony; correct? A. So the Transition Plan was submitted by our witness Malcolm McCulloch in rebuttal. Q. So yes or no. Because it was provided in rebuttal, no party had an opportunity to adequately analyze and respond to that proposal? MS. CARSON: Objection; calls for speculation as to whether other parties have an opportunity to analyze. JUDGE KOPTA: Sustained. I was looking for that objection earlier. That's an argument that you can
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that that information is contained in any other part of Puget Sound Energy's testimony in this case? THE WITNESS: I do not recall. BY MR. CASEY: Q. Outside of these bullet points, the Company's testimony, or any other testimony, provides no details as to how annual tracking and reporting will be accomplished; correct? A. Based on my recollection, it is not detailed, but it's common practice for us to report to the Utilities Commission, and I'm sure we can figure out a way to do that effectively. Q. But you acknowledge that interested parties	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we Q. We're in a litigated case, so the discussion needs to be in testimony; correct? A. So the Transition Plan was submitted by our witness Malcolm McCulloch in rebuttal. Q. So yes or no. Because it was provided in rebuttal, no party had an opportunity to adequately analyze and respond to that proposal? MS. CARSON: Objection; calls for speculation as to whether other parties have an opportunity to analyze. JUDGE KOPTA: Sustained. I was looking for that objection earlier. That's an argument that you can make on brief. I don't think
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that that information is contained in any other part of Puget Sound Energy's testimony in this case? THE WITNESS: I do not recall. BY MR. CASEY: Q. Outside of these bullet points, the Company's testimony, or any other testimony, provides no details as to how annual tracking and reporting will be accomplished; correct? A. Based on my recollection, it is not detailed, but it's common practice for us to report to the Utilities Commission, and I'm sure we can figure out a way to do that effectively. Q. But you acknowledge that interested parties might not fully agree on the details of how exactly to	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we Q. We're in a litigated case, so the discussion needs to be in testimony; correct? A. So the Transition Plan was submitted by our witness Malcolm McCulloch in rebuttal. Q. So yes or no. Because it was provided in rebuttal, no party had an opportunity to adequately analyze and respond to that proposal? MS. CARSON: Objection; calls for speculation as to whether other parties have an opportunity to analyze. JUDGE KOPTA: Sustained. I was looking for that objection earlier. That's an argument that you can make on brief. I don't think MS. BROWN: But, Your Honor, we will be here
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that that information is contained in any other part of Puget Sound Energy's testimony in this case? THE WITNESS: I do not recall. BY MR. CASEY: Q. Outside of these bullet points, the Company's testimony, or any other testimony, provides no details as to how annual tracking and reporting will be accomplished; correct? A. Based on my recollection, it is not detailed, but it's common practice for us to report to the Utilities Commission, and I'm sure we can figure out a way to do that effectively. Q. But you acknowledge that interested parties might not fully agree on the details of how exactly to do annual tracking and reporting; correct?	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we Q. We're in a litigated case, so the discussion needs to be in testimony; correct? A. So the Transition Plan was submitted by our witness Malcolm McCulloch in rebuttal. Q. So yes or no. Because it was provided in rebuttal, no party had an opportunity to adequately analyze and respond to that proposal? MS. CARSON: Objection; calls for speculation as to whether other parties have an opportunity to analyze. JUDGE KOPTA: Sustained. I was looking for that objection earlier. That's an argument that you can make on brief. I don't think MS. BROWN: But, Your Honor, we will be here until 2020 if the Company witnesses refuse to answer the
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that that information is contained in any other part of Puget Sound Energy's testimony in this case? THE WITNESS: I do not recall. BY MR. CASEY: Q. Outside of these bullet points, the Company's testimony, or any other testimony, provides no details as to how annual tracking and reporting will be accomplished; correct? A. Based on my recollection, it is not detailed, but it's common practice for us to report to the Utilities Commission, and I'm sure we can figure out a way to do that effectively. Q. But you acknowledge that interested parties might not fully agree on the details of how exactly to do annual tracking and reporting; correct? MS. CARSON: Objection; calls for	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we Q. We're in a litigated case, so the discussion needs to be in testimony; correct? A. So the Transition Plan was submitted by our witness Malcolm McCulloch in rebuttal. Q. So yes or no. Because it was provided in rebuttal, no party had an opportunity to adequately analyze and respond to that proposal? MS. CARSON: Objection; calls for speculation as to whether other parties have an opportunity to analyze. JUDGE KOPTA: Sustained. I was looking for that objection earlier. That's an argument that you can make on brief. I don't think MS. BROWN: But, Your Honor, we will be here until 2020 if the Company witnesses refuse to answer the questions candidly. This is yes-or-no question; this is
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that that information is contained in any other part of Puget Sound Energy's testimony in this case? THE WITNESS: I do not recall. BY MR. CASEY: Q. Outside of these bullet points, the Company's testimony, or any other testimony, provides no details as to how annual tracking and reporting will be accomplished; correct? A. Based on my recollection, it is not detailed, but it's common practice for us to report to the Utilities Commission, and I'm sure we can figure out a way to do that effectively. Q. But you acknowledge that interested parties might not fully agree on the details of how exactly to do annual tracking and reporting; correct? MS. CARSON: Objection; calls for speculation about what interested parties think or don't	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we Q. We're in a litigated case, so the discussion needs to be in testimony; correct? A. So the Transition Plan was submitted by our witness Malcolm McCulloch in rebuttal. Q. So yes or no. Because it was provided in rebuttal, no party had an opportunity to adequately analyze and respond to that proposal? MS. CARSON: Objection; calls for speculation as to whether other parties have an opportunity to analyze. JUDGE KOPTA: Sustained. I was looking for that objection earlier. That's an argument that you can make on brief. I don't think MS. BROWN: But, Your Honor, we will be here until 2020 if the Company witnesses refuse to answer the questions candidly. This is yes-or-no question; this is cross-examination.
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that that information is contained in any other part of Puget Sound Energy's testimony in this case? THE WITNESS: I do not recall. BY MR. CASEY: Q. Outside of these bullet points, the Company's testimony, or any other testimony, provides no details as to how annual tracking and reporting will be accomplished; correct? A. Based on my recollection, it is not detailed, but it's common practice for us to report to the Utilities Commission, and I'm sure we can figure out a way to do that effectively. Q. But you acknowledge that interested parties might not fully agree on the details of how exactly to do annual tracking and reporting; correct? MS. CARSON: Objection; calls for speculation about what interested parties think or don't think.	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we Q. We're in a litigated case, so the discussion needs to be in testimony; correct? A. So the Transition Plan was submitted by our witness Malcolm McCulloch in rebuttal. Q. So yes or no. Because it was provided in rebuttal, no party had an opportunity to adequately analyze and respond to that proposal? MS. CARSON: Objection; calls for speculation as to whether other parties have an opportunity to analyze. JUDGE KOPTA: Sustained. I was looking for that objection earlier. That's an argument that you can make on brief. I don't think MS. BROWN: But, Your Honor, we will be here until 2020 if the Company witnesses refuse to answer the questions candidly. This is yes-or-no question; this is cross-examination. JUDGE KOPTA: I understand that, Ms. Brown,
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that that information is contained in any other part of Puget Sound Energy's testimony in this case? THE WITNESS: I do not recall. BY MR. CASEY: Q. Outside of these bullet points, the Company's testimony, or any other testimony, provides no details as to how annual tracking and reporting will be accomplished; correct? A. Based on my recollection, it is not detailed, but it's common practice for us to report to the Utilities Commission, and I'm sure we can figure out a way to do that effectively. Q. But you acknowledge that interested parties might not fully agree on the details of how exactly to do annual tracking and reporting; correct? MS. CARSON: Objection; calls for speculation about what interested parties think or don't think. JUDGE KOPTA: Sustained.	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we Q. We're in a litigated case, so the discussion needs to be in testimony; correct? A. So the Transition Plan was submitted by our witness Malcolm McCulloch in rebuttal. Q. So yes or no. Because it was provided in rebuttal, no party had an opportunity to adequately analyze and respond to that proposal? MS. CARSON: Objection; calls for speculation as to whether other parties have an opportunity to analyze. JUDGE KOPTA: Sustained. I was looking for that objection earlier. That's an argument that you can make on brief. I don't think MS. BROWN: But, Your Honor, we will be here until 2020 if the Company witnesses refuse to answer the questions candidly. This is yes-or-no question; this is cross-examination. JUDGE KOPTA: I understand that, Ms. Brown, but these are arguments in the form of questions, and I
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Page 124 CASEY / NORTON JUDGE KOPTA: Ms. Norton, let me rephrase the question and see if we can get past this. In your testimony on Exhibit LYN-3, the point that counsel is referring to, are you aware that that information is contained in any other part of Puget Sound Energy's testimony in this case? THE WITNESS: I do not recall. BY MR. CASEY: <b>Q. Outside of these bullet points, the Company's</b> testimony, or any other testimony, provides no details as to how annual tracking and reporting will be accomplished; correct? A. Based on my recollection, it is not detailed, but it's common practice for us to report to the Utilities Commission, and I'm sure we can figure out a way to do that effectively. <b>Q. But you acknowledge that interested parties</b> might not fully agree on the details of how exactly to do annual tracking and reporting; correct? MS. CARSON: Objection; calls for speculation about what interested parties think or don't think. JUDGE KOPTA: Sustained. BY MR. CASEY:	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	Page 126 CASEY / NORTON respond to the proposal; correct? A. Throughout the proceeding we've had conversations about the transition of the Plan, and we Q. We're in a litigated case, so the discussion needs to be in testimony; correct? A. So the Transition Plan was submitted by our witness Malcolm McCulloch in rebuttal. Q. So yes or no. Because it was provided in rebuttal, no party had an opportunity to adequately analyze and respond to that proposal? MS. CARSON: Objection; calls for speculation as to whether other parties have an opportunity to analyze. JUDGE KOPTA: Sustained. I was looking for that objection earlier. That's an argument that you can make on brief. I don't think MS. BROWN: But, Your Honor, we will be here until 2020 if the Company witnesses refuse to answer the questions candidly. This is yes-or-no question; this is cross-examination. JUDGE KOPTA: I understand that, Ms. Brown,

	Page 127		Page 129
	CASEY / NORTON		CASEY / NORTON
1	Q. Do you acknowledge that the transition of over	1	opportunity to participate in a demand response service?
2	33,000 customers from one service to another is a	2	A. Yes. We offered the opportunity for these
3	challenging task that requires careful coordination to	3	customers to participate in forthcoming demand response,
4	ensure participating customers are not harmed?	4	pilots that the Company is intending to be a part of, as
5	A. I would agree it is a large undertaking that	5	well as administer themselves.
6	needs to be balanced with customers' interest, as well	6	Q. And that offer was made on rebuttal; correct?
7	as the market's ability to deliver.	7	A. Correct.
8	Q. Thank you. The Company's direct testimony also	8	Q. Thank you. In PSE's rebuttal testimony, PSE
9	did not address conservation target setting; correct?	9	provided no details about how it would implement the
10	A. My testimony did not.	10	demand response beyond these three bullet points;
11	Q. Did Mr you mean Mr. Teller's testimony?	11	correct?
12	A. Can you point to where you're referring?	12	A. This is not a demand response filing. Our
13	Q. I'm referring to LYN-3, midway down the page, it	13	bullets are intended to demonstrate how this filing
14	says "Conservation Target Setting."	14	could complement and add to our future demand activity.
15	A. Okay. Your question?	15	JUDGE KOPTA: So that's a "yes" with an
16	Q. My question is, in direct testimony, the Company	16	explanation?
17	did not discuss conservation target setting; correct?	17	THE WITNESS: Yes, with an explanation.
18	A. It did not in its direct testimony discuss the	18	BY MR. CASEY:
19	bullet you're referring to in the commitments. But as	19	Q. As part of its proposal, PSE proposes to offer products that are not demand response capable; correct?
20	I've said, the commitments are intended to be above and	20 21	A. Correct.
21 22	beyond what was filed and add to the proposal additional	21	Q. PSE does not currently have a demand response
22	opportunities to demonstrate how this platform might have broader benefit.	22	tariff on file with the Commission; correct?
23	Q. And here the Company is only committing to	24	A. Not to my knowledge; correct.
24	discuss the possibility of target setting in the	25	Q. Thank you. The Company proposes to submit a
25	discuss the possibility of target setting in the	25	Q. mank you. The company proposes to submit a
	Page 128		Page 130
	Page 128		Page 130
	Page 128 CASEY / NORTON		Page 130 CASEY / NORTON
1	CASEY / NORTON	1	CASEY / NORTON
1	CASEY / NORTON biennial conservation planning process to discuss how	1	CASEY / NORTON Compliance Filing to add new products and alter its
1 2 3	CASEY / NORTON biennial conservation planning process to discuss how the leasing service may influence rebate target setting,	1 2 3	CASEY / NORTON Compliance Filing to add new products and alter its proposed rates 60 days after approval.
2	CASEY / NORTON biennial conservation planning process to discuss how the leasing service may influence rebate target setting, it's not committed to target setting; correct?	2	CASEY / NORTON Compliance Filing to add new products and alter its proposed rates 60 days after approval. Does this render the proposed rates meaningless?
2 3	CASEY / NORTON biennial conservation planning process to discuss how the leasing service may influence rebate target setting,	2 3	CASEY / NORTON Compliance Filing to add new products and alter its proposed rates 60 days after approval.
2 3 4	CASEY / NORTON biennial conservation planning process to discuss how the leasing service may influence rebate target setting, it's not committed to target setting; correct? A. We expect this to provide a channel for energy	2 3 4	CASEY / NORTON Compliance Filing to add new products and alter its proposed rates 60 days after approval. Does this render the proposed rates meaningless? MS. CARSON: Objection; argumentative.
2 3 4 5	CASEY / NORTON biennial conservation planning process to discuss how the leasing service may influence rebate target setting, it's not committed to target setting; correct? A. We expect this to provide a channel for energy efficiency savings, and at this point, I think it's	2 3 4 5	CASEY / NORTON Compliance Filing to add new products and alter its proposed rates 60 days after approval. Does this render the proposed rates meaningless? MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained.
2 3 4 5 6	CASEY / NORTON biennial conservation planning process to discuss how the leasing service may influence rebate target setting, it's not committed to target setting; correct? A. We expect this to provide a channel for energy efficiency savings, and at this point, I think it's premature; we don't even have a finalized service.	2 3 4 5 6	CASEY / NORTON Compliance Filing to add new products and alter its proposed rates 60 days after approval. Does this render the proposed rates meaningless? MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. CASEY:
2 3 4 5 6 7	CASEY / NORTON biennial conservation planning process to discuss how the leasing service may influence rebate target setting, it's not committed to target setting; correct? A. We expect this to provide a channel for energy efficiency savings, and at this point, I think it's premature; we don't even have a finalized service. It's our intention and expectation that there	2 3 4 5 6 7	CASEY / NORTON Compliance Filing to add new products and alter its proposed rates 60 days after approval. Does this render the proposed rates meaningless? MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. CASEY: Q. Given the Company's commitment to submit new
2 3 4 5 6 7 8	CASEY / NORTON biennial conservation planning process to discuss how the leasing service may influence rebate target setting, it's not committed to target setting; correct? A. We expect this to provide a channel for energy efficiency savings, and at this point, I think it's premature; we don't even have a finalized service. It's our intention and expectation that there would be some positive benefits and be able to look at	2 3 4 5 6 7 8	CASEY / NORTON Compliance Filing to add new products and alter its proposed rates 60 days after approval. Does this render the proposed rates meaningless? MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. CASEY: Q. Given the Company's commitment to submit new rates just 60 days after approval, are the rates
2 3 4 5 6 7 8 9	CASEY / NORTON biennial conservation planning process to discuss how the leasing service may influence rebate target setting, it's not committed to target setting; correct? A. We expect this to provide a channel for energy efficiency savings, and at this point, I think it's premature; we don't even have a finalized service. It's our intention and expectation that there would be some positive benefits and be able to look at how those rebates might be able to be modified. Due to	2 3 4 5 6 7 8 9	CASEY / NORTON Compliance Filing to add new products and alter its proposed rates 60 days after approval. Does this render the proposed rates meaningless? MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. CASEY: Q. Given the Company's commitment to submit new rates just 60 days after approval, are the rates currently proposed in the tariff meaningful?
2 3 4 5 6 7 8 9 10	CASEY / NORTON biennial conservation planning process to discuss how the leasing service may influence rebate target setting, it's not committed to target setting; correct? A. We expect this to provide a channel for energy efficiency savings, and at this point, I think it's premature; we don't even have a finalized service. It's our intention and expectation that there would be some positive benefits and be able to look at how those rebates might be able to be modified. Due to having this channel, we expect to deliver a	2 3 4 5 6 7 8 9 10	CASEY / NORTON Compliance Filing to add new products and alter its proposed rates 60 days after approval. Does this render the proposed rates meaningless? MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. CASEY: Q. Given the Company's commitment to submit new rates just 60 days after approval, are the rates currently proposed in the tariff meaningful? A. The Company is confident in the rates it has
2 3 4 5 6 7 8 9 10 11	CASEY / NORTON biennial conservation planning process to discuss how the leasing service may influence rebate target setting, it's not committed to target setting; correct? A. We expect this to provide a channel for energy efficiency savings, and at this point, I think it's premature; we don't even have a finalized service. It's our intention and expectation that there would be some positive benefits and be able to look at how those rebates might be able to be modified. Due to having this channel, we expect to deliver a high-efficient product.	2 3 4 5 6 7 8 9 10 11	CASEY / NORTON Compliance Filing to add new products and alter its proposed rates 60 days after approval. Does this render the proposed rates meaningless? MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. CASEY: Q. Given the Company's commitment to submit new rates just 60 days after approval, are the rates currently proposed in the tariff meaningful? A. The Company is confident in the rates it has proposed in this filing. If the Commission determines
2 3 4 5 7 8 9 10 11 12	CASEY / NORTON biennial conservation planning process to discuss how the leasing service may influence rebate target setting, it's not committed to target setting; correct? A. We expect this to provide a channel for energy efficiency savings, and at this point, I think it's premature; we don't even have a finalized service. It's our intention and expectation that there would be some positive benefits and be able to look at how those rebates might be able to be modified. Due to having this channel, we expect to deliver a high-efficient product. JUDGE KOPTA: Ms. Norton, I'm going to	2 3 4 5 6 7 8 9 10 11 12	CASEY / NORTON Compliance Filing to add new products and alter its proposed rates 60 days after approval. Does this render the proposed rates meaningless? MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. CASEY: Q. Given the Company's commitment to submit new rates just 60 days after approval, are the rates currently proposed in the tariff meaningful? A. The Company is confident in the rates it has proposed in this filing. If the Commission determines it's in the interest to refresh those rates, we will
2 3 4 5 6 7 8 9 10 11 12 13	CASEY / NORTON biennial conservation planning process to discuss how the leasing service may influence rebate target setting, it's not committed to target setting; correct? A. We expect this to provide a channel for energy efficiency savings, and at this point, I think it's premature; we don't even have a finalized service. It's our intention and expectation that there would be some positive benefits and be able to look at how those rebates might be able to be modified. Due to having this channel, we expect to deliver a high-efficient product. JUDGE KOPTA: Ms. Norton, I'm going to interject at this point. When counsel asks you a	2 3 4 5 6 7 8 9 10 11 12 13	<ul> <li>CASEY / NORTON</li> <li>Compliance Filing to add new products and alter its proposed rates 60 days after approval.</li> <li>Does this render the proposed rates meaningless?</li> <li>MS. CARSON: Objection; argumentative.</li> <li>JUDGE KOPTA: Sustained.</li> <li>BY MR. CASEY:</li> <li>Q. Given the Company's commitment to submit new rates just 60 days after approval, are the rates currently proposed in the tariff meaningful?</li> <li>A. The Company is confident in the rates it has proposed in this filing. If the Commission determines it's in the interest to refresh those rates, we will have a Compliance Filing. If not, we will stand by the</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14	CASEY / NORTON biennial conservation planning process to discuss how the leasing service may influence rebate target setting, it's not committed to target setting; correct? A. We expect this to provide a channel for energy efficiency savings, and at this point, I think it's premature; we don't even have a finalized service. It's our intention and expectation that there would be some positive benefits and be able to look at how those rebates might be able to be modified. Due to having this channel, we expect to deliver a high-efficient product. JUDGE KOPTA: Ms. Norton, I'm going to interject at this point. When counsel asks you a yes-or-no question, please answer "yes," "no," or "I	2 3 4 5 6 7 8 9 10 11 12 13 14	<ul> <li>CASEY / NORTON</li> <li>Compliance Filing to add new products and alter its proposed rates 60 days after approval.</li> <li>Does this render the proposed rates meaningless?</li> <li>MS. CARSON: Objection; argumentative.</li> <li>JUDGE KOPTA: Sustained.</li> <li>BY MR. CASEY:</li> <li>Q. Given the Company's commitment to submit new rates just 60 days after approval, are the rates currently proposed in the tariff meaningful?</li> <li>A. The Company is confident in the rates it has proposed in this filing. If the Commission determines it's in the interest to refresh those rates, we will have a Compliance Filing. If not, we will stand by the rates we filed in February.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15	CASEY / NORTON biennial conservation planning process to discuss how the leasing service may influence rebate target setting, it's not committed to target setting; correct? A. We expect this to provide a channel for energy efficiency savings, and at this point, I think it's premature; we don't even have a finalized service. It's our intention and expectation that there would be some positive benefits and be able to look at how those rebates might be able to be modified. Due to having this channel, we expect to deliver a high-efficient product. JUDGE KOPTA: Ms. Norton, I'm going to interject at this point. When counsel asks you a yes-or-no question, please answer "yes," "no," or "I don't know" before you give an explanation. That way we	2 3 4 5 6 7 8 9 10 11 12 13 14 15	<ul> <li>CASEY / NORTON</li> <li>Compliance Filing to add new products and alter its proposed rates 60 days after approval.</li> <li>Does this render the proposed rates meaningless?</li> <li>MS. CARSON: Objection; argumentative.</li> <li>JUDGE KOPTA: Sustained.</li> <li>BY MR. CASEY:</li> <li>Q. Given the Company's commitment to submit new rates just 60 days after approval, are the rates currently proposed in the tariff meaningful?</li> <li>A. The Company is confident in the rates it has proposed in this filing. If the Commission determines it's in the interest to refresh those rates, we will have a Compliance Filing. If not, we will stand by the rates we filed in February.</li> <li>Q. Would you agree that the Company, in essence, is</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	CASEY / NORTON biennial conservation planning process to discuss how the leasing service may influence rebate target setting, it's not committed to target setting; correct? A. We expect this to provide a channel for energy efficiency savings, and at this point, I think it's premature; we don't even have a finalized service. It's our intention and expectation that there would be some positive benefits and be able to look at how those rebates might be able to be modified. Due to having this channel, we expect to deliver a high-efficient product. JUDGE KOPTA: Ms. Norton, I'm going to interject at this point. When counsel asks you a yes-or-no question, please answer "yes," "no," or "I don't know" before you give an explanation. That way we can clarify the record and perhaps save Mr. Casey some	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	<ul> <li>CASEY / NORTON</li> <li>Compliance Filing to add new products and alter its proposed rates 60 days after approval.</li> <li>Does this render the proposed rates meaningless?</li> <li>MS. CARSON: Objection; argumentative.</li> <li>JUDGE KOPTA: Sustained.</li> <li>BY MR. CASEY:</li> <li>Q. Given the Company's commitment to submit new rates just 60 days after approval, are the rates</li> <li>currently proposed in the tariff meaningful?</li> <li>A. The Company is confident in the rates it has proposed in this filing. If the Commission determines it's in the interest to refresh those rates, we will have a Compliance Filing. If not, we will stand by the rates we filed in February.</li> <li>Q. Would you agree that the Company, in essence, is seeking Commission preapproval for the leasing program?</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	CASEY / NORTON biennial conservation planning process to discuss how the leasing service may influence rebate target setting, it's not committed to target setting; correct? A. We expect this to provide a channel for energy efficiency savings, and at this point, I think it's premature; we don't even have a finalized service. It's our intention and expectation that there would be some positive benefits and be able to look at how those rebates might be able to be modified. Due to having this channel, we expect to deliver a high-efficient product. JUDGE KOPTA: Ms. Norton, I'm going to interject at this point. When counsel asks you a yes-or-no question, please answer "yes," "no," or "I don't know" before you give an explanation. That way we can clarify the record and perhaps save Mr. Casey some frustration. MR. CASEY: Thank you, Your Honor. BY MR. CASEY:	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	<ul> <li>CASEY / NORTON</li> <li>Compliance Filing to add new products and alter its proposed rates 60 days after approval.</li> <li>Does this render the proposed rates meaningless?</li> <li>MS. CARSON: Objection; argumentative.</li> <li>JUDGE KOPTA: Sustained.</li> <li>BY MR. CASEY:</li> <li>Q. Given the Company's commitment to submit new rates just 60 days after approval, are the rates currently proposed in the tariff meaningful?</li> <li>A. The Company is confident in the rates it has proposed in this filing. If the Commission determines it's in the interest to refresh those rates, we will have a Compliance Filing. If not, we will stand by the rates we filed in February.</li> <li>Q. Would you agree that the Company, in essence, is seeking Commission preapproval for the leasing program? MS. CARSON: Objection; calls for a legal conclusion.</li> <li>JUDGE KOPTA: Overruled. I'll let her</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>CASEY / NORTON</li> <li>biennial conservation planning process to discuss how the leasing service may influence rebate target setting, it's not committed to target setting; correct?</li> <li>A. We expect this to provide a channel for energy efficiency savings, and at this point, I think it's premature; we don't even have a finalized service. It's our intention and expectation that there would be some positive benefits and be able to look at how those rebates might be able to be modified. Due to having this channel, we expect to deliver a high-efficient product. JUDGE KOPTA: Ms. Norton, I'm going to interject at this point. When counsel asks you a yes-or-no question, please answer "yes," "no," or "I don't know" before you give an explanation. That way we can clarify the record and perhaps save Mr. Casey some frustration. MR. CASEY: Thank you, Your Honor.</li> <li>BY MR. CASEY:</li> <li>Q. PSE has made no commitment to deliver a specific</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>CASEY / NORTON</li> <li>Compliance Filing to add new products and alter its proposed rates 60 days after approval.</li> <li>Does this render the proposed rates meaningless?</li> <li>MS. CARSON: Objection; argumentative.</li> <li>JUDGE KOPTA: Sustained.</li> <li>BY MR. CASEY:</li> <li>Q. Given the Company's commitment to submit new rates just 60 days after approval, are the rates currently proposed in the tariff meaningful?</li> <li>A. The Company is confident in the rates it has proposed in this filing. If the Commission determines it's in the interest to refresh those rates, we will have a Compliance Filing. If not, we will stand by the rates we filed in February.</li> <li>Q. Would you agree that the Company, in essence, is seeking Commission preapproval for the leasing program? MS. CARSON: Objection; calls for a legal conclusion.</li> <li>JUDGE KOPTA: Overruled. I'll let her answer to the extent she can provide an opinion.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	<ul> <li>CASEY / NORTON</li> <li>biennial conservation planning process to discuss how the leasing service may influence rebate target setting, it's not committed to target setting; correct?</li> <li>A. We expect this to provide a channel for energy efficiency savings, and at this point, I think it's premature; we don't even have a finalized service. It's our intention and expectation that there would be some positive benefits and be able to look at how those rebates might be able to be modified. Due to having this channel, we expect to deliver a high-efficient product. JUDGE KOPTA: Ms. Norton, I'm going to interject at this point. When counsel asks you a yes-or-no question, please answer "yes," "no," or "I don't know" before you give an explanation. That way we can clarify the record and perhaps save Mr. Casey some frustration. MR. CASEY: Thank you, Your Honor.</li> <li>BY MR. CASEY:</li> <li>Q. PSE has made no commitment to deliver a specific amount of conservation savings as part of this proposal;</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	CASEY / NORTON Compliance Filing to add new products and alter its proposed rates 60 days after approval. Does this render the proposed rates meaningless? MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. CASEY: Q. Given the Company's commitment to submit new rates just 60 days after approval, are the rates currently proposed in the tariff meaningful? A. The Company is confident in the rates it has proposed in this filing. If the Commission determines it's in the interest to refresh those rates, we will have a Compliance Filing. If not, we will stand by the rates we filed in February. Q. Would you agree that the Company, in essence, is seeking Commission preapproval for the leasing program? MS. CARSON: Objection; calls for a legal conclusion. JUDGE KOPTA: Overruled. I'll let her answer to the extent she can provide an opinion. THE WITNESS: I would not agree. I think
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	<ul> <li>CASEY / NORTON</li> <li>biennial conservation planning process to discuss how the leasing service may influence rebate target setting, it's not committed to target setting; correct?</li> <li>A. We expect this to provide a channel for energy efficiency savings, and at this point, I think it's premature; we don't even have a finalized service. It's our intention and expectation that there would be some positive benefits and be able to look at how those rebates might be able to be modified. Due to having this channel, we expect to deliver a high-efficient product. JUDGE KOPTA: Ms. Norton, I'm going to interject at this point. When counsel asks you a yes-or-no question, please answer "yes," "no," or "I don't know" before you give an explanation. That way we can clarify the record and perhaps save Mr. Casey some frustration. MR. CASEY: Thank you, Your Honor.</li> <li>BY MR. CASEY:</li> <li>Q. PSE has made no commitment to deliver a specific amount of conservation savings as part of this proposal; correct?</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	CASEY / NORTON Compliance Filing to add new products and alter its proposed rates 60 days after approval. Does this render the proposed rates meaningless? MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. CASEY: Q. Given the Company's commitment to submit new rates just 60 days after approval, are the rates currently proposed in the tariff meaningful? A. The Company is confident in the rates it has proposed in this filing. If the Commission determines it's in the interest to refresh those rates, we will have a Compliance Filing. If not, we will stand by the rates we filed in February. Q. Would you agree that the Company, in essence, is seeking Commission preapproval for the leasing program? MS. CARSON: Objection; calls for a legal conclusion. JUDGE KOPTA: Overruled. I'll let her answer to the extent she can provide an opinion. THE WITNESS: I would not agree. I think we've proposed a service with rates, and I'm not sure
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<ul> <li>CASEY / NORTON</li> <li>biennial conservation planning process to discuss how the leasing service may influence rebate target setting, it's not committed to target setting; correct?</li> <li>A. We expect this to provide a channel for energy efficiency savings, and at this point, I think it's premature; we don't even have a finalized service. It's our intention and expectation that there would be some positive benefits and be able to look at how those rebates might be able to be modified. Due to having this channel, we expect to deliver a high-efficient product. JUDGE KOPTA: Ms. Norton, I'm going to interject at this point. When counsel asks you a yes-or-no question, please answer "yes," "no," or "I don't know" before you give an explanation. That way we can clarify the record and perhaps save Mr. Casey some frustration. MR. CASEY: Thank you, Your Honor.</li> <li>BY MR. CASEY:</li> <li>Q. PSE has made no commitment to deliver a specific amount of conservation savings as part of this proposal; correct?</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	CASEY / NORTON Compliance Filing to add new products and alter its proposed rates 60 days after approval. Does this render the proposed rates meaningless? MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. CASEY: Q. Given the Company's commitment to submit new rates just 60 days after approval, are the rates currently proposed in the tariff meaningful? A. The Company is confident in the rates it has proposed in this filing. If the Commission determines it's in the interest to refresh those rates, we will have a Compliance Filing. If not, we will stand by the rates we filed in February. Q. Would you agree that the Company, in essence, is seeking Commission preapproval for the leasing program? MS. CARSON: Objection; calls for a legal conclusion. JUDGE KOPTA: Overruled. I'll let her answer to the extent she can provide an opinion. THE WITNESS: I would not agree. I think we've proposed a service with rates, and I'm not sure what you mean by "preapproval."
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>CASEY / NORTON</li> <li>biennial conservation planning process to discuss how the leasing service may influence rebate target setting, it's not committed to target setting; correct?</li> <li>A. We expect this to provide a channel for energy efficiency savings, and at this point, I think it's premature; we don't even have a finalized service. It's our intention and expectation that there would be some positive benefits and be able to look at how those rebates might be able to be modified. Due to having this channel, we expect to deliver a high-efficient product. JUDGE KOPTA: Ms. Norton, I'm going to interject at this point. When counsel asks you a yes-or-no question, please answer "yes," "no," or "I don't know" before you give an explanation. That way we can clarify the record and perhaps save Mr. Casey some frustration. MR. CASEY: Thank you, Your Honor.</li> <li>BY MR. CASEY:</li> <li>Q. PSE has made no commitment to deliver a specific amount of conservation savings as part of this proposal; correct?</li> <li>A. As a part of our energy efficiency programs, no.</li> <li>Q. Did the Company's direct testimony address</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	CASEY / NORTON Compliance Filing to add new products and alter its proposed rates 60 days after approval. Does this render the proposed rates meaningless? MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. CASEY: Q. Given the Company's commitment to submit new rates just 60 days after approval, are the rates currently proposed in the tariff meaningful? A. The Company is confident in the rates it has proposed in this filing. If the Commission determines it's in the interest to refresh those rates, we will have a Compliance Filing. If not, we will stand by the rates we filed in February. Q. Would you agree that the Company, in essence, is seeking Commission preapproval for the leasing program? MS. CARSON: Objection; calls for a legal conclusion. JUDGE KOPTA: Overruled. I'll let her answer to the extent she can provide an opinion. THE WITNESS: I would not agree. I think we've proposed a service with rates, and I'm not sure

	Page 131		Page 133
	CASEY / NORTON		GAFKEN / NORTON
1		1	data from the Northwest Energy Efficiency Alliance, or
2	adjudication to assure the updated rates are just and	2	NEEA, reveals that over 40 percent of the relevant
3	reasonable?	3	equipment in the market today is beyond its useful life.
4	A. As I've said, I don't Compliance Filing is	4	Correct?
5	not necessary.	5	A. I must not have the you're in JET
6	Q. You acknowledge that if the Company files to	6	Q. LYN, the rebuttal testimony, Page 10.
7	change the rates that are established, it could lead to	7	A. Okay. I'm with you, thank you.
8	an 11-month adjudication; correct?	8	Q. Okay. So LYN-10, Lines 16 through 18, there you
9	A. I believe any time we change rates as a utility	9	state that (as read), The undisputed data from the
10	it leads to whatever is the appropriate procedural	10	Northwest Energy Efficiency Alliance, or NEEA, reveals
11	process.	11	that over 40 percent of the relevant equipment in the
12	Q. And if this was not a regulated service, PSE	12	market today is beyond its useful life. Correct?
13	could change the rates any time without Commission	13	A. Correct.
14	approval; correct?	14	Q. The NEEA data that you refer to is presented in
15	MS. CARSON: Objection; calls for	15	Exhibit JET-3; correct?
16	speculation.	16	A. Correct.
17	JUDGE KOPTA: Sustained.	17	Q. Would you go ahead and turn to Exhibit JET-3.
18	BY MR. CASEY:	18	A. I'm there.
19	Q. Would the if the do companies that offer	19	Q. The four charts that are shown in the
20	products and services not regulated by the Commission	20	Exhibit JET-3 show data associated with four types of
21	need Commission approval to change their rates?	21	equipment; is that correct?
22	A. I don't believe they do need Commission approval	22	A. Correct.
23	to change their rates.	23	Q. And each chart shown in Exhibit JET-3 shows data
24	Q. Thank you.	24	regarding the number and percentage of equipment that
25	A. We also work with the commission all the time on	25	exists for each vintage; correct?
			-
	Page 132		Page 134
	Page 132 GAFKEN / NORTON		Page 134 GAFKEN / NORTON
	GAFKEN / NORTON		GAFKEN / NORTON
1	GAFKEN / NORTON changing our rates, and we've seen it occur as short as	1	GAFKEN / NORTON A. Correct.
2	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer.	2	GAFKEN / NORTON A. Correct. Q. The shaded area on the charts presented in
2 3	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b>	2 3	GAFKEN / NORTON A. Correct. Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to
2 3 4	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for	2 3 4	GAFKEN / NORTON A. Correct. Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the
2 3 4 5	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for Ms. Norton.	2 3 4 5	GAFKEN / NORTON A. Correct. Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the market today that's outlived its useful life; is that
2 3 4 5 6	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for Ms. Norton. JUDGE KOPTA: Thank you.	2 3 4 5 6	GAFKEN / NORTON A. Correct. Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the market today that's outlived its useful life; is that correct?
2 3 4 5 6 7	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for Ms. Norton. JUDGE KOPTA: Thank you. Ms. Gafken, how long do you estimate that	2 3 4 5 6 7	GAFKEN / NORTON A. Correct. Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the market today that's outlived its useful life; is that correct? A. Correct.
2 3 4 5 6 7 8	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for Ms. Norton. JUDGE KOPTA: Thank you. Ms. Gafken, how long do you estimate that you will be?	2 3 4 5 6 7 8	GAFKEN / NORTON A. Correct. Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the market today that's outlived its useful life; is that correct? A. Correct. Q. And looking at the chart for gas forced-air
2 3 4 5 6 7 8 9	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for Ms. Norton. JUDGE KOPTA: Thank you. Ms. Gafken, how long do you estimate that you will be? MS. GAFKEN: I probably have 15 to 20	2 3 4 5 6 7 8 9	GAFKEN / NORTON A. Correct. Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the market today that's outlived its useful life; is that correct? A. Correct. Q. And looking at the chart for gas forced-air furnaces, the first chart over on the left, the shading
2 3 5 6 7 8 9	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for Ms. Norton. JUDGE KOPTA: Thank you. Ms. Gafken, how long do you estimate that you will be? MS. GAFKEN: I probably have 15 to 20 minutes. I'm in that same ballpark.	2 3 4 5 6 7 8 9 10	GAFKEN / NORTON A. Correct. Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the market today that's outlived its useful life; is that correct? A. Correct. Q. And looking at the chart for gas forced-air furnaces, the first chart over on the left, the shading includes years 1966 through the year 2000; correct?
2 3 4 5 6 7 8 9 10 11	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for Ms. Norton. JUDGE KOPTA: Thank you. Ms. Gafken, how long do you estimate that you will be? MS. GAFKEN: I probably have 15 to 20 minutes. I'm in that same ballpark. JUDGE KOPTA: I'm looking at the time and	2 3 4 5 6 7 8 9 10 11	GAFKEN / NORTON A. Correct. Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the market today that's outlived its useful life; is that correct? A. Correct. Q. And looking at the chart for gas forced-air furnaces, the first chart over on the left, the shading includes years 1966 through the year 2000; correct? A. Correct.
2 3 4 5 6 7 8 9 10 11 12	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for Ms. Norton. JUDGE KOPTA: Thank you. Ms. Gafken, how long do you estimate that you will be? MS. GAFKEN: I probably have 15 to 20 minutes. I'm in that same ballpark. JUDGE KOPTA: I'm looking at the time and since we need to have a hard stop at 10:45, can we go	2 3 4 5 6 7 8 9 10 11 12	GAFKEN / NORTON A. Correct. Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the market today that's outlived its useful life; is that correct? A. Correct. Q. And looking at the chart for gas forced-air furnaces, the first chart over on the left, the shading includes years 1966 through the year 2000; correct? A. Correct. Q. PSE assumed a useful life of 15 years in
2 3 4 5 6 7 8 9 10 11 12 13	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for Ms. Norton. JUDGE KOPTA: Thank you. Ms. Gafken, how long do you estimate that you will be? MS. GAFKEN: I probably have 15 to 20 minutes. I'm in that same ballpark. JUDGE KOPTA: I'm looking at the time and since we need to have a hard stop at 10:45, can we go for five minutes before we take our break?	2 3 4 5 6 7 8 9 10 11 12 13	GAFKEN / NORTON A. Correct. Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the market today that's outlived its useful life; is that correct? A. Correct. Q. And looking at the chart for gas forced-air furnaces, the first chart over on the left, the shading includes years 1966 through the year 2000; correct? A. Correct. Q. PSE assumed a useful life of 15 years in determining the market gap; correct?
2 3 4 5 6 7 8 9 10 11 12 13 14	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for Ms. Norton. JUDGE KOPTA: Thank you. Ms. Gafken, how long do you estimate that you will be? MS. GAFKEN: I probably have 15 to 20 minutes. I'm in that same ballpark. JUDGE KOPTA: I'm looking at the time and since we need to have a hard stop at 10:45, can we go for five minutes before we take our break? MS. GAFKEN: We can either do that or take	2 3 4 5 6 7 8 9 10 11 12 13 14	GAFKEN / NORTON A. Correct. Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the market today that's outlived its useful life; is that correct? A. Correct. Q. And looking at the chart for gas forced-air furnaces, the first chart over on the left, the shading includes years 1966 through the year 2000; correct? A. Correct. Q. PSE assumed a useful life of 15 years in determining the market gap; correct? A. That was the average useful life we used,
2 3 4 5 6 7 8 9 10 11 12 13 14 15	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for Ms. Norton. JUDGE KOPTA: Thank you. Ms. Gafken, how long do you estimate that you will be? MS. GAFKEN: I probably have 15 to 20 minutes. I'm in that same ballpark. JUDGE KOPTA: I'm looking at the time and since we need to have a hard stop at 10:45, can we go for five minutes before we take our break? MS. GAFKEN: We can either do that or take the break now whichever works for the commission.	2 3 4 5 6 7 8 9 10 11 12 13 14 15	GAFKEN / NORTON A. Correct. Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the market today that's outlived its useful life; is that correct? A. Correct. Q. And looking at the chart for gas forced-air furnaces, the first chart over on the left, the shading includes years 1966 through the year 2000; correct? A. Correct. Q. PSE assumed a useful life of 15 years in determining the market gap; correct? A. That was the average useful life we used, correct.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for Ms. Norton. JUDGE KOPTA: Thank you. Ms. Gafken, how long do you estimate that you will be? MS. GAFKEN: I probably have 15 to 20 minutes. I'm in that same ballpark. JUDGE KOPTA: I'm looking at the time and since we need to have a hard stop at 10:45, can we go for five minutes before we take our break? MS. GAFKEN: We can either do that or take	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	GAFKEN / NORTON A. Correct. Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the market today that's outlived its useful life; is that correct? A. Correct. Q. And looking at the chart for gas forced-air furnaces, the first chart over on the left, the shading includes years 1966 through the year 2000; correct? A. Correct. Q. PSE assumed a useful life of 15 years in determining the market gap; correct? A. That was the average useful life we used, correct. Q. Equipment from the year 2000 would have been 16
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for MS. Norton. JUDGE KOPTA: Thank you. MS. Gafken, how long do you estimate that you will be? MS. GAFKEN: I probably have 15 to 20 minutes. I'm in that same ballpark. JUDGE KOPTA: I'm looking at the time and since we need to have a hard stop at 10:45, can we go for five minutes before we take our break? MS. GAFKEN: We can either do that or take the break now whichever works for the commission. JUDGE KOPTA: Go ahead.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	GAFKEN / NORTON A. Correct. Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the market today that's outlived its useful life; is that correct? A. Correct. Q. And looking at the chart for gas forced-air furnaces, the first chart over on the left, the shading includes years 1966 through the year 2000; correct? A. Correct. Q. PSE assumed a useful life of 15 years in determining the market gap; correct? A. That was the average useful life we used, correct. Q. Equipment from the year 2000 would have been 16 years old and exceeding its useful life under a 15-year
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for Ms. Norton. JUDGE KOPTA: Thank you. Ms. Gafken, how long do you estimate that you will be? MS. GAFKEN: I probably have 15 to 20 minutes. I'm in that same ballpark. JUDGE KOPTA: I'm looking at the time and since we need to have a hard stop at 10:45, can we go for five minutes before we take our break? MS. GAFKEN: We can either do that or take the break now whichever works for the commission. JUDGE KOPTA: Go ahead. CROSS-EXAMINATION	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>GAFKEN / NORTON</li> <li>A. Correct.</li> <li>Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the market today that's outlived its useful life; is that correct?</li> <li>A. Correct.</li> <li>Q. And looking at the chart for gas forced-air furnaces, the first chart over on the left, the shading includes years 1966 through the year 2000; correct?</li> <li>A. Correct.</li> <li>Q. PSE assumed a useful life of 15 years in determining the market gap; correct?</li> <li>A. That was the average useful life we used, correct.</li> <li>Q. Equipment from the year 2000 would have been 16 years old and exceeding its useful life under a 15-year useful life assumption as measured from the year 2016;</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for Ms. Norton. JUDGE KOPTA: Thank you. Ms. Gafken, how long do you estimate that you will be? MS. GAFKEN: I probably have 15 to 20 minutes. I'm in that same ballpark. JUDGE KOPTA: I'm looking at the time and since we need to have a hard stop at 10:45, can we go for five minutes before we take our break? MS. GAFKEN: We can either do that or take the break now whichever works for the commission. JUDGE KOPTA: Go ahead. CROSS-EXAMINATION BY MS. GAFKEN:	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	GAFKEN / NORTON A. Correct. Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the market today that's outlived its useful life; is that correct? A. Correct. Q. And looking at the chart for gas forced-air furnaces, the first chart over on the left, the shading includes years 1966 through the year 2000; correct? A. Correct. Q. PSE assumed a useful life of 15 years in determining the market gap; correct? A. That was the average useful life we used, correct. Q. Equipment from the year 2000 would have been 16 years old and exceeding its useful life under a 15-year useful life assumption as measured from the year 2016; correct?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for Ms. Norton. JUDGE KOPTA: Thank you. Ms. Gafken, how long do you estimate that you will be? MS. GAFKEN: I probably have 15 to 20 minutes. I'm in that same ballpark. JUDGE KOPTA: I'm looking at the time and since we need to have a hard stop at 10:45, can we go for five minutes before we take our break? MS. GAFKEN: We can either do that or take the break now whichever works for the commission. JUDGE KOPTA: Go ahead. CROSS-EXAMINATION BY MS. GAFKEN: <b>Q. Good morning, Ms. Norton.</b>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	<ul> <li>GAFKEN / NORTON</li> <li>A. Correct.</li> <li>Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the market today that's outlived its useful life; is that correct?</li> <li>A. Correct.</li> <li>Q. And looking at the chart for gas forced-air furnaces, the first chart over on the left, the shading includes years 1966 through the year 2000; correct?</li> <li>A. Correct.</li> <li>Q. PSE assumed a useful life of 15 years in determining the market gap; correct?</li> <li>A. That was the average useful life we used, correct.</li> <li>Q. Equipment from the year 2000 would have been 16 years old and exceeding its useful life under a 15-year useful life assumption as measured from the year 2016; correct?</li> <li>A. Correct.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for Ms. Norton. JUDGE KOPTA: Thank you. Ms. Gafken, how long do you estimate that you will be? MS. GAFKEN: I probably have 15 to 20 minutes. I'm in that same ballpark. JUDGE KOPTA: I'm looking at the time and since we need to have a hard stop at 10:45, can we go for five minutes before we take our break? MS. GAFKEN: We can either do that or take the break now whichever works for the commission. JUDGE KOPTA: Go ahead. CROSS-EXAMINATION BY MS. GAFKEN: <b>Q. Good morning, Ms. Norton.</b> A. Good morning.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<ul> <li>GAFKEN / NORTON</li> <li>A. Correct.</li> <li>Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the market today that's outlived its useful life; is that correct?</li> <li>A. Correct.</li> <li>Q. And looking at the chart for gas forced-air furnaces, the first chart over on the left, the shading includes years 1966 through the year 2000; correct?</li> <li>A. Correct.</li> <li>Q. PSE assumed a useful life of 15 years in determining the market gap; correct?</li> <li>A. That was the average useful life we used, correct.</li> <li>Q. Equipment from the year 2000 would have been 16 years old and exceeding its useful life under a 15-year useful life assumption as measured from the year 2016; correct?</li> <li>A. Correct.</li> <li>Q. The NEEA data presented in Exhibit JET-3 is from</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for Ms. Norton. JUDGE KOPTA: Thank you. Ms. Gafken, how long do you estimate that you will be? MS. GAFKEN: I probably have 15 to 20 minutes. I'm in that same ballpark. JUDGE KOPTA: I'm looking at the time and since we need to have a hard stop at 10:45, can we go for five minutes before we take our break? MS. GAFKEN: We can either do that or take the break now whichever works for the commission. JUDGE KOPTA: Go ahead. CROSS-EXAMINATION BY MS. GAFKEN: <b>Q. Good morning, Ms. Norton.</b> A. Good morning. <b>Q. Would you please turn to your testimony,</b>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>GAFKEN / NORTON</li> <li>A. Correct.</li> <li>Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the market today that's outlived its useful life; is that correct?</li> <li>A. Correct.</li> <li>Q. And looking at the chart for gas forced-air furnaces, the first chart over on the left, the shading includes years 1966 through the year 2000; correct?</li> <li>A. Correct.</li> <li>Q. PSE assumed a useful life of 15 years in determining the market gap; correct?</li> <li>A. That was the average useful life we used, correct.</li> <li>Q. Equipment from the year 2000 would have been 16 years old and exceeding its useful life under a 15-year useful life assumption as measured from the year 2016; correct?</li> <li>A. Correct.</li> <li>Q. The NEEA data presented in Exhibit JET-3 is from a 2012 assessment of regional building stock; correct?</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for Ms. Norton. JUDGE KOPTA: Thank you. Ms. Gafken, how long do you estimate that you will be? MS. GAFKEN: I probably have 15 to 20 minutes. I'm in that same ballpark. JUDGE KOPTA: I'm looking at the time and since we need to have a hard stop at 10:45, can we go for five minutes before we take our break? MS. GAFKEN: We can either do that or take the break now whichever works for the commission. JUDGE KOPTA: Go ahead. CROSS-EXAMINATION BY MS. GAFKEN: <b>Q. Good morning, Ms. Norton.</b> A. Good morning. <b>Q. Would you please turn to your testimony, Exhibit LYN-2T and go to Page 10, Lines 16 to 18.</b>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	<ul> <li>GAFKEN / NORTON</li> <li>A. Correct.</li> <li>Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the market today that's outlived its useful life; is that correct?</li> <li>A. Correct.</li> <li>Q. And looking at the chart for gas forced-air furnaces, the first chart over on the left, the shading includes years 1966 through the year 2000; correct?</li> <li>A. Correct.</li> <li>Q. PSE assumed a useful life of 15 years in determining the market gap; correct?</li> <li>A. That was the average useful life we used, correct.</li> <li>Q. Equipment from the year 2000 would have been 16 years old and exceeding its useful life under a 15-year useful life assumption as measured from the year 2016; correct?</li> <li>A. Correct.</li> <li>Q. The NEEA data presented in Exhibit JET-3 is from a 2012 assessment of regional building stock; correct?</li> <li>A. Correct. It was a survey that was fielded and</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GAFKEN / NORTON changing our rates, and we've seen it occur as short as 30 days and longer. <b>Q. Thank you.</b> MR. CASEY: I have no further questions for Ms. Norton. JUDGE KOPTA: Thank you. Ms. Gafken, how long do you estimate that you will be? MS. GAFKEN: I probably have 15 to 20 minutes. I'm in that same ballpark. JUDGE KOPTA: I'm looking at the time and since we need to have a hard stop at 10:45, can we go for five minutes before we take our break? MS. GAFKEN: We can either do that or take the break now whichever works for the commission. JUDGE KOPTA: Go ahead. CROSS-EXAMINATION BY MS. GAFKEN: <b>Q. Good morning, Ms. Norton.</b> A. Good morning. <b>Q. Would you please turn to your testimony,</b>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GAFKEN / NORTON A. Correct. Q. The shaded area on the charts presented in Exhibit JET-3 represent the 40 percent that you refer to in your testimony as the percentage of equipment in the market today that's outlived its useful life; is that correct? A. Correct. Q. And looking at the chart for gas forced-air furnaces, the first chart over on the left, the shading includes years 1966 through the year 2000; correct? A. Correct. Q. PSE assumed a useful life of 15 years in determining the market gap; correct? A. That was the average useful life we used, correct. Q. Equipment from the year 2000 would have been 16 years old and exceeding its useful life under a 15-year useful life assumption as measured from the year 2016; correct? A. Correct. Q. The NEEA data presented in Exhibit JET-3 is from a 2012 assessment of regional building stock; correct? A. Correct. It was a survey that was fielded and available in 2012, correct.

	Page 135		Page 137
	GAFKEN / NORTON		GAFKEN / NORTON
1	had a vintage of the year 2011; correct?	1	Q. As measured from the year 2000, equipment with a
2	A. Can you repeat that question?	2	vintage of I'm sorry, let me start that over.
3	Q. Sure. The newest appliances in NEEA's 2012	3	As measured from the year 2011, equipment with a
	assessment had a vintage of 2011; correct?	4	vintage of 2000 would only be 11 years old; correct?
4	A. Correct.		
5		5	A. Correct.
6	Q. As measured from 2011, equipment that would have	6	Q. And as measured from the year 2000, equipment
7	been 16 years old and exceeded a 15-year useful life	7	with a vintage of 1996 would be 15 years old; correct?
8	would have been measured from the year 1995; correct?	8	A. Correct.
9	A. Correct. However, what we assumed in this is	9	MS. GAFKEN: We can break at this point. I
10	that the information that you've found you've gotten	10	have another area of questioning. That concludes that
11	summarized today, that historically is very consistent	11	for now.
12	over time.	12	JUDGE KOPTA: Okay, let's you can
13	And while we measured from 1996 to 2000 included	13	proceed, I think. We're just trying to get logistics.
14	in our 40 percent, we believe that that's representative	14	Let's take a break now. Let's be off the record. We'll
15	of what we nothing has really changed since 2012, and	15	be back here at 11. Thank you.
16	it's the most current data we have available to us.	16	(A break was taken from
17	Q. So Ms. Norton, is it PSE's position that the	17	10:46 a.m. to 11:00 a.m.)
18	equipment data represented in Exhibit JET-3 would not	18	JUDGE KOPTA: Let's be back on the record
			after our break, and I believe Ms. Gafken is continuing
19	change between the year 2012 when NEEA published its	19	
20	Building Stock Assessment and the present year, 2016?	20	her cross-examination of Ms. Norton.
21	A. We believe that the behavior in the market would	21	MS. GAFKEN: Thank you.
22	be similar and, therefore, the percentages would be	22	BY MS. GAFKEN:
23	similar, as represented in this exhibit.	23	Q. Ms. Norton, you're responsible for PSE's Energy
24	Q. Let's focus on the chart again showing the gas	24	Advisor Team; correct?
25	forced-air furnaces. Would you object to checking that	25	A Correct
25	forced-air furnaces. Would you object to checking that	23	A. Correct.
	Page 136	23	A. Conect. Page 138
	Page 136	23	Page 138
		23	
	Page 136 GAFKEN / NORTON		Page 138 GAFKEN / NORTON
1	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to	1	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with
1 _2	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent?	1 2	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is
1 2 3	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes.	1 2 3	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct?
1 2 3 4	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period	1 2 3 4	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct.
1 2 3 4 5	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct?	1 2 3 4 5	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist
1 2 3 4 5 6	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct? A. Correct.	1 2 3 4 5 6	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist customers in navigating the process of making energy
1 2 3 4 5	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct? A. Correct. Q. The vintage '96 through 2000?	1 2 3 4 5	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist customers in navigating the process of making energy decisions?
1 2 3 4 5 6	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct? A. Correct. Q. The vintage '96 through 2000? A. Correct.	1 2 3 4 5 6 7 8	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist customers in navigating the process of making energy decisions? A. They are trained to advise customers on their
1 2 3 4 5 6 7	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct? A. Correct. Q. The vintage '96 through 2000?	1 2 3 4 5 6 7	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist customers in navigating the process of making energy decisions?
1 2 3 4 5 6 7 8	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct? A. Correct. Q. The vintage '96 through 2000? A. Correct.	1 2 3 4 5 6 7 8	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist customers in navigating the process of making energy decisions? A. They are trained to advise customers on their
1 2 3 4 5 6 7 8 9	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct? A. Correct. Q. The vintage '96 through 2000? A. Correct. Q. And the period 1996 through 2000 includes 17	1 2 3 4 5 6 7 8 9	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist customers in navigating the process of making energy decisions? A. They are trained to advise customers on their options.
1 2 3 4 5 6 7 8 9 10	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct? A. Correct. Q. The vintage '96 through 2000? A. Correct. Q. And the period 1996 through 2000 includes 17 percent of gas forced-air furnaces; correct?	1 2 3 4 5 6 7 8 9 10	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist customers in navigating the process of making energy decisions? A. They are trained to advise customers on their options. Q. Does this include helping customers get
1 2 3 4 5 6 7 8 9 10 11	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct? A. Correct. Q. The vintage '96 through 2000? A. Correct. Q. And the period 1996 through 2000 includes 17 percent of gas forced-air furnaces; correct? A. Correct.	1 2 3 4 5 6 7 8 9 10 11	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist customers in navigating the process of making energy decisions? A. They are trained to advise customers on their options. Q. Does this include helping customers get high-quality information regarding equipment purchases? A. It includes all sorts of energy information,
1 2 3 4 5 6 7 8 9 10 11 12	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct? A. Correct. Q. The vintage '96 through 2000? A. Correct. Q. And the period 1996 through 2000 includes 17 percent of gas forced-air furnaces; correct? A. Correct. Q. Would you accept that removing the period 1996 through 2000 from the shaded area would result from the	1 2 3 4 5 6 7 8 9 10 11 12	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist customers in navigating the process of making energy decisions? A. They are trained to advise customers on their options. Q. Does this include helping customers get high-quality information regarding equipment purchases? A. It includes all sorts of energy information, whether it's efficiency, equipment, contractors, a
1 2 3 4 5 6 7 8 9 10 11 12 13	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct? A. Correct. Q. The vintage '96 through 2000? A. Correct. Q. And the period 1996 through 2000 includes 17 percent of gas forced-air furnaces; correct? A. Correct. Q. Would you accept that removing the period 1996	1 2 3 4 5 6 7 8 9 10 11 12 13	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist customers in navigating the process of making energy decisions? A. They are trained to advise customers on their options. Q. Does this include helping customers get high-quality information regarding equipment purchases? A. It includes all sorts of energy information, whether it's efficiency, equipment, contractors, a variety of energy-related questions.
1 2 3 4 5 6 7 8 9 10 11 12 13 14	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct? A. Correct. Q. The vintage '96 through 2000? A. Correct. Q. And the period 1996 through 2000 includes 17 percent of gas forced-air furnaces; correct? A. Correct. Q. Would you accept that removing the period 1996 through 2000 from the shaded area would result from the total percentage being 23 percent? A. I would accept that.	1 2 3 4 5 6 7 8 9 10 11 12 13 14	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist customers in navigating the process of making energy decisions? A. They are trained to advise customers on their options. Q. Does this include helping customers get high-quality information regarding equipment purchases? A. It includes all sorts of energy information, whether it's efficiency, equipment, contractors, a
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct? A. Correct. Q. The vintage '96 through 2000? A. Correct. Q. And the period 1996 through 2000 includes 17 percent of gas forced-air furnaces; correct? A. Correct. Q. Would you accept that removing the period 1996 through 2000 from the shaded area would result from the total percentage being 23 percent? A. I would accept that. Q. Subject to check?	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist customers in navigating the process of making energy decisions? A. They are trained to advise customers on their options. Q. Does this include helping customers get high-quality information regarding equipment purchases? A. It includes all sorts of energy information, whether it's efficiency, equipment, contractors, a variety of energy-related questions. Q. Would you please turn to Cross-Exhibit LYN-8. A. Yes.
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct? A. Correct. Q. The vintage '96 through 2000? A. Correct. Q. And the period 1996 through 2000 includes 17 percent of gas forced-air furnaces; correct? A. Correct. Q. Would you accept that removing the period 1996 through 2000 from the shaded area would result from the total percentage being 23 percent? A. I would accept that. Q. Subject to check? A. Subject to check. And I believe that's still a	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist customers in navigating the process of making energy decisions? A. They are trained to advise customers on their options. Q. Does this include helping customers get high-quality information regarding equipment purchases? A. It includes all sorts of energy information, whether it's efficiency, equipment, contractors, a variety of energy-related questions. Q. Would you please turn to Cross-Exhibit LYN-8. A. Yes. Q. Do you recognize Cross-Exhibit LYN-8 as PSE's
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct? A. Correct. Q. The vintage '96 through 2000? A. Correct. Q. And the period 1996 through 2000 includes 17 percent of gas forced-air furnaces; correct? A. Correct. Q. Would you accept that removing the period 1996 through 2000 from the shaded area would result from the total percentage being 23 percent? A. I would accept that. Q. Subject to check? A. Subject to check. And I believe that's still a significant share of customers that have old and	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist customers in navigating the process of making energy decisions? A. They are trained to advise customers on their options. Q. Does this include helping customers get high-quality information regarding equipment purchases? A. It includes all sorts of energy information, whether it's efficiency, equipment, contractors, a variety of energy-related questions. Q. Would you please turn to Cross-Exhibit LYN-8. A. Yes. Q. Do you recognize Cross-Exhibit LYN-8 as PSE's Response to Public Counsel Data Request Number 4?
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct? A. Correct. Q. The vintage '96 through 2000? A. Correct. Q. And the period 1996 through 2000 includes 17 percent of gas forced-air furnaces; correct? A. Correct. Q. Would you accept that removing the period 1996 through 2000 from the shaded area would result from the total percentage being 23 percent? A. I would accept that. Q. Subject to check? A. Subject to check. And I believe that's still a significant share of customers that have old and out-of-date equipment.	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist customers in navigating the process of making energy decisions? A. They are trained to advise customers on their options. Q. Does this include helping customers get high-quality information regarding equipment purchases? A. It includes all sorts of energy information, whether it's efficiency, equipment, contractors, a variety of energy-related questions. Q. Would you please turn to Cross-Exhibit LYN-8. A. Yes. Q. Do you recognize Cross-Exhibit LYN-8 as PSE's Response to Public Counsel Data Request Number 4? A. Yes, I do.
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct? A. Correct. Q. The vintage '96 through 2000? A. Correct. Q. And the period 1996 through 2000 includes 17 percent of gas forced-air furnaces; correct? A. Correct. Q. Would you accept that removing the period 1996 through 2000 from the shaded area would result from the total percentage being 23 percent? A. I would accept that. Q. Subject to check? A. Subject to check. And I believe that's still a significant share of customers that have old and out-of-date equipment. Q. Okay. But at the time of the NEEA assessment,	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist customers in navigating the process of making energy decisions? A. They are trained to advise customers on their options. Q. Does this include helping customers get high-quality information regarding equipment purchases? A. It includes all sorts of energy information, whether it's efficiency, equipment, contractors, a variety of energy-related questions. Q. Would you please turn to Cross-Exhibit LYN-8 A. Yes. Q. Do you recognize Cross-Exhibit LYN-8 as PSE's Response to Public Counsel Data Request Number 4? A. Yes, I do. Q. And Page 4 of Cross-Exhibit LYN-8 lists the
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct? A. Correct. Q. The vintage '96 through 2000? A. Correct. Q. And the period 1996 through 2000 includes 17 percent of gas forced-air furnaces; correct? A. Correct. Q. Would you accept that removing the period 1996 through 2000 from the shaded area would result from the total percentage being 23 percent? A. I would accept that. Q. Subject to check? A. Subject to check. And I believe that's still a significant share of customers that have old and out-of-date equipment. Q. Okay. But at the time of the NEEA assessment, the total amount of stock with the age of 16 years or	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist customers in navigating the process of making energy decisions? A. They are trained to advise customers on their options. Q. Does this include helping customers get high-quality information regarding equipment purchases? A. It includes all sorts of energy information, whether it's efficiency, equipment, contractors, a variety of energy-related questions. Q. Would you please turn to Cross-Exhibit LYN-8. A. Yes. Q. Do you recognize Cross-Exhibit LYN-8 as PSE's Response to Public Counsel Data Request Number 4? A. Yes, I do. Q. And Page 4 of Cross-Exhibit LYN-8 lists the topics addressed by PSE's Energy Advisors and how many
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct? A. Correct. Q. The vintage '96 through 2000? A. Correct. Q. And the period 1996 through 2000 includes 17 percent of gas forced-air furnaces; correct? A. Correct. Q. Would you accept that removing the period 1996 through 2000 from the shaded area would result from the total percentage being 23 percent? A. I would accept that. Q. Subject to check? A. Subject to check. And I believe that's still a significant share of customers that have old and out-of-date equipment. Q. Okay. But at the time of the NEEA assessment, the total amount of stock with the age of 16 years or greater would be 23 percent and not 40 percent; correct?	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist customers in navigating the process of making energy decisions? A. They are trained to advise customers on their options. Q. Does this include helping customers get high-quality information regarding equipment purchases? A. It includes all sorts of energy information, whether it's efficiency, equipment, contractors, a variety of energy-related questions. Q. Would you please turn to Cross-Exhibit LYN-8. A. Yes. Q. Do you recognize Cross-Exhibit LYN-8 as PSE's Response to Public Counsel Data Request Number 4? A. Yes, I do. Q. And Page 4 of Cross-Exhibit LYN-8 lists the topics addressed by PSE's Energy Advisors and how many calls dealt with each topic listed since May 2015;
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct? A. Correct. Q. The vintage '96 through 2000? A. Correct. Q. And the period 1996 through 2000 includes 17 percent of gas forced-air furnaces; correct? A. Correct. Q. Would you accept that removing the period 1996 through 2000 from the shaded area would result from the total percentage being 23 percent? A. I would accept that. Q. Subject to check? A. Subject to check. And I believe that's still a significant share of customers that have old and out-of-date equipment. Q. Okay. But at the time of the NEEA assessment, the total amount of stock with the age of 16 years or greater would be 23 percent and not 40 percent; correct? A. Correct. This is the most current data that is	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist customers in navigating the process of making energy decisions? A. They are trained to advise customers on their options. Q. Does this include helping customers get high-quality information regarding equipment purchases? A. It includes all sorts of energy information, whether it's efficiency, equipment, contractors, a variety of energy-related questions. Q. Would you please turn to Cross-Exhibit LYN-8. A. Yes. Q. Do you recognize Cross-Exhibit LYN-8 as PSE's Response to Public Counsel Data Request Number 4? A. Yes, I do. Q. And Page 4 of Cross-Exhibit LYN-8 lists the topics addressed by PSE's Energy Advisors and how many calls dealt with each topic listed since May 2015; correct?
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	Page 136 GAFKEN / NORTON the percentages included in the shaded area adds up to 40 percent? A. Yes. Q. And that shaded area includes the time period from 1996 through 2000; correct? A. Correct. Q. The vintage '96 through 2000? A. Correct. Q. And the period 1996 through 2000 includes 17 percent of gas forced-air furnaces; correct? A. Correct. Q. Would you accept that removing the period 1996 through 2000 from the shaded area would result from the total percentage being 23 percent? A. I would accept that. Q. Subject to check? A. Subject to check. And I believe that's still a significant share of customers that have old and out-of-date equipment. Q. Okay. But at the time of the NEEA assessment, the total amount of stock with the age of 16 years or greater would be 23 percent and not 40 percent; correct?	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 138 GAFKEN / NORTON Q. And the Energy Advisor Team works directly with customers to assist them with their energy needs; is that correct? A. Correct. Q. Are the Energy Advisors trained to assist customers in navigating the process of making energy decisions? A. They are trained to advise customers on their options. Q. Does this include helping customers get high-quality information regarding equipment purchases? A. It includes all sorts of energy information, whether it's efficiency, equipment, contractors, a variety of energy-related questions. Q. Would you please turn to Cross-Exhibit LYN-8. A. Yes. Q. Do you recognize Cross-Exhibit LYN-8 as PSE's Response to Public Counsel Data Request Number 4? A. Yes, I do. Q. And Page 4 of Cross-Exhibit LYN-8 lists the topics addressed by PSE's Energy Advisors and how many calls dealt with each topic listed since May 2015;

	Page 139		Page 141
	GAFKEN / NORTON		GOLTZ / NORTON
1	but I just want to touch on a few of them.	1	position.
2	Those topics include the Contractor Alliance	2	Q. And did Mr. Teller report to you in your
3	Network and energy efficiency programs and rebates;	3	organization before he left?
4	correct?	4	A. Did he report to me?
5	A. Correct.	5	Q. Yes.
6	Q. And the Contractor Alliance Network, can you	6	A. No, he did not.
7	describe what that is, quickly?	7	Q. Who did he report to?
8	A. Sure. That's a network of contractors that	8	A. He reported to Mr. Phil Bussey.
9	we've partnered with to help customers install	9	Q. And you report to Mr. Phil Bussey?
10	equipment, and we discuss with the customer, and then we	10	A. I report to Mr. Phil Bussey.
11	provide that handoff to contractors that followthrough	11	Q. So after he left, you just kind of got drafted
12	and install the equipment for the customer.	12	to take on this role, is that what happened?
13	Q. So I'll give you a hypothetical, and you can	13	A. I've been involved in the case from the
14	tell me if this is a situation that your Energy Advisors	14	beginning, and it was very natural for me to step in on
15	would address.	15	his behalf.
16	If a customer calls seeking a contractor to	16	Q. So I want to followup a little bit on what
17	replace an furnace, would the Energy Advisors provide	17	Ms. Gafken was saying. As I understand PSE's case, it
18	them with a referral to a contractor within that	18	is based in some part, substantial part perhaps, on a
19	Contractor Alliance Network?	19	couple of different surveys and results from those. One
20	A. They offer that as an option to our customers	20	is that I said I was not going to talk about it
21	often. They often talk to the customer a lot before	21	today, but one is that 25 percent, you say, based on the
22	they could get to the point of referral to the	22	Cocker Fennessy Survey, 25 percent of folks are
23	contractor about what solutions energy efficiency	23	interested in taking a lease option.
24	solutions we have, what heating source, whether natural	24	The one that I want to talk about a little more
25	gas or electricity.	25	is the statement that you made that if there's a 40
	Page 140		Page 142
	GOLTZ / NORTON		GOLTZ / NORTON
1	So they talk to them on a number of different	1	percent of the equipment is, quote, beyond its useful
2	issues, and then when the customer is at a point of	2	life.
3	moving to the next step, that's when a referral happens	3	Is that a fair statement?
4	to our contractor group.	4	A. That's a fair statement.
5	Q. I see. So the Energy Advisors would talk to the	5	Q. And that's not correct, is it, based on your
6	customers about what sort of equipment, for example,	6	data that you reviewed with Ms. Gafken?
7	they might be interested in or what might meet their	7	A. The exhibit that we've proposed, that I've
8	needs; is that a fair description?	8	filed, summarizes that the gap is 40 percent.
9	A. Yes. They talk to them about a number of	9	Q. The gap is 40 percent based on a survey that was
10	different energy topics.	10	conducted in 2011 and 2012; is that right?
11		11	A. Correct. We have no reason to believe that the
12		1 + +	
13	MS. GAFKEN: Thank you, Ms. Norton; those	12	market has changed in any way to suggest the numbers
14	MS. GAFKEN: Thank you, Ms. Norton; those are all of my questions.		market has changed in any way to suggest the numbers would be any different.
- <b>- -</b>	MS. GAFKEN: Thank you, Ms. Norton; those	12	would be any different.
15	MS. GAFKEN: Thank you, Ms. Norton; those are all of my questions. JUDGE KOPTA: All right. Thank you. Mr. Goltz.	12 13	
	MS. GAFKEN: Thank you, Ms. Norton; those are all of my questions. JUDGE KOPTA: All right. Thank you.	12 13 14	would be any different. Q. Right. But Exhibit JET-3 is a snapshot of the
15	MS. GAFKEN: Thank you, Ms. Norton; those are all of my questions. JUDGE KOPTA: All right. Thank you. Mr. Goltz.	12 13 14 15	would be any different. Q. Right. But Exhibit JET-3 is a snapshot of the survey in time at the end of 2011 and 2012?
15 16	MS. GAFKEN: Thank you, Ms. Norton; those are all of my questions. JUDGE KOPTA: All right. Thank you. Mr. Goltz. MR. GOLTZ: Thank you, Your Honor.	12 13 14 15 16	<ul> <li>would be any different.</li> <li>Q. Right. But Exhibit JET-3 is a snapshot of the survey in time at the end of 2011 and 2012?</li> <li>A. Correct. And it demonstrates there's a</li> </ul>
15 16 17	MS. GAFKEN: Thank you, Ms. Norton; those are all of my questions. JUDGE KOPTA: All right. Thank you. Mr. Goltz. MR. GOLTZ: Thank you, Your Honor. CROSS-EXAMINATION	12 13 14 15 16 17	<ul> <li>would be any different.</li> <li>Q. Right. But Exhibit JET-3 is a snapshot of the survey in time at the end of 2011 and 2012?</li> <li>A. Correct. And it demonstrates there's a significant gap in the market.</li> </ul>
15 16 17 18	MS. GAFKEN: Thank you, Ms. Norton; those are all of my questions. JUDGE KOPTA: All right. Thank you. Mr. Goltz. MR. GOLTZ: Thank you, Your Honor. CROSS-EXAMINATION BY MR. GOLTZ:	12 13 14 15 16 17 18	<ul> <li>would be any different.</li> <li>Q. Right. But Exhibit JET-3 is a snapshot of the survey in time at the end of 2011 and 2012?</li> <li>A. Correct. And it demonstrates there's a significant gap in the market.</li> <li>Q. And it reflects by vintage categories</li> </ul>
15 16 17 18 19	MS. GAFKEN: Thank you, Ms. Norton; those are all of my questions. JUDGE KOPTA: All right. Thank you. Mr. Goltz. MR. GOLTZ: Thank you, Your Honor. CROSS-EXAMINATION BY MR. GOLTZ: Q. As I understand your position, you now have the	12 13 14 15 16 17 18 19	<ul> <li>would be any different.</li> <li>Q. Right. But Exhibit JET-3 is a snapshot of the survey in time at the end of 2011 and 2012?</li> <li>A. Correct. And it demonstrates there's a significant gap in the market.</li> <li>Q. And it reflects by vintage categories clusters of vintage years, the ownership of that</li> </ul>
15 16 17 18 19 20	MS. GAFKEN: Thank you, Ms. Norton; those are all of my questions. JUDGE KOPTA: All right. Thank you. Mr. Goltz. MR. GOLTZ: Thank you, Your Honor. CROSS-EXAMINATION BY MR. GOLTZ: Q. As I understand your position, you now have the same position Mr. Teller had before he left?	12 13 14 15 16 17 18 19 20	<ul> <li>would be any different.</li> <li>Q. Right. But Exhibit JET-3 is a snapshot of the survey in time at the end of 2011 and 2012?</li> <li>A. Correct. And it demonstrates there's a significant gap in the market.</li> <li>Q. And it reflects by vintage categories clusters of vintage years, the ownership of that equipment or what equipment if it falls within those</li> </ul>
15 16 17 18 19 20 21	MS. GAFKEN: Thank you, Ms. Norton; those are all of my questions. JUDGE KOPTA: All right. Thank you. Mr. Goltz. MR. GOLTZ: Thank you, Your Honor. CROSS-EXAMINATION BY MR. GOLTZ: Q. As I understand your position, you now have the same position Mr. Teller had before he left? A. I do not.	12 13 14 15 16 17 18 19 20 21	<ul> <li>would be any different.</li> <li>Q. Right. But Exhibit JET-3 is a snapshot of the survey in time at the end of 2011 and 2012?</li> <li>A. Correct. And it demonstrates there's a significant gap in the market.</li> <li>Q. And it reflects by vintage categories clusters of vintage years, the ownership of that equipment or what equipment if it falls within those vintage years?</li> </ul>
15 16 17 18 19 20 21 22	MS. GAFKEN: Thank you, Ms. Norton; those are all of my questions. JUDGE KOPTA: All right. Thank you. Mr. Goltz. MR. GOLTZ: Thank you, Your Honor. CROSS-EXAMINATION BY MR. GOLTZ: Q. As I understand your position, you now have the same position Mr. Teller had before he left? A. I do not. Q. He was Vice President for Customer Solutions?	12 13 14 15 16 17 18 19 20 21 22	<ul> <li>would be any different.</li> <li>Q. Right. But Exhibit JET-3 is a snapshot of the survey in time at the end of 2011 and 2012?</li> <li>A. Correct. And it demonstrates there's a significant gap in the market.</li> <li>Q. And it reflects by vintage categories clusters of vintage years, the ownership of that equipment or what equipment if it falls within those vintage years?</li> <li>A. Correct.</li> </ul>

	Page 143		Page 145
	GOLTZ / NORTON		GOLTZ / NORTON
1	Q. So if this was done in 2012 and you subtract 15	1	individually. The point made by this exhibit is, again,
2	from 2012, you get 1997. You subtract 15 from 2011 you	2	there's a significant opportunity to increase the
3	get 1996, and that puts you back to the so 17 percent	3	efficiency of the market in totality, and a significant
4	that are in the box 1996 to 2000, looking at the first	4	gap.
5	chart on Exhibit JET-3, at that point in time when the	5	And customers have demonstrated interest in it
6	survey was made, those are not more than 15 years old,	6	and we would like we believe this service would help
7	are they?	7	fill the gap, while providing great value for customers.
8	A. I think the important fact	8	Q. I understand. But a gap of 21 percent and a gap
9	Q. Can you just answer that first and see if I	9	of 40 percent, that's a pretty big difference?
10	understand that?	10	A. Even at 25 percent, Mr. Goltz, we're talking
11	A. At that point in time, you are correct. I think	11	about 100,000 furnaces that are beyond their useful
12	the important point here is that even if you took off	12	life.
13	the '96 and 2000 period of time, there's a significant	13	Q. But if the 40 percent, that's been in your
14	share of customers that have older and inefficient	14	presentations to senior management, been in
15	equipment to the tune of about 100,000 customers. And	15	presentations to the board, and all through your
16	we are relying on the most available current data that	16	testimony, has that been corrected in other
17	we have and that any party has brought forward in this	17	communications to the Company?
18	case. It's significant, and whether it's 40 or 25	18	A. We are using 40 percent as our statement of the
19	Q. So you still think it's 40 percent; it's not 23	19	market gap. Our projections to the Company are relative
20	or so?	20	to what we expect from that gap.
21	MS. CARSON: Objection; argumentative, asked	21	Q. I understand, and going to the next one,
22	and answered.	22	air-source heat pump, if you exclude the shading in 1996
23	BY MR. GOLTZ:	23	to 2000 vintage years, then the number of the percentage
24	Q. What's the answer?	24	of air-source heat pumps that are, according to your
25	JUDGE KOPTA: She can answer.	25	standard, beyond their useful life, is 14 percent. Is
	Page 144		Page 146
	Page 144 GOLTZ / NORTON		Page 146 GOLTZ / NORTON
	Page 144 GOLTZ / NORTON		Page 146 GOLTZ / NORTON
1	GOLTZ / NORTON	1	GOLTZ / NORTON
1	GOLTZ / NORTON THE WITNESS: The data suggests that at that	1	GOLTZ / NORTON
2	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent.	2	GOLTZ / NORTON that true? A. Based on the exhibit, that's true.
2 3	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ:	2 3	GOLTZ / NORTON that true? A. Based on the exhibit, that's true. Q. And the same thing, if you were to exclude the
2 3 4	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey	2 3 4	GOLTZ / NORTON that true? A. Based on the exhibit, that's true. Q. And the same thing, if you were to exclude the 1996 to 2000 under Energy Storage Hot Water Heaters,
2 3 4 5	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey A. And I have no reason to believe that it has	2 3 4 5	GOLTZ / NORTON that true? A. Based on the exhibit, that's true. Q. And the same thing, if you were to exclude the 1996 to 2000 under Energy Storage Hot Water Heaters, then you would be about 21 percent, not 40 percent?
2 3 4 5 6	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey A. And I have no reason to believe that it has changed based on historical performance of the market.	2 3 4 5 6	GOLTZ / NORTON that true? A. Based on the exhibit, that's true. Q. And the same thing, if you were to exclude the 1996 to 2000 under Energy Storage Hot Water Heaters, then you would be about 21 percent, not 40 percent? A. Correct.
2 3 4 5 6 7	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey A. And I have no reason to believe that it has changed based on historical performance of the market. Q. So let's say that this hearing took longer than	2 3 4 5 6 7	GOLTZ / NORTON that true? A. Based on the exhibit, that's true. Q. And the same thing, if you were to exclude the 1996 to 2000 under Energy Storage Hot Water Heaters, then you would be about 21 percent, not 40 percent? A. Correct. Q. A,nd likewise, over in Gas Storage Hot Water
2 3 4 5 6 7 8	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey A. And I have no reason to believe that it has changed based on historical performance of the market. Q. So let's say that this hearing took longer than it has taken, and let's say that the year is now 2026,	2 3 4 5 6 7 8	GOLTZ / NORTON that true? A. Based on the exhibit, that's true. Q. And the same thing, if you were to exclude the 1996 to 2000 under Energy Storage Hot Water Heaters, then you would be about 21 percent, not 40 percent? A. Correct. Q. A,nd likewise, over in Gas Storage Hot Water Heaters, if you exclude 1996 to 2000, it would be 18
2 3 5 6 7 8 9	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey A. And I have no reason to believe that it has changed based on historical performance of the market. Q. So let's say that this hearing took longer than it has taken, and let's say that the year is now 2026, would you then shade the next two blocks of 2001 to 2005	2 3 4 5 6 7 8 9	GOLTZ / NORTON that true? A. Based on the exhibit, that's true. Q. And the same thing, if you were to exclude the 1996 to 2000 under Energy Storage Hot Water Heaters, then you would be about 21 percent, not 40 percent? A. Correct. Q. A,nd likewise, over in Gas Storage Hot Water Heaters, if you exclude 1996 to 2000, it would be 18 percent, not close to 40 percent?
2 3 4 5 6 7 8 9	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey A. And I have no reason to believe that it has changed based on historical performance of the market. Q. So let's say that this hearing took longer than it has taken, and let's say that the year is now 2026, would you then shade the next two blocks of 2001 to 2005 and 2006 to 2011 and come to the conclusion that about	2 3 4 5 6 7 8 9 10	GOLTZ / NORTON that true? A. Based on the exhibit, that's true. Q. And the same thing, if you were to exclude the 1996 to 2000 under Energy Storage Hot Water Heaters, then you would be about 21 percent, not 40 percent? A. Correct. Q. A,nd likewise, over in Gas Storage Hot Water Heaters, if you exclude 1996 to 2000, it would be 18 percent, not close to 40 percent? A. Correct.
2 3 4 5 6 7 8 9 10 11	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey A. And I have no reason to believe that it has changed based on historical performance of the market. Q. So let's say that this hearing took longer than it has taken, and let's say that the year is now 2026, would you then shade the next two blocks of 2001 to 2005 and 2006 to 2011 and come to the conclusion that about 97 percent of the equipment is beyond its useful life?	2 3 4 5 6 7 8 9 10 11	GOLTZ / NORTON that true? A. Based on the exhibit, that's true. Q. And the same thing, if you were to exclude the 1996 to 2000 under Energy Storage Hot Water Heaters, then you would be about 21 percent, not 40 percent? A. Correct. Q. A,nd likewise, over in Gas Storage Hot Water Heaters, if you exclude 1996 to 2000, it would be 18 percent, not close to 40 percent? A. Correct. Q. Aren't those more accurate numbers?
2 3 4 5 6 7 8 9 10 11 12	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey A. And I have no reason to believe that it has changed based on historical performance of the market. Q. So let's say that this hearing took longer than it has taken, and let's say that the year is now 2026, would you then shade the next two blocks of 2001 to 2005 and 2006 to 2011 and come to the conclusion that about 97 percent of the equipment is beyond its useful life? A. We would not.	2 3 4 5 6 7 8 9 10 11 12	GOLTZ / NORTON that true? A. Based on the exhibit, that's true. Q. And the same thing, if you were to exclude the 1996 to 2000 under Energy Storage Hot Water Heaters, then you would be about 21 percent, not 40 percent? A. Correct. Q. A,nd likewise, over in Gas Storage Hot Water Heaters, if you exclude 1996 to 2000, it would be 18 percent, not close to 40 percent? A. Correct. Q. Aren't those more accurate numbers? A. As I've stated, we believe that the market has
2 3 4 5 6 7 8 9 10 11 12 13	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey A. And I have no reason to believe that it has changed based on historical performance of the market. Q. So let's say that this hearing took longer than it has taken, and let's say that the year is now 2026, would you then shade the next two blocks of 2001 to 2005 and 2006 to 2011 and come to the conclusion that about 97 percent of the equipment is beyond its useful life? A. We would not. Q. You wouldn't, okay. So isn't it also true from	2 3 4 5 6 7 8 9 10 11 12 13	GOLTZ / NORTON that true? A. Based on the exhibit, that's true. Q. And the same thing, if you were to exclude the 1996 to 2000 under Energy Storage Hot Water Heaters, then you would be about 21 percent, not 40 percent? A. Correct. Q. A,nd likewise, over in Gas Storage Hot Water Heaters, if you exclude 1996 to 2000, it would be 18 percent, not close to 40 percent? A. Correct. Q. Aren't those more accurate numbers? A. As I've stated, we believe that the market has performed consistently over time, and this is the most
2 3 4 5 6 7 8 9 10 11 12 13 14	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey A. And I have no reason to believe that it has changed based on historical performance of the market. Q. So let's say that this hearing took longer than it has taken, and let's say that the year is now 2026, would you then shade the next two blocks of 2001 to 2005 and 2006 to 2011 and come to the conclusion that about 97 percent of the equipment is beyond its useful life? A. We would not. Q. You wouldn't, okay. So isn't it also true from Mr. McCulloch's testimony that the, quote, useful life,	2 3 4 5 6 7 8 9 10 11 12 13 14	<ul> <li>GOLTZ / NORTON</li> <li>that true?</li> <li>A. Based on the exhibit, that's true.</li> <li>Q. And the same thing, if you were to exclude the</li> <li>1996 to 2000 under Energy Storage Hot Water Heaters,</li> <li>then you would be about 21 percent, not 40 percent?</li> <li>A. Correct.</li> <li>Q. A,nd likewise, over in Gas Storage Hot Water</li> <li>Heaters, if you exclude 1996 to 2000, it would be 18</li> <li>percent, not close to 40 percent?</li> <li>A. Correct.</li> <li>Q. Aren't those more accurate numbers?</li> <li>A. As I've stated, we believe that the market has</li> <li>performed consistently over time, and this is the most current data that's available to us.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey A. And I have no reason to believe that it has changed based on historical performance of the market. Q. So let's say that this hearing took longer than it has taken, and let's say that the year is now 2026, would you then shade the next two blocks of 2001 to 2005 and 2006 to 2011 and come to the conclusion that about 97 percent of the equipment is beyond its useful life? A. We would not. Q. You wouldn't, okay. So isn't it also true from Mr. McCulloch's testimony that the, quote, useful life, unquote, of the gas forced-air furnace is not 15 years,	2 3 4 5 6 7 8 9 10 11 12 13 14 15	<ul> <li>GOLTZ / NORTON</li> <li>that true?</li> <li>A. Based on the exhibit, that's true.</li> <li>Q. And the same thing, if you were to exclude the</li> <li>1996 to 2000 under Energy Storage Hot Water Heaters,</li> <li>then you would be about 21 percent, not 40 percent?</li> <li>A. Correct.</li> <li>Q. A,nd likewise, over in Gas Storage Hot Water</li> <li>Heaters, if you exclude 1996 to 2000, it would be 18</li> <li>percent, not close to 40 percent?</li> <li>A. Correct.</li> <li>Q. Aren't those more accurate numbers?</li> <li>A. As I've stated, we believe that the market has</li> <li>performed consistently over time, and this is the most current data that's available to us.</li> <li>Q. So let's complete the data a little bit, at</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey A. And I have no reason to believe that it has changed based on historical performance of the market. Q. So let's say that this hearing took longer than it has taken, and let's say that the year is now 2026, would you then shade the next two blocks of 2001 to 2005 and 2006 to 2011 and come to the conclusion that about 97 percent of the equipment is beyond its useful life? A. We would not. Q. You wouldn't, okay. So isn't it also true from Mr. McCulloch's testimony that the, quote, useful life, unquote, of the gas forced-air furnace is not 15 years, it's really 18 years, and what he did was get an average	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	<ul> <li>GOLTZ / NORTON</li> <li>that true?</li> <li>A. Based on the exhibit, that's true.</li> <li>Q. And the same thing, if you were to exclude the</li> <li>1996 to 2000 under Energy Storage Hot Water Heaters,</li> <li>then you would be about 21 percent, not 40 percent?</li> <li>A. Correct.</li> <li>Q. A,nd likewise, over in Gas Storage Hot Water</li> <li>Heaters, if you exclude 1996 to 2000, it would be 18</li> <li>percent, not close to 40 percent?</li> <li>A. Correct.</li> <li>Q. Aren't those more accurate numbers?</li> <li>A. As I've stated, we believe that the market has</li> <li>performed consistently over time, and this is the most</li> <li>current data that's available to us.</li> <li>Q. So let's complete the data a little bit, at</li> <li>least conceptually. Since this survey was done in the</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey A. And I have no reason to believe that it has changed based on historical performance of the market. Q. So let's say that this hearing took longer than it has taken, and let's say that the year is now 2026, would you then shade the next two blocks of 2001 to 2005 and 2006 to 2011 and come to the conclusion that about 97 percent of the equipment is beyond its useful life? A. We would not. Q. You wouldn't, okay. So isn't it also true from Mr. McCulloch's testimony that the, quote, useful life, unquote, of the gas forced-air furnace is not 15 years, it's really 18 years, and what he did was get an average of different types of appliances to come to the 15-year	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	<ul> <li>GOLTZ / NORTON</li> <li>that true?</li> <li>A. Based on the exhibit, that's true.</li> <li>Q. And the same thing, if you were to exclude the</li> <li>1996 to 2000 under Energy Storage Hot Water Heaters,</li> <li>then you would be about 21 percent, not 40 percent?</li> <li>A. Correct.</li> <li>Q. A,nd likewise, over in Gas Storage Hot Water</li> <li>Heaters, if you exclude 1996 to 2000, it would be 18</li> <li>percent, not close to 40 percent?</li> <li>A. Correct.</li> <li>Q. Aren't those more accurate numbers?</li> <li>A. As I've stated, we believe that the market has</li> <li>performed consistently over time, and this is the most current data that's available to us.</li> <li>Q. So let's complete the data a little bit, at</li> <li>least conceptually. Since this survey was done in the end of 2011/2012 I'm correct in that, right?</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey A. And I have no reason to believe that it has changed based on historical performance of the market. Q. So let's say that this hearing took longer than it has taken, and let's say that the year is now 2026, would you then shade the next two blocks of 2001 to 2005 and 2006 to 2011 and come to the conclusion that about 97 percent of the equipment is beyond its useful life? A. We would not. Q. You wouldn't, okay. So isn't it also true from Mr. McCulloch's testimony that the, quote, useful life, unquote, of the gas forced-air furnace is not 15 years, it's really 18 years, and what he did was get an average of different types of appliances to come to the 15-year figure?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>GOLTZ / NORTON</li> <li>that true?</li> <li>A. Based on the exhibit, that's true.</li> <li>Q. And the same thing, if you were to exclude the</li> <li>1996 to 2000 under Energy Storage Hot Water Heaters,</li> <li>then you would be about 21 percent, not 40 percent?</li> <li>A. Correct.</li> <li>Q. A,nd likewise, over in Gas Storage Hot Water</li> <li>Heaters, if you exclude 1996 to 2000, it would be 18</li> <li>percent, not close to 40 percent?</li> <li>A. Correct.</li> <li>Q. Aren't those more accurate numbers?</li> <li>A. As I've stated, we believe that the market has</li> <li>performed consistently over time, and this is the most current data that's available to us.</li> <li>Q. So let's complete the data a little bit, at</li> <li>least conceptually. Since this survey was done in the end of 2011/2012 I'm correct in that, right?</li> <li>A. Correct.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey A. And I have no reason to believe that it has changed based on historical performance of the market. Q. So let's say that this hearing took longer than it has taken, and let's say that the year is now 2026, would you then shade the next two blocks of 2001 to 2005 and 2006 to 2011 and come to the conclusion that about 97 percent of the equipment is beyond its useful life? A. We would not. Q. You wouldn't, okay. So isn't it also true from Mr. McCulloch's testimony that the, quote, useful life, unquote, of the gas forced-air furnace is not 15 years, it's really 18 years, and what he did was get an average of different types of appliances to come to the 15-year figure? A. It was an average of the appliances you see	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	<ul> <li>GOLTZ / NORTON</li> <li>that true?</li> <li>A. Based on the exhibit, that's true.</li> <li>Q. And the same thing, if you were to exclude the</li> <li>1996 to 2000 under Energy Storage Hot Water Heaters,</li> <li>then you would be about 21 percent, not 40 percent?</li> <li>A. Correct.</li> <li>Q. A,nd likewise, over in Gas Storage Hot Water</li> <li>Heaters, if you exclude 1996 to 2000, it would be 18</li> <li>percent, not close to 40 percent?</li> <li>A. Correct.</li> <li>Q. Aren't those more accurate numbers?</li> <li>A. As I've stated, we believe that the market has</li> <li>performed consistently over time, and this is the most current data that's available to us.</li> <li>Q. So let's complete the data a little bit, at</li> <li>least conceptually. Since this survey was done in the</li> <li>end of 2011/2012 I'm correct in that, right?</li> <li>A. Correct.</li> <li>Q. So it's been almost five years. Do you suspect</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey A. And I have no reason to believe that it has changed based on historical performance of the market. Q. So let's say that this hearing took longer than it has taken, and let's say that the year is now 2026, would you then shade the next two blocks of 2001 to 2005 and 2006 to 2011 and come to the conclusion that about 97 percent of the equipment is beyond its useful life? A. We would not. Q. You wouldn't, okay. So isn't it also true from Mr. McCulloch's testimony that the, quote, useful life, unquote, of the gas forced-air furnace is not 15 years, it's really 18 years, and what he did was get an average of different types of appliances to come to the 15-year figure? A. It was an average of the appliances you see listed in the exhibit.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>GOLTZ / NORTON</li> <li>that true?</li> <li>A. Based on the exhibit, that's true.</li> <li>Q. And the same thing, if you were to exclude the</li> <li>1996 to 2000 under Energy Storage Hot Water Heaters,</li> <li>then you would be about 21 percent, not 40 percent?</li> <li>A. Correct.</li> <li>Q. A,nd likewise, over in Gas Storage Hot Water</li> <li>Heaters, if you exclude 1996 to 2000, it would be 18</li> <li>percent, not close to 40 percent?</li> <li>A. Correct.</li> <li>Q. Aren't those more accurate numbers?</li> <li>A. As I've stated, we believe that the market has</li> <li>performed consistently over time, and this is the most current data that's available to us.</li> <li>Q. So let's complete the data a little bit, at</li> <li>least conceptually. Since this survey was done in the</li> <li>end of 2011/2012 I'm correct in that, right?</li> <li>A. Correct.</li> <li>Q. So it's been almost five years. Do you suspect that any customers in Puget Sound service territories</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey A. And I have no reason to believe that it has changed based on historical performance of the market. Q. So let's say that this hearing took longer than it has taken, and let's say that the year is now 2026, would you then shade the next two blocks of 2001 to 2005 and 2006 to 2011 and come to the conclusion that about 97 percent of the equipment is beyond its useful life? A. We would not. Q. You wouldn't, okay. So isn't it also true from Mr. McCulloch's testimony that the, quote, useful life, unquote, of the gas forced-air furnace is not 15 years, it's really 18 years, and what he did was get an average of different types of appliances to come to the 15-year figure? A. It was an average of the appliances you see listed in the exhibit. Q. So more accurately to figure out, of the gas	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>GOLTZ / NORTON</li> <li>that true?</li> <li>A. Based on the exhibit, that's true.</li> <li>Q. And the same thing, if you were to exclude the</li> <li>1996 to 2000 under Energy Storage Hot Water Heaters,</li> <li>then you would be about 21 percent, not 40 percent?</li> <li>A. Correct.</li> <li>Q. A,nd likewise, over in Gas Storage Hot Water</li> <li>Heaters, if you exclude 1996 to 2000, it would be 18</li> <li>percent, not close to 40 percent?</li> <li>A. Correct.</li> <li>Q. Aren't those more accurate numbers?</li> <li>A. S l've stated, we believe that the market has</li> <li>performed consistently over time, and this is the most current data that's available to us.</li> <li>Q. So let's complete the data a little bit, at</li> <li>least conceptually. Since this survey was done in the end of 2011/2012 I'm correct in that, right?</li> <li>A. Correct.</li> <li>Q. So it's been almost five years. Do you suspect that any customers in Puget Sound service territories have purchased forced, new gas forced-air furnaces or</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey A. And I have no reason to believe that it has changed based on historical performance of the market. Q. So let's say that this hearing took longer than it has taken, and let's say that the year is now 2026, would you then shade the next two blocks of 2001 to 2005 and 2006 to 2011 and come to the conclusion that about 97 percent of the equipment is beyond its useful life? A. We would not. Q. You wouldn't, okay. So isn't it also true from Mr. McCulloch's testimony that the, quote, useful life, unquote, of the gas forced-air furnace is not 15 years, it's really 18 years, and what he did was get an average of different types of appliances to come to the 15-year figure? A. It was an average of the appliances you see listed in the exhibit. Q. So more accurately to figure out, of the gas forced-air furnaces, how many would be, quote, beyond	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	<ul> <li>GOLTZ / NORTON</li> <li>that true?</li> <li>A. Based on the exhibit, that's true.</li> <li>Q. And the same thing, if you were to exclude the</li> <li>1996 to 2000 under Energy Storage Hot Water Heaters,</li> <li>then you would be about 21 percent, not 40 percent?</li> <li>A. Correct.</li> <li>Q. A,nd likewise, over in Gas Storage Hot Water</li> <li>Heaters, if you exclude 1996 to 2000, it would be 18</li> <li>percent, not close to 40 percent?</li> <li>A. Correct.</li> <li>Q. Aren't those more accurate numbers?</li> <li>A. As I've stated, we believe that the market has</li> <li>performed consistently over time, and this is the most current data that's available to us.</li> <li>Q. So let's complete the data a little bit, at</li> <li>least conceptually. Since this survey was done in the</li> <li>end of 2011/2012 I'm correct in that, right?</li> <li>A. Correct.</li> <li>Q. So it's been almost five years. Do you suspect that any customers in Puget Sound service territories</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey A. And I have no reason to believe that it has changed based on historical performance of the market. Q. So let's say that this hearing took longer than it has taken, and let's say that the year is now 2026, would you then shade the next two blocks of 2001 to 2005 and 2006 to 2011 and come to the conclusion that about 97 percent of the equipment is beyond its useful life? A. We would not. Q. You wouldn't, okay. So isn't it also true from Mr. McCulloch's testimony that the, quote, useful life, unquote, of the gas forced-air furnace is not 15 years, it's really 18 years, and what he did was get an average of different types of appliances to come to the 15-year figure? A. It was an average of the appliances you see listed in the exhibit. Q. So more accurately to figure out, of the gas forced-air furnaces, how many would be, quote, beyond the useful life or not, you go back 18 years and you	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<ul> <li>GOLTZ / NORTON</li> <li>that true?</li> <li>A. Based on the exhibit, that's true.</li> <li>Q. And the same thing, if you were to exclude the</li> <li>1996 to 2000 under Energy Storage Hot Water Heaters,</li> <li>then you would be about 21 percent, not 40 percent?</li> <li>A. Correct.</li> <li>Q. A,nd likewise, over in Gas Storage Hot Water</li> <li>Heaters, if you exclude 1996 to 2000, it would be 18</li> <li>percent, not close to 40 percent?</li> <li>A. Correct.</li> <li>Q. Aren't those more accurate numbers?</li> <li>A. S l've stated, we believe that the market has</li> <li>performed consistently over time, and this is the most current data that's available to us.</li> <li>Q. So let's complete the data a little bit, at</li> <li>least conceptually. Since this survey was done in the end of 2011/2012 I'm correct in that, right?</li> <li>A. Correct.</li> <li>Q. So it's been almost five years. Do you suspect that any customers in Puget Sound service territories have purchased forced, new gas forced-air furnaces or</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GOLTZ / NORTON THE WITNESS: The data suggests that at that point in time it was 40 percent. BY MR. GOLTZ: Q. Okay. So if this survey A. And I have no reason to believe that it has changed based on historical performance of the market. Q. So let's say that this hearing took longer than it has taken, and let's say that the year is now 2026, would you then shade the next two blocks of 2001 to 2005 and 2006 to 2011 and come to the conclusion that about 97 percent of the equipment is beyond its useful life? A. We would not. Q. You wouldn't, okay. So isn't it also true from Mr. McCulloch's testimony that the, quote, useful life, unquote, of the gas forced-air furnace is not 15 years, it's really 18 years, and what he did was get an average of different types of appliances to come to the 15-year figure? A. It was an average of the appliances you see listed in the exhibit. Q. So more accurately to figure out, of the gas forced-air furnaces, how many would be, quote, beyond	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	that true? A. Based on the exhibit, that's true. Q. And the same thing, if you were to exclude the 1996 to 2000 under Energy Storage Hot Water Heaters, then you would be about 21 percent, not 40 percent? A. Correct. Q. A,nd likewise, over in Gas Storage Hot Water Heaters, if you exclude 1996 to 2000, it would be 18 percent, not close to 40 percent? A. Correct. Q. Aren't those more accurate numbers? A. As I've stated, we believe that the market has performed consistently over time, and this is the most current data that's available to us. Q. So let's complete the data a little bit, at least conceptually. Since this survey was done in the end of 2011/2012 I'm correct in that, right? A. Correct. Q. So it's been almost five years. Do you suspect that any customers in Puget Sound service territories have purchased forced, new gas forced-air furnaces or air-source heat pumps or hot water heaters?

	Page 147		Page 149
	GOLTZ / NORTON		GOLTZ / NORTON
1	fill in you only subtract; you don't add. You might	1	piece of equipment. It's commonly used in the industry
2	add the ones what would you add? Why wouldn't you	2	as what is the projected life of a piece of equipment.
3	just subtract?	3	BY MR. GOLTZ:
4	A. We would include it would justify that the	4	Q. Okay. Is there a margin of error in this
5	band between 1996 and 2000.	5	survey?
6	Q. But okay. But don't you think that some of	6	A. I'm not I don't understand your question.
7	the other pieces of equipment and that would get you	7	Q. In many surveys, if you follow the election
8	up to 40 percent, right? If you added that band, the	8	these days, they'll say this survey showed the
9	1996 to 2000, on the gas forced-air furnace you get up	9	candidates get a percentage, and they'll say a margin
10	to about 40 percent?	10	error of 3 percent, 5 percent, 6 percent is a commonly
11	A. Correct.	11	used term in surveys. And since you're testifying about
12	Q. But sometime in the last five years people would	12	this survey, I wanted to know if there was a stated
13	have bought replaced this equipment. I mean, if you	13	margin of error in the survey, or if you know.
14	have doubts about that, you can ask Mr. Fluetsch when	14	A. I do not know.
15	he's on the stand, Have you sold any pieces of equipment	15	Q. So on Page 23 of your testimony, you state that
16	in the last five years, and I think he'd say yes.	16	PSE has demonstrated that 40 percent of the relevant
17	MS. CARSON: Objection; argumentative and	17	equipment in the market is old and inefficient.
18	asked and answered.	18	A. Is that my rebuttal testimony you're referring
19	BY MR. GOLTZ:	19	to?
20	Q. Okay. So, also, this JET-3 stands for the	20	Q. Yes. That's your only testimony.
21	proposition that if the survey was done accurately, that	21	MS. CARSON: What page?
22	the equipment is of various vintages; correct?	22	MR. GOLTZ: Twenty-three. I hope I got that
23	A. Correct.	23	right. Yeah, Lines 17 and 18 of the
24	Q. But you say it means beyond its useful life.	24	BY MR. GOLTZ:
25		25	Q. But JET-3 doesn't talk about efficiency, does
	Page 148		Page 150
	Page 148 GOLTZ / NORTON		Page 150 GOLTZ / NORTON
	Page 148 GOLTZ / NORTON		Page 150 GOLTZ / NORTON
1	GOLTZ / NORTON	1	GOLTZ / NORTON
1	GOLTZ / NORTON useful, correct, still being used?	1	GOLTZ / NORTON
	GOLTZ / NORTON useful, correct, still being used? A. It's still being used.		GOLTZ / NORTON
2	GOLTZ / NORTON useful, correct, still being used?	2	GOLTZ / NORTON it? A. JET-3 does not refer to efficiency.
2	GOLTZ / NORTON useful, correct, still being used? A. It's still being used. Q. And it's alive, it's working, so it's not I	2 3	GOLTZ / NORTON it? A. JET-3 does not refer to efficiency. Q. So, but your statement that it's old and
2 3 4	GOLTZ / NORTON useful, correct, still being used? A. It's still being used. Q. And it's alive, it's working, so it's not I mean, which would be beyond useful life. You don't mean	2 3 4	<ul> <li>GOLTZ / NORTON</li> <li>it?</li> <li>A. JET-3 does not refer to efficiency.</li> <li>Q. So, but your statement that it's old and inefficient is based on JET-3?</li> <li>A. The statement that I've made in 17 and 18</li> </ul>
2 3 4 5	GOLTZ / NORTON useful, correct, still being used? A. It's still being used. Q. And it's alive, it's working, so it's not I mean, which would be beyond useful life. You don't mean it's not working?	2 3 4 5	<ul> <li>GOLTZ / NORTON</li> <li>it?</li> <li>A. JET-3 does not refer to efficiency.</li> <li>Q. So, but your statement that it's old and inefficient is based on JET-3?</li> <li>A. The statement that I've made in 17 and 18 suggests that as from my understanding of equipment,</li> </ul>
2 3 4 5 6	GOLTZ / NORTON useful, correct, still being used? A. It's still being used. Q. And it's alive, it's working, so it's not I mean, which would be beyond useful life. You don't mean it's not working? MS. CARSON: Objection; calls for	2 3 4 5 6	<ul> <li>GOLTZ / NORTON</li> <li>it?</li> <li>A. JET-3 does not refer to efficiency.</li> <li>Q. So, but your statement that it's old and inefficient is based on JET-3?</li> <li>A. The statement that I've made in 17 and 18</li> </ul>
2 3 4 5 6 7	GOLTZ / NORTON useful, correct, still being used? A. It's still being used. Q. And it's alive, it's working, so it's not I mean, which would be beyond useful life. You don't mean it's not working? MS. CARSON: Objection; calls for speculation.	2 3 4 5 6 7	GOLTZ / NORTON it? A. JET-3 does not refer to efficiency. Q. So, but your statement that it's old and inefficient is based on JET-3? A. The statement that I've made in 17 and 18 suggests that as from my understanding of equipment, often as it ages the efficiency degrades, the
2 3 4 5 6 7 8	GOLTZ / NORTON useful, correct, still being used? A. It's still being used. Q. And it's alive, it's working, so it's not I mean, which would be beyond useful life. You don't mean it's not working? MS. CARSON: Objection; calls for speculation. MR. GOLTZ: Actually, I'm willing to	2 3 4 5 6 7 8	GOLTZ / NORTON it? A. JET-3 does not refer to efficiency. Q. So, but your statement that it's old and inefficient is based on JET-3? A. The statement that I've made in 17 and 18 suggests that as from my understanding of equipment, often as it ages the efficiency degrades, the performance and efficiency degrades over time. And that's a statement in reference to that understanding.
2 3 4 5 6 7 8 9	GOLTZ / NORTON useful, correct, still being used? A. It's still being used. Q. And it's alive, it's working, so it's not I mean, which would be beyond useful life. You don't mean it's not working? MS. CARSON: Objection; calls for speculation. MR. GOLTZ: Actually, I'm willing to stipulate that their use of the terminology "beyond	2 3 4 5 6 7 8 9	<ul> <li>GOLTZ / NORTON</li> <li>it?</li> <li>A. JET-3 does not refer to efficiency.</li> <li>Q. So, but your statement that it's old and inefficient is based on JET-3?</li> <li>A. The statement that I've made in 17 and 18 suggests that as from my understanding of equipment, often as it ages the efficiency degrades, the performance and efficiency degrades over time. And that's a statement in reference to that understanding.</li> <li>Q. Right. So it's based on your understanding that</li> </ul>
2 3 5 6 7 8 9	GOLTZ / NORTON useful, correct, still being used? A. It's still being used. Q. And it's alive, it's working, so it's not I mean, which would be beyond useful life. You don't mean it's not working? MS. CARSON: Objection; calls for speculation. MR. GOLTZ: Actually, I'm willing to stipulate that their use of the terminology "beyond useful life" is speculation. I'm going to stipulate to	2 3 4 5 6 7 8 9 10	<ul> <li>GOLTZ / NORTON</li> <li>it?</li> <li>A. JET-3 does not refer to efficiency.</li> <li>Q. So, but your statement that it's old and inefficient is based on JET-3?</li> <li>A. The statement that I've made in 17 and 18 suggests that as from my understanding of equipment, often as it ages the efficiency degrades, the performance and efficiency degrades over time. And that's a statement in reference to that understanding.</li> <li>Q. Right. So it's based on your understanding that things get less efficient in general?</li> </ul>
2 3 4 5 7 8 9 10 11	GOLTZ / NORTON useful, correct, still being used? A. It's still being used. Q. And it's alive, it's working, so it's not I mean, which would be beyond useful life. You don't mean it's not working? MS. CARSON: Objection; calls for speculation. MR. GOLTZ: Actually, I'm willing to stipulate that their use of the terminology "beyond useful life" is speculation. I'm going to stipulate to that. JUDGE KOPTA: If you might rephrase your	2 3 4 5 6 7 8 9 10 11	<ul> <li>GOLTZ / NORTON</li> <li>it?</li> <li>A. JET-3 does not refer to efficiency.</li> <li>Q. So, but your statement that it's old and inefficient is based on JET-3?</li> <li>A. The statement that I've made in 17 and 18 suggests that as from my understanding of equipment, often as it ages the efficiency degrades, the performance and efficiency degrades over time. And that's a statement in reference to that understanding.</li> <li>Q. Right. So it's based on your understanding that things get less efficient in general?</li> <li>A. And I'm getting more and more familiar with that</li> </ul>
2 3 4 5 6 7 8 9 10 11 12	GOLTZ / NORTON useful, correct, still being used? A. It's still being used. Q. And it's alive, it's working, so it's not I mean, which would be beyond useful life. You don't mean it's not working? MS. CARSON: Objection; calls for speculation. MR. GOLTZ: Actually, I'm willing to stipulate that their use of the terminology "beyond useful life" is speculation. I'm going to stipulate to that. JUDGE KOPTA: If you might rephrase your question. Maybe not like that, but.	2 3 4 5 6 7 8 9 10 11 12	GOLTZ / NORTON it? A. JET-3 does not refer to efficiency. Q. So, but your statement that it's old and inefficient is based on JET-3? A. The statement that I've made in 17 and 18 suggests that as from my understanding of equipment, often as it ages the efficiency degrades, the performance and efficiency degrades over time. And that's a statement in reference to that understanding. Q. Right. So it's based on your understanding that things get less efficient in general? A. And I'm getting more and more familiar with that every day.
2 3 4 5 6 7 8 9 10 11 12 13	GOLTZ / NORTON useful, correct, still being used? A. It's still being used. Q. And it's alive, it's working, so it's not I mean, which would be beyond useful life. You don't mean it's not working? MS. CARSON: Objection; calls for speculation. MR. GOLTZ: Actually, I'm willing to stipulate that their use of the terminology "beyond useful life" is speculation. I'm going to stipulate to that. JUDGE KOPTA: If you might rephrase your question. Maybe not like that, but. (Court reporter read back as requested.)	2 3 4 5 6 7 8 9 10 11 12 13	<ul> <li>GOLTZ / NORTON</li> <li>it?</li> <li>A. JET-3 does not refer to efficiency.</li> <li>Q. So, but your statement that it's old and inefficient is based on JET-3?</li> <li>A. The statement that I've made in 17 and 18 suggests that as from my understanding of equipment, often as it ages the efficiency degrades, the performance and efficiency degrades over time. And that's a statement in reference to that understanding.</li> <li>Q. Right. So it's based on your understanding that things get less efficient in general?</li> <li>A. And I'm getting more and more familiar with that every day.</li> <li>Q. That ends the line of questioning that I'm at.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14	GOLTZ / NORTON useful, correct, still being used? A. It's still being used. Q. And it's alive, it's working, so it's not I mean, which would be beyond useful life. You don't mean it's not working? MS. CARSON: Objection; calls for speculation. MR. GOLTZ: Actually, I'm willing to stipulate that their use of the terminology "beyond useful life" is speculation. I'm going to stipulate to that. JUDGE KOPTA: If you might rephrase your question. Maybe not like that, but.	2 3 4 5 6 7 8 9 10 11 12 13 14	<ul> <li>GOLTZ / NORTON</li> <li>it?</li> <li>A. JET-3 does not refer to efficiency.</li> <li>Q. So, but your statement that it's old and inefficient is based on JET-3?</li> <li>A. The statement that I've made in 17 and 18 suggests that as from my understanding of equipment, often as it ages the efficiency degrades, the performance and efficiency degrades over time. And that's a statement in reference to that understanding.</li> <li>Q. Right. So it's based on your understanding that things get less efficient in general?</li> <li>A. And I'm getting more and more familiar with that every day.</li> <li>Q. That ends the line of questioning that I'm at. So as Director of Product Marketing and Growth,</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15	GOLTZ / NORTON useful, correct, still being used? A. It's still being used. Q. And it's alive, it's working, so it's not I mean, which would be beyond useful life. You don't mean it's not working? MS. CARSON: Objection; calls for speculation. MR. GOLTZ: Actually, I'm willing to stipulate that their use of the terminology "beyond useful life" is speculation. I'm going to stipulate to that. JUDGE KOPTA: If you might rephrase your question. Maybe not like that, but. (Court reporter read back as requested.) MR. GOLTZ: That was a horrible question.	2 3 4 5 6 7 8 9 10 11 12 13 14 15	<ul> <li>GOLTZ / NORTON</li> <li>it?</li> <li>A. JET-3 does not refer to efficiency.</li> <li>Q. So, but your statement that it's old and inefficient is based on JET-3?</li> <li>A. The statement that I've made in 17 and 18 suggests that as from my understanding of equipment, often as it ages the efficiency degrades, the performance and efficiency degrades over time. And that's a statement in reference to that understanding.</li> <li>Q. Right. So it's based on your understanding that things get less efficient in general?</li> <li>A. And I'm getting more and more familiar with that every day.</li> <li>Q. That ends the line of questioning that I'm at.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	GOLTZ / NORTON useful, correct, still being used? A. It's still being used. Q. And it's alive, it's working, so it's not I mean, which would be beyond useful life. You don't mean it's not working? MS. CARSON: Objection; calls for speculation. MR. GOLTZ: Actually, I'm willing to stipulate that their use of the terminology "beyond useful life" is speculation. I'm going to stipulate to that. JUDGE KOPTA: If you might rephrase your question. Maybe not like that, but. (Court reporter read back as requested.) MR. GOLTZ: That was a horrible question. BY MR. GOLTZ:	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	<ul> <li>it?</li> <li>A. JET-3 does not refer to efficiency.</li> <li>Q. So, but your statement that it's old and inefficient is based on JET-3?</li> <li>A. The statement that I've made in 17 and 18 suggests that as from my understanding of equipment, often as it ages the efficiency degrades, the performance and efficiency degrades over time. And that's a statement in reference to that understanding.</li> <li>Q. Right. So it's based on your understanding that things get less efficient in general?</li> <li>A. And I'm getting more and more familiar with that every day.</li> <li>Q. That ends the line of questioning that I'm at. So as Director of Product Marketing and Growth, are you responsible for PSE's thinking about the utility</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	GOLTZ / NORTON useful, correct, still being used? A. It's still being used. Q. And it's alive, it's working, so it's not I mean, which would be beyond useful life. You don't mean it's not working? MS. CARSON: Objection; calls for speculation. MR. GOLTZ: Actually, I'm willing to stipulate that their use of the terminology "beyond useful life" is speculation. I'm going to stipulate to that. JUDGE KOPTA: If you might rephrase your question. Maybe not like that, but. (Court reporter read back as requested.) MR. GOLTZ: That was a horrible question. BY MR. GOLTZ: Q. When you say "beyond useful life," it's being	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	<ul> <li>it?</li> <li>A. JET-3 does not refer to efficiency.</li> <li>Q. So, but your statement that it's old and inefficient is based on JET-3?</li> <li>A. The statement that I've made in 17 and 18 suggests that as from my understanding of equipment, often as it ages the efficiency degrades, the performance and efficiency degrades over time. And that's a statement in reference to that understanding.</li> <li>Q. Right. So it's based on your understanding that things get less efficient in general?</li> <li>A. And I'm getting more and more familiar with that every day.</li> <li>Q. That ends the line of questioning that I'm at. So as Director of Product Marketing and Growth, are you responsible for PSE's thinking about the utility of the future?</li> <li>A. That is a portion of my responsibilities.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	GOLTZ / NORTON useful, correct, still being used? A. It's still being used. Q. And it's alive, it's working, so it's not I mean, which would be beyond useful life. You don't mean it's not working? MS. CARSON: Objection; calls for speculation. MR. GOLTZ: Actually, I'm willing to stipulate that their use of the terminology "beyond useful life" is speculation. I'm going to stipulate to that. JUDGE KOPTA: If you might rephrase your question. Maybe not like that, but. (Court reporter read back as requested.) MR. GOLTZ: That was a horrible question. BY MR. GOLTZ: Q. When you say "beyond useful life," it's being used? It's generating heat? It's heating hot water; correct?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>it?</li> <li>A. JET-3 does not refer to efficiency.</li> <li>Q. So, but your statement that it's old and inefficient is based on JET-3?</li> <li>A. The statement that I've made in 17 and 18 suggests that as from my understanding of equipment, often as it ages the efficiency degrades, the performance and efficiency degrades over time. And that's a statement in reference to that understanding.</li> <li>Q. Right. So it's based on your understanding that things get less efficient in general?</li> <li>A. And I'm getting more and more familiar with that every day.</li> <li>Q. That ends the line of questioning that I'm at. So as Director of Product Marketing and Growth, are you responsible for PSE's thinking about the utility of the future?</li> <li>A. That is a portion of my responsibilities.</li> <li>Q. And you stated on Page 2 of your rebuttal</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	GOLTZ / NORTON useful, correct, still being used? A. It's still being used. Q. And it's alive, it's working, so it's not I mean, which would be beyond useful life. You don't mean it's not working? MS. CARSON: Objection; calls for speculation. MR. GOLTZ: Actually, I'm willing to stipulate that their use of the terminology "beyond useful life" is speculation. I'm going to stipulate to that. JUDGE KOPTA: If you might rephrase your question. Maybe not like that, but. (Court reporter read back as requested.) MR. GOLTZ: That was a horrible question. BY MR. GOLTZ: Q. When you say "beyond useful life," it's being used? It's generating heat? It's heating hot water;	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	<ul> <li>it?</li> <li>A. JET-3 does not refer to efficiency.</li> <li>Q. So, but your statement that it's old and inefficient is based on JET-3?</li> <li>A. The statement that I've made in 17 and 18 suggests that as from my understanding of equipment, often as it ages the efficiency degrades, the performance and efficiency degrades over time. And that's a statement in reference to that understanding.</li> <li>Q. Right. So it's based on your understanding that things get less efficient in general?</li> <li>A. And I'm getting more and more familiar with that every day.</li> <li>Q. That ends the line of questioning that I'm at. So as Director of Product Marketing and Growth, are you responsible for PSE's thinking about the utility of the future?</li> <li>A. That is a portion of my responsibilities.</li> <li>Q. And you stated on Page 2 of your rebuttal testimony that this proposal provides a pathway for</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	GOLTZ / NORTON useful, correct, still being used? A. It's still being used. Q. And it's alive, it's working, so it's not I mean, which would be beyond useful life. You don't mean it's not working? MS. CARSON: Objection; calls for speculation. MR. GOLTZ: Actually, I'm willing to stipulate that their use of the terminology "beyond useful life" is speculation. I'm going to stipulate to that. JUDGE KOPTA: If you might rephrase your question. Maybe not like that, but. (Court reporter read back as requested.) MR. GOLTZ: That was a horrible question. BY MR. GOLTZ: Q. When you say "beyond useful life," it's being used? It's generating heat? It's heating hot water; correct? MS. CARSON: Objection; calls for facts not	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	<ul> <li>it?</li> <li>A. JET-3 does not refer to efficiency.</li> <li>Q. So, but your statement that it's old and inefficient is based on JET-3?</li> <li>A. The statement that I've made in 17 and 18 suggests that as from my understanding of equipment, often as it ages the efficiency degrades, the performance and efficiency degrades over time. And that's a statement in reference to that understanding.</li> <li>Q. Right. So it's based on your understanding that things get less efficient in general?</li> <li>A. And I'm getting more and more familiar with that every day.</li> <li>Q. That ends the line of questioning that I'm at. So as Director of Product Marketing and Growth, are you responsible for PSE's thinking about the utility of the future?</li> <li>A. That is a portion of my responsibilities.</li> <li>Q. And you stated on Page 2 of your rebuttal testimony that this proposal provides a pathway for further work on developing the utility of the future.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	GOLTZ / NORTON useful, correct, still being used? A. It's still being used. Q. And it's alive, it's working, so it's not I mean, which would be beyond useful life. You don't mean it's not working? MS. CARSON: Objection; calls for speculation. MR. GOLTZ: Actually, I'm willing to stipulate that their use of the terminology "beyond useful life" is speculation. I'm going to stipulate to that. JUDGE KOPTA: If you might rephrase your question. Maybe not like that, but. (Court reporter read back as requested.) MR. GOLTZ: That was a horrible question. BY MR. GOLTZ: Q. When you say "beyond useful life," it's being used? It's generating heat? It's heating hot water; correct? MS. CARSON: Objection; calls for facts not in evidence.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<ul> <li>it?</li> <li>A. JET-3 does not refer to efficiency.</li> <li>Q. So, but your statement that it's old and inefficient is based on JET-3?</li> <li>A. The statement that I've made in 17 and 18 suggests that as from my understanding of equipment, often as it ages the efficiency degrades, the performance and efficiency degrades over time. And that's a statement in reference to that understanding.</li> <li>Q. Right. So it's based on your understanding that things get less efficient in general?</li> <li>A. And I'm getting more and more familiar with that every day.</li> <li>Q. That ends the line of questioning that I'm at. So as Director of Product Marketing and Growth, are you responsible for PSE's thinking about the utility of the future?</li> <li>A. That is a portion of my responsibilities.</li> <li>Q. And you stated on Page 2 of your rebuttal testimony that this proposal provides a pathway for</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GOLTZ / NORTON useful, correct, still being used? A. It's still being used. Q. And it's alive, it's working, so it's not I mean, which would be beyond useful life. You don't mean it's not working? MS. CARSON: Objection; calls for speculation. MR. GOLTZ: Actually, I'm willing to stipulate that their use of the terminology "beyond useful life" is speculation. I'm going to stipulate to that. JUDGE KOPTA: If you might rephrase your question. Maybe not like that, but. (Court reporter read back as requested.) MR. GOLTZ: That was a horrible question. BY MR. GOLTZ: Q. When you say "beyond useful life," it's being used? It's generating heat? It's heating hot water; correct? MS. CARSON: Objection; calls for facts not in evidence. JUDGE KOPTA: I think he can explore what is	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>it?</li> <li>A. JET-3 does not refer to efficiency.</li> <li>Q. So, but your statement that it's old and inefficient is based on JET-3?</li> <li>A. The statement that I've made in 17 and 18 suggests that as from my understanding of equipment, often as it ages the efficiency degrades, the performance and efficiency degrades over time. And that's a statement in reference to that understanding.</li> <li>Q. Right. So it's based on your understanding that things get less efficient in general?</li> <li>A. And I'm getting more and more familiar with that every day.</li> <li>Q. That ends the line of questioning that I'm at. So as Director of Product Marketing and Growth, are you responsible for PSE's thinking about the utility of the future?</li> <li>A. That is a portion of my responsibilities.</li> <li>Q. And you stated on Page 2 of your rebuttal testimony that this proposal provides a pathway for further work on developing the utility of the future. Is that right?</li> </ul>

	Page 151		Page 153
	GOLTZ / NORTON		GOLTZ / NORTON
1	proposal, or is it more accurate to say that this	1	analogy to Amazon?
2	proposal came up and then you decided let's describe it	2	COMMISSIONER DANNER: I'm sorry, Mr. Goltz,
3	as a utility of the future?	3	what page is that?
4	MS. CARSON: I object to this line of	4	MR. GOLTZ: Page 11, line 4.
5	questioning. It goes beyond the scope of intervention	5	BY MR. GOLTZ:
6	to the extent it's concerned about utility business and	6	Q. Do you envision PSE being like Amazon in its
7	utility of the future, as opposed to the market for	7	leasing business?
8	water heaters and HVAC equipment, as was limited in the	8	A. I think the point of that line in my testimony
9	Prehearing Conference Order.	9	was to suggest how the market is really looking to
10	JUDGE KOPTA: I'll allow the question.	10	provide simplified solutions for customers, one-stop
11	THE WITNESS: We've been talking about and	11	opportunities for them to carry out and meet their
12	thinking about as collectively as a company what is the	12	needs. And that's the beauty of these solutions. It
13	utility of the future for PSE, and we're looking for	13	brings together very complex decisions that the
14	ways to continue to partner with our customers in ways	14	customers are dealing with; the selection, the
15	they value and in ways that make sense for the utility.	15	evaluation, the financing, the contractor. It brings it
16	And as we look to the future, you know, we're looking	16	all together and makes that decision very simple.
17	how to transition the Company. And that's happening	17	And customers don't have a lot of time today,
18		18	and these are examples of other companies that are
19	BY MR. GOLTZ:	19	looking to simplify purchasing decisions and evaluations
20	Q. Throughout the country or company?	20	to the customer.
21	A. Company. But I'm also aware that utilities are	21	Q. And in preparing your testimony, did you check
22	having this conversation throughout the country.	22	on Amazon's website and see how many options they have
23	Q. Right.	23	for hot water heaters and furnaces?
24	A. And this is one opportunity that is available	24	A. I did not.
25	•	25	Q. So on Page 16 of your testimony, you were asked
	Page 152		Page 154
			G
	GOLTZ / NORTON		GOLTZ / NORTON
			GOLTZ / NORTON
	they're interested in that would provide response to a	1	GOLTZ / NORTON by your attorney (as read), Commission Staff have
2	they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to	2	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing
	they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the	2 3	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree?
2 3 4	they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the market. So it is in line with continuing to offer	2 3 4	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree? And you said no. And I read your answer as saying the
2 3 4 5	they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the market. So it is in line with continuing to offer valued services to our customers. And that's the	2 3 4 5	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree? And you said no. And I read your answer as saying the reason why is because we've done leasing in the past.
2 3 4 5 6	they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the market. So it is in line with continuing to offer valued services to our customers. And that's the conversation we have within Puget Sound Energy.	2 3 4 5 6	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree? And you said no. And I read your answer as saying the reason why is because we've done leasing in the past. Is that the totality of your answer on why this
2 3 4 5 6 7	they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the market. So it is in line with continuing to offer valued services to our customers. And that's the conversation we have within Puget Sound Energy. <b>Q. In the course of that company-wide conversation</b> ,	2 3 4 5 6 7	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree? And you said no. And I read your answer as saying the reason why is because we've done leasing in the past. Is that the totality of your answer on why this should be done as a regulated service, because you've
2 3 4 5 6 7 8	they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the market. So it is in line with continuing to offer valued services to our customers. And that's the conversation we have within Puget Sound Energy. Q. In the course of that company-wide conversation, are you looking at other states? I'm thinking of New	2 3 4 5 6 7 8	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree? And you said no. And I read your answer as saying the reason why is because we've done leasing in the past. Is that the totality of your answer on why this should be done as a regulated service, because you've done it this way in the past?
2 3 4 5 7 8 9	they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the market. So it is in line with continuing to offer valued services to our customers. And that's the conversation we have within Puget Sound Energy. Q. In the course of that company-wide conversation, are you looking at other states? I'm thinking of New York where they're reforming the energy vision, REV	2 3 4 5 6 7 8 9	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree? And you said no. And I read your answer as saying the reason why is because we've done leasing in the past. Is that the totality of your answer on why this should be done as a regulated service, because you've done it this way in the past? A. No, that is not the totality. We believe that,
2 3 4 5 7 8 9 10	they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the market. So it is in line with continuing to offer valued services to our customers. And that's the conversation we have within Puget Sound Energy. Q. In the course of that company-wide conversation, are you looking at other states? I'm thinking of New York where they're reforming the energy vision, REV process is sort of the focal point nationally of the	2 3 4 5 6 7 8 9 10	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree? And you said no. And I read your answer as saying the reason why is because we've done leasing in the past. Is that the totality of your answer on why this should be done as a regulated service, because you've done it this way in the past? A. No, that is not the totality. We believe that, yes, one, we've done it for over 50 years, and it is a
2 3 4 5 6 7 8 9 10 11	they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the market. So it is in line with continuing to offer valued services to our customers. And that's the conversation we have within Puget Sound Energy. Q. In the course of that company-wide conversation, are you looking at other states? I'm thinking of New York where they're reforming the energy vision, REV process is sort of the focal point nationally of the utility of the future discussions?	2 3 4 5 6 7 8 9 10 11	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree? And you said no. And I read your answer as saying the reason why is because we've done leasing in the past. Is that the totality of your answer on why this should be done as a regulated service, because you've done it this way in the past? A. No, that is not the totality. We believe that, yes, one, we've done it for over 50 years, and it is a legitimate utility function. We believe that the
2 3 4 5 6 7 8 9 10 11 12	they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the market. So it is in line with continuing to offer valued services to our customers. And that's the conversation we have within Puget Sound Energy. Q. In the course of that company-wide conversation, are you looking at other states? I'm thinking of New York where they're reforming the energy vision, REV process is sort of the focal point nationally of the utility of the future discussions? A. We look at all sorts of examples.	2 3 4 5 6 7 8 9 10 11 12	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree? And you said no. And I read your answer as saying the reason why is because we've done leasing in the past. Is that the totality of your answer on why this should be done as a regulated service, because you've done it this way in the past? A. No, that is not the totality. We believe that, yes, one, we've done it for over 50 years, and it is a legitimate utility function. We believe that the customers are calling us every day and expressed
2 3 4 5 6 7 8 9 10 11 12 13	they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the market. So it is in line with continuing to offer valued services to our customers. And that's the conversation we have within Puget Sound Energy. Q. In the course of that company-wide conversation, are you looking at other states? I'm thinking of New York where they're reforming the energy vision, REV process is sort of the focal point nationally of the utility of the future discussions? A. We look at all sorts of examples. Q. And in all of those, all sorts of examples, have	2 3 4 5 6 7 8 9 10 11 12 13	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree? And you said no. And I read your answer as saying the reason why is because we've done leasing in the past. Is that the totality of your answer on why this should be done as a regulated service, because you've done it this way in the past? A. No, that is not the totality. We believe that, yes, one, we've done it for over 50 years, and it is a legitimate utility function. We believe that the customers are calling us every day and expressed interest in this valued service. And we believe that
2 3 4 5 6 7 8 9 10 11 12 13 14	they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the market. So it is in line with continuing to offer valued services to our customers. And that's the conversation we have within Puget Sound Energy. Q. In the course of that company-wide conversation, are you looking at other states? I'm thinking of New York where they're reforming the energy vision, REV process is sort of the focal point nationally of the utility of the future discussions? A. We look at all sorts of examples. Q. And in all of those, all sorts of examples, have you found other leasing appliance leasing	2 3 4 5 6 7 8 9 10 11 12 13 14	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree? And you said no. And I read your answer as saying the reason why is because we've done leasing in the past. Is that the totality of your answer on why this should be done as a regulated service, because you've done it this way in the past? A. No, that is not the totality. We believe that, yes, one, we've done it for over 50 years, and it is a legitimate utility function. We believe that the customers are calling us every day and expressed interest in this valued service. And we believe that PSE is in a perfect position to offer this service being
2 3 4 5 6 7 8 9 10 11 12 13 14 15	they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the market. So it is in line with continuing to offer valued services to our customers. And that's the conversation we have within Puget Sound Energy. Q. In the course of that company-wide conversation, are you looking at other states? I'm thinking of New York where they're reforming the energy vision, REV process is sort of the focal point nationally of the utility of the future discussions? A. We look at all sorts of examples. Q. And in all of those, all sorts of examples, have you found other leasing appliance leasing regulated appliance leasing proposals?	2 3 4 5 6 7 8 9 10 11 12 13 14 15	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree? And you said no. And I read your answer as saying the reason why is because we've done leasing in the past. Is that the totality of your answer on why this should be done as a regulated service, because you've done it this way in the past? A. No, that is not the totality. We believe that, yes, one, we've done it for over 50 years, and it is a legitimate utility function. We believe that the customers are calling us every day and expressed interest in this valued service. And we believe that PSE is in a perfect position to offer this service being a regulated company with a business model that is
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the market. So it is in line with continuing to offer valued services to our customers. And that's the conversation we have within Puget Sound Energy. Q. In the course of that company-wide conversation, are you looking at other states? I'm thinking of New York where they're reforming the energy vision, REV process is sort of the focal point nationally of the utility of the future discussions? A. We look at all sorts of examples. Q. And in all of those, all sorts of examples, have you found other leasing appliance leasing regulated appliance leasing proposals? A. So Malcolm can testify to that more specifically	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree? And you said no. And I read your answer as saying the reason why is because we've done leasing in the past. Is that the totality of your answer on why this should be done as a regulated service, because you've done it this way in the past? A. No, that is not the totality. We believe that, yes, one, we've done it for over 50 years, and it is a legitimate utility function. We believe that the customers are calling us every day and expressed interest in this valued service. And we believe that PSE is in a perfect position to offer this service being a regulated company with a business model that is structured in a way that allows us to do that, and are
2 3 4 5 6 7 8 9 10 11 12 13 14 15	they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the market. So it is in line with continuing to offer valued services to our customers. And that's the conversation we have within Puget Sound Energy. Q. In the course of that company-wide conversation, are you looking at other states? I'm thinking of New York where they're reforming the energy vision, REV process is sort of the focal point nationally of the utility of the future discussions? A. We look at all sorts of examples. Q. And in all of those, all sorts of examples, have you found other leasing appliance leasing regulated appliance leasing proposals? A. So Malcolm can testify to that more specifically in his testimony, but we've certainly seen examples in	2 3 4 5 6 7 8 9 10 11 12 13 14 15	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree? And you said no. And I read your answer as saying the reason why is because we've done leasing in the past. Is that the totality of your answer on why this should be done as a regulated service, because you've done it this way in the past? A. No, that is not the totality. We believe that, yes, one, we've done it for over 50 years, and it is a legitimate utility function. We believe that the customers are calling us every day and expressed interest in this valued service. And we believe that PSE is in a perfect position to offer this service being a regulated company with a business model that is structured in a way that allows us to do that, and are the only ones that have proposed and offered this sort
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the market. So it is in line with continuing to offer valued services to our customers. And that's the conversation we have within Puget Sound Energy. Q. In the course of that company-wide conversation, are you looking at other states? I'm thinking of New York where they're reforming the energy vision, REV process is sort of the focal point nationally of the utility of the future discussions? A. We look at all sorts of examples. Q. And in all of those, all sorts of examples, have you found other leasing appliance leasing regulated appliance leasing proposals? A. So Malcolm can testify to that more specifically in his testimony, but we've certainly seen examples in California that are looking at and doing leasing in the	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree? And you said no. And I read your answer as saying the reason why is because we've done leasing in the past. Is that the totality of your answer on why this should be done as a regulated service, because you've done it this way in the past? A. No, that is not the totality. We believe that, yes, one, we've done it for over 50 years, and it is a legitimate utility function. We believe that the customers are calling us every day and expressed interest in this valued service. And we believe that PSE is in a perfect position to offer this service being a regulated company with a business model that is structured in a way that allows us to do that, and are the only ones that have proposed and offered this sort of service in the market today.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the market. So it is in line with continuing to offer valued services to our customers. And that's the conversation we have within Puget Sound Energy. Q. In the course of that company-wide conversation, are you looking at other states? I'm thinking of New York where they're reforming the energy vision, REV process is sort of the focal point nationally of the utility of the future discussions? A. We look at all sorts of examples. Q. And in all of those, all sorts of examples, have you found other leasing appliance leasing regulated appliance leasing proposals? A. So Malcolm can testify to that more specifically in his testimony, but we've certainly seen examples in California that are looking at and doing leasing in the regulated model. We've seen examples in Vermont that	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree? And you said no. And I read your answer as saying the reason why is because we've done leasing in the past. Is that the totality of your answer on why this should be done as a regulated service, because you've done it this way in the past? A. No, that is not the totality. We believe that, yes, one, we've done it for over 50 years, and it is a legitimate utility function. We believe that the customers are calling us every day and expressed interest in this valued service. And we believe that PSE is in a perfect position to offer this service being a regulated company with a business model that is structured in a way that allows us to do that, and are the only ones that have proposed and offered this sort of service in the market today. So we believe that customers want us to, there's
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	<ul> <li>they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the market. So it is in line with continuing to offer valued services to our customers. And that's the conversation we have within Puget Sound Energy.</li> <li>Q. In the course of that company-wide conversation, are you looking at other states? I'm thinking of New York where they're reforming the energy vision, REV process is sort of the focal point nationally of the utility of the future discussions?</li> <li>A. We look at all sorts of examples.</li> <li>Q. And in all of those, all sorts of examples, have you found other leasing appliance leasing regulated appliance leasing proposals?</li> <li>A. So Malcolm can testify to that more specifically in his testimony, but we've certainly seen examples in California that are looking at and doing leasing in the regulated model. We've seen examples in Vermont that are looking at doing leasing.</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree? And you said no. And I read your answer as saying the reason why is because we've done leasing in the past. Is that the totality of your answer on why this should be done as a regulated service, because you've done it this way in the past? A. No, that is not the totality. We believe that, yes, one, we've done it for over 50 years, and it is a legitimate utility function. We believe that the customers are calling us every day and expressed interest in this valued service. And we believe that PSE is in a perfect position to offer this service being a regulated company with a business model that is structured in a way that allows us to do that, and are the only ones that have proposed and offered this sort of service in the market today. So we believe that customers want us to, there's a gap that we can fill by doing it, and we've done it,
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the market. So it is in line with continuing to offer valued services to our customers. And that's the conversation we have within Puget Sound Energy. Q. In the course of that company-wide conversation, are you looking at other states? I'm thinking of New York where they're reforming the energy vision, REV process is sort of the focal point nationally of the utility of the future discussions? A. We look at all sorts of examples. Q. And in all of those, all sorts of examples, have you found other leasing appliance leasing regulated appliance leasing proposals? A. So Malcolm can testify to that more specifically in his testimony, but we've certainly seen examples in California that are looking at and doing leasing in the regulated model. We've seen examples in Vermont that	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree? And you said no. And I read your answer as saying the reason why is because we've done leasing in the past. Is that the totality of your answer on why this should be done as a regulated service, because you've done it this way in the past? A. No, that is not the totality. We believe that, yes, one, we've done it for over 50 years, and it is a legitimate utility function. We believe that the customers are calling us every day and expressed interest in this valued service. And we believe that PSE is in a perfect position to offer this service being a regulated company with a business model that is structured in a way that allows us to do that, and are the only ones that have proposed and offered this sort of service in the market today. So we believe that customers want us to, there's a gap that we can fill by doing it, and we've done it, and it's been legitimate for over 50 years. We're in a
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<ul> <li>they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the market. So it is in line with continuing to offer valued services to our customers. And that's the conversation we have within Puget Sound Energy.</li> <li>Q. In the course of that company-wide conversation, are you looking at other states? I'm thinking of New York where they're reforming the energy vision, REV process is sort of the focal point nationally of the utility of the future discussions?</li> <li>A. We look at all sorts of examples.</li> <li>Q. And in all of those, all sorts of examples, have you found other leasing appliance leasing regulated appliance leasing proposals?</li> <li>A. So Malcolm can testify to that more specifically in his testimony, but we've certainly seen examples in California that are looking at and doing leasing in the regulated model. We've seen examples in Vermont that are looking at doing leasing.</li> <li>Q. But there's no ones that are in existence, are</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree? And you said no. And I read your answer as saying the reason why is because we've done leasing in the past. Is that the totality of your answer on why this should be done as a regulated service, because you've done it this way in the past? A. No, that is not the totality. We believe that, yes, one, we've done it for over 50 years, and it is a legitimate utility function. We believe that the customers are calling us every day and expressed interest in this valued service. And we believe that PSE is in a perfect position to offer this service being a regulated company with a business model that is structured in a way that allows us to do that, and are the only ones that have proposed and offered this sort of service in the market today. So we believe that customers want us to, there's a gap that we can fill by doing it, and we've done it,
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>they're interested in that would provide response to a gap in the market, that PSE is perfectly positioned to offer, and that no one else is offering it today in the market. So it is in line with continuing to offer valued services to our customers. And that's the conversation we have within Puget Sound Energy.</li> <li>Q. In the course of that company-wide conversation, are you looking at other states? I'm thinking of New York where they're reforming the energy vision, REV process is sort of the focal point nationally of the utility of the future discussions?</li> <li>A. We look at all sorts of examples.</li> <li>Q. And in all of those, all sorts of examples, have you found other leasing appliance leasing regulated appliance leasing proposals?</li> <li>A. So Malcolm can testify to that more specifically in his testimony, but we've certainly seen examples in California that are looking at and doing leasing in the regulated model. We've seen examples in Vermont that are looking at doing leasing.</li> <li>Q. But there's no ones that are in existence, are there?</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GOLTZ / NORTON by your attorney (as read), Commission Staff have testified that they do not believe that this leasing proposal should be a regulated service. Do you agree? And you said no. And I read your answer as saying the reason why is because we've done leasing in the past. Is that the totality of your answer on why this should be done as a regulated service, because you've done it this way in the past? A. No, that is not the totality. We believe that, yes, one, we've done it for over 50 years, and it is a legitimate utility function. We believe that the customers are calling us every day and expressed interest in this valued service. And we believe that PSE is in a perfect position to offer this service being a regulated company with a business model that is structured in a way that allows us to do that, and are the only ones that have proposed and offered this sort of service in the market today. So we believe that customers want us to, there's a gap that we can fill by doing it, and we've done it, and it's been legitimate for over 50 years. We're in a perfect position in our business model to provide it,

	Page 155		Page 157
	GOLTZ / NORTON		GOLTZ / NORTON
1	convice. Are you coving that it's just interviewen with	1	If there is another regulated husiness
1 2		1 2	If there is another regulated business, PacifiCorp or Avista or Cascade, competing as a
2 3	A. It is another optional service that we'll	3	regulated business, there's a Commission statute that
4	provide for our customers.	4	allows or a public service law that allows for one to
5		5	sue the other or bring an action before the Commission.
5 6	Q. But as it links to your existing service or is it different from your existing service?	6	This is yet another example of how trying to
7	· ·	7	make this as a regulated service doesn't just fit and it
7 8	MS. CARSON: Objection; ambiguous. JUDGE KOPTA: Please answer to the extent		
		8	doesn't fit in the market; it's essential to the market.
9 10	that you can. THE WITNESS: It links to other services		JUDGE KOPTA: Thank you, but to the extent that you're asking for a legal distinction, I don't
		10	
11	that we have in the utility in that we provide customer	11	think that that's something that this witness should be
12	guidance and, you know, options every day. But it is	12	asked about. That's something for a brief. BY MR. GOLTZ:
13	designed to be a standalone service that only the	13 14	
14 15	customers participating in the service BY MR. GOLTZ:	14	Q. So you'd also have access to consumer information; correct?
16	Q. So in evaluating how to come up with this	16	<ul> <li>We work with our customers every day and understand their needs.</li> </ul>
17	service, you didn't evaluate whether it should be on an	17	
18	unregulated basis or not, did you?	18	Q. And so you would have access to consumer
19	A. We did not. We believe it's a legitimate	19 20	<ul><li>information in running a leasing business?</li><li>A. We have access to our customers' information.</li></ul>
20 21	utility, regulated utility service. Q. So the unregulated option was not on the	20	
	conference table?	21	Q. And that's not something that any competitors have?
22 23	A. Correct. We think it's a legitimate utility	22	A. To my knowledge, no.
23 24		23	<b>Q.</b> And you also then have a billing mechanism that
24	providing.	25	you hook onto for this as well?
20	providing.	23	
	Page 156		Page 158
1	Page 156	1	Page 158
1	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as	1	Page 158 KING / NORTON
	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as		Page 158 KING / NORTON A. That's part of the benefit of the service.
2	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated	2	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate,
2 3	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated service, is that true?	2 3	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate, complex pieces of decisions that customers need to make
2 3 4	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated service, is that true? A. There's	2 3 4	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate, complex pieces of decisions that customers need to make everyday to make a purchasing decision, and we're able
2 3 4 5	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated service, is that true? A. There's MS. CARSON: I'm going to object again to	2 3 4 5	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate, complex pieces of decisions that customers need to make everyday to make a purchasing decision, and we're able to bring it to one place.
2 3 4 5 6	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated service, is that true? A. There's MS. CARSON: I'm going to object again to this line of questioning that gets into the details of	2 3 4 5 6	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate, complex pieces of decisions that customers need to make everyday to make a purchasing decision, and we're able to bring it to one place. Q. Let me ask you one final question just to follow
2 3 4 5 6 7	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated service, is that true? A. There's MS. CARSON: I'm going to object again to this line of questioning that gets into the details of regulated versus unregulated utility service. It's	2 3 4 5 6 7	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate, complex pieces of decisions that customers need to make everyday to make a purchasing decision, and we're able to bring it to one place. Q. Let me ask you one final question just to follow up on Mr. Casey about the rates, and you've offered to
2 3 4 5 6 7 8	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated service, is that true? A. There's MS. CARSON: I'm going to object again to this line of questioning that gets into the details of regulated versus unregulated utility service. It's beyond the scope of the intervention of these entities	2 3 4 5 6 7 8	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate, complex pieces of decisions that customers need to make everyday to make a purchasing decision, and we're able to bring it to one place. Q. Let me ask you one final question just to follow up on Mr. Casey about the rates, and you've offered to refresh the rates in some 60-day period. And, but your
2 3 5 6 7 8 9	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated service, is that true? A. There's MS. CARSON: I'm going to object again to this line of questioning that gets into the details of regulated versus unregulated utility service. It's beyond the scope of the intervention of these entities that Mr. Goltz and Mr. King are representing as set	2 3 4 5 6 7 8 9	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate, complex pieces of decisions that customers need to make everyday to make a purchasing decision, and we're able to bring it to one place. Q. Let me ask you one final question just to follow up on Mr. Casey about the rates, and you've offered to refresh the rates in some 60-day period. And, but your testimony is, and it's the Company's position, that the
2 3 4 5 6 7 8 9	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated service, is that true? A. There's MS. CARSON: I'm going to object again to this line of questioning that gets into the details of regulated versus unregulated utility service. It's beyond the scope of the intervention of these entities that Mr. Goltz and Mr. King are representing as set forth in the Prehearing Conference Order.	2 3 4 5 6 7 8 9 10	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate, complex pieces of decisions that customers need to make everyday to make a purchasing decision, and we're able to bring it to one place. Q. Let me ask you one final question just to follow up on Mr. Casey about the rates, and you've offered to refresh the rates in some 60-day period. And, but your testimony is, and it's the Company's position, that the rates as contained in the tariff meet the statutory
2 3 4 5 6 7 8 9 10 11	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated service, is that true? A. There's MS. CARSON: I'm going to object again to this line of questioning that gets into the details of regulated versus unregulated utility service. It's beyond the scope of the intervention of these entities that Mr. Goltz and Mr. King are representing as set forth in the Prehearing Conference Order. MR. GOLTZ: It's absolutely essential to	2 3 4 5 6 7 8 9 10 11	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate, complex pieces of decisions that customers need to make everyday to make a purchasing decision, and we're able to bring it to one place. Q. Let me ask you one final question just to follow up on Mr. Casey about the rates, and you've offered to refresh the rates in some 60-day period. And, but your testimony is, and it's the Company's position, that the rates as contained in the tariff meet the statutory standard of being fair, just, reasonable, and
2 3 4 5 6 7 8 9 10 11 12	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated service, is that true? A. There's MS. CARSON: I'm going to object again to this line of questioning that gets into the details of regulated versus unregulated utility service. It's beyond the scope of the intervention of these entities that Mr. Goltz and Mr. King are representing as set forth in the Prehearing Conference Order. MR. GOLTZ: It's absolutely essential to this issue of the market. One of the issues is one	2 3 4 5 6 7 8 9 10 11 12	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate, complex pieces of decisions that customers need to make everyday to make a purchasing decision, and we're able to bring it to one place. Q. Let me ask you one final question just to follow up on Mr. Casey about the rates, and you've offered to refresh the rates in some 60-day period. And, but your testimony is, and it's the Company's position, that the rates as contained in the tariff meet the statutory standard of being fair, just, reasonable, and sufficient?
2 3 4 5 6 7 8 9 10 11 12 13	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated service, is that true? A. There's MS. CARSON: I'm going to object again to this line of questioning that gets into the details of regulated versus unregulated utility service. It's beyond the scope of the intervention of these entities that Mr. Goltz and Mr. King are representing as set forth in the Prehearing Conference Order. MR. GOLTZ: It's absolutely essential to this issue of the market. One of the issues is one of the advantages is of running this as a regulated	2 3 4 5 6 7 8 9 10 11 12 13	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate, complex pieces of decisions that customers need to make everyday to make a purchasing decision, and we're able to bring it to one place. Q. Let me ask you one final question just to follow up on Mr. Casey about the rates, and you've offered to refresh the rates in some 60-day period. And, but your testimony is, and it's the Company's position, that the rates as contained in the tariff meet the statutory standard of being fair, just, reasonable, and sufficient? A. Yes, they do.
2 3 4 5 6 7 8 9 10 11 12 13 14	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated service, is that true? A. There's MS. CARSON: I'm going to object again to this line of questioning that gets into the details of regulated versus unregulated utility service. It's beyond the scope of the intervention of these entities that Mr. Goltz and Mr. King are representing as set forth in the Prehearing Conference Order. MR. GOLTZ: It's absolutely essential to this issue of the market. One of the issues is one of the advantages is of running this as a regulated service is Puget would have an exemption from the	2 3 4 5 6 7 8 9 10 11 12 13 14	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate, complex pieces of decisions that customers need to make everyday to make a purchasing decision, and we're able to bring it to one place. Q. Let me ask you one final question just to follow up on Mr. Casey about the rates, and you've offered to refresh the rates in some 60-day period. And, but your testimony is, and it's the Company's position, that the rates as contained in the tariff meet the statutory standard of being fair, just, reasonable, and sufficient? A. Yes, they do. MR. GOLTZ: Okay, thank you.
2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated service, is that true? A. There's MS. CARSON: I'm going to object again to this line of questioning that gets into the details of regulated versus unregulated utility service. It's beyond the scope of the intervention of these entities that Mr. Goltz and Mr. King are representing as set forth in the Prehearing Conference Order. MR. GOLTZ: It's absolutely essential to this issue of the market. One of the issues is one of the advantages is of running this as a regulated service is Puget would have an exemption from the Consumer Protection Act. All the SMACNA members, all of	2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate, complex pieces of decisions that customers need to make everyday to make a purchasing decision, and we're able to bring it to one place. Q. Let me ask you one final question just to follow up on Mr. Casey about the rates, and you've offered to refresh the rates in some 60-day period. And, but your testimony is, and it's the Company's position, that the rates as contained in the tariff meet the statutory standard of being fair, just, reasonable, and sufficient? A. Yes, they do. MR. GOLTZ: Okay, thank you. JUDGE KOPTA: That concludes your cross,
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated service, is that true? A. There's MS. CARSON: I'm going to object again to this line of questioning that gets into the details of regulated versus unregulated utility service. It's beyond the scope of the intervention of these entities that Mr. Goltz and Mr. King are representing as set forth in the Prehearing Conference Order. MR. GOLTZ: It's absolutely essential to this issue of the market. One of the issues is one of the advantages is of running this as a regulated service is Puget would have an exemption from the Consumer Protection Act. All the SMACNA members, all of Mr. King's clients, all the people out there in the	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate, complex pieces of decisions that customers need to make everyday to make a purchasing decision, and we're able to bring it to one place. Q. Let me ask you one final question just to follow up on Mr. Casey about the rates, and you've offered to refresh the rates in some 60-day period. And, but your testimony is, and it's the Company's position, that the rates as contained in the tariff meet the statutory standard of being fair, just, reasonable, and sufficient? A. Yes, they do. MR. GOLTZ: Okay, thank you. JUDGE KOPTA: That concludes your cross, Mr. Goltz?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated service, is that true? A. There's MS. CARSON: I'm going to object again to this line of questioning that gets into the details of regulated versus unregulated utility service. It's beyond the scope of the intervention of these entities that Mr. Goltz and Mr. King are representing as set forth in the Prehearing Conference Order. MR. GOLTZ: It's absolutely essential to this issue of the market. One of the issues is one of the advantages is of running this as a regulated service is Puget would have an exemption from the Consumer Protection Act. All the SMACNA members, all of Mr. King's clients, all the people out there in the market are not exempt from the Consumer Protection Act,	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate, complex pieces of decisions that customers need to make everyday to make a purchasing decision, and we're able to bring it to one place. Q. Let me ask you one final question just to follow up on Mr. Casey about the rates, and you've offered to refresh the rates in some 60-day period. And, but your testimony is, and it's the Company's position, that the rates as contained in the tariff meet the statutory standard of being fair, just, reasonable, and sufficient? A. Yes, they do. MR. GOLTZ: Okay, thank you. JUDGE KOPTA: That concludes your cross, Mr. Goltz? MR. GOLTZ: Yes.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated service, is that true? A. There's MS. CARSON: I'm going to object again to this line of questioning that gets into the details of regulated versus unregulated utility service. It's beyond the scope of the intervention of these entities that Mr. Goltz and Mr. King are representing as set forth in the Prehearing Conference Order. MR. GOLTZ: It's absolutely essential to this issue of the market. One of the issues is one of the advantages is of running this as a regulated service is Puget would have an exemption from the Consumer Protection Act. All the SMACNA members, all of Mr. King's clients, all the people out there in the market are not exempt from the Consumer Protection Act, so they have a different set of circumstances.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate, complex pieces of decisions that customers need to make everyday to make a purchasing decision, and we're able to bring it to one place. Q. Let me ask you one final question just to follow up on Mr. Casey about the rates, and you've offered to refresh the rates in some 60-day period. And, but your testimony is, and it's the Company's position, that the rates as contained in the tariff meet the statutory standard of being fair, just, reasonable, and sufficient? A. Yes, they do. MR. GOLTZ: Okay, thank you. JUDGE KOPTA: That concludes your cross, Mr. Goltz? MR. GOLTZ: Yes. JUDGE KOPTA: Mr. King, did you have any
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated service, is that true? A. There's MS. CARSON: I'm going to object again to this line of questioning that gets into the details of regulated versus unregulated utility service. It's beyond the scope of the intervention of these entities that Mr. Goltz and Mr. King are representing as set forth in the Prehearing Conference Order. MR. GOLTZ: It's absolutely essential to this issue of the market. One of the issues is one of the advantages is of running this as a regulated service is Puget would have an exemption from the Consumer Protection Act. All the SMACNA members, all of Mr. King's clients, all the people out there in the market are not exempt from the Consumer Protection Act, so they have a different set of circumstances. Because PSE is exempt, if there was an anticompetitive action taken by PSE in this market, an unregulated contractor could not bring an action under	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate, complex pieces of decisions that customers need to make everyday to make a purchasing decision, and we're able to bring it to one place. Q. Let me ask you one final question just to follow up on Mr. Casey about the rates, and you've offered to refresh the rates in some 60-day period. And, but your testimony is, and it's the Company's position, that the rates as contained in the tariff meet the statutory standard of being fair, just, reasonable, and sufficient? A. Yes, they do. MR. GOLTZ: Okay, thank you. JUDGE KOPTA: That concludes your cross, Mr. Goltz? MR. GOLTZ: Yes. JUDGE KOPTA: Mr. King, did you have any questions for Ms. Norton?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated service, is that true? A. There's MS. CARSON: I'm going to object again to this line of questioning that gets into the details of regulated versus unregulated utility service. It's beyond the scope of the intervention of these entities that Mr. Goltz and Mr. King are representing as set forth in the Prehearing Conference Order. MR. GOLTZ: It's absolutely essential to this issue of the market. One of the issues is one of the advantages is of running this as a regulated service is Puget would have an exemption from the Consumer Protection Act. All the SMACNA members, all of Mr. King's clients, all the people out there in the market are not exempt from the Consumer Protection Act, so they have a different set of circumstances. Because PSE is exempt, if there was an anticompetitive action taken by PSE in this market, an unregulated contractor could not bring an action under the Consumer Protection Act against PSE. If there's an	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate, complex pieces of decisions that customers need to make everyday to make a purchasing decision, and we're able to bring it to one place. Q. Let me ask you one final question just to follow up on Mr. Casey about the rates, and you've offered to refresh the rates in some 60-day period. And, but your testimony is, and it's the Company's position, that the rates as contained in the tariff meet the statutory standard of being fair, just, reasonable, and sufficient? A. Yes, they do. MR. GOLTZ: Okay, thank you. JUDGE KOPTA: That concludes your cross, Mr. Goltz? MR. GOLTZ: Yes. JUDGE KOPTA: Mr. King, did you have any questions for Ms. Norton?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated service, is that true? A. There's MS. CARSON: I'm going to object again to this line of questioning that gets into the details of regulated versus unregulated utility service. It's beyond the scope of the intervention of these entities that Mr. Goltz and Mr. King are representing as set forth in the Prehearing Conference Order. MR. GOLTZ: It's absolutely essential to this issue of the market. One of the issues is one of the advantages is of running this as a regulated service is Puget would have an exemption from the Consumer Protection Act. All the SMACNA members, all of Mr. King's clients, all the people out there in the market are not exempt from the Consumer Protection Act, so they have a different set of circumstances. Because PSE is exempt, if there was an anticompetitive action taken by PSE in this market, an unregulated contractor could not bring an action under the Consumer Protection Act against PSE. If there's an anti-competitive action taken by a SMACNA member or	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate, complex pieces of decisions that customers need to make everyday to make a purchasing decision, and we're able to bring it to one place. Q. Let me ask you one final question just to follow up on Mr. Casey about the rates, and you've offered to refresh the rates in some 60-day period. And, but your testimony is, and it's the Company's position, that the rates as contained in the tariff meet the statutory standard of being fair, just, reasonable, and sufficient? A. Yes, they do. MR. GOLTZ: Okay, thank you. JUDGE KOPTA: That concludes your cross, Mr. Goltz? MR. GOLTZ: Yes. JUDGE KOPTA: Mr. King, did you have any questions for Ms. Norton? MR. KING: We do.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	Page 156 GOLTZ / NORTON Q. Okay. But there's some advantages to you as running as a regulated service as opposed to unregulated service, is that true? A. There's MS. CARSON: I'm going to object again to this line of questioning that gets into the details of regulated versus unregulated utility service. It's beyond the scope of the intervention of these entities that Mr. Goltz and Mr. King are representing as set forth in the Prehearing Conference Order. MR. GOLTZ: It's absolutely essential to this issue of the market. One of the issues is one of the advantages is of running this as a regulated service is Puget would have an exemption from the Consumer Protection Act. All the SMACNA members, all of Mr. King's clients, all the people out there in the market are not exempt from the Consumer Protection Act, so they have a different set of circumstances. Because PSE is exempt, if there was an anticompetitive action taken by PSE in this market, an unregulated contractor could not bring an action under the Consumer Protection Act against PSE. If there's an anti-competitive action taken by a SMACNA member or	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 158 KING / NORTON A. That's part of the benefit of the service. We're able to bring all these distinct, disparate, complex pieces of decisions that customers need to make everyday to make a purchasing decision, and we're able to bring it to one place. Q. Let me ask you one final question just to follow up on Mr. Casey about the rates, and you've offered to refresh the rates in some 60-day period. And, but your testimony is, and it's the Company's position, that the rates as contained in the tariff meet the statutory standard of being fair, just, reasonable, and sufficient? A. Yes, they do. MR. GOLTZ: Okay, thank you. JUDGE KOPTA: That concludes your cross, Mr. Goltz? MR. GOLTZ: Yes. JUDGE KOPTA: Mr. King, did you have any questions for Ms. Norton? MR. KING: We do. CROSS-EXAMINATION

	Page 159		Page 161
	KING / NORTON		KING / NORTON
1	Can you tell us who authored these charts?	1	exhibit.
1 2	A. So the survey was fielded by	2	Q. Would you say that NEEA would stand behind these
3	Q. No, no, not who did the survey, who authored	3	charts, then; they do not appear in any other NEEA
4	these particular charts?	4	report or study?
5	A. The charts are a summary of the	5	A. In that it's my understanding they were involved
6	Q. Not what is it. Who authored were these	6	in helping Rebecca compile them, I would only surmise
7	charts authored by PSE Energy?	7	they would be willing to stand behind them.
8	MS. CARSON: Objection; argumentative.	8	Q. Did NEEA come to the same conclusions that PSE
9	JUDGE KOPTA: I agree. Mr. King, let her	9	has come about the market gap of 40 percent?
10	answer the question. If you have a different question	10	A. I'm not familiar with all of NEEA's studies to
11	that you have in mind, then please don't interrupt her	11	suggest that they stated that or not.
12	while she's speaking. You can ask after she's finished.	12	Q. Looking at the charts, to clarify a little bit,
13	But I will caution you, Ms. Norton, to answer the	13	since this was data accumulated in 2011/2012, that's the
14	question, and answer the question as asked.	14	starting point in looking back at how old equipment is.
15	THE WITNESS: The charts were summarized by	15	In your shaded areas on the charts you classified
16	a Puget Sound Energy employee that in working with	16	everything ten years or older at the time of the
17	NEEA's data. Being a member of data, we have access to	17	assessment as past useful life; correct?
18	the results of the NEEA survey conducted in 2011.	18	A. Can you repeat your question, please?
19	The charts you see in my exhibit were	19	Q. Given the shaded areas in the charts
20	summarized by a PSE employee that serves on multiple	20	A. Yes.
21	committees within the NEEA organization.	21	Q. And that this is from 2011, we don't have the
22	BY MR. KING:	22	last five years, it's 2011 data, you classified
23	Q. So it was a Puget Sound employee that authored	23	everything ten years older as past useful life?
24	these charts?	24	A. No, I believe, I believe it was through the year
25	MS CARSON: Objection: misstates facts in	25	
	MS. CARSON: Objection; misstates facts in	25	1996 to 2000 was the last years.
	Page 160	25	Page 162
		25	-
	Page 160 KING / NORTON		Page 162 KING / NORTON
1	Page 160 KING / NORTON evidence.	1	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or
1 2	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your	1 2	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was
1 2 3	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question.	1 2 3	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life?
1 2 3 4	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question. BY MR. KING:	1 2 3 4	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life? A. Anything from 2000 and younger as shaded in my
1 2 3	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question. BY MR. KING: Q. We'll proceed to the next question.	1 2 3	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life? A. Anything from 2000 and younger as shaded in my exhibit was used or in an earlier year than 2000 was
1 2 3 4 5	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question. BY MR. KING: Q. We'll proceed to the next question. Did the author use the entirety of the	1 2 3 4 5	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life? A. Anything from 2000 and younger as shaded in my exhibit was used or in an earlier year than 2000 was included in my exhibit, correct.
1 2 3 4 5 6	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question. BY MR. KING: Q. We'll proceed to the next question.	1 2 3 4 5 6	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life? A. Anything from 2000 and younger as shaded in my exhibit was used or in an earlier year than 2000 was included in my exhibit, correct. Q. As past useful life. So anything more than 10
1 2 3 4 5 6 7	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question. BY MR. KING: Q. We'll proceed to the next question. Did the author use the entirety of the Residential Buildings Stock Assessment data, the portion	1 2 3 4 5 6 7	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life? A. Anything from 2000 and younger as shaded in my exhibit was used or in an earlier year than 2000 was included in my exhibit, correct.
1 2 3 4 5 6 7 8	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question. BY MR. KING: Q. We'll proceed to the next question. Did the author use the entirety of the Residential Buildings Stock Assessment data, the portion that came from the Puget Sound service territory or some	1 2 3 4 5 6 7 8	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life? A. Anything from 2000 and younger as shaded in my exhibit was used or in an earlier year than 2000 was included in my exhibit, correct. Q. As past useful life. So anything more than 10 or 11 years old is considered past useful life in your
1 2 3 4 5 6 7 8 9	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question. BY MR. KING: Q. We'll proceed to the next question. Did the author use the entirety of the Residential Buildings Stock Assessment data, the portion that came from the Puget Sound service territory or some other subset of data selected by the author?	1 2 3 4 5 6 7 8 9	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life? A. Anything from 2000 and younger as shaded in my exhibit was used or in an earlier year than 2000 was included in my exhibit, correct. Q. As past useful life. So anything more than 10 or 11 years old is considered past useful life in your exhibit?
1 2 3 4 5 6 7 8 9 10	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question. BY MR. KING: Q. We'll proceed to the next question. Did the author use the entirety of the Residential Buildings Stock Assessment data, the portion that came from the Puget Sound service territory or some other subset of data selected by the author? A. It's my understanding that the author used the	1 2 3 4 5 6 7 8 9 10	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life? A. Anything from 2000 and younger as shaded in my exhibit was used or in an earlier year than 2000 was included in my exhibit, correct. Q. As past useful life. So anything more than 10 or 11 years old is considered past useful life in your exhibit? A. Anything older than the year 2000, correct.
1 2 3 4 5 6 7 8 9 10 11	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question. BY MR. KING: Q. We'll proceed to the next question. Did the author use the entirety of the Residential Buildings Stock Assessment data, the portion that came from the Puget Sound service territory or some other subset of data selected by the author? A. It's my understanding that the author used the specific region in which Puget Sound Energy serves.	1 2 3 4 5 6 7 8 9 10 11	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life? A. Anything from 2000 and younger as shaded in my exhibit was used or in an earlier year than 2000 was included in my exhibit, correct. Q. As past useful life. So anything more than 10 or 11 years old is considered past useful life in your exhibit? A. Anything older than the year 2000, correct. Q. So if anything, I'll give you the benefit of the
1 2 3 4 5 6 7 8 9 10 11 12	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question. BY MR. KING: Q. We'll proceed to the next question. Did the author use the entirety of the Residential Buildings Stock Assessment data, the portion that came from the Puget Sound service territory or some other subset of data selected by the author? A. It's my understanding that the author used the specific region in which Puget Sound Energy serves. Q. So it's the region, but not the Puget Sound Energy service territory itself? A. I'm not completely clear if there was any	1 2 3 4 5 6 7 8 9 10 11 12	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life? A. Anything from 2000 and younger as shaded in my exhibit was used or in an earlier year than 2000 was included in my exhibit, correct. Q. As past useful life. So anything more than 10 or 11 years old is considered past useful life in your exhibit? A. Anything older than the year 2000, correct. Q. So if anything, I'll give you the benefit of the doubt saying only 11 years old is past useful life, all
1 2 3 4 5 6 7 8 9 10 11 12 13	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question. BY MR. KING: Q. We'll proceed to the next question. Did the author use the entirety of the Residential Buildings Stock Assessment data, the portion that came from the Puget Sound service territory or some other subset of data selected by the author? A. It's my understanding that the author used the specific region in which Puget Sound Energy serves. Q. So it's the region, but not the Puget Sound Energy service territory itself?	1 2 3 4 5 6 7 8 9 10 11 12 13	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life? A. Anything from 2000 and younger as shaded in my exhibit was used or in an earlier year than 2000 was included in my exhibit, correct. Q. As past useful life. So anything more than 10 or 11 years old is considered past useful life in your exhibit? A. Anything older than the year 2000, correct. Q. So if anything, I'll give you the benefit of the doubt saying only 11 years old is past useful life, all these categories of appliances, how does PSE justify offering leased links of up to 18 years for appliances that you classify as being past useful life after ten?
1 2 3 4 5 6 7 8 9 10 11 12 13 14	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question. BY MR. KING: Q. We'll proceed to the next question. Did the author use the entirety of the Residential Buildings Stock Assessment data, the portion that came from the Puget Sound service territory or some other subset of data selected by the author? A. It's my understanding that the author used the specific region in which Puget Sound Energy serves. Q. So it's the region, but not the Puget Sound Energy service territory itself? A. I'm not completely clear if there was any portion that was outside or inside. I might defer that question to Mr. McCulloch.	1 2 3 4 5 6 7 8 9 10 11 12 13 14	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life? A. Anything from 2000 and younger as shaded in my exhibit was used or in an earlier year than 2000 was included in my exhibit, correct. Q. As past useful life. So anything more than 10 or 11 years old is considered past useful life in your exhibit? A. Anything older than the year 2000, correct. Q. So if anything, I'll give you the benefit of the doubt saying only 11 years old is past useful life, all these categories of appliances, how does PSE justify offering leased links of up to 18 years for appliances that you classify as being past useful life after ten? A. So useful life can you restate your question?
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question. BY MR. KING: Q. We'll proceed to the next question. Did the author use the entirety of the Residential Buildings Stock Assessment data, the portion that came from the Puget Sound service territory or some other subset of data selected by the author? A. It's my understanding that the author used the specific region in which Puget Sound Energy serves. Q. So it's the region, but not the Puget Sound Energy service territory itself? A. I'm not completely clear if there was any portion that was outside or inside. I might defer that question to Mr. McCulloch. Q. Was the charts or the data selection vetted,	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life? A. Anything from 2000 and younger as shaded in my exhibit was used or in an earlier year than 2000 was included in my exhibit, correct. Q. As past useful life. So anything more than 10 or 11 years old is considered past useful life in your exhibit? A. Anything older than the year 2000, correct. Q. So if anything, I'll give you the benefit of the doubt saying only 11 years old is past useful life, all these categories of appliances, how does PSE justify offering leased links of up to 18 years for appliances that you classify as being past useful life after ten? A. So useful life can you restate your question? Q. I said, if you define anything more than 10 or
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question. BY MR. KING: Q. We'll proceed to the next question. Did the author use the entirety of the Residential Buildings Stock Assessment data, the portion that came from the Puget Sound service territory or some other subset of data selected by the author? A. It's my understanding that the author used the specific region in which Puget Sound Energy serves. Q. So it's the region, but not the Puget Sound Energy service territory itself? A. I'm not completely clear if there was any portion that was outside or inside. I might defer that question to Mr. McCulloch. Q. Was the charts or the data selection vetted, okayed, whatever word you want to choose, by the	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life? A. Anything from 2000 and younger as shaded in my exhibit was used or in an earlier year than 2000 was included in my exhibit, correct. Q. As past useful life. So anything more than 10 or 11 years old is considered past useful life in your exhibit? A. Anything older than the year 2000, correct. Q. So if anything, I'll give you the benefit of the doubt saying only 11 years old is past useful life, all these categories of appliances, how does PSE justify offering leased links of up to 18 years for appliances that you classify as being past useful life after ten? A. So useful life can you restate your question? Q. I said, if you define anything more than 10 or 11 years old as past useful life, how do you justify
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question. BY MR. KING: Q. We'll proceed to the next question. Did the author use the entirety of the Residential Buildings Stock Assessment data, the portion that came from the Puget Sound service territory or some other subset of data selected by the author? A. It's my understanding that the author used the specific region in which Puget Sound Energy serves. Q. So it's the region, but not the Puget Sound Energy service territory itself? A. I'm not completely clear if there was any portion that was outside or inside. I might defer that question to Mr. McCulloch. Q. Was the charts or the data selection vetted, okayed, whatever word you want to choose, by the Northwest Energy Efficiency Alliance, or was this all	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life? A. Anything from 2000 and younger as shaded in my exhibit was used or in an earlier year than 2000 was included in my exhibit, correct. Q. As past useful life. So anything more than 10 or 11 years old is considered past useful life in your exhibit? A. Anything older than the year 2000, correct. Q. So if anything, I'll give you the benefit of the doubt saying only 11 years old is past useful life, all these categories of appliances, how does PSE justify offering leased links of up to 18 years for appliances that you classify as being past useful life after ten? A. So useful life can you restate your question? Q. I said, if you define anything more than 10 or 11 years old as past useful life, how do you justify offering lease links of up 17 to 18 years of so many
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question. BY MR. KING: Q. We'll proceed to the next question. Did the author use the entirety of the Residential Buildings Stock Assessment data, the portion that came from the Puget Sound service territory or some other subset of data selected by the author? A. It's my understanding that the author used the specific region in which Puget Sound Energy serves. Q. So it's the region, but not the Puget Sound Energy service territory itself? A. I'm not completely clear if there was any portion that was outside or inside. I might defer that question to Mr. McCulloch. Q. Was the charts or the data selection vetted, okayed, whatever word you want to choose, by the Northwest Energy Efficiency Alliance, or was this all data chosen, chart produced and used by Puget Sound	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life? A. Anything from 2000 and younger as shaded in my exhibit was used or in an earlier year than 2000 was included in my exhibit, correct. Q. As past useful life. So anything more than 10 or 11 years old is considered past useful life in your exhibit? A. Anything older than the year 2000, correct. Q. So if anything, I'll give you the benefit of the doubt saying only 11 years old is past useful life, all these categories of appliances, how does PSE justify offering leased links of up to 18 years for appliances that you classify as being past useful life after ten? A. So useful life can you restate your question? Q. I said, if you define anything more than 10 or 11 years old as past useful life, how do you justify offering lease links of up 17 to 18 years of so many appliances that only have, by from your definition,
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question. BY MR. KING: Q. We'll proceed to the next question. Did the author use the entirety of the Residential Buildings Stock Assessment data, the portion that came from the Puget Sound service territory or some other subset of data selected by the author? A. It's my understanding that the author used the specific region in which Puget Sound Energy serves. Q. So it's the region, but not the Puget Sound Energy service territory itself? A. I'm not completely clear if there was any portion that was outside or inside. I might defer that question to Mr. McCulloch. Q. Was the charts or the data selection vetted, okayed, whatever word you want to choose, by the Northwest Energy Efficiency Alliance, or was this all data chosen, chart produced and used by Puget Sound Energy without vetting or approval from any other	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life? A. Anything from 2000 and younger as shaded in my exhibit was used or in an earlier year than 2000 was included in my exhibit, correct. Q. As past useful life. So anything more than 10 or 11 years old is considered past useful life in your exhibit? A. Anything older than the year 2000, correct. Q. So if anything, I'll give you the benefit of the doubt saying only 11 years old is past useful life, all these categories of appliances, how does PSE justify offering leased links of up to 18 years for appliances that you classify as being past useful life after ten? A. So useful life can you restate your question? Q. I said, if you define anything more than 10 or 11 years old as past useful life, how do you justify offering lease links of up 17 to 18 years of so many appliances that only have, by from your definition, useful life of 10 to 11 years?
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question. BY MR. KING: Q. We'll proceed to the next question. Did the author use the entirety of the Residential Buildings Stock Assessment data, the portion that came from the Puget Sound service territory or some other subset of data selected by the author? A. It's my understanding that the author used the specific region in which Puget Sound Energy serves. Q. So it's the region, but not the Puget Sound Energy service territory itself? A. I'm not completely clear if there was any portion that was outside or inside. I might defer that question to Mr. McCulloch. Q. Was the charts or the data selection vetted, okayed, whatever word you want to choose, by the Northwest Energy Efficiency Alliance, or was this all data chosen, chart produced and used by Puget Sound Energy without vetting or approval from any other authority?	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life? A. Anything from 2000 and younger as shaded in my exhibit was used or in an earlier year than 2000 was included in my exhibit, correct. Q. As past useful life. So anything more than 10 or 11 years old is considered past useful life in your exhibit? A. Anything older than the year 2000, correct. Q. So if anything, I'll give you the benefit of the doubt saying only 11 years old is past useful life, all these categories of appliances, how does PSE justify offering leased links of up to 18 years for appliances that you classify as being past useful life after ten? A. So useful life can you restate your question? Q. I said, if you define anything more than 10 or 11 years old as past useful life, how do you justify offering lease links of up 17 to 18 years of so many appliances that only have, by from your definition, useful life of 10 to 11 years? A. As I mentioned, the definition of "useful life"
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question. BY MR. KING: Q. We'll proceed to the next question. Did the author use the entirety of the Residential Buildings Stock Assessment data, the portion that came from the Puget Sound service territory or some other subset of data selected by the author? A. It's my understanding that the author used the specific region in which Puget Sound Energy serves. Q. So it's the region, but not the Puget Sound Energy service territory itself? A. I'm not completely clear if there was any portion that was outside or inside. I might defer that question to Mr. McCulloch. Q. Was the charts or the data selection vetted, okayed, whatever word you want to choose, by the Northwest Energy Efficiency Alliance, or was this all data chosen, chart produced and used by Puget Sound Energy without vetting or approval from any other authority? A. It's my understanding that Rebecca worked in	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life? A. Anything from 2000 and younger as shaded in my exhibit was used or in an earlier year than 2000 was included in my exhibit, correct. Q. As past useful life. So anything more than 10 or 11 years old is considered past useful life in your exhibit? A. Anything older than the year 2000, correct. Q. So if anything, I'll give you the benefit of the doubt saying only 11 years old is past useful life, all these categories of appliances, how does PSE justify offering leased links of up to 18 years for appliances that you classify as being past useful life after ten? A. So useful life can you restate your question? Q. I said, if you define anything more than 10 or 11 years old as past useful life, how do you justify offering lease links of up 17 to 18 years of so many appliances that only have, by from your definition, useful life of 10 to 11 years? A. As I mentioned, the definition of "useful life" is an average that was applied across all of this
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 160 KING / NORTON evidence. JUDGE KOPTA: I believe she's answered your question. BY MR. KING: Q. We'll proceed to the next question. Did the author use the entirety of the Residential Buildings Stock Assessment data, the portion that came from the Puget Sound service territory or some other subset of data selected by the author? A. It's my understanding that the author used the specific region in which Puget Sound Energy serves. Q. So it's the region, but not the Puget Sound Energy service territory itself? A. I'm not completely clear if there was any portion that was outside or inside. I might defer that question to Mr. McCulloch. Q. Was the charts or the data selection vetted, okayed, whatever word you want to choose, by the Northwest Energy Efficiency Alliance, or was this all data chosen, chart produced and used by Puget Sound Energy without vetting or approval from any other authority?	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 162 KING / NORTON Q. So anything from 2000 back, which would be 10 or 11 roughly years older than when the assessment was included, is beyond useful life? A. Anything from 2000 and younger as shaded in my exhibit was used or in an earlier year than 2000 was included in my exhibit, correct. Q. As past useful life. So anything more than 10 or 11 years old is considered past useful life in your exhibit? A. Anything older than the year 2000, correct. Q. So if anything, I'll give you the benefit of the doubt saying only 11 years old is past useful life, all these categories of appliances, how does PSE justify offering leased links of up to 18 years for appliances that you classify as being past useful life after ten? A. So useful life can you restate your question? Q. I said, if you define anything more than 10 or 11 years old as past useful life, how do you justify offering lease links of up 17 to 18 years of so many appliances that only have, by from your definition, useful life of 10 to 11 years? A. As I mentioned, the definition of "useful life"

	Page 163		Page 165
	KING / NORTON		NORTON
1	stated that 40 percent is beyond useful life. In our	1	JUDGE KOPTA: Thank you, Mr. King.
2	Q. I'm sorry, but from this chart, to get to 40	2	Questions from the bench? Mr. Jones?
3	percent, it's everything more than 10 or 11 years old,	3	COMMISSIONER JONES: I'll start, Your Honor.
4	not 15; correct?	4	Welcome, Ms. Norton.
5	MS. CARSON: Objection; asked and answered	5	THE WITNESS: Thank you.
6	by this witness and several other witnesses.	6	COMMISSIONER JONES: I have a few questions
7	JUDGE KOPTA: I agree. Mr. King, I	7	on your testimony related to this utility of the future
8	understand your point, but	8	assertion. So do you have your testimony in front of
9	MR. KING: Thank you.	9	you?
10	BY MR. KING:	10	THE WITNESS: I do.
11	Q. Now we can turn our attention to our exhibit.	11	COMMISSIONER JONES: If you turn to Page 5,
12	Retinopathy is not a good thing.	12	please.
13	JUDGE KOPTA: So your cross-exhibit is	13	First of all, Mr. Goltz asked you what your
14	LYN-9?	14	responsibilities are in the Company, so before we get to
15	MR. KING: 9, yes.	15	substantive questioning, what sorts of utility of the
16	BY MR. KING:	16	future new lines of business are you responsible for at
17	Q. As part of the development of this case, PSE	17	PSE?
18	arranged to hire consultant firm Keystone Strategy to	18	THE WITNESS: I'm responsible for our
19	find consultants within the HVAC industry to support	19	compressed natural gas business where we're working with
20	your case?	20	customers to use natural gas in transportation, both
21	A. That is correct.	21	through facilities that are available today, as well as
22	Q. And in looking at your witness list, you did not	22	building refueling facilities for their on their behalf.
23	succeed in finding anybody?	23	I'm also responsible for our street and area
24	MS. CARSON: Objection; calls for	24	lighting business where we're working with customers
25	speculation, facts not in evidence.	25	very closely to move those install new street lights,
25	speculation, facts not in evidence. Page 164	25	very closely to move those install new street lights, Page 166
25	-	25	
25	Page 164 KING / NORTON	25	Page 166
1	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the	25	Page 166 NORTON as well as convert the existing street lights over to
	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry		Page 166 NORTON as well as convert the existing street lights over to LEDs.
1	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the	1	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and
1	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by	1 2	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the
1 2 3	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by JUDGE KOPTA: Well, I'm not sure that you	1 2 3	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the Commission recently on providing broader payment
1 2 3 4 5 6	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by JUDGE KOPTA: Well, I'm not sure that you need her to confirm that.	1 2 3 4	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the Commission recently on providing broader payment alternatives to our customers, and that's a newer filing
1 2 3 4 5 6 7	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by JUDGE KOPTA: Well, I'm not sure that you need her to confirm that. MR. KING: Okay.	1 2 3 4 5 6 7	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the Commission recently on providing broader payment alternatives to our customers, and that's a newer filing that you recently have heard about.
1 2 3 4 5 6 7 8	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by JUDGE KOPTA: Well, I'm not sure that you need her to confirm that. MR. KING: Okay. MS. CARSON: And we do have an industry	1 2 3 4 5 6 7 8	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the Commission recently on providing broader payment alternatives to our customers, and that's a newer filing that you recently have heard about. COMMISSIONER JONES: What about on the
1 2 3 4 5 6 7 8 9	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by JUDGE KOPTA: Well, I'm not sure that you need her to confirm that. MR. KING: Okay. MS. CARSON: And we do have an industry expert testifying.	1 2 3 4 5 6 7 8 9	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the Commission recently on providing broader payment alternatives to our customers, and that's a newer filing that you recently have heard about. COMMISSIONER JONES: What about on the electric side? I think we have seen you at a few
1 2 3 4 5 6 7 8	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by JUDGE KOPTA: Well, I'm not sure that you need her to confirm that. MR. KING: Okay. MS. CARSON: And we do have an industry expert testifying. MR. KING: They're a member of the	1 2 3 4 5 6 7 8 9 10	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the Commission recently on providing broader payment alternatives to our customers, and that's a newer filing that you recently have heard about. COMMISSIONER JONES: What about on the electric side? I think we have seen you at a few workshops on distributed energy resources, I call that
1 2 3 4 5 6 7 8 9 10 11	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by JUDGE KOPTA: Well, I'm not sure that you need her to confirm that. MR. KING: Okay. MS. CARSON: And we do have an industry expert testifying. MR. KING: They're a member of the JUDGE KOPTA: Let's save the argument for	1 2 3 4 5 6 7 8 9 10 11	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the Commission recently on providing broader payment alternatives to our customers, and that's a newer filing that you recently have heard about. COMMISSIONER JONES: What about on the electric side? I think we have seen you at a few workshops on distributed energy resources, I call that DER, and also on batteries and solar distributed
1 2 3 4 5 6 7 8 9 10 11 12	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by JUDGE KOPTA: Well, I'm not sure that you need her to confirm that. MR. KING: Okay. MS. CARSON: And we do have an industry expert testifying. MR. KING: They're a member of the JUDGE KOPTA: Let's save the argument for the briefs.	1 2 3 4 5 6 7 8 9 10 11 12	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the Commission recently on providing broader payment alternatives to our customers, and that's a newer filing that you recently have heard about. COMMISSIONER JONES: What about on the electric side? I think we have seen you at a few workshops on distributed energy resources, I call that DER, and also on batteries and solar distributed generation, right?
1 2 3 4 5 6 7 8 9 10 11	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by JUDGE KOPTA: Well, I'm not sure that you need her to confirm that. MR. KING: Okay. MS. CARSON: And we do have an industry expert testifying. MR. KING: They're a member of the JUDGE KOPTA: Let's save the argument for the briefs. MR. KING: We'll save that one for that one.	1 2 3 4 5 6 7 8 9 10 11	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the Commission recently on providing broader payment alternatives to our customers, and that's a newer filing that you recently have heard about. COMMISSIONER JONES: What about on the electric side? I think we have seen you at a few workshops on distributed energy resources, I call that DER, and also on batteries and solar distributed generation, right? THE WITNESS: Right. So I have personally
1 2 3 4 5 6 7 8 9 10 11 12	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by JUDGE KOPTA: Well, I'm not sure that you need her to confirm that. MR. KING: Okay. MS. CARSON: And we do have an industry expert testifying. MR. KING: They're a member of the JUDGE KOPTA: Let's save the argument for the briefs. MR. KING: We'll save that one for that one. BY MR. KING:	1 2 3 4 5 6 7 8 9 10 11 12	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the Commission recently on providing broader payment alternatives to our customers, and that's a newer filing that you recently have heard about. COMMISSIONER JONES: What about on the electric side? I think we have seen you at a few workshops on distributed energy resources, I call that DER, and also on batteries and solar distributed generation, right? THE WITNESS: Right. So I have personally participated in workshops at the Commission on the role
1 2 3 4 5 6 7 8 9 10 11 12 13	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by JUDGE KOPTA: Well, I'm not sure that you need her to confirm that. MR. KING: Okay. MS. CARSON: And we do have an industry expert testifying. MR. KING: They're a member of the JUDGE KOPTA: Let's save the argument for the briefs. MR. KING: We'll save that one for that one. BY MR. KING: Q. One final area. You talk about diversity for	1 2 3 4 5 6 7 8 9 10 11 12 13	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the Commission recently on providing broader payment alternatives to our customers, and that's a newer filing that you recently have heard about. COMMISSIONER JONES: What about on the electric side? I think we have seen you at a few workshops on distributed energy resources, I call that DER, and also on batteries and solar distributed generation, right? THE WITNESS: Right. So I have personally participated in workshops at the Commission on the role of solar in the industry going forward, and those
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by JUDGE KOPTA: Well, I'm not sure that you need her to confirm that. MR. KING: Okay. MS. CARSON: And we do have an industry expert testifying. MR. KING: They're a member of the JUDGE KOPTA: Let's save the argument for the briefs. MR. KING: We'll save that one for that one. BY MR. KING: Q. One final area. You talk about diversity for the utility of the future. Are there other areas in	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the Commission recently on providing broader payment alternatives to our customers, and that's a newer filing that you recently have heard about. COMMISSIONER JONES: What about on the electric side? I think we have seen you at a few workshops on distributed energy resources, I call that DER, and also on batteries and solar distributed generation, right? THE WITNESS: Right. So I have personally participated in workshops at the Commission on the role of solar in the industry going forward, and those responsibilities now have been slightly modified as it
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by JUDGE KOPTA: Well, I'm not sure that you need her to confirm that. MR. KING: Okay. MS. CARSON: And we do have an industry expert testifying. MR. KING: They're a member of the JUDGE KOPTA: Let's save the argument for the briefs. MR. KING: We'll save that one for that one. BY MR. KING: Q. One final area. You talk about diversity for the utility of the future. Are there other areas in which Puget Sound Energy is attempting to diversify its	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the Commission recently on providing broader payment alternatives to our customers, and that's a newer filing that you recently have heard about. COMMISSIONER JONES: What about on the electric side? I think we have seen you at a few workshops on distributed energy resources, I call that DER, and also on batteries and solar distributed generation, right? THE WITNESS: Right. So I have personally participated in workshops at the Commission on the role of solar in the industry going forward, and those responsibilities now have been slightly modified as it relates to me in that our Director Will Einstein is
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by JUDGE KOPTA: Well, I'm not sure that you need her to confirm that. MR. KING: Okay. MS. CARSON: And we do have an industry expert testifying. MR. KING: They're a member of the JUDGE KOPTA: Let's save the argument for the briefs. MR. KING: We'll save that one for that one. BY MR. KING: Q. One final area. You talk about diversity for the utility of the future. Are there other areas in which Puget Sound Energy is attempting to diversify its activities into the HVAC industry in order to increase	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the Commission recently on providing broader payment alternatives to our customers, and that's a newer filing that you recently have heard about. COMMISSIONER JONES: What about on the electric side? I think we have seen you at a few workshops on distributed energy resources, I call that DER, and also on batteries and solar distributed generation, right? THE WITNESS: Right. So I have personally participated in workshops at the Commission on the role of solar in the industry going forward, and those responsibilities now have been slightly modified as it relates to me in that our Director Will Einstein is directly responsible for their development. But
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by JUDGE KOPTA: Well, I'm not sure that you need her to confirm that. MR. KING: Okay. MS. CARSON: And we do have an industry expert testifying. MR. KING: They're a member of the JUDGE KOPTA: Let's save the argument for the briefs. MR. KING: We'll save that one for that one. BY MR. KING: Q. One final area. You talk about diversity for the utility of the future. Are there other areas in which Puget Sound Energy is attempting to diversify its activities into the HVAC industry in order to increase its profits?	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the Commission recently on providing broader payment alternatives to our customers, and that's a newer filing that you recently have heard about. COMMISSIONER JONES: What about on the electric side? I think we have seen you at a few workshops on distributed energy resources, I call that DER, and also on batteries and solar distributed generation, right? THE WITNESS: Right. So I have personally participated in workshops at the Commission on the role of solar in the industry going forward, and those responsibilities now have been slightly modified as it relates to me in that our Director Will Einstein is directly responsible for their development. But historically I was working in that area, as well.
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by JUDGE KOPTA: Well, I'm not sure that you need her to confirm that. MR. KING: Okay. MS. CARSON: And we do have an industry expert testifying. MR. KING: They're a member of the JUDGE KOPTA: Let's save the argument for the briefs. MR. KING: We'll save that one for that one. BY MR. KING: Q. One final area. You talk about diversity for the utility of the future. Are there other areas in which Puget Sound Energy is attempting to diversify its activities into the HVAC industry in order to increase its profits? A. What we've proposed is a leasing business within	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the Commission recently on providing broader payment alternatives to our customers, and that's a newer filing that you recently have heard about. COMMISSIONER JONES: What about on the electric side? I think we have seen you at a few workshops on distributed energy resources, I call that DER, and also on batteries and solar distributed generation, right? THE WITNESS: Right. So I have personally participated in workshops at the Commission on the role of solar in the industry going forward, and those responsibilities now have been slightly modified as it relates to me in that our Director Will Einstein is directly responsible for their development. But historically I was working in that area, as well. COMMISSIONER JONES: So if you're on Page 5,
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by JUDGE KOPTA: Well, I'm not sure that you need her to confirm that. MR. KING: Okay. MS. CARSON: And we do have an industry expert testifying. MR. KING: They're a member of the JUDGE KOPTA: Let's save the argument for the briefs. MR. KING: We'll save that one for that one. BY MR. KING: Q. One final area. You talk about diversity for the utility of the future. Are there other areas in which Puget Sound Energy is attempting to diversify its activities into the HVAC industry in order to increase its profits? A. What we've proposed is a leasing business within the HVAC, including HVAC equipment.	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the Commission recently on providing broader payment alternatives to our customers, and that's a newer filing that you recently have heard about. COMMISSIONER JONES: What about on the electric side? I think we have seen you at a few workshops on distributed energy resources, I call that DER, and also on batteries and solar distributed generation, right? THE WITNESS: Right. So I have personally participated in workshops at the Commission on the role of solar in the industry going forward, and those responsibilities now have been slightly modified as it relates to me in that our Director Will Einstein is directly responsible for their development. But historically I was working in that area, as well. COMMISSIONER JONES: So if you're on Page 5, can you just read and the reason I'm asking these
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by JUDGE KOPTA: Well, I'm not sure that you need her to confirm that. MR. KING: Okay. MS. CARSON: And we do have an industry expert testifying. MR. KING: They're a member of the JUDGE KOPTA: Let's save the argument for the briefs. MR. KING: We'll save that one for that one. BY MR. KING: Q. One final area. You talk about diversity for the utility of the future. Are there other areas in which Puget Sound Energy is attempting to diversify its activities into the HVAC industry in order to increase its profits? A. What we've proposed is a leasing business within the HVAC, including HVAC equipment. Q. But you're not looking at moving into the HVAC	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the Commission recently on providing broader payment alternatives to our customers, and that's a newer filing that you recently have heard about. COMMISSIONER JONES: What about on the electric side? I think we have seen you at a few workshops on distributed energy resources, I call that DER, and also on batteries and solar distributed generation, right? THE WITNESS: Right. So I have personally participated in workshops at the Commission on the role of solar in the industry going forward, and those responsibilities now have been slightly modified as it relates to me in that our Director Will Einstein is directly responsible for their development. But historically I was working in that area, as well. COMMISSIONER JONES: So if you're on Page 5, can you just read and the reason I'm asking these questions is the Commission in 2014 issued an
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by JUDGE KOPTA: Well, I'm not sure that you need her to confirm that. MR. KING: Okay. MS. CARSON: And we do have an industry expert testifying. MR. KING: They're a member of the JUDGE KOPTA: Let's save the argument for the briefs. MR. KING: We'll save that one for that one. BY MR. KING: Q. One final area. You talk about diversity for the utility of the future. Are there other areas in which Puget Sound Energy is attempting to diversify its activities into the HVAC industry in order to increase its profits? A. What we've proposed is a leasing business within the HVAC, including HVAC equipment. Q. But you're not looking at moving into the HVAC industry in other ways at this time?	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the Commission recently on providing broader payment alternatives to our customers, and that's a newer filing that you recently have heard about. COMMISSIONER JONES: What about on the electric side? I think we have seen you at a few workshops on distributed energy resources, I call that DER, and also on batteries and solar distributed generation, right? THE WITNESS: Right. So I have personally participated in workshops at the Commission on the role of solar in the industry going forward, and those responsibilities now have been slightly modified as it relates to me in that our Director Will Einstein is directly responsible for their development. But historically I was working in that area, as well. COMMISSIONER JONES: So if you're on Page 5, can you just read and the reason I'm asking these questions is the Commission in 2014 issued an Interpretive and Policy Statement, right, on third-party
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 164 KING / NORTON MR. KING: I would argue, Your Honor, the facts are in evidence. There's nobody from the industry standing up for them. It appears to have been found by JUDGE KOPTA: Well, I'm not sure that you need her to confirm that. MR. KING: Okay. MS. CARSON: And we do have an industry expert testifying. MR. KING: They're a member of the JUDGE KOPTA: Let's save the argument for the briefs. MR. KING: We'll save that one for that one. BY MR. KING: Q. One final area. You talk about diversity for the utility of the future. Are there other areas in which Puget Sound Energy is attempting to diversify its activities into the HVAC industry in order to increase its profits? A. What we've proposed is a leasing business within the HVAC, including HVAC equipment. Q. But you're not looking at moving into the HVAC	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	Page 166 NORTON as well as convert the existing street lights over to LEDs. I'm also responsible for our billing and payment solutions where we've been working with the Commission recently on providing broader payment alternatives to our customers, and that's a newer filing that you recently have heard about. COMMISSIONER JONES: What about on the electric side? I think we have seen you at a few workshops on distributed energy resources, I call that DER, and also on batteries and solar distributed generation, right? THE WITNESS: Right. So I have personally participated in workshops at the Commission on the role of solar in the industry going forward, and those responsibilities now have been slightly modified as it relates to me in that our Director Will Einstein is directly responsible for their development. But historically I was working in that area, as well. COMMISSIONER JONES: So if you're on Page 5, can you just read and the reason I'm asking these questions is the Commission in 2014 issued an

-			D 100
	Page 167 NORTON		Page 169 NORTON
1	THE WITNESS: Correct.	1	THE WITNESS: Well, our approach it's my
2	COMMISSIONER JONES: And you cite to that in	2	understanding Commission's request was around
3	your testimony on Page 5; right?	3	distributed energy resources, and
4	THE WITNESS: Yes.	4	COMMISSIONER JONES: So let me focus on
5	COMMISSIONER JONES: The Commissioners at	5	that. What's the relevance of DER, distributed energy
6	the time were Mr. Goltz, Chairman Danner and myself,	6	resources, to equipment leasing?
7	right, who signed this policy statement?	7	THE WITNESS: So, as we said in our Advice
	THE WITNESS: Correct.		
8	COMMISSIONER JONES: So the Commission has	8	Letter, we believe this leasing business has the
9		9	opportunity to provide distributed energy resources into
10	been looking at these issues for quite a bit of time.	10	the future, as it makes sense, or if it makes sense for
11	So if you could just read Lines 7 through 9, the quoted	11	customers as a leased alternative.
12	portion, I would appreciate it.	12	So it's related in that we believe it will
13	THE WITNESS: Quote, (as read), Incumbent	13	have the flexibility to do that if it's deemed valued by
14	utilities to develop a strategy and business plan to	14	the customer, as well as the Company.
15	compete more fully in the distributed energy resources	15	COMMISSIONER JONES: Have you read the
16	market on either in a regulated or unregulated basis.	16	Interpretive and Policy Statement well, I hope you've
17	COMMISSIONER JONES: And then your testimony	17	read it at least several times, but have you read it
18	includes a footnote where you cite that Interpretive and	18	recently?
19	Policy Statement; right?	19	THE WITNESS: Yes, I have.
20	THE WITNESS: Correct.	20	COMMISSIONER JONES: Okay. So is there
21	COMMISSIONER JONES: So first question to	21	any
22	you. Have you ever developed and submitted a	22	JUDGE KOPTA: Our apologies to anybody else
23	Comprehensive Strategy and Business Plan to the	23	on the bridge line. Unfortunately, somebody did not
24	Commission for our consideration in any docket, to your	24	heed my earlier direction and now on hold and we're
25	knowledge?	25	hearing music, so we'll need to mute the bridge line.
	Page 168		Page 170
	Fage 108		
	NORTON		NORTON
1	-	1	NORTON
	NORTON THE WITNESS: As it relates to distributed	1	NORTON To the person who just put us on hold, we
1 2 3	NORTON THE WITNESS: As it relates to distributed energy resources?		NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said
2	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of	2	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the
2 3 4	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed	2 3 4	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in.
2 3 4 5	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed natural gas. As Mr. Casey pointed out earlier today,	2 3 4 5	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in. Our apologies, Commissioner.
2 3 4	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed natural gas. As Mr. Casey pointed out earlier today, both the earnings opportunity and the revenue stability	2 3 4	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in. Our apologies, Commissioner. COMMISSIONER JONES: I usually don't ask
2 3 4 5 6 7	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed natural gas. As Mr. Casey pointed out earlier today, both the earnings opportunity and the revenue stability of the utility is important going forward; right?	2 3 4 5 6 7	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in. Our apologies, Commissioner. COMMISSIONER JONES: I usually don't ask questions with music in the background.
2 3 4 5 6 7 8	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed natural gas. As Mr. Casey pointed out earlier today, both the earnings opportunity and the revenue stability of the utility is important going forward; right? THE WITNESS: Correct, uh-huh.	2 3 4 5 6 7 8	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in. Our apologies, Commissioner. COMMISSIONER JONES: I usually don't ask questions with music in the background. So, Ms. Norton, back to this Policy
2 3 4 5 6 7 8 9	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed natural gas. As Mr. Casey pointed out earlier today, both the earnings opportunity and the revenue stability of the utility is important going forward; right? THE WITNESS: Correct, uh-huh. COMMISSIONER JONES: So anything.	2 3 4 5 6 7 8 9	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in. Our apologies, Commissioner. COMMISSIONER JONES: I usually don't ask questions with music in the background. So, Ms. Norton, back to this Policy Statement. Is there any mention of HVAC or equipment
2 3 4 5 6 7 8 9	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed natural gas. As Mr. Casey pointed out earlier today, both the earnings opportunity and the revenue stability of the utility is important going forward; right? THE WITNESS: Correct, uh-huh. COMMISSIONER JONES: So anything. THE WITNESS: So in totality?	2 3 4 5 6 7 8 9 10	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in. Our apologies, Commissioner. COMMISSIONER JONES: I usually don't ask questions with music in the background. So, Ms. Norton, back to this Policy Statement. Is there any mention of HVAC or equipment leasing in this Policy Statement?
2 3 4 5 6 7 8 9 10 11	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed natural gas. As Mr. Casey pointed out earlier today, both the earnings opportunity and the revenue stability of the utility is important going forward; right? THE WITNESS: Correct, uh-huh. COMMISSIONER JONES: So anything. THE WITNESS: So in totality? COMMISSIONER JONES: Yeah.	2 3 4 5 6 7 8 9 10 11	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in. Our apologies, Commissioner. COMMISSIONER JONES: I usually don't ask questions with music in the background. So, Ms. Norton, back to this Policy Statement. Is there any mention of HVAC or equipment leasing in this Policy Statement? THE WITNESS: Not to my knowledge.
2 3 4 5 6 7 8 9 10 11 12	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed natural gas. As Mr. Casey pointed out earlier today, both the earnings opportunity and the revenue stability of the utility is important going forward; right? THE WITNESS: Correct, uh-huh. COMMISSIONER JONES: So anything. THE WITNESS: So in totality? COMMISSIONER JONES: Yeah. THE WITNESS: I would say no. I think we've	2 3 4 5 6 7 8 9 10 11 12	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in. Our apologies, Commissioner. COMMISSIONER JONES: I usually don't ask questions with music in the background. So, Ms. Norton, back to this Policy Statement. Is there any mention of HVAC or equipment leasing in this Policy Statement? THE WITNESS: Not to my knowledge. COMMISSIONER JONES: Would you please turn
2 3 4 5 6 7 8 9 10 11 12 13	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed natural gas. As Mr. Casey pointed out earlier today, both the earnings opportunity and the revenue stability of the utility is important going forward; right? THE WITNESS: Correct, uh-huh. COMMISSIONER JONES: So anything. THE WITNESS: So in totality? COMMISSIONER JONES: Yeah. THE WITNESS: I would say no. I think we've presented to you pieces of that opportunity both in the	2 3 4 5 6 7 8 9 10 11 12 13	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in. Our apologies, Commissioner. COMMISSIONER JONES: I usually don't ask questions with music in the background. So, Ms. Norton, back to this Policy Statement. Is there any mention of HVAC or equipment leasing in this Policy Statement? THE WITNESS: Not to my knowledge. COMMISSIONER JONES: Would you please turn to the pages, the conclusory section of this on Pages 32
2 3 4 5 6 7 8 9 10 11 12 13 14	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed natural gas. As Mr. Casey pointed out earlier today, both the earnings opportunity and the revenue stability of the utility is important going forward; right? THE WITNESS: Correct, uh-huh. COMMISSIONER JONES: So anything. THE WITNESS: So in totality? COMMISSIONER JONES: Yeah. THE WITNESS: I would say no. I think we've presented to you pieces of that opportunity both in the CNG filing as well as now in this filing. So while to	2 3 4 5 6 7 8 9 10 11 12 13 14	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in. Our apologies, Commissioner. COMMISSIONER JONES: I usually don't ask questions with music in the background. So, Ms. Norton, back to this Policy Statement. Is there any mention of HVAC or equipment leasing in this Policy Statement? THE WITNESS: Not to my knowledge. COMMISSIONER JONES: Would you please turn to the pages, the conclusory section of this on Pages 32 through 33, and 34.
2 3 4 5 6 7 8 9 10 11 12 13 14 15	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed natural gas. As Mr. Casey pointed out earlier today, both the earnings opportunity and the revenue stability of the utility is important going forward; right? THE WITNESS: Correct, uh-huh. COMMISSIONER JONES: So anything. THE WITNESS: So in totality? COMMISSIONER JONES: Yeah. THE WITNESS: I would say no. I think we've presented to you pieces of that opportunity both in the CNG filing as well as now in this filing. So while to my knowledge we haven't filed a comprehensive that I'm	2 3 4 5 6 7 8 9 10 11 12 13 14 15	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in. Our apologies, Commissioner. COMMISSIONER JONES: I usually don't ask questions with music in the background. So, Ms. Norton, back to this Policy Statement. Is there any mention of HVAC or equipment leasing in this Policy Statement? THE WITNESS: Not to my knowledge. COMMISSIONER JONES: Would you please turn to the pages, the conclusory section of this on Pages 32 through 33, and 34. So in Paragraph 74 (as read), One of the
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed natural gas. As Mr. Casey pointed out earlier today, both the earnings opportunity and the revenue stability of the utility is important going forward; right? THE WITNESS: Correct, uh-huh. COMMISSIONER JONES: So anything. THE WITNESS: So in totality? COMMISSIONER JONES: Yeah. THE WITNESS: I would say no. I think we've presented to you pieces of that opportunity both in the CNG filing as well as now in this filing. So while to my knowledge we haven't filed a comprehensive that I'm aware of, however, I think we've presented to you	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in. Our apologies, Commissioner. COMMISSIONER JONES: I usually don't ask questions with music in the background. So, Ms. Norton, back to this Policy Statement. Is there any mention of HVAC or equipment leasing in this Policy Statement? THE WITNESS: Not to my knowledge. COMMISSIONER JONES: Would you please turn to the pages, the conclusory section of this on Pages 32 through 33, and 34. So in Paragraph 74 (as read), One of the primary recommendations of this Policy Statement would
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed natural gas. As Mr. Casey pointed out earlier today, both the earnings opportunity and the revenue stability of the utility is important going forward; right? THE WITNESS: Correct, uh-huh. COMMISSIONER JONES: So anything. THE WITNESS: So in totality? COMMISSIONER JONES: Yeah. THE WITNESS: I would say no. I think we've presented to you pieces of that opportunity both in the CNG filing as well as now in this filing. So while to my knowledge we haven't filed a comprehensive that I'm aware of, however, I think we've presented to you optional services that fit nicely into the transition of	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in. Our apologies, Commissioner. COMMISSIONER JONES: I usually don't ask questions with music in the background. So, Ms. Norton, back to this Policy Statement. Is there any mention of HVAC or equipment leasing in this Policy Statement? THE WITNESS: Not to my knowledge. COMMISSIONER JONES: Would you please turn to the pages, the conclusory section of this on Pages 32 through 33, and 34. So in Paragraph 74 (as read), One of the primary recommendations of this Policy Statement would be for the legislature to clarify the Commission's
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed natural gas. As Mr. Casey pointed out earlier today, both the earnings opportunity and the revenue stability of the utility is important going forward; right? THE WITNESS: Correct, uh-huh. COMMISSIONER JONES: So anything. THE WITNESS: So in totality? COMMISSIONER JONES: Yeah. THE WITNESS: I would say no. I think we've presented to you pieces of that opportunity both in the CNG filing as well as now in this filing. So while to my knowledge we haven't filed a comprehensive that I'm aware of, however, I think we've presented to you optional services that fit nicely into the transition of the utility to the future.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in. Our apologies, Commissioner. COMMISSIONER JONES: I usually don't ask questions with music in the background. So, Ms. Norton, back to this Policy Statement. Is there any mention of HVAC or equipment leasing in this Policy Statement? THE WITNESS: Not to my knowledge. COMMISSIONER JONES: Would you please turn to the pages, the conclusory section of this on Pages 32 through 33, and 34. So in Paragraph 74 (as read), One of the primary recommendations of this Policy Statement would be for the legislature to clarify the Commission's authority over a regulation of third-party owners of net
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed natural gas. As Mr. Casey pointed out earlier today, both the earnings opportunity and the revenue stability of the utility is important going forward; right? THE WITNESS: Correct, uh-huh. COMMISSIONER JONES: So anything. THE WITNESS: So in totality? COMMISSIONER JONES: Yeah. THE WITNESS: I would say no. I think we've presented to you pieces of that opportunity both in the CNG filing as well as now in this filing. So while to my knowledge we haven't filed a comprehensive that I'm aware of, however, I think we've presented to you optional services that fit nicely into the transition of the utility to the future. COMMISSIONER JONES: So do you have any	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in. Our apologies, Commissioner. COMMISSIONER JONES: I usually don't ask questions with music in the background. So, Ms. Norton, back to this Policy Statement. Is there any mention of HVAC or equipment leasing in this Policy Statement? THE WITNESS: Not to my knowledge. COMMISSIONER JONES: Would you please turn to the pages, the conclusory section of this on Pages 32 through 33, and 34. So in Paragraph 74 (as read), One of the primary recommendations of this Policy Statement would be for the legislature to clarify the Commission's authority over a regulation of third-party owners of net energy metering systems and statute. Do you see that?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed natural gas. As Mr. Casey pointed out earlier today, both the earnings opportunity and the revenue stability of the utility is important going forward; right? THE WITNESS: Correct, uh-huh. COMMISSIONER JONES: So anything. THE WITNESS: So in totality? COMMISSIONER JONES: Yeah. THE WITNESS: I would say no. I think we've presented to you pieces of that opportunity both in the CNG filing as well as now in this filing. So while to my knowledge we haven't filed a comprehensive that I'm aware of, however, I think we've presented to you optional services that fit nicely into the transition of the utility to the future. COMMISSIONER JONES: So do you have any pithy or concise answer as to why you haven't submitted	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in. Our apologies, Commissioner. COMMISSIONER JONES: I usually don't ask questions with music in the background. So, Ms. Norton, back to this Policy Statement. Is there any mention of HVAC or equipment leasing in this Policy Statement? THE WITNESS: Not to my knowledge. COMMISSIONER JONES: Would you please turn to the pages, the conclusory section of this on Pages 32 through 33, and 34. So in Paragraph 74 (as read), One of the primary recommendations of this Policy Statement would be for the legislature to clarify the Commission's authority over a regulation of third-party owners of net energy metering systems and statute. Do you see that? THE WITNESS: Yes, I do.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed natural gas. As Mr. Casey pointed out earlier today, both the earnings opportunity and the revenue stability of the utility is important going forward; right? THE WITNESS: Correct, uh-huh. COMMISSIONER JONES: So anything. THE WITNESS: So in totality? COMMISSIONER JONES: Yeah. THE WITNESS: I would say no. I think we've presented to you pieces of that opportunity both in the CNG filing as well as now in this filing. So while to my knowledge we haven't filed a comprehensive that I'm aware of, however, I think we've presented to you optional services that fit nicely into the transition of the utility to the future. COMMISSIONER JONES: So do you have any pithy or concise answer as to why you haven't submitted such a plan to the Commission? I think we clearly asked	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in. Our apologies, Commissioner. COMMISSIONER JONES: I usually don't ask questions with music in the background. So, Ms. Norton, back to this Policy Statement. Is there any mention of HVAC or equipment leasing in this Policy Statement? THE WITNESS: Not to my knowledge. COMMISSIONER JONES: Would you please turn to the pages, the conclusory section of this on Pages 32 through 33, and 34. So in Paragraph 74 (as read), One of the primary recommendations of this Policy Statement would be for the legislature to clarify the Commission's authority over a regulation of third-party owners of net energy metering systems and statute. Do you see that? THE WITNESS: Yes, I do. COMMISSIONER JONES: Has the legislature
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed natural gas. As Mr. Casey pointed out earlier today, both the earnings opportunity and the revenue stability of the utility is important going forward; right? THE WITNESS: Correct, uh-huh. COMMISSIONER JONES: So anything. THE WITNESS: So in totality? COMMISSIONER JONES: Yeah. THE WITNESS: I would say no. I think we've presented to you pieces of that opportunity both in the CNG filing as well as now in this filing. So while to my knowledge we haven't filed a comprehensive that I'm aware of, however, I think we've presented to you optional services that fit nicely into the transition of the utility to the future. COMMISSIONER JONES: So do you have any pithy or concise answer as to why you haven't submitted such a plan to the Commission? I think we clearly asked for such a plan. Although, when we get to the Policy	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in. Our apologies, Commissioner. COMMISSIONER JONES: I usually don't ask questions with music in the background. So, Ms. Norton, back to this Policy Statement. Is there any mention of HVAC or equipment leasing in this Policy Statement? THE WITNESS: Not to my knowledge. COMMISSIONER JONES: Would you please turn to the pages, the conclusory section of this on Pages 32 through 33, and 34. So in Paragraph 74 (as read), One of the primary recommendations of this Policy Statement would be for the legislature to clarify the Commission's authority over a regulation of third-party owners of net energy metering systems and statute. Do you see that? THE WITNESS: Yes, I do. COMMISSIONER JONES: Has the legislature done that?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed natural gas. As Mr. Casey pointed out earlier today, both the earnings opportunity and the revenue stability of the utility is important going forward; right? THE WITNESS: Correct, uh-huh. COMMISSIONER JONES: So anything. THE WITNESS: So in totality? COMMISSIONER JONES: Yeah. THE WITNESS: I would say no. I think we've presented to you pieces of that opportunity both in the CNG filing as well as now in this filing. So while to my knowledge we haven't filed a comprehensive that I'm aware of, however, I think we've presented to you optional services that fit nicely into the transition of the utility to the future. COMMISSIONER JONES: So do you have any pithy or concise answer as to why you haven't submitted such a plan to the Commission? I think we clearly asked for such a plan. Although, when we get to the Policy Statement it was in a footnote on Page 34, it wasn't in	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in. Our apologies, Commissioner. COMMISSIONER JONES: I usually don't ask questions with music in the background. So, Ms. Norton, back to this Policy Statement. Is there any mention of HVAC or equipment leasing in this Policy Statement? THE WITNESS: Not to my knowledge. COMMISSIONER JONES: Would you please turn to the pages, the conclusory section of this on Pages 32 through 33, and 34. So in Paragraph 74 (as read), One of the primary recommendations of this Policy Statement would be for the legislature to clarify the Commission's authority over a regulation of third-party owners of net energy metering systems and statute. Do you see that? THE WITNESS: Yes, I do. COMMISSIONER JONES: Has the legislature done that? THE WITNESS: I'm not aware that they have.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	NORTON THE WITNESS: As it relates to distributed energy resources? COMMISSIONER JONES: Anything; utility of the future, distributed energy resources, compressed natural gas. As Mr. Casey pointed out earlier today, both the earnings opportunity and the revenue stability of the utility is important going forward; right? THE WITNESS: Correct, uh-huh. COMMISSIONER JONES: So anything. THE WITNESS: So in totality? COMMISSIONER JONES: Yeah. THE WITNESS: I would say no. I think we've presented to you pieces of that opportunity both in the CNG filing as well as now in this filing. So while to my knowledge we haven't filed a comprehensive that I'm aware of, however, I think we've presented to you optional services that fit nicely into the transition of the utility to the future. COMMISSIONER JONES: So do you have any pithy or concise answer as to why you haven't submitted such a plan to the Commission? I think we clearly asked for such a plan. Although, when we get to the Policy	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	NORTON To the person who just put us on hold, we heard the music. Please don't do it again. As I said before, please hang up if you need to break from the hearing and then dial back in. Our apologies, Commissioner. COMMISSIONER JONES: I usually don't ask questions with music in the background. So, Ms. Norton, back to this Policy Statement. Is there any mention of HVAC or equipment leasing in this Policy Statement? THE WITNESS: Not to my knowledge. COMMISSIONER JONES: Would you please turn to the pages, the conclusory section of this on Pages 32 through 33, and 34. So in Paragraph 74 (as read), One of the primary recommendations of this Policy Statement would be for the legislature to clarify the Commission's authority over a regulation of third-party owners of net energy metering systems and statute. Do you see that? THE WITNESS: Yes, I do. COMMISSIONER JONES: Has the legislature done that?

	-		
	Page 171 NORTON		Page 173 NORTON
1	considering the impact on businesses, we do not believe	1	future; solar, battery storage, electric vehicle
2	that traditional rate-based rate of return regulation is	2	charging. Right?
3	appropriate for third-party owners. Correct? Do you	3	THE WITNESS: Correct.
4	see that?	4	COMMISSIONER JONES: Has the Company ever
5	THE WITNESS: Yes, I see that.	5	made a filing to the Commission on solar distributed
б	COMMISSIONER JONES: Okay. And there is	6	generation on either an unregulated or regulated basis?
7	nothing in this filing that relates to third-party	7	THE WITNESS: No, we have not.
8	ownership of a generation resource ;right?	8	COMMISSIONER JONES: Has the Company ever
9	THE WITNESS: Correct.	9	made a filing for Tesla batteries or some other
10	COMMISSIONER JONES: Okay. And in	10	manufacturer for battery storage beyond the meter?
11	Paragraph 77, it also says (as read), We also believe	11	THE WITNESS: No. We're discussing,
12	that state policy should promote competition and further	12	actively discussing these within the Company today, but
13	the development of small scale renewable energy. Right?	13	we are not ready to propose a program or service at this
14	Do you see that?	14	time.
15	THE WITNESS: Yes, I do. COMMISSIONER JONES: And then in the	15	COMMISSIONER JONES: And then on EV
16		16	charging, I think you're in charge of this pilot program
17 18	footnote, Footnote 100, it gets to the quote that you're talking about where we say (as read), We believe the	17 18	at PSE. Could you briefly describe, there's some
19	burden is on incumbent utilities to develop a strategy	19	small, limited pilot program, correct, on EV charging,
20	and business plan.	20	but does that have any relationship to equipment
21	Do you see that?	21	leasing?
22	THE WITNESS: Yes, I see that.	22	THE WITNESS: So currently we're providing a
23	COMMISSIONER JONES: So I'm still a little	23	rebate to customers that install level two chargers
24	perplexed as to why you made reference to this on Page 5	24	within our service territory. It's a pilot to
25	of your testimony, on this strategy and business plan in	25	understand the frequency by which they install these, to
	Page 172		Page 174
	NORTON		NORTON
1		1	-
1 2	NORTON	1 2	NORTON
	NORTON utility of the future.		NORTON understand their charging patterns so that we can
2	NORTON utility of the future. Is it because you think leasing fits into a	2	NORTON understand their charging patterns so that we can respond with an appropriate program in the future. For
2 3	NORTON utility of the future. Is it because you think leasing fits into a structure of third-party ownership or utility business future models or what? THE WITNESS: Yes. We believe the leasing	2 3	NORTON understand their charging patterns so that we can respond with an appropriate program in the future. For clarification, I'm no longer responsible for the EV; that is in Will Einstein's organization. But we do see the similarity in a lot of
2 3 4	NORTON utility of the future. Is it because you think leasing fits into a structure of third-party ownership or utility business future models or what? THE WITNESS: Yes. We believe the leasing would provide a future business model that would allow	2 3 4	NORTON understand their charging patterns so that we can respond with an appropriate program in the future. For clarification, I'm no longer responsible for the EV; that is in Will Einstein's organization. But we do see the similarity in a lot of these products is their large, complex capital
2 3 4 5 6 7	NORTON utility of the future. Is it because you think leasing fits into a structure of third-party ownership or utility business future models or what? THE WITNESS: Yes. We believe the leasing would provide a future business model that would allow for distributed energy resources and, perhaps, electric	2 3 4 5 6 7	NORTON understand their charging patterns so that we can respond with an appropriate program in the future. For clarification, I'm no longer responsible for the EV; that is in Will Einstein's organization. But we do see the similarity in a lot of these products is their large, complex capital investments that are in customers' and business' homes,
2 3 4 5 6 7 8	NORTON utility of the future. Is it because you think leasing fits into a structure of third-party ownership or utility business future models or what? THE WITNESS: Yes. We believe the leasing would provide a future business model that would allow for distributed energy resources and, perhaps, electric vehicle opportunities, all different types of options.	2 3 4 5 6 7 8	NORTON understand their charging patterns so that we can respond with an appropriate program in the future. For clarification, I'm no longer responsible for the EV; that is in Will Einstein's organization. But we do see the similarity in a lot of these products is their large, complex capital investments that are in customers' and business' homes, and they don't have a lot of differentiating emotional
2 3 4 5 6 7 8 9	NORTON utility of the future. Is it because you think leasing fits into a structure of third-party ownership or utility business future models or what? THE WITNESS: Yes. We believe the leasing would provide a future business model that would allow for distributed energy resources and, perhaps, electric vehicle opportunities, all different types of options. COMMISSIONER JONES: Okay. So it is kind of	2 3 4 5 6 7 8 9	NORTON understand their charging patterns so that we can respond with an appropriate program in the future. For clarification, I'm no longer responsible for the EV; that is in Will Einstein's organization. But we do see the similarity in a lot of these products is their large, complex capital investments that are in customers' and business' homes, and they don't have a lot of differentiating emotional features that, you know, make them want to be very
2 3 4 5 6 7 8 9	NORTON utility of the future. Is it because you think leasing fits into a structure of third-party ownership or utility business future models or what? THE WITNESS: Yes. We believe the leasing would provide a future business model that would allow for distributed energy resources and, perhaps, electric vehicle opportunities, all different types of options. COMMISSIONER JONES: Okay. So it is kind of an indirect link, maybe a platform, with, if you have	2 3 4 5 6 7 8 9 10	NORTON understand their charging patterns so that we can respond with an appropriate program in the future. For clarification, I'm no longer responsible for the EV; that is in Will Einstein's organization. But we do see the similarity in a lot of these products is their large, complex capital investments that are in customers' and business' homes, and they don't have a lot of differentiating emotional features that, you know, make them want to be very distinguishable on their selection. And EV charging, we
2 3 4 5 6 7 8 9 10 11	NORTON utility of the future. Is it because you think leasing fits into a structure of third-party ownership or utility business future models or what? THE WITNESS: Yes. We believe the leasing would provide a future business model that would allow for distributed energy resources and, perhaps, electric vehicle opportunities, all different types of options. COMMISSIONER JONES: Okay. So it is kind of an indirect link, maybe a platform, with, if you have wi-fi-enabled appliances that connect to the Internet	2 3 4 5 6 7 8 9 10 11	NORTON understand their charging patterns so that we can respond with an appropriate program in the future. For clarification, I'm no longer responsible for the EV; that is in Will Einstein's organization. But we do see the similarity in a lot of these products is their large, complex capital investments that are in customers' and business' homes, and they don't have a lot of differentiating emotional features that, you know, make them want to be very distinguishable on their selection. And EV charging, we would put in that category, as well.
2 3 4 5 6 7 8 9 10 11 12	NORTON utility of the future. Is it because you think leasing fits into a structure of third-party ownership or utility business future models or what? THE WITNESS: Yes. We believe the leasing would provide a future business model that would allow for distributed energy resources and, perhaps, electric vehicle opportunities, all different types of options. COMMISSIONER JONES: Okay. So it is kind of an indirect link, maybe a platform, with, if you have wi-fi-enabled appliances that connect to the Internet and somehow interconnect with other appliances?	2 3 4 5 6 7 8 9 10 11 12	NORTON understand their charging patterns so that we can respond with an appropriate program in the future. For clarification, I'm no longer responsible for the EV; that is in Will Einstein's organization. But we do see the similarity in a lot of these products is their large, complex capital investments that are in customers' and business' homes, and they don't have a lot of differentiating emotional features that, you know, make them want to be very distinguishable on their selection. And EV charging, we would put in that category, as well. COMMISSIONER JONES: Let's move on to
2 3 4 5 6 7 8 9 10 11 12 13	NORTON utility of the future. Is it because you think leasing fits into a structure of third-party ownership or utility business future models or what? THE WITNESS: Yes. We believe the leasing would provide a future business model that would allow for distributed energy resources and, perhaps, electric vehicle opportunities, all different types of options. COMMISSIONER JONES: Okay. So it is kind of an indirect link, maybe a platform, with, if you have wi-fi-enabled appliances that connect to the Internet and somehow interconnect with other appliances? THE WITNESS: Yes. We see the future as	2 3 4 5 6 7 8 9 10 11 12 13	NORTON understand their charging patterns so that we can respond with an appropriate program in the future. For clarification, I'm no longer responsible for the EV; that is in Will Einstein's organization. But we do see the similarity in a lot of these products is their large, complex capital investments that are in customers' and business' homes, and they don't have a lot of differentiating emotional features that, you know, make them want to be very distinguishable on their selection. And EV charging, we would put in that category, as well. COMMISSIONER JONES: Let's move on to Page 12. Thank you. Page 12 on the customer survey. I
2 3 4 5 6 7 8 9 10 11 12 13 14	NORTON utility of the future. Is it because you think leasing fits into a structure of third-party ownership or utility business future models or what? THE WITNESS: Yes. We believe the leasing would provide a future business model that would allow for distributed energy resources and, perhaps, electric vehicle opportunities, all different types of options. COMMISSIONER JONES: Okay. So it is kind of an indirect link, maybe a platform, with, if you have wi-fi-enabled appliances that connect to the Internet and somehow interconnect with other appliances? THE WITNESS: Yes. We see the future as very interconnected, like you're suggesting, and	2 3 4 5 6 7 8 9 10 11 12 13 14	NORTON understand their charging patterns so that we can respond with an appropriate program in the future. For clarification, I'm no longer responsible for the EV; that is in Will Einstein's organization. But we do see the similarity in a lot of these products is their large, complex capital investments that are in customers' and business' homes, and they don't have a lot of differentiating emotional features that, you know, make them want to be very distinguishable on their selection. And EV charging, we would put in that category, as well. COMMISSIONER JONES: Let's move on to Page 12. Thank you. Page 12 on the customer survey. I just have a few brief questions here.
2 3 4 5 6 7 8 9 10 11 12 13 14 15	NORTON utility of the future. Is it because you think leasing fits into a structure of third-party ownership or utility business future models or what? THE WITNESS: Yes. We believe the leasing would provide a future business model that would allow for distributed energy resources and, perhaps, electric vehicle opportunities, all different types of options. COMMISSIONER JONES: Okay. So it is kind of an indirect link, maybe a platform, with, if you have wi-fi-enabled appliances that connect to the Internet and somehow interconnect with other appliances? THE WITNESS: Yes. We see the future as very interconnected, like you're suggesting, and certainly the end-use equipment is a piece of that	2 3 4 5 6 7 8 9 10 11 12 13 14 15	NORTON understand their charging patterns so that we can respond with an appropriate program in the future. For clarification, I'm no longer responsible for the EV; that is in Will Einstein's organization. But we do see the similarity in a lot of these products is their large, complex capital investments that are in customers' and business' homes, and they don't have a lot of differentiating emotional features that, you know, make them want to be very distinguishable on their selection. And EV charging, we would put in that category, as well. COMMISSIONER JONES: Let's move on to Page 12. Thank you. Page 12 on the customer survey. I just have a few brief questions here. So on Lines 9 through 17, you describe why
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	NORTON utility of the future. Is it because you think leasing fits into a structure of third-party ownership or utility business future models or what? THE WITNESS: Yes. We believe the leasing would provide a future business model that would allow for distributed energy resources and, perhaps, electric vehicle opportunities, all different types of options. COMMISSIONER JONES: Okay. So it is kind of an indirect link, maybe a platform, with, if you have wi-fi-enabled appliances that connect to the Internet and somehow interconnect with other appliances? THE WITNESS: Yes. We see the future as very interconnected, like you're suggesting, and certainly the end-use equipment is a piece of that puzzle. The end-use equipment combined with the grid	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	NORTON understand their charging patterns so that we can respond with an appropriate program in the future. For clarification, I'm no longer responsible for the EV; that is in Will Einstein's organization. But we do see the similarity in a lot of these products is their large, complex capital investments that are in customers' and business' homes, and they don't have a lot of differentiating emotional features that, you know, make them want to be very distinguishable on their selection. And EV charging, we would put in that category, as well. COMMISSIONER JONES: Let's move on to Page 12. Thank you. Page 12 on the customer survey. I just have a few brief questions here. So on Lines 9 through 17, you describe why surveys are a good indicator of customer interest. So,
2 3 4 5 6 7 8 9 10 11 12 13 14 15	NORTON utility of the future. Is it because you think leasing fits into a structure of third-party ownership or utility business future models or what? THE WITNESS: Yes. We believe the leasing would provide a future business model that would allow for distributed energy resources and, perhaps, electric vehicle opportunities, all different types of options. COMMISSIONER JONES: Okay. So it is kind of an indirect link, maybe a platform, with, if you have wi-fi-enabled appliances that connect to the Internet and somehow interconnect with other appliances? THE WITNESS: Yes. We see the future as very interconnected, like you're suggesting, and certainly the end-use equipment is a piece of that puzzle. The end-use equipment combined with the grid and the ability to communicate with and through those	2 3 4 5 6 7 8 9 10 11 12 13 14 15	NORTON understand their charging patterns so that we can respond with an appropriate program in the future. For clarification, I'm no longer responsible for the EV; that is in Will Einstein's organization. But we do see the similarity in a lot of these products is their large, complex capital investments that are in customers' and business' homes, and they don't have a lot of differentiating emotional features that, you know, make them want to be very distinguishable on their selection. And EV charging, we would put in that category, as well. COMMISSIONER JONES: Let's move on to Page 12. Thank you. Page 12 on the customer survey. I just have a few brief questions here. So on Lines 9 through 17, you describe why surveys are a good indicator of customer interest. So, and I just had a chance to look today on your survey
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	NORTON utility of the future. Is it because you think leasing fits into a structure of third-party ownership or utility business future models or what? THE WITNESS: Yes. We believe the leasing would provide a future business model that would allow for distributed energy resources and, perhaps, electric vehicle opportunities, all different types of options. COMMISSIONER JONES: Okay. So it is kind of an indirect link, maybe a platform, with, if you have wi-fi-enabled appliances that connect to the Internet and somehow interconnect with other appliances? THE WITNESS: Yes. We see the future as very interconnected, like you're suggesting, and certainly the end-use equipment is a piece of that puzzle. The end-use equipment combined with the grid	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	NORTON understand their charging patterns so that we can respond with an appropriate program in the future. For clarification, I'm no longer responsible for the EV; that is in Will Einstein's organization. But we do see the similarity in a lot of these products is their large, complex capital investments that are in customers' and business' homes, and they don't have a lot of differentiating emotional features that, you know, make them want to be very distinguishable on their selection. And EV charging, we would put in that category, as well. COMMISSIONER JONES: Let's move on to Page 12. Thank you. Page 12 on the customer survey. I just have a few brief questions here. So on Lines 9 through 17, you describe why surveys are a good indicator of customer interest. So,
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	NORTON utility of the future. Is it because you think leasing fits into a structure of third-party ownership or utility business future models or what? THE WITNESS: Yes. We believe the leasing would provide a future business model that would allow for distributed energy resources and, perhaps, electric vehicle opportunities, all different types of options. COMMISSIONER JONES: Okay. So it is kind of an indirect link, maybe a platform, with, if you have wi-fi-enabled appliances that connect to the Internet and somehow interconnect with other appliances? THE WITNESS: Yes. We see the future as very interconnected, like you're suggesting, and certainly the end-use equipment is a piece of that puzzle. The end-use equipment combined with the grid and the ability to communicate with and through those pieces of equipment we believe is the future of the	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	NORTON understand their charging patterns so that we can respond with an appropriate program in the future. For clarification, I'm no longer responsible for the EV; that is in Will Einstein's organization. But we do see the similarity in a lot of these products is their large, complex capital investments that are in customers' and business' homes, and they don't have a lot of differentiating emotional features that, you know, make them want to be very distinguishable on their selection. And EV charging, we would put in that category, as well. COMMISSIONER JONES: Let's move on to Page 12. Thank you. Page 12 on the customer survey. I just have a few brief questions here. So on Lines 9 through 17, you describe why surveys are a good indicator of customer interest. So, and I just had a chance to look today on your survey that was on my desk when I came in on Cocker Fennessy
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	NORTON utility of the future. Is it because you think leasing fits into a structure of third-party ownership or utility business future models or what? THE WITNESS: Yes. We believe the leasing would provide a future business model that would allow for distributed energy resources and, perhaps, electric vehicle opportunities, all different types of options. COMMISSIONER JONES: Okay. So it is kind of an indirect link, maybe a platform, with, if you have wi-fi-enabled appliances that connect to the Internet and somehow interconnect with other appliances? THE WITNESS: Yes. We see the future as very interconnected, like you're suggesting, and certainly the end-use equipment is a piece of that puzzle. The end-use equipment combined with the grid and the ability to communicate with and through those pieces of equipment we believe is the future of the utility industry.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	NORTON understand their charging patterns so that we can respond with an appropriate program in the future. For clarification, I'm no longer responsible for the EV; that is in Will Einstein's organization. But we do see the similarity in a lot of these products is their large, complex capital investments that are in customers' and business' homes, and they don't have a lot of differentiating emotional features that, you know, make them want to be very distinguishable on their selection. And EV charging, we would put in that category, as well. COMMISSIONER JONES: Let's move on to Page 12. Thank you. Page 12 on the customer survey. I just have a few brief questions here. So on Lines 9 through 17, you describe why surveys are a good indicator of customer interest. So, and I just had a chance to look today on your survey that was on my desk when I came in on Cocker Fennessy Survey.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	NORTON utility of the future. Is it because you think leasing fits into a structure of third-party ownership or utility business future models or what? THE WITNESS: Yes. We believe the leasing would provide a future business model that would allow for distributed energy resources and, perhaps, electric vehicle opportunities, all different types of options. COMMISSIONER JONES: Okay. So it is kind of an indirect link, maybe a platform, with, if you have wi-fi-enabled appliances that connect to the Internet and somehow interconnect with other appliances? THE WITNESS: Yes. We see the future as very interconnected, like you're suggesting, and certainly the end-use equipment is a piece of that puzzle. The end-use equipment combined with the grid and the ability to communicate with and through those pieces of equipment we believe is the future of the utility industry. COMMISSIONER JONES: If you could turn back	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	NORTON understand their charging patterns so that we can respond with an appropriate program in the future. For clarification, I'm no longer responsible for the EV; that is in Will Einstein's organization. But we do see the similarity in a lot of these products is their large, complex capital investments that are in customers' and business' homes, and they don't have a lot of differentiating emotional features that, you know, make them want to be very distinguishable on their selection. And EV charging, we would put in that category, as well. COMMISSIONER JONES: Let's move on to Page 12. Thank you. Page 12 on the customer survey. I just have a few brief questions here. So on Lines 9 through 17, you describe why surveys are a good indicator of customer interest. So, and I just had a chance to look today on your survey that was on my desk when I came in on Cocker Fennessy Survey. So you used Cocker Fennessy and then Cocker
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	NORTON utility of the future. Is it because you think leasing fits into a structure of third-party ownership or utility business future models or what? THE WITNESS: Yes. We believe the leasing would provide a future business model that would allow for distributed energy resources and, perhaps, electric vehicle opportunities, all different types of options. COMMISSIONER JONES: Okay. So it is kind of an indirect link, maybe a platform, with, if you have wi-fi-enabled appliances that connect to the Internet and somehow interconnect with other appliances? THE WITNESS: Yes. We see the future as very interconnected, like you're suggesting, and certainly the end-use equipment is a piece of that puzzle. The end-use equipment combined with the grid and the ability to communicate with and through those pieces of equipment we believe is the future of the utility industry. COMMISSIONER JONES: If you could turn back to Page 5 of your testimony, Lines 13 through 15,	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	NORTON understand their charging patterns so that we can respond with an appropriate program in the future. For clarification, I'm no longer responsible for the EV; that is in Will Einstein's organization. But we do see the similarity in a lot of these products is their large, complex capital investments that are in customers' and business' homes, and they don't have a lot of differentiating emotional features that, you know, make them want to be very distinguishable on their selection. And EV charging, we would put in that category, as well. COMMISSIONER JONES: Let's move on to Page 12. Thank you. Page 12 on the customer survey. I just have a few brief questions here. So on Lines 9 through 17, you describe why surveys are a good indicator of customer interest. So, and I just had a chance to look today on your survey that was on my desk when I came in on Cocker Fennessy Survey. So you used Cocker Fennessy and then Cocker Fennessy used Pacific Market Research well, they used
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	NORTON utility of the future. Is it because you think leasing fits into a structure of third-party ownership or utility business future models or what? THE WITNESS: Yes. We believe the leasing would provide a future business model that would allow for distributed energy resources and, perhaps, electric vehicle opportunities, all different types of options. COMMISSIONER JONES: Okay. So it is kind of an indirect link, maybe a platform, with, if you have wi-fi-enabled appliances that connect to the Internet and somehow interconnect with other appliances? THE WITNESS: Yes. We see the future as very interconnected, like you're suggesting, and certainly the end-use equipment is a piece of that puzzle. The end-use equipment combined with the grid and the ability to communicate with and through those pieces of equipment we believe is the future of the utility industry. COMMISSIONER JONES: If you could turn back to Page 5 of your testimony, Lines 13 through 15, please.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	NORTON understand their charging patterns so that we can respond with an appropriate program in the future. For clarification, I'm no longer responsible for the EV; that is in Will Einstein's organization. But we do see the similarity in a lot of these products is their large, complex capital investments that are in customers' and business' homes, and they don't have a lot of differentiating emotional features that, you know, make them want to be very distinguishable on their selection. And EV charging, we would put in that category, as well. COMMISSIONER JONES: Let's move on to Page 12. Thank you. Page 12 on the customer survey. I just have a few brief questions here. So on Lines 9 through 17, you describe why surveys are a good indicator of customer interest. So, and I just had a chance to look today on your survey that was on my desk when I came in on Cocker Fennessy Survey. So you used Cocker Fennessy and then Cocker Fennessy used Pacific Market Research well, they used several subcontractors; right?

	Dama 175		
	Page 175 NORTON		Page 177 NORTON
1	THE WITNESS: Correct.	1	anymore. Is that your understanding?
2	COMMISSIONER JONES: So I guess my question	2	THE WITNESS: Correct.
3	to you is, how familiar and how many who on your	3	COMMISSIONER DANNER: Okay. But you did say
4	staff is most familiar with customer surveys, and do you	4	something about efficiency, that as it gets older?
5	do this on a regular basis or do you usually just	5	THE WITNESS: So typically my understanding
6	contract out this work to either Cocker Fennessy or	6	as and I think would be supported by a lot of
7	another type of survey firm?	7	manufacturers in the industry, that as equipment ages,
8	THE WITNESS: We do surveying routinely on	8	its performance degrades over time.
9	our own. We have an active consumer panel that we work	9	COMMISSIONER DANNER: Okay. So that's your
10	with where we use that consumer panel to ask them	10	understanding of the definition of "useful life," and
11	various questions about our service.	11	that's really what I'm getting at.
12	So we manage that directly. We also rely on	12	THE WITNESS: Yes. I mean, "useful life" is
13	outside experts to provide expertise in the area of	13	a term used to suggest the average age or life that that
14	market research, whether it's Cocker Fennessy,	14	equipment is intended to last, and
15	J.D. Power, or other research firms to help us better	15	COMMISSIONER DANNER: But the fact that you
16	understand all different aspects of our business,	16	reached the end of useful life, as I heard questions
17	whether it's customer interest, whether it's features,	17	before, "useful life" does not equal "useful," and so
18	whether it's how to navigate the Web more effectively.	18	it's possible that something can function?
19	So we use surveying routinely and consistently all the	19	THE WITNESS: It's possible that something
20	time in business.	20	can function beyond the defined term, yes.
21	COMMISSIONER JONES: I think you would agree	21	COMMISSIONER DANNER: Okay. And is it your
22	that behavioral economics, such as Opower's programs and	22	understanding that even beyond possible, that there
23	others, are kind of transforming and changing the	23	would be many pieces of equipment out there that are
24	industry these days; right?	24	past their useful life that are still in service,
25	THE WITNESS: It's definitely impactful.	25	whether they're efficient or not?
	Dere 170		
	Page 176		Page 178
	Page 176 NORTON		Page 178 NORTON
1		1	_
1 2	NORTON COMMISSIONER JONES: And those programs rely	1	NORTON
	NORTON		NORTON THE WITNESS: There's a significant share of
2	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and	2	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their
2 3	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and statistics; right?	2 3 4	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their useful life, as we've defined in our testimony.
2 3 4	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and statistics; right? THE WITNESS: Correct.	2 3 4	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their useful life, as we've defined in our testimony. COMMISSIONER DANNER: Okay. And then I want
2 3 4 5	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and statistics; right? THE WITNESS: Correct. COMMISSIONER JONES: So my question is, do	2 3 4 5	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their useful life, as we've defined in our testimony. COMMISSIONER DANNER: Okay. And then I want to get your understanding of the term that we hear a
2 3 4 5 6	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and statistics; right? THE WITNESS: Correct. COMMISSIONER JONES: So my question is, do you have any people on your staff who are experts in	2 3 4 5 6	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their useful life, as we've defined in our testimony. COMMISSIONER DANNER: Okay. And then I want to get your understanding of the term that we hear a lot, "utility of the future."
2 3 4 5 6 7	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and statistics; right? THE WITNESS: Correct. COMMISSIONER JONES: So my question is, do you have any people on your staff who are experts in either behavioral economics or statistics that can look	2 3 4 5 6 7	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their useful life, as we've defined in our testimony. COMMISSIONER DANNER: Okay. And then I want to get your understanding of the term that we hear a lot, "utility of the future." So the utilities many utilities, most
2 3 4 5 6 7 8	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and statistics; right? THE WITNESS: Correct. COMMISSIONER JONES: So my question is, do you have any people on your staff who are experts in either behavioral economics or statistics that can look at this data in a very professional way and respond to	2 3 4 5 6 7 8	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their useful life, as we've defined in our testimony. COMMISSIONER DANNER: Okay. And then I want to get your understanding of the term that we hear a lot, "utility of the future." So the utilities many utilities, most utilities in Washington State are required by
2 3 4 5 6 7 8 9	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and statistics; right? THE WITNESS: Correct. COMMISSIONER JONES: So my question is, do you have any people on your staff who are experts in either behavioral economics or statistics that can look at this data in a very professional way and respond to your contractors and subcontractors?	2 3 4 5 6 7 8 9	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their useful life, as we've defined in our testimony. COMMISSIONER DANNER: Okay. And then I want to get your understanding of the term that we hear a lot, "utility of the future." So the utilities many utilities, most utilities in Washington State are required by Initiative 937 to pursue all cost-effective
2 3 4 5 6 7 8 9	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and statistics; right? THE WITNESS: Correct. COMMISSIONER JONES: So my question is, do you have any people on your staff who are experts in either behavioral economics or statistics that can look at this data in a very professional way and respond to your contractors and subcontractors? THE WITNESS: So we have a whole department	2 3 4 5 6 7 8 9 10	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their useful life, as we've defined in our testimony. COMMISSIONER DANNER: Okay. And then I want to get your understanding of the term that we hear a lot, "utility of the future." So the utilities many utilities, most utilities in Washington State are required by Initiative 937 to pursue all cost-effective conservation. Is Puget Sound Energy one of those
2 3 4 5 6 7 8 9 10 11	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and statistics; right? THE WITNESS: Correct. COMMISSIONER JONES: So my question is, do you have any people on your staff who are experts in either behavioral economics or statistics that can look at this data in a very professional way and respond to your contractors and subcontractors? THE WITNESS: So we have a whole department called Competitive Intelligence where their role is to	2 3 4 5 6 7 8 9 10 11	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their useful life, as we've defined in our testimony. COMMISSIONER DANNER: Okay. And then I want to get your understanding of the term that we hear a lot, "utility of the future." So the utilities many utilities, most utilities in Washington State are required by Initiative 937 to pursue all cost-effective conservation. Is Puget Sound Energy one of those utilities?
2 3 4 5 6 7 8 9 10 11 12	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and statistics; right? THE WITNESS: Correct. COMMISSIONER JONES: So my question is, do you have any people on your staff who are experts in either behavioral economics or statistics that can look at this data in a very professional way and respond to your contractors and subcontractors? THE WITNESS: So we have a whole department called Competitive Intelligence where their role is to research customers from all different aspects of	2 3 4 5 6 7 8 9 10 11 12	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their useful life, as we've defined in our testimony. COMMISSIONER DANNER: Okay. And then I want to get your understanding of the term that we hear a lot, "utility of the future." So the utilities many utilities, most utilities in Washington State are required by Initiative 937 to pursue all cost-effective conservation. Is Puget Sound Energy one of those utilities? THE WITNESS: It's my understanding we are.
2 3 4 5 6 7 8 9 10 11 12 13	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and statistics; right? THE WITNESS: Correct. COMMISSIONER JONES: So my question is, do you have any people on your staff who are experts in either behavioral economics or statistics that can look at this data in a very professional way and respond to your contractors and subcontractors? THE WITNESS: So we have a whole department called Competitive Intelligence where their role is to research customers from all different aspects of research, understand consumer behavior, and use that to	2 3 4 5 6 7 8 9 10 11 12 13	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their useful life, as we've defined in our testimony. COMMISSIONER DANNER: Okay. And then I want to get your understanding of the term that we hear a lot, "utility of the future." So the utilities many utilities, most utilities in Washington State are required by Initiative 937 to pursue all cost-effective conservation. Is Puget Sound Energy one of those utilities? THE WITNESS: It's my understanding we are. COMMISSIONER DANNER: And because of that,
2 3 4 5 6 7 8 9 10 11 12 13 14	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and statistics; right? THE WITNESS: Correct. COMMISSIONER JONES: So my question is, do you have any people on your staff who are experts in either behavioral economics or statistics that can look at this data in a very professional way and respond to your contractors and subcontractors? THE WITNESS: So we have a whole department called Competitive Intelligence where their role is to research customers from all different aspects of research, understand consumer behavior, and use that to help guide our business decisions.	2 3 4 5 6 7 8 9 10 11 12 13 14	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their useful life, as we've defined in our testimony. COMMISSIONER DANNER: Okay. And then I want to get your understanding of the term that we hear a lot, "utility of the future." So the utilities many utilities, most utilities in Washington State are required by Initiative 937 to pursue all cost-effective conservation. Is Puget Sound Energy one of those utilities? THE WITNESS: It's my understanding we are. COMMISSIONER DANNER: And because of that, are your loads leveling off, are they flattening, are
2 3 4 5 6 7 8 9 10 11 12 13 14 15	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and statistics; right? THE WITNESS: Correct. COMMISSIONER JONES: So my question is, do you have any people on your staff who are experts in either behavioral economics or statistics that can look at this data in a very professional way and respond to your contractors and subcontractors? THE WITNESS: So we have a whole department called Competitive Intelligence where their role is to research customers from all different aspects of research, understand consumer behavior, and use that to help guide our business decisions. So yes, we do have a whole department called	2 3 4 5 6 7 8 9 10 11 12 13 14 15	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their useful life, as we've defined in our testimony. COMMISSIONER DANNER: Okay. And then I want to get your understanding of the term that we hear a lot, "utility of the future." So the utilities many utilities, most utilities in Washington State are required by Initiative 937 to pursue all cost-effective conservation. Is Puget Sound Energy one of those utilities? THE WITNESS: It's my understanding we are. COMMISSIONER DANNER: And because of that, are your loads leveling off, are they flattening, are they reducing?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and statistics; right? THE WITNESS: Correct. COMMISSIONER JONES: So my question is, do you have any people on your staff who are experts in either behavioral economics or statistics that can look at this data in a very professional way and respond to your contractors and subcontractors? THE WITNESS: So we have a whole department called Competitive Intelligence where their role is to research customers from all different aspects of research, understand consumer behavior, and use that to help guide our business decisions. So yes, we do have a whole department called Competitive Intelligence that's looking at different	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their useful life, as we've defined in our testimony. COMMISSIONER DANNER: Okay. And then I want to get your understanding of the term that we hear a lot, "utility of the future." So the utilities many utilities, most utilities in Washington State are required by Initiative 937 to pursue all cost-effective conservation. Is Puget Sound Energy one of those utilities? THE WITNESS: It's my understanding we are. COMMISSIONER DANNER: And because of that, are your loads leveling off, are they flattening, are they reducing? THE WITNESS: Our loads are very are
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and statistics; right? THE WITNESS: Correct. COMMISSIONER JONES: So my question is, do you have any people on your staff who are experts in either behavioral economics or statistics that can look at this data in a very professional way and respond to your contractors and subcontractors? THE WITNESS: So we have a whole department called Competitive Intelligence where their role is to research customers from all different aspects of research, understand consumer behavior, and use that to help guide our business decisions. So yes, we do have a whole department called Competitive Intelligence that's looking at different aspects of consumer behavior.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their useful life, as we've defined in our testimony. COMMISSIONER DANNER: Okay. And then I want to get your understanding of the term that we hear a lot, "utility of the future." So the utilities many utilities, most utilities in Washington State are required by Initiative 937 to pursue all cost-effective conservation. Is Puget Sound Energy one of those utilities? THE WITNESS: It's my understanding we are. COMMISSIONER DANNER: And because of that, are your loads leveling off, are they flattening, are they reducing? THE WITNESS: Our loads are very are leveling and I believe declining.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and statistics; right? THE WITNESS: Correct. COMMISSIONER JONES: So my question is, do you have any people on your staff who are experts in either behavioral economics or statistics that can look at this data in a very professional way and respond to your contractors and subcontractors? THE WITNESS: So we have a whole department called Competitive Intelligence where their role is to research customers from all different aspects of research, understand consumer behavior, and use that to help guide our business decisions. So yes, we do have a whole department called Competitive Intelligence that's looking at different aspects of consumer behavior. COMMISSIONER JONES: Okay, thank you.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their useful life, as we've defined in our testimony. COMMISSIONER DANNER: Okay. And then I want to get your understanding of the term that we hear a lot, "utility of the future." So the utilities many utilities, most utilities in Washington State are required by Initiative 937 to pursue all cost-effective conservation. Is Puget Sound Energy one of those utilities? THE WITNESS: It's my understanding we are. COMMISSIONER DANNER: And because of that, are your loads leveling off, are they flattening, are they reducing? THE WITNESS: Our loads are very are leveling and I believe declining. COMMISSIONER DANNER: And when that happens,
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and statistics; right? THE WITNESS: Correct. COMMISSIONER JONES: So my question is, do you have any people on your staff who are experts in either behavioral economics or statistics that can look at this data in a very professional way and respond to your contractors and subcontractors? THE WITNESS: So we have a whole department called Competitive Intelligence where their role is to research customers from all different aspects of research, understand consumer behavior, and use that to help guide our business decisions. So yes, we do have a whole department called Competitive Intelligence that's looking at different aspects of consumer behavior. COMMISSIONER JONES: Okay, thank you. Judge, that's all I have, thank you.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their useful life, as we've defined in our testimony. COMMISSIONER DANNER: Okay. And then I want to get your understanding of the term that we hear a lot, "utility of the future." So the utilities many utilities, most utilities in Washington State are required by Initiative 937 to pursue all cost-effective conservation. Is Puget Sound Energy one of those utilities? THE WITNESS: It's my understanding we are. COMMISSIONER DANNER: And because of that, are your loads leveling off, are they flattening, are they reducing? THE WITNESS: Our loads are very are leveling and I believe declining. COMMISSIONER DANNER: And when that happens, does that affect the revenue that you get from the sale
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and statistics; right? THE WITNESS: Correct. COMMISSIONER JONES: So my question is, do you have any people on your staff who are experts in either behavioral economics or statistics that can look at this data in a very professional way and respond to your contractors and subcontractors? THE WITNESS: So we have a whole department called Competitive Intelligence where their role is to research customers from all different aspects of research, understand consumer behavior, and use that to help guide our business decisions. So yes, we do have a whole department called Competitive Intelligence that's looking at different aspects of consumer behavior. COMMISSIONER JONES: Okay, thank you. Judge, that's all I have, thank you. JUDGE KOPTA: Thank you. Mr. Jones.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their useful life, as we've defined in our testimony. COMMISSIONER DANNER: Okay. And then I want to get your understanding of the term that we hear a lot, "utility of the future." So the utilities many utilities, most utilities in Washington State are required by Initiative 937 to pursue all cost-effective conservation. Is Puget Sound Energy one of those utilities? THE WITNESS: It's my understanding we are. COMMISSIONER DANNER: And because of that, are your loads leveling off, are they flattening, are they reducing? THE WITNESS: Our loads are very are leveling and I believe declining. COMMISSIONER DANNER: And when that happens, does that affect the revenue that you get from the sale of electricity as a commodity? THE WITNESS: So we are a decoupled company. And I'm not the revenue requirements expert, but it's my
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and statistics; right? THE WITNESS: Correct. COMMISSIONER JONES: So my question is, do you have any people on your staff who are experts in either behavioral economics or statistics that can look at this data in a very professional way and respond to your contractors and subcontractors? THE WITNESS: So we have a whole department called Competitive Intelligence where their role is to research customers from all different aspects of research, understand consumer behavior, and use that to help guide our business decisions. So yes, we do have a whole department called Competitive Intelligence that's looking at different aspects of consumer behavior. COMMISSIONER JONES: Okay, thank you. JUDGE KOPTA: Thank you. Mr. Jones. COMMISSIONER DANNER: Thank you. I just wanted to get some clarification on your understanding of the definition of "useful life."	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their useful life, as we've defined in our testimony. COMMISSIONER DANNER: Okay. And then I want to get your understanding of the term that we hear a lot, "utility of the future." So the utilities many utilities, most utilities in Washington State are required by Initiative 937 to pursue all cost-effective conservation. Is Puget Sound Energy one of those utilities? THE WITNESS: It's my understanding we are. COMMISSIONER DANNER: And because of that, are your loads leveling off, are they flattening, are they reducing? THE WITNESS: Our loads are very are leveling and I believe declining. COMMISSIONER DANNER: And when that happens, does that affect the revenue that you get from the sale of electricity as a commodity? THE WITNESS: So we are a decoupled company.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	NORTON COMMISSIONER JONES: And those programs rely both on understanding of consumer behavior and statistics; right? THE WITNESS: Correct. COMMISSIONER JONES: So my question is, do you have any people on your staff who are experts in either behavioral economics or statistics that can look at this data in a very professional way and respond to your contractors and subcontractors? THE WITNESS: So we have a whole department called Competitive Intelligence where their role is to research customers from all different aspects of research, understand consumer behavior, and use that to help guide our business decisions. So yes, we do have a whole department called Competitive Intelligence that's looking at different aspects of consumer behavior. COMMISSIONER JONES: Okay, thank you. JUDGE KOPTA: Thank you. Mr. Jones. COMMISSIONER DANNER: Thank you. I just wanted to get some clarification on your understanding	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	NORTON THE WITNESS: There's a significant share of pieces of equipment out there that are beyond their useful life, as we've defined in our testimony. COMMISSIONER DANNER: Okay. And then I want to get your understanding of the term that we hear a lot, "utility of the future." So the utilities many utilities, most utilities in Washington State are required by Initiative 937 to pursue all cost-effective conservation. Is Puget Sound Energy one of those utilities? THE WITNESS: It's my understanding we are. COMMISSIONER DANNER: And because of that, are your loads leveling off, are they flattening, are they reducing? THE WITNESS: Our loads are very are leveling and I believe declining. COMMISSIONER DANNER: And when that happens, does that affect the revenue that you get from the sale of electricity as a commodity? THE WITNESS: So we are a decoupled company. And I'm not the revenue requirements expert, but it's my

	Page 179		Page 181
	NORTON		NORTON
1	that, the decline in the sale of electricity could lead	1	COMMISSIONER DANNER: And so regulators like
2	to a change in the business model?	2	the Company have to be looking at new business models.
3	THE WITNESS: It could, yes, yes.	3	Is that your understanding?
4	COMMISSIONER DANNER: And then with regard	4	THE WITNESS: Exactly. As we talked about
5	to new technologies, Commissioner Jones mentioned your	5	in workshops, the self-generation is having a
6	testimony when you talked about solar and energy storage	6	significant impact, and we're looking at ways to help
7	and electric vehicles. In fact, solar, you are involved	7	the transition to the future while making it affordable
8	currently in you have customers who are net metering	8	to the customers that are on the system.
9	service?	9	And I think that providing businesses that
10	THE WITNESS: Yes, we do.	10	help us diversify with our customers and diversify some
11	COMMISSIONER DANNER: And so are you aware	11	of the financial earnings for the Company helps us
12	of debates over whether that functions as a cost shift	12	bridge that tension that's happening, you know,
13	to other customers, the customers who do not net meter?	13	happening and expect it to continue to happen, into the
14	THE WITNESS: I'm very aware of the debates	14	future.
15	about solar and the impact that's having, and who is	15	COMMISSIONER DANNER: Thank you.
16	bearing the cost of some of that self-generation,	16	JUDGE KOPTA: Commissioner Rendahl?
17	correct.	17	COMMISSIONER RENDAHL: Good morning.
18	COMMISSIONER DANNER: And energy storage;	18	THE WITNESS: Good morning.
19	has your company been involved in exploring energy	19	COMMISSIONER RENDAHL: So this may be a
20	storage in parts of its system?	20	question for Mr. McCulloch, but in this program, to what
21	THE WITNESS: So it's my understanding we	21	extent will customers be involved in deciding which
22	have been exploring storage, yes, both at the consumer	22	specific equipment is selected for installation?
23	level and at the utility level.	23	I understand there's a sort of category that
24	COMMISSIONER DANNER: And you have customers	24	the Company has chosen and programmed, but to what
25	participating in electric vehicle?	25	extent do customers get to choose what they actually get
	Page 180		Page 182
	Page 180 NORTON		
	NORTON		Page 182 NORTON
1	NORTON THE WITNESS: Yes, we do.	1	Page 182 NORTON in the home?
2	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your	2	Page 182 NORTON in the home? THE WITNESS: I will defer that to
2 3	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there	2 3	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have
2 3 4	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in	2 3 4	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and
2 3 4 5	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in that the traditional expectations of gradual load growth	2 3 4 5	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and fulfill the need that they have when they call us.
2 3 4 5 6	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in that the traditional expectations of gradual load growth just aren't there anymore, that they're seeing changes?	2 3 4 5 6	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and fulfill the need that they have when they call us. Mr. McCulloch can probably address that more
2 3 4 5 6 7	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in that the traditional expectations of gradual load growth just aren't there anymore, that they're seeing changes? THE WITNESS: Absolutely, and that's what	2 3 4 5 6 7	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and fulfill the need that they have when they call us. Mr. McCulloch can probably address that more specifically.
2 3 5 6 7 8	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in that the traditional expectations of gradual load growth just aren't there anymore, that they're seeing changes? THE WITNESS: Absolutely, and that's what we've been pursuing and looking at is how will these	2 3 4 5 6 7 8	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and fulfill the need that they have when they call us. Mr. McCulloch can probably address that more specifically. COMMISSIONER RENDAHL: One other question.
2 3 4 5 6 7 8 9	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in that the traditional expectations of gradual load growth just aren't there anymore, that they're seeing changes? THE WITNESS: Absolutely, and that's what we've been pursuing and looking at is how will these changes and these new technologies change the way we	2 3 4 5 6 7 8 9	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and fulfill the need that they have when they call us. Mr. McCulloch can probably address that more specifically. COMMISSIONER RENDAHL: One other question. You mentioned today that in your work that you do in
2 3 4 5 6 7 8 9	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in that the traditional expectations of gradual load growth just aren't there anymore, that they're seeing changes? THE WITNESS: Absolutely, and that's what we've been pursuing and looking at is how will these changes and these new technologies change the way we operate, partner with our customers, and remain a viable	2 3 4 5 6 7 8 9 10	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and fulfill the need that they have when they call us. Mr. McCulloch can probably address that more specifically. COMMISSIONER RENDAHL: One other question. You mentioned today that in your work that you do in your group, that customers are asking today for this.
2 3 4 5 6 7 8 9 10	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in that the traditional expectations of gradual load growth just aren't there anymore, that they're seeing changes? THE WITNESS: Absolutely, and that's what we've been pursuing and looking at is how will these changes and these new technologies change the way we operate, partner with our customers, and remain a viable utility into the future.	2 3 4 5 6 7 8 9 10 11	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and fulfill the need that they have when they call us. Mr. McCulloch can probably address that more specifically. COMMISSIONER RENDAHL: One other question. You mentioned today that in your work that you do in your group, that customers are asking today for this. Are they asking for this leasing program? I mean, do
2 3 4 5 6 7 8 9 10 11 12	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in that the traditional expectations of gradual load growth just aren't there anymore, that they're seeing changes? THE WITNESS: Absolutely, and that's what we've been pursuing and looking at is how will these changes and these new technologies change the way we operate, partner with our customers, and remain a viable utility into the future. COMMISSIONER DANNER: Okay. And when you	2 3 4 5 6 7 8 9 10 11 12	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and fulfill the need that they have when they call us. Mr. McCulloch can probably address that more specifically. COMMISSIONER RENDAHL: One other question. You mentioned today that in your work that you do in your group, that customers are asking today for this. Are they asking for this leasing program? I mean, do you have responses at the Company, statements that
2 3 4 5 6 7 8 9 10 11 12 13	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in that the traditional expectations of gradual load growth just aren't there anymore, that they're seeing changes? THE WITNESS: Absolutely, and that's what we've been pursuing and looking at is how will these changes and these new technologies change the way we operate, partner with our customers, and remain a viable utility into the future. COMMISSIONER DANNER: Okay. And when you have if you have customers who, for example, were to	2 3 4 5 6 7 8 9 10 11 12 13	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and fulfill the need that they have when they call us. Mr. McCulloch can probably address that more specifically. COMMISSIONER RENDAHL: One other question. You mentioned today that in your work that you do in your group, that customers are asking today for this. Are they asking for this leasing program? I mean, do you have responses at the Company, statements that customers have asked the Company to lease equipment to
2 3 4 5 6 7 8 9 10 11 12 13 14	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in that the traditional expectations of gradual load growth just aren't there anymore, that they're seeing changes? THE WITNESS: Absolutely, and that's what we've been pursuing and looking at is how will these changes and these new technologies change the way we operate, partner with our customers, and remain a viable utility into the future. COMMISSIONER DANNER: Okay. And when you have if you have customers who, for example, were to look at solar rooftop, which I'm sure you have customers	2 3 4 5 6 7 8 9 10 11 12 13 14	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and fulfill the need that they have when they call us. Mr. McCulloch can probably address that more specifically. COMMISSIONER RENDAHL: One other question. You mentioned today that in your work that you do in your group, that customers are asking today for this. Are they asking for this leasing program? I mean, do you have responses at the Company, statements that customers have asked the Company to lease equipment to them?
2 3 4 5 6 7 8 9 10 11 12 13 14 15	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in that the traditional expectations of gradual load growth just aren't there anymore, that they're seeing changes? THE WITNESS: Absolutely, and that's what we've been pursuing and looking at is how will these changes and these new technologies change the way we operate, partner with our customers, and remain a viable utility into the future. COMMISSIONER DANNER: Okay. And when you have if you have customers who, for example, were to look at solar rooftop, which I'm sure you have customers who are looking at that, large and small customers?	2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and fulfill the need that they have when they call us. Mr. McCulloch can probably address that more specifically. COMMISSIONER RENDAHL: One other question. You mentioned today that in your work that you do in your group, that customers are asking today for this. Are they asking for this leasing program? I mean, do you have responses at the Company, statements that customers have asked the Company to lease equipment to them? THE WITNESS: So I'm sure you're familiar
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in that the traditional expectations of gradual load growth just aren't there anymore, that they're seeing changes? THE WITNESS: Absolutely, and that's what we've been pursuing and looking at is how will these changes and these new technologies change the way we operate, partner with our customers, and remain a viable utility into the future. COMMISSIONER DANNER: Okay. And when you have if you have customers who, for example, were to look at solar rooftop, which I'm sure you have customers who are looking at that, large and small customers? THE WITNESS: Yes.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and fulfill the need that they have when they call us. Mr. McCulloch can probably address that more specifically. COMMISSIONER RENDAHL: One other question. You mentioned today that in your work that you do in your group, that customers are asking today for this. Are they asking for this leasing program? I mean, do you have responses at the Company, statements that customers have asked the Company to lease equipment to them? THE WITNESS: So I'm sure you're familiar that we currently have 33,000 customers that are renting
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in that the traditional expectations of gradual load growth just aren't there anymore, that they're seeing changes? THE WITNESS: Absolutely, and that's what we've been pursuing and looking at is how will these changes and these new technologies change the way we operate, partner with our customers, and remain a viable utility into the future. COMMISSIONER DANNER: Okay. And when you have if you have customers who, for example, were to look at solar rooftop, which I'm sure you have customers who are looking at that, large and small customers? THE WITNESS: Yes. COMMISSIONER DANNER: Does that you still	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and fulfill the need that they have when they call us. Mr. McCulloch can probably address that more specifically. COMMISSIONER RENDAHL: One other question. You mentioned today that in your work that you do in your group, that customers are asking today for this. Are they asking for this leasing program? I mean, do you have responses at the Company, statements that customers have asked the Company to lease equipment to them? THE WITNESS: So I'm sure you're familiar that we currently have 33,000 customers that are renting water heaters and conversion burners from us, and
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in that the traditional expectations of gradual load growth just aren't there anymore, that they're seeing changes? THE WITNESS: Absolutely, and that's what we've been pursuing and looking at is how will these changes and these new technologies change the way we operate, partner with our customers, and remain a viable utility into the future. COMMISSIONER DANNER: Okay. And when you have if you have customers who, for example, were to look at solar rooftop, which I'm sure you have customers who are looking at that, large and small customers? THE WITNESS: Yes. COMMISSIONER DANNER: Does that you still have the requirement to serve all remaining customers,	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and fulfill the need that they have when they call us. Mr. McCulloch can probably address that more specifically. COMMISSIONER RENDAHL: One other question. You mentioned today that in your work that you do in your group, that customers are asking today for this. Are they asking for this leasing program? I mean, do you have responses at the Company, statements that customers have asked the Company to lease equipment to them? THE WITNESS: So I'm sure you're familiar that we currently have 33,000 customers that are renting water heaters and conversion burners from us, and continue to do so. And by nature of them having it,
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in that the traditional expectations of gradual load growth just aren't there anymore, that they're seeing changes? THE WITNESS: Absolutely, and that's what we've been pursuing and looking at is how will these changes and these new technologies change the way we operate, partner with our customers, and remain a viable utility into the future. COMMISSIONER DANNER: Okay. And when you have if you have customers who, for example, were to look at solar rooftop, which I'm sure you have customers who are looking at that, large and small customers? THE WITNESS: Yes. COMMISSIONER DANNER: Does that you still have the requirement to serve all remaining customers, even though there will be fewer customers within the	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and fulfill the need that they have when they call us. Mr. McCulloch can probably address that more specifically. COMMISSIONER RENDAHL: One other question. You mentioned today that in your work that you do in your group, that customers are asking today for this. Are they asking for this leasing program? I mean, do you have responses at the Company, statements that customers have asked the Company to lease equipment to them? THE WITNESS: So I'm sure you're familiar that we currently have 33,000 customers that are renting water heaters and conversion burners from us, and continue to do so. And by nature of them having it, they're asking to move those to also do it in,
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in that the traditional expectations of gradual load growth just aren't there anymore, that they're seeing changes? THE WITNESS: Absolutely, and that's what we've been pursuing and looking at is how will these changes and these new technologies change the way we operate, partner with our customers, and remain a viable utility into the future. COMMISSIONER DANNER: Okay. And when you have if you have customers who, for example, were to look at solar rooftop, which I'm sure you have customers who are looking at that, large and small customers? THE WITNESS: Yes. COMMISSIONER DANNER: Does that you still have the requirement to serve all remaining customers, even though there will be fewer customers within the service territory on the grid who would be paying for	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and fulfill the need that they have when they call us. Mr. McCulloch can probably address that more specifically. COMMISSIONER RENDAHL: One other question. You mentioned today that in your work that you do in your group, that customers are asking today for this. Are they asking for this leasing program? I mean, do you have responses at the Company, statements that customers have asked the Company to lease equipment to them? THE WITNESS: So I'm sure you're familiar that we currently have 33,000 customers that are renting water heaters and conversion burners from us, and continue to do so. And by nature of them having it, they're asking to move those to also do it in, perhaps, their new homes or their new businesses, as
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in that the traditional expectations of gradual load growth just aren't there anymore, that they're seeing changes? THE WITNESS: Absolutely, and that's what we've been pursuing and looking at is how will these changes and these new technologies change the way we operate, partner with our customers, and remain a viable utility into the future. COMMISSIONER DANNER: Okay. And when you have if you have customers who, for example, were to look at solar rooftop, which I'm sure you have customers who are looking at that, large and small customers? THE WITNESS: Yes. COMMISSIONER DANNER: Does that you still have the requirement to serve all remaining customers, even though there will be fewer customers within the service territory on the grid who would be paying for those services?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and fulfill the need that they have when they call us. Mr. McCulloch can probably address that more specifically. COMMISSIONER RENDAHL: One other question. You mentioned today that in your work that you do in your group, that customers are asking today for this. Are they asking for this leasing program? I mean, do you have responses at the Company, statements that customers have asked the Company to lease equipment to them? THE WITNESS: So I'm sure you're familiar that we currently have 33,000 customers that are renting water heaters and conversion burners from us, and continue to do so. And by nature of them having it, they're asking to move those to also do it in, perhaps, their new homes or their new businesses, as well as customers are aware that we are doing it for
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in that the traditional expectations of gradual load growth just aren't there anymore, that they're seeing changes? THE WITNESS: Absolutely, and that's what we've been pursuing and looking at is how will these changes and these new technologies change the way we operate, partner with our customers, and remain a viable utility into the future. COMMISSIONER DANNER: Okay. And when you have if you have customers who, for example, were to look at solar rooftop, which I'm sure you have customers who are looking at that, large and small customers? THE WITNESS: Yes. COMMISSIONER DANNER: Does that you still have the requirement to serve all remaining customers, even though there will be fewer customers within the service territory on the grid who would be paying for those services? THE WITNESS: Correct.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and fulfill the need that they have when they call us. Mr. McCulloch can probably address that more specifically. COMMISSIONER RENDAHL: One other question. You mentioned today that in your work that you do in your group, that customers are asking today for this. Are they asking for this leasing program? I mean, do you have responses at the Company, statements that customers have asked the Company to lease equipment to them? THE WITNESS: So I'm sure you're familiar that we currently have 33,000 customers that are renting water heaters and conversion burners from us, and continue to do so. And by nature of them having it, they're asking to move those to also do it in, perhaps, their new homes or their new businesses, as well as customers are aware that we are doing it for others and are calling us and asking us if they can also
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in that the traditional expectations of gradual load growth just aren't there anymore, that they're seeing changes? THE WITNESS: Absolutely, and that's what we've been pursuing and looking at is how will these changes and these new technologies change the way we operate, partner with our customers, and remain a viable utility into the future. COMMISSIONER DANNER: Okay. And when you have if you have customers who, for example, were to look at solar rooftop, which I'm sure you have customers who are looking at that, large and small customers? THE WITNESS: Yes. COMMISSIONER DANNER: Does that you still have the requirement to serve all remaining customers, even though there will be fewer customers within the service territory on the grid who would be paying for those services? THE WITNESS: Correct. COMMISSIONER DANNER: Under traditional	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and fulfill the need that they have when they call us. Mr. McCulloch can probably address that more specifically. COMMISSIONER RENDAHL: One other question. You mentioned today that in your work that you do in your group, that customers are asking today for this. Are they asking for this leasing program? I mean, do you have responses at the Company, statements that customers have asked the Company to lease equipment to them? THE WITNESS: So I'm sure you're familiar that we currently have 33,000 customers that are renting water heaters and conversion burners from us, and continue to do so. And by nature of them having it, they're asking to move those to also do it in, perhaps, their new homes or their new businesses, as well as customers are aware that we are doing it for others and are calling us and asking us if they can also participate in the program.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	NORTON THE WITNESS: Yes, we do. COMMISSIONER DANNER: So is it your understanding or the Company's understanding that there are changes afoot in the electric utility business in that the traditional expectations of gradual load growth just aren't there anymore, that they're seeing changes? THE WITNESS: Absolutely, and that's what we've been pursuing and looking at is how will these changes and these new technologies change the way we operate, partner with our customers, and remain a viable utility into the future. COMMISSIONER DANNER: Okay. And when you have if you have customers who, for example, were to look at solar rooftop, which I'm sure you have customers who are looking at that, large and small customers? THE WITNESS: Yes. COMMISSIONER DANNER: Does that you still have the requirement to serve all remaining customers, even though there will be fewer customers within the service territory on the grid who would be paying for those services? THE WITNESS: Correct.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	Page 182 NORTON in the home? THE WITNESS: I will defer that to Mr. McCulloch. But the intention is that customers have the amount of choice that they need to move forward and fulfill the need that they have when they call us. Mr. McCulloch can probably address that more specifically. COMMISSIONER RENDAHL: One other question. You mentioned today that in your work that you do in your group, that customers are asking today for this. Are they asking for this leasing program? I mean, do you have responses at the Company, statements that customers have asked the Company to lease equipment to them? THE WITNESS: So I'm sure you're familiar that we currently have 33,000 customers that are renting water heaters and conversion burners from us, and continue to do so. And by nature of them having it, they're asking to move those to also do it in, perhaps, their new homes or their new businesses, as well as customers are aware that we are doing it for others and are calling us and asking us if they can also

	Page 183		Page 185
	NORTON		CARSON / NORTON
1	that's in the record, or is it just based on the NEEA	1	reporting to the Commission?
2	survey? Or is this just anecdotal?	2	A. Yes, I do. We talk about following offering
3	THE WITNESS: This would be anecdotal based	3	the reporting as an optional service. So, yes, I see
4	on I mean, it's based on what we're experiencing	4	both. We talk about which times the demand response
5		5	becomes available to the customers. We will consider
6	record thus far.	6	the role the leasing business has in that program, and
7	COMMISSIONER RENDAHL: Okay, thank you.	7	as you might be aware, we currently have a filing before
8	JUDGE KOPTA: Are you going to have	8	the Commission on RFP for demand response today.
9	redirect, Ms. Carson?	9	Q. And I think it also look at the second filing
10	MS. CARSON: Yes, I am.	10	letter that PSE filed on November 6, 2015.
11	JUDGE KOPTA: Well, it's now noon. We will	11	Do you have that with you?
11		12	A. Yes, I do.
	MS. BROWN: Your Honor, I would like to make		Q. And if you could look on Page 8 of that filing.
13		13	A. Yes.
14		14	
15	witness and have Ms. Carson complete her redirect rather	15	Q. Is there any discussion on Page 8 in this filing
16	than have an hour to work with the witness on preparing	16	letter of PSE's commitment to reporting to the
17	redirect, but it's an hour that we will not have with	17	Commission?
18	our witnesses.	18	A. Yes. In Section 5 we state that PSE will submit
19	JUDGE KOPTA: How long, do you think,	19	a report to the UTC on the details of the type of
20	Ms. Carson?	20	equipment leased, the number of customers, failure
21	MS. CARSON: Probably five to ten minutes.	21	rates, all sorts of items.
22	COMMISSIONER DANNER: I think we have to	22	Q. Thank you. Now I'd like to turn to the
23	avoid any kind of international faux pas being late to	23	Exhibit BTC-2HC. You were asked questions about that.
24	our lunch engagement with the Cambodians.	24	Do you have that in front of you?
25	JUDGE KOPTA: All right. If we can keep it	25	A. Yes, I do.
	Page 184		Page 186
	CARSON / NORTON		Page 186 CARSON / NORTON
-	CARSON / NORTON	-	CARSON / NORTON
1	CARSON / NORTON as briefly as reasonable, it will be appreciated.	1	CARSON / NORTON Q. I believe Mr. Casey questioned you about this
2	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson.	2	CARSON / NORTON Q. I believe Mr. Casey questioned you about this document?
2 3	CARSON / NORTON as briefly as reasonable, it will be appreciated.	2 3	CARSON / NORTON Q. I believe Mr. Casey questioned you about this document? A. Yes, he did.
2	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor.	2 3 4	CARSON / NORTON Q. I believe Mr. Casey questioned you about this document? A. Yes, he did. Q. So this is a highly confidential document, and
2 3 4 5	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor. REDIRECT EXAMINATION	2 3 4 5	CARSON / NORTON Q. I believe Mr. Casey questioned you about this document? A. Yes, he did. Q. So this is a highly confidential document, and it has highly confidential, so we want to avoid
2 3 4 5 6	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor. REDIRECT EXAMINATION BY MS. CARSON:	2 3 4 5 6	CARSON / NORTON Q. I believe Mr. Casey questioned you about this document? A. Yes, he did. Q. So this is a highly confidential document, and it has highly confidential, so we want to avoid referencing that, but there were questions about PSE's
2 3 4 5 6 7	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor. REDIRECT EXAMINATION BY MS. CARSON: Q. Ms. Norton, you were asked about some of the	2 3 4 5 6 7	CARSON / NORTON Q. I believe Mr. Casey questioned you about this document? A. Yes, he did. Q. So this is a highly confidential document, and it has highly confidential, so we want to avoid referencing that, but there were questions about PSE's assumptions on market share.
2 3 4 5 6 7 8	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor. REDIRECT EXAMINATION BY MS. CARSON: Q. Ms. Norton, you were asked about some of the commitments that PSE made in LYN-3.	2 3 4 5 6 7 8	CARSON / NORTON Q. I believe Mr. Casey questioned you about this document? A. Yes, he did. Q. So this is a highly confidential document, and it has highly confidential, so we want to avoid referencing that, but there were questions about PSE's assumptions on market share. Can you elaborate on what PSE means in this
2 3 4 5 6 7 8 9	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor. REDIRECT EXAMINATION BY MS. CARSON: Q. Ms. Norton, you were asked about some of the commitments that PSE made in LYN-3. Do you recall those questions?	2 3 4 5 6 7 8 9	CARSON / NORTON Q. I believe Mr. Casey questioned you about this document? A. Yes, he did. Q. So this is a highly confidential document, and it has highly confidential, so we want to avoid referencing that, but there were questions about PSE's assumptions on market share. Can you elaborate on what PSE means in this document when it's talking about market share?
2 3 4 5 6 7 8 9	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor. REDIRECT EXAMINATION BY MS. CARSON: Q. Ms. Norton, you were asked about some of the commitments that PSE made in LYN-3. Do you recall those questions? A. Yes.	2 3 4 5 6 7 8 9 10	CARSON / NORTON Q. I believe Mr. Casey questioned you about this document? A. Yes, he did. Q. So this is a highly confidential document, and it has highly confidential, so we want to avoid referencing that, but there were questions about PSE's assumptions on market share. Can you elaborate on what PSE means in this document when it's talking about market share? A. Sure. On the left side of the exhibit we talk
2 3 4 5 6 7 8 9 10	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor. REDIRECT EXAMINATION BY MS. CARSON: Q. Ms. Norton, you were asked about some of the commitments that PSE made in LYN-3. Do you recall those questions? A. Yes. Q. And you were asked if PSE has previously prior	2 3 4 5 6 7 8 9 10 11	CARSON / NORTON Q. I believe Mr. Casey questioned you about this document? A. Yes, he did. Q. So this is a highly confidential document, and it has highly confidential, so we want to avoid referencing that, but there were questions about PSE's assumptions on market share. Can you elaborate on what PSE means in this document when it's talking about market share? A. Sure. On the left side of the exhibit we talk about some scenarios of market share, and these were
2 3 4 5 6 7 8 9 10 11 12	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor. REDIRECT EXAMINATION BY MS. CARSON: Q. Ms. Norton, you were asked about some of the commitments that PSE made in LYN-3. Do you recall those questions? A. Yes. Q. And you were asked if PSE has previously prior to your testimony addressed demand response.	2 3 4 5 6 7 8 9 10 11 12	CARSON / NORTON Q. I believe Mr. Casey questioned you about this document? A. Yes, he did. Q. So this is a highly confidential document, and it has highly confidential, so we want to avoid referencing that, but there were questions about PSE's assumptions on market share. Can you elaborate on what PSE means in this document when it's talking about market share? A. Sure. On the left side of the exhibit we talk about some scenarios of market share, and these were based basically the high, low, medium scenario is
2 3 4 5 6 7 8 9 10 11 12 13	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor. REDIRECT EXAMINATION BY MS. CARSON: Q. Ms. Norton, you were asked about some of the commitments that PSE made in LYN-3. Do you recall those questions? A. Yes. Q. And you were asked if PSE has previously prior to your testimony addressed demand response. Do you recall that?	2 3 4 5 6 7 8 9 10 11 12 13	CARSON / NORTON Q. I believe Mr. Casey questioned you about this document? A. Yes, he did. Q. So this is a highly confidential document, and it has highly confidential, so we want to avoid referencing that, but there were questions about PSE's assumptions on market share. Can you elaborate on what PSE means in this document when it's talking about market share? A. Sure. On the left side of the exhibit we talk about some scenarios of market share, and these were based basically the high, low, medium scenario is based on the customers that have expressed interest in
2 3 4 5 6 7 8 9 10 11 12	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor. REDIRECT EXAMINATION BY MS. CARSON: Q. Ms. Norton, you were asked about some of the commitments that PSE made in LYN-3. Do you recall those questions? A. Yes. Q. And you were asked if PSE has previously prior to your testimony addressed demand response. Do you recall that? A. Yes.	2 3 4 5 6 7 8 9 10 11 12 13 14	CARSON / NORTON Q. I believe Mr. Casey questioned you about this document? A. Yes, he did. Q. So this is a highly confidential document, and it has highly confidential, so we want to avoid referencing that, but there were questions about PSE's assumptions on market share. Can you elaborate on what PSE means in this document when it's talking about market share? A. Sure. On the left side of the exhibit we talk about some scenarios of market share, and these were based basically the high, low, medium scenario is based on the customers that have expressed interest in the service.
2 3 4 5 6 7 8 9 10 11 12 13 14 15	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor. REDIRECT EXAMINATION BY MS. CARSON: Q. Ms. Norton, you were asked about some of the commitments that PSE made in LYN-3. Do you recall those questions? A. Yes. Q. And you were asked if PSE has previously prior to your testimony addressed demand response. Do you recall that? A. Yes. Q. Do you have with you the filing letters that PSE	2 3 4 5 6 7 8 9 10 11 12 13 14 15	CARSON / NORTON Q. I believe Mr. Casey questioned you about this document? A. Yes, he did. Q. So this is a highly confidential document, and it has highly confidential, so we want to avoid referencing that, but there were questions about PSE's assumptions on market share. Can you elaborate on what PSE means in this document when it's talking about market share? A. Sure. On the left side of the exhibit we talk about some scenarios of market share, and these were based basically the high, low, medium scenario is based on the customers that have expressed interest in the service. So, as we've stated on the record, 25 percent of
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor. REDIRECT EXAMINATION BY MS. CARSON: Q. Ms. Norton, you were asked about some of the commitments that PSE made in LYN-3. Do you recall those questions? A. Yes. Q. And you were asked if PSE has previously prior to your testimony addressed demand response. Do you recall that? A. Yes. Q. Do you have with you the filing letters that PSE made when it initially filed these tariffs?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	CARSON / NORTON Q. I believe Mr. Casey questioned you about this document? A. Yes, he did. Q. So this is a highly confidential document, and it has highly confidential, so we want to avoid referencing that, but there were questions about PSE's assumptions on market share. Can you elaborate on what PSE means in this document when it's talking about market share? A. Sure. On the left side of the exhibit we talk about some scenarios of market share, and these were based basically the high, low, medium scenario is based on the customers that have expressed interest in the service. So, as we've stated on the record, 25 percent of our customers have expressed interest in leasing, and
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor. REDIRECT EXAMINATION BY MS. CARSON: Q. Ms. Norton, you were asked about some of the commitments that PSE made in LYN-3. Do you recall those questions? A. Yes. Q. And you were asked if PSE has previously prior to your testimony addressed demand response. Do you recall that? A. Yes. Q. Do you have with you the filing letters that PSE made when it initially filed these tariffs? A. I do not.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	CARSON / NORTON Q. I believe Mr. Casey questioned you about this document? A. Yes, he did. Q. So this is a highly confidential document, and it has highly confidential, so we want to avoid referencing that, but there were questions about PSE's assumptions on market share. Can you elaborate on what PSE means in this document when it's talking about market share? A. Sure. On the left side of the exhibit we talk about some scenarios of market share, and these were based basically the high, low, medium scenario is based on the customers that have expressed interest in the service. So, as we've stated on the record, 25 percent of our customers have expressed interest in leasing, and the low, medium, and high scenarios are to articulate if
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor. REDIRECT EXAMINATION BY MS. CARSON: Q. Ms. Norton, you were asked about some of the commitments that PSE made in LYN-3. Do you recall those questions? A. Yes. Q. And you were asked if PSE has previously prior to your testimony addressed demand response. Do you recall that? A. Yes. Q. Do you have with you the filing letters that PSE made when it initially filed these tariffs? A. I do not. Q. So, I'm looking at the September 18 filing	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	CARSON / NORTON Q. I believe Mr. Casey questioned you about this document? A. Yes, he did. Q. So this is a highly confidential document, and it has highly confidential, so we want to avoid referencing that, but there were questions about PSE's assumptions on market share. Can you elaborate on what PSE means in this document when it's talking about market share? A. Sure. On the left side of the exhibit we talk about some scenarios of market share, and these were based basically the high, low, medium scenario is based on the customers that have expressed interest in the service. So, as we've stated on the record, 25 percent of our customers have expressed interest in leasing, and the low, medium, and high scenarios are to articulate if a low percentage of those customers were to participate,
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor. REDIRECT EXAMINATION BY MS. CARSON: Q. Ms. Norton, you were asked about some of the commitments that PSE made in LYN-3. Do you recall those questions? A. Yes. Q. And you were asked if PSE has previously prior to your testimony addressed demand response. Do you recall that? A. Yes. Q. Do you have with you the filing letters that PSE made when it initially filed these tariffs? A. I do not. Q. So, I'm looking at the September 18 filing letter, September 18, 2015. Do you have that before	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	CARSON / NORTON Q. I believe Mr. Casey questioned you about this document? A. Yes, he did. Q. So this is a highly confidential document, and it has highly confidential, so we want to avoid referencing that, but there were questions about PSE's assumptions on market share. Can you elaborate on what PSE means in this document when it's talking about market share? A. Sure. On the left side of the exhibit we talk about some scenarios of market share, and these were based basically the high, low, medium scenario is based on the customers that have expressed interest in the service. So, as we've stated on the record, 25 percent of our customers have expressed interest in leasing, and the low, medium, and high scenarios are to articulate if a low percentage of those customers were to participate, this is what the numbers would look like, a medium case
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor. REDIRECT EXAMINATION BY MS. CARSON: Q. Ms. Norton, you were asked about some of the commitments that PSE made in LYN-3. Do you recall those questions? A. Yes. Q. And you were asked if PSE has previously prior to your testimony addressed demand response. Do you recall that? A. Yes. Q. Do you have with you the filing letters that PSE made when it initially filed these tariffs? A. I do not. Q. So, I'm looking at the September 18 filing letter, September 18, 2015. Do you have that before you?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	CARSON / NORTON  Q. I believe Mr. Casey questioned you about this document? A. Yes, he did. Q. So this is a highly confidential document, and it has highly confidential, so we want to avoid referencing that, but there were questions about PSE's assumptions on market share. Can you elaborate on what PSE means in this document when it's talking about market share? A. Sure. On the left side of the exhibit we talk about some scenarios of market share, and these were based basically the high, low, medium scenario is based on the customers that have expressed interest in the service. So, as we've stated on the record, 25 percent of our customers have expressed interest in leasing, and the low, medium, and high scenarios are to articulate if a low percentage of those customers were to participate, this is what the numbers would look like, a medium case and a high case.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor. REDIRECT EXAMINATION BY MS. CARSON: Q. Ms. Norton, you were asked about some of the commitments that PSE made in LYN-3. Do you recall those questions? A. Yes. Q. And you were asked if PSE has previously prior to your testimony addressed demand response. Do you recall that? A. Yes. Q. Do you have with you the filing letters that PSE made when it initially filed these tariffs? A. I do not. Q. So, I'm looking at the September 18 filing letter, September 18, 2015. Do you have that before you? A. Yes, I do.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	CARSON / NORTON  Q. I believe Mr. Casey questioned you about this document? A. Yes, he did. Q. So this is a highly confidential document, and it has highly confidential, so we want to avoid referencing that, but there were questions about PSE's assumptions on market share. Can you elaborate on what PSE means in this document when it's talking about market share? A. Sure. On the left side of the exhibit we talk about some scenarios of market share, and these were based basically the high, low, medium scenario is based on the customers that have expressed interest in the service. So, as we've stated on the record, 25 percent of our customers have expressed interest in leasing, and the low, medium, and high scenarios are to articulate if a low percentage of those customers were to participate, this is what the numbers would look like, a medium case and a high case. This is not to suggest all water heaters in the
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor. REDIRECT EXAMINATION BY MS. CARSON: Q. Ms. Norton, you were asked about some of the commitments that PSE made in LYN-3. Do you recall those questions? A. Yes. Q. And you were asked if PSE has previously prior to your testimony addressed demand response. Do you recall that? A. Yes. Q. Do you have with you the filing letters that PSE made when it initially filed these tariffs? A. I do not. Q. So, I'm looking at the September 18 filing letter, September 18, 2015. Do you have that before you? A. Yes, I do. Q. And I'm looking at Page 6 of this letter. Are	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	CARSON / NORTON  Q. I believe Mr. Casey questioned you about this document?  A. Yes, he did.  Q. So this is a highly confidential document, and it has highly confidential, so we want to avoid referencing that, but there were questions about PSE's assumptions on market share. Can you elaborate on what PSE means in this document when it's talking about market share?  A. Sure. On the left side of the exhibit we talk about some scenarios of market share, and these were based basically the high, low, medium scenario is based on the customers that have expressed interest in the service. So, as we've stated on the record, 25 percent of our customers have expressed interest in leasing, and the low, medium, and high scenarios are to articulate if a low percentage of those customers were to participate, this is what the numbers would look like, a medium case and a high case. This is not to suggest all water heaters in the market; this is only the share of customers that had
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor. REDIRECT EXAMINATION BY MS. CARSON: Q. Ms. Norton, you were asked about some of the commitments that PSE made in LYN-3. Do you recall those questions? A. Yes. Q. And you were asked if PSE has previously prior to your testimony addressed demand response. Do you recall that? A. Yes. Q. Do you have with you the filing letters that PSE made when it initially filed these tariffs? A. I do not. Q. So, I'm looking at the September 18 filing letter, September 18, 2015. Do you have that before you? A. Yes, I do. Q. And I'm looking at Page 6 of this letter. Are there any references to "demand response" on Page 6?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	CARSON / NORTON  Q. I believe Mr. Casey questioned you about this document?  A. Yes, he did.  Q. So this is a highly confidential document, and it has highly confidential, so we want to avoid referencing that, but there were questions about PSE's assumptions on market share.  Can you elaborate on what PSE means in this document when it's talking about market share?  A. Sure. On the left side of the exhibit we talk about some scenarios of market share, and these were based basically the high, low, medium scenario is based on the customers that have expressed interest in the service.  So, as we've stated on the record, 25 percent of our customers have expressed interest in leasing, and the low, medium, and high scenarios are to articulate if a low percentage of those customers were to participate, this is what the numbers would look like, a medium case and a high case.  This is not to suggest all water heaters in the market; this is only the share of customers that had expressed interest in the service.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	CARSON / NORTON as briefly as reasonable, it will be appreciated. Go ahead, Ms. Carson. MS. CARSON: Thank you, Your Honor. REDIRECT EXAMINATION BY MS. CARSON: Q. Ms. Norton, you were asked about some of the commitments that PSE made in LYN-3. Do you recall those questions? A. Yes. Q. And you were asked if PSE has previously prior to your testimony addressed demand response. Do you recall that? A. Yes. Q. Do you have with you the filing letters that PSE made when it initially filed these tariffs? A. I do not. Q. So, I'm looking at the September 18 filing letter, September 18, 2015. Do you have that before you? A. Yes, I do. Q. And I'm looking at Page 6 of this letter. Are	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	CARSON / NORTON Q. I believe Mr. Casey questioned you about this document? A. Yes, he did. Q. So this is a highly confidential document, and it has highly confidential, so we want to avoid referencing that, but there were questions about PSE's assumptions on market share. Can you elaborate on what PSE means in this document when it's talking about market share? A. Sure. On the left side of the exhibit we talk about some scenarios of market share, and these were based basically the high, low, medium scenario is based on the customers that have expressed interest in the service. So, as we've stated on the record, 25 percent of our customers have expressed interest in leasing, and the low, medium, and high scenarios are to articulate if a low percentage of those customers were to participate, this is what the numbers would look like, a medium case and a high case. This is not to suggest all water heaters in the market; this is only the share of customers that had expressed interest in the service. Q. Thank you. You were also asked by Commissioner

	Page 187		Page 189
	CARSON / NORTON	1	calls Malcolm McCulloch as its next witness.
		2	
1	products, and there was reference to a platform.	3	MALCOLM McCULLOCH,
2	Can you elaborate on this platform and what role	4	having been duly sworn, testified as follows:
3	the leasing equipment that we've referenced in this	5	
4	filing relates to that platform?	6	ILIDCE KORTA: There's prefiled testimony and
5	A. Yes. As we've stated in our advice letter, and		JUDGE KOPTA: There's prefiled testimony and
6	throughout our testimony, we believe that this leasing		most of the exhibits have already been admitted, so I
7	platform will we believe the future is the	8	believe we can go directly to cross; is that correct?
8	interconnectedness between end uses in business and	9	MS. CARSON: That's correct, Your Honor.
9	homes, as well as the grid.	10	JUDGE KOPTA: Mr. Casey.
10	And we believe this platform will provide us the	11	
11	opportunity to make affordable to customers today HVAC	12	CROSS-EXAMINATION
12	and water heater equipment, but possibly tomorrow other	13	BY MR. CASEY:
13	emerging technologies and make them more affordable to	14	Q. All right. Mr. McCulloch, can you please turn
14	customers and make the decision that they face in	15	to MBM-1T, Page 1.
15	deciding whether or not it meets their needs, to make it	16	A. Yes.
16	simpler to implement those.	17	Q. Line 19.
17	Q. So do you see this filing as facilitating some	18	A. Yes.
18	of these other future options?	19	Q. So on April 25, 2016, over seven months after
19	A. Absolutely.	20	the Company initiated these dockets, you revised your
20	Q. You were asked by Commissioner Rendahl about		direct testimony to remove the word "selling" from the
21	whether customers are asking for this service, and you	21	
22	said it was anecdotal.	22	list of leasing activities you were responsible for as
23	Is it all anecdotal or are there other surveys	23	Leasing Manager; correct?
24	or other evidence indicating that PSE customers are	24	A. Correct. The "selling" was removed because as a
25	interested?	25	lease service we do not sell equipment, and that was
	Page 188		Page 190
	CARSON / NORTON	1	more used to define the process of customer acquisition,
		2	education, bringing them into the lease service. And we
1	A. Certainly we have the surveys that we've	3	felt it was appropriate to remove it because there was
2	conducted, three different surveys over the course of	4	some misunderstanding of the term.
3	the last two or three years, that conclude consistently	5	Q. Okay. So you were mistaken or just the wrong
4	that customers, 25 to 30 percent of customers are	6	use of the term, or you thought it would give off the
5	interested in this business.	7	wrong kind of impression; is that correct?
6	So that is not anecdotal, but we have multiple	8	A. Correct. The term was mistakenly used.
7	surveys that support customer interest. What I don't	9	Q. And in this list there's also "marketing." And
8	have on record are the actual calls that come in every	10	so how was that different from how you were using the
9	day. But I think we've demonstrated that we've surveyed		
10	multiple times and customers are interested in this	11	word "selling"?
11	service.	12	A. Again, the term of customer acquisition from the
12	Q. And are customers calling in and asking for the	13	perspective of this service is all the way from
13	lease service?	14	education through to actually securing a signature on a
14	A. Absolutely.	15	customer lease.
15	MS. CARSON: That's all I have. Thank you.	16	So there are a lot of stuff that happens in
16	JUDGE KOPTA: Thank you, Ms. Carson. And	17	between those, and so I think that the changes that were
17	thank you Ms. Norton; we appreciate your testimony and	18	made in my testimony clearly reflect the
18	you're excused.	19	responsibilities that I have in operating this business.
19	And we will be in recess until 1:40, so if	20	Q. You agree that there's a difference between a
20	we will reconvene at that time. We're off the record.	21	sale and a lease; correct?
21	(Lunch break.) JUDGE KOPTA: Let's be back on the record	22	A. I do agree there's a difference between a sale
22 23	after our lunch break. It's still PSE's call. Would	23	and a lease.
23 24	you call your next witness.	24	Q. And that that difference is in the essence of
스ㄱ	Joa can your note manood.	1 -	
25	MS. CARSON: Thank you, Your Honor. PSE	25	the underlying transaction, not the words someone uses

	Page 191		Page 193
1	to label the transaction; correct?	1	sale?
2	A. I think that's an appropriate definition.	2	MS. CARSON: Objection; calls for a legal
3	Q. So in other words, just because you used and	3	conclusion.
4	then struck the word "selling" doesn't mean that the	4	JUDGE KOPTA: Overruled. He can answer the
5	leasing service is necessarily a sales program; correct?	5	question. I believe it's not a legal question, but is
6	MS. CARSON: Objection; argumentative.	6	something about a sale.
7	MR. CASEY: I'll move on.	7	THE WITNESS: That could be an
8	JUDGE KOPTA: Thank you.	8	interpretation.
9	BY MR. CASEY:	9	BY MR. CASEY:
10	Q. So next I want to discuss the tariff changes	10	Q. So let's flip to the next page. This is again
11	that the Company made midway through this proceeding.	11	Sheet 75-U as substituted on February 17, 2016. So the
12	And I passed out some pages from the tariff just in case	12	revised tariff now provides customers with two options
13	people didn't have it with them.	13	at the end of the lease term.
14	So the initial tariff the Company filed at the	14	Option 1 is to enter into a new lease with PSE,
15	outset of this proceeding did not include rates;	15	at which point PSE will replace the old equipment with
16	correct?	16	identical or similar equipment, or Option 2 which is to
17	A. As we detailed in our Advice Letter and in	17	have PSE remove the equipment entirely; correct?
18	communications with all parties prior to filing, we did	18	A. That is what's stated in the tariff.
19	not have rates filed with the tariff upon our	19	COMMISSIONER DANNER: Excuse me. I just
20	September 18th filing.	20	want to make sure I'm looking at what I have in front
21	Q. At the prehearing conference, the parties agreed	21	of me now, this is the original or is the revised?
22	that on February 17, 2016, the Company would file a	22	MR. CASEY: The top page is the original;
23	revised tariff that included rates; correct?	23	the second page is the revised.
24	A. That's correct.	24	COMMISSIONER DANNER: Thank you, that's the
25	Q. And when the Company filed its revised tariff,	25	clarification I wanted.
	Page 192		Page 194
1	it also updated a significant number of the terms and	1	BY MR. CASEY:
2	conditions contained within the tariff; correct?	2	Q. And now I want to move to the third page.
3	A. There was discussion both at the open meeting	3	MS. CARSON: Excuse me. My second page is
4	and the prehearing conference, as well as conversations	4	not the revised. Oh, okay. Right, okay.
5	we continued to have with parties, that provided us	5	BY MR. CASEY:
б	additional input that we assessed and included in that	6	Q. And now I want to go to the third page. Again
7	revision where we thought it was appropriate.	7	this is the revised tariff as currently filed and at
8	Q. I specifically want to discuss the Termination	8	issue. And this is Sheet 75-R which contains the option
9	provision on Tariff Sheet Number 75-U which addresses	9	to purchase. The customer can exercise this option to
10	what would happen at the end of the lease term, and	10	purchase at any time during the lease term; correct?
11	that's the top page. To be clear, this is the tariff as	11	A. That is correct.
12	originally filed, not as corrected.	12	Q. That includes the first day and the last day of
13	PSE's initial tariff provided, "Upon expiration	13	the lease term; correct?
14	of the Lease Term, PSE will transfer ownership of the	14	A. As long as those fall within the term of the
15		11-	lease, that is correct.
1 -	Equipment to Customer by delivery of a bill of sale for	15	
16	Equipment to Customer by delivery of a bill of sale for the Equipment." Correct?	16	Q. Can you explain how the purchase price works?
16 17			
	the Equipment." Correct?	16	<ul><li>Q. Can you explain how the purchase price works?</li><li>A. The purchase price is based on the Company recovering its capital costs and weighted costs of</li></ul>
17	the Equipment." Correct? A. That is what was originally filed, but again, we	16 17	<ul><li>Q. Can you explain how the purchase price works?</li><li>A. The purchase price is based on the Company</li></ul>
17 18	<b>the Equipment." Correct?</b> A. That is what was originally filed, but again, we changed that in our filing that was providing a more detailed explanation of the phases of what would happen at the end of a lease, which is consistent with a normal	16 17 18	<ul><li>Q. Can you explain how the purchase price works?</li><li>A. The purchase price is based on the Company recovering its capital costs and weighted costs of</li></ul>
17 18 19	<b>the Equipment." Correct?</b> A. That is what was originally filed, but again, we changed that in our filing that was providing a more detailed explanation of the phases of what would happen	16 17 18 19	<ul><li>Q. Can you explain how the purchase price works?</li><li>A. The purchase price is based on the Company recovering its capital costs and weighted costs of capital associated to that through the term that the</li></ul>
17 18 19 20	<b>the Equipment." Correct?</b> A. That is what was originally filed, but again, we changed that in our filing that was providing a more detailed explanation of the phases of what would happen at the end of a lease, which is consistent with a normal	16 17 18 19 20	<ul><li>Q. Can you explain how the purchase price works?</li><li>A. The purchase price is based on the Company recovering its capital costs and weighted costs of capital associated to that through the term that the lease is terminated.</li></ul>
17 18 19 20 21	<b>the Equipment." Correct?</b> A. That is what was originally filed, but again, we changed that in our filing that was providing a more detailed explanation of the phases of what would happen at the end of a lease, which is consistent with a normal lease term where an individual or a lessor returns	16 17 18 19 20 21	<ul> <li>Q. Can you explain how the purchase price works?</li> <li>A. The purchase price is based on the Company recovering its capital costs and weighted costs of capital associated to that through the term that the lease is terminated.</li> <li>Q. So would it be fair to say, and maybe I'm</li> </ul>
17 18 19 20 21 22	the Equipment." Correct? A. That is what was originally filed, but again, we changed that in our filing that was providing a more detailed explanation of the phases of what would happen at the end of a lease, which is consistent with a normal lease term where an individual or a lessor returns equipment that it has been using during that period of	16 17 18 19 20 21 22	<ul> <li>Q. Can you explain how the purchase price works?</li> <li>A. The purchase price is based on the Company recovering its capital costs and weighted costs of capital associated to that through the term that the lease is terminated.</li> <li>Q. So would it be fair to say, and maybe I'm simplifying, but that the closer you are to the end of</li> </ul>

	Page 195		Page 197
1	time.	1	information.
2	Q. So if a customer waited until the last possible	2	Q. If customers are fully aware of the purchase
3	minute to exercise the purchase option, at that point	3	option, there's a good chance that many will exercise
4	would the purchase price be nominal?	4	that option, particularly just before the lease term
5	A. Well, I don't know; I can't speak on every	5	ends; correct?
б	customer's position on whether a cost is nominal or not.	6	MS. CARSON: Objection; calls for
7	I do know that we have 32,000 customers that rent from	7	speculation and argumentative.
8	us today that have this option to purchase as was	8	MR. CASEY: Your Honor, I would say this is
9	ordered by this Commission. And when equipment fails	9	not speculative. These are necessary questions of fact
10	that option is presented to those customers, and the	10	to determine whether the underlying transaction is, in
11	majority of customers choose to continue this service.	11	fact, a lease or a sale as a matter of law.
12	So, whether it's a nominal cost, there's still	12	JUDGE KOPTA: I believe you could rephrase
13	value that customers find in it. So it would be	13	the question and ask him if he is aware if that's what
14	difficult for me to determine from a customer's	14	customers are likely to do.
15	perspective what is appropriate.	15	BY MR. CASEY:
16	Q. Would it be fair to characterize the purchase	16	Q. Are you aware as to whether or not customers
17	price on the last day of the lease as being very, very	17	would likely purchase their equipment in a situation at
18	small relative to the cost on the first day of the	18	the end of the lease where the relative purchase price
19	lease?	19	is small, and their equipment is still working fine, and
20	A. That is fair, especially predicated on the fact	20	their option would be to enter into a long-term lease
21	that these leases are long-term leases, some of them up	21	with PSE or to have the equipment removed?
22	to 18 years old.	22	MS. CARSON: Object to the form of the
23	Q. PSE would educate leasing customers so they're	23	question. Ambiguous.
24	fully aware of the purchase option; correct?	24	JUDGE KOPTA: Overruled. Answer if you can.
25	A. PSE would provide in our tariff, we've provided	25	THE WITNESS: To what I can speak to is what
	Page 196		Page 198
1	that option so that they have that information available	1	I know of today in our rental service. And as I have
2	to them, and if customers choose to contact us with that	2	already testified to, customers contact us today when
3	option, we would provide them the information.	3	their equipment is failing, and they have the option to
4	Q. So you would only let you would provide	4	purchase at that time which is disclosed to them. And
5	customers just so I'm clear of what you just said,	5	those customers, in large, choose to continue the lease,
6	you would provide customers with the lease, with the	6	because it's of value to them.
7	tariff at the very beginning of the lease term, and then	7	BY MR. CASEY:
8	you would not remind them about the option to purchase	8	Q. Well, why would a customer purchase a failing
9	again, unless they asked?	9	piece of equipment?
10	A. So, I haven't designed the program out 15 years,	10	A. I'm sorry?
11	specifically, on all the communication that will happen	11	Q. You said customers call you when their equipment
12	with customers. Of course, we will own the equipment,	12	is failing, and you let them know about the purchase
13	and we will continue to communicate with customers about	13	option. Why would a customer purchase a failing piece
14	the options that they have available; maintenance,	14	of equipment?
15	repairs, replacement.	15	A. I don't think that they would. I think the
16	However, we think that this is a lease service,	16	other options that we provide them is the fact that we
17	and the customers are getting this value because they	17	will come replace that or repair that without any cost.
18	want a comprehensive approach. They're not looking,	18	But even in a customer situation where they're
19	from what we've found in our surveys with customers, for	19	doing a transaction in their home, many customers who
20	an opportunity to come buy a piece of equipment from us.	20	are taking on that home also acquire the lease in that
21	They're looking for a lease, and we're treating	21	transaction.
22	it that way. If customers are going to contact us with	22	So again, you're asking me to speak to the
23	questions about whether they are selling their home and	23	future, and what I can give you is information that I
24	what options are available to them in that transaction,	24	have relative to today's service.
0 5	we would certainly provide them that purchase option	25	Q. You acknowledge that this filing requires us to

	Page 199	1	Page 201
1	_	1	
1	speak to the future because you are proposing a service	1	the attorney-client privilege. THE WITNESS: Thank you.
2	that would lock customers into a transaction for 18	2	BY MR. CASEY:
3	years, as you just testified; correct?	3	
4	A. It is a long-term transaction, yes.	4	Q. In your rebuttal testimony on Page 26, you
5	Q. Thank you. Is it PSE's expectation that	5	testified one of the reasons PSE asked Cocker Fennessy
6	customers will read the Company's tariff to educate	6	to conduct the survey was so the survey process was
/	themself on the terms of the proposed transaction?	7	entirely removed from PSE; correct?
8	A. As I've stated in my testimony, we will present	8	A. That is correct. As Ms. Norton stated, we have
9	the customers with the terms and conditions of this	9	an internal intelligence team that did previous surveys
10	lease prior to them signing the agreement.	10	for us, and we thought it was appropriate to have a
11	Q. And it's PSE's expectation that simply providing	11	third party conduct an additional survey outside of PSE
12	them with a 19-page tariff is sufficient to educate	12	conducting that work.
13	customers?	13	Q. However, in your direct testimony you state (as
14	A. I don't think you understood my response.	14	read), Surveys were completed in partnership with PSE's
15	Customers are presented with the terms and conditions	15	customer intelligence team leveraging the existing
16	prior to their accepting the lease, so they will have	16	residential customer panel as well as with third-party
17	within their capability to fully review all the terms in	17	research consultant Cocker Fennessy. Correct?
18	the 19 pages that you stated, and attest to and verify	18	A. Can you point to me where I noted that?
19	that they've reviewed those and accepted those terms.	19	Q. MBM-1T, Page 4, Line 14.
20	Q. Isn't one of the reasons you give for offering	20	A. What I alluded to there is the fact that we had
21	this service that customers don't want to be bothered	21	done multiple surveys, including surveys directly with
22	with all that information?	22	our internal customer intelligence team, that were
23	A. It certainly is an issue that comes up with	23	entered into my exhibit as my rebuttal as 18, as well as
24	customers, but any transaction we do today, even if it's	24	the surveys that were completed through Cocker Fennessy.
25	buying an app online, you have to agree to terms and Page 200	25	Q. Isn't it true that you, Ms. Norton, and
	Pade 200	1	
			Page 202
1	conditions that many people will review or not.	1	Mr. Englert or some combination thereof provided the
2	conditions that many people will review or not. But the fact of the matter is we're doing our	2	Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed
	conditions that many people will review or not. But the fact of the matter is we're doing our duty of disclosing to the customers through the tariff,	2 3	Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey
2 3 4	conditions that many people will review or not. But the fact of the matter is we're doing our duty of disclosing to the customers through the tariff, as well as in other mechanisms of the terms of this	2 3 4	Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions?
2 3 4 5	conditions that many people will review or not. But the fact of the matter is we're doing our duty of disclosing to the customers through the tariff, as well as in other mechanisms of the terms of this lease.	2 3 4 5	Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions? A. We provided Cocker Fennessy with an overview of
2 3 4	conditions that many people will review or not. But the fact of the matter is we're doing our duty of disclosing to the customers through the tariff, as well as in other mechanisms of the terms of this lease. JUDGE KOPTA: So please don't make comments	2 3 4 5 6	Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions? A. We provided Cocker Fennessy with an overview of the service to help inform how they would field the
2 3 4 5 6 7	conditions that many people will review or not. But the fact of the matter is we're doing our duty of disclosing to the customers through the tariff, as well as in other mechanisms of the terms of this lease. JUDGE KOPTA: So please don't make comments from the gallery.	2 3 4 5 6 7	Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions? A. We provided Cocker Fennessy with an overview of the service to help inform how they would field the survey, as well as we reviewed the information in draft
2 3 4 5 6 7 8	conditions that many people will review or not. But the fact of the matter is we're doing our duty of disclosing to the customers through the tariff, as well as in other mechanisms of the terms of this lease. JUDGE KOPTA: So please don't make comments from the gallery. BY MR. CASEY:	2 3 4 5 6 7 8	Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions? A. We provided Cocker Fennessy with an overview of the service to help inform how they would field the survey, as well as we reviewed the information in draft format.
2 3 4 5 6 7 8 9	conditions that many people will review or not. But the fact of the matter is we're doing our duty of disclosing to the customers through the tariff, as well as in other mechanisms of the terms of this lease. JUDGE KOPTA: So please don't make comments from the gallery. BY MR. CASEY: Q. Let's turn to your rebuttal testimony, MBM-7	2 3 4 5 6 7 8 9	<ul> <li>Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions?</li> <li>A. We provided Cocker Fennessy with an overview of the service to help inform how they would field the survey, as well as we reviewed the information in draft format.</li> <li>Q. Is that a "yes"?</li> </ul>
2 3 4 5 6 7 8 9	conditions that many people will review or not. But the fact of the matter is we're doing our duty of disclosing to the customers through the tariff, as well as in other mechanisms of the terms of this lease. JUDGE KOPTA: So please don't make comments from the gallery. BY MR. CASEY: Q. Let's turn to your rebuttal testimony, MBM-7 well, I don't have a page yet, so I'll just start with	2 3 4 5 6 7 8 9 10	<ul> <li>Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions?</li> <li>A. We provided Cocker Fennessy with an overview of the service to help inform how they would field the survey, as well as we reviewed the information in draft format.</li> <li>Q. Is that a "yes"?</li> <li>A. That is a "yes" with a qualifying yes.</li> </ul>
2 3 4 5 6 7 8 9 10 11	conditions that many people will review or not. But the fact of the matter is we're doing our duty of disclosing to the customers through the tariff, as well as in other mechanisms of the terms of this lease. JUDGE KOPTA: So please don't make comments from the gallery. BY MR. CASEY: Q. Let's turn to your rebuttal testimony, MBM-7 well, I don't have a page yet, so I'll just start with questions.	2 3 4 5 6 7 8 9 10 11	<ul> <li>Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions?</li> <li>A. We provided Cocker Fennessy with an overview of the service to help inform how they would field the survey, as well as we reviewed the information in draft format.</li> <li>Q. Is that a "yes"?</li> <li>A. That is a "yes" with a qualifying yes.</li> <li>Q. And you reviewed multiple drafts of that survey;</li> </ul>
2 3 4 5 6 7 8 9 10 11 12	conditions that many people will review or not. But the fact of the matter is we're doing our duty of disclosing to the customers through the tariff, as well as in other mechanisms of the terms of this lease. JUDGE KOPTA: So please don't make comments from the gallery. BY MR. CASEY: Q. Let's turn to your rebuttal testimony, MBM-7 well, I don't have a page yet, so I'll just start with questions. Cocker Fennessy was retained to survey customer	2 3 4 5 6 7 8 9 10 11 12	<ul> <li>Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions?</li> <li>A. We provided Cocker Fennessy with an overview of the service to help inform how they would field the survey, as well as we reviewed the information in draft format.</li> <li>Q. Is that a "yes"?</li> <li>A. That is a "yes" with a qualifying yes.</li> <li>Q. And you reviewed multiple drafts of that survey; correct?</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13	conditions that many people will review or not. But the fact of the matter is we're doing our duty of disclosing to the customers through the tariff, as well as in other mechanisms of the terms of this lease. JUDGE KOPTA: So please don't make comments from the gallery. BY MR. CASEY: Q. Let's turn to your rebuttal testimony, MBM-7 well, I don't have a page yet, so I'll just start with questions. Cocker Fennessy was retained to survey customer interest in leasing services after the start of this	2 3 4 5 6 7 8 9 10 11 12 13	<ul> <li>Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions?</li> <li>A. We provided Cocker Fennessy with an overview of the service to help inform how they would field the survey, as well as we reviewed the information in draft format.</li> <li>Q. Is that a "yes"?</li> <li>A. That is a "yes" with a qualifying yes.</li> <li>Q. And you reviewed multiple drafts of that survey; correct?</li> <li>A. To my knowledge, yes.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14	conditions that many people will review or not. But the fact of the matter is we're doing our duty of disclosing to the customers through the tariff, as well as in other mechanisms of the terms of this lease. JUDGE KOPTA: So please don't make comments from the gallery. BY MR. CASEY: Q. Let's turn to your rebuttal testimony, MBM-7 well, I don't have a page yet, so I'll just start with questions. Cocker Fennessy was retained to survey customer interest in leasing services after the start of this proceeding; correct?	2 3 4 5 6 7 8 9 10 11 12 13 14	<ul> <li>Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions?</li> <li>A. We provided Cocker Fennessy with an overview of the service to help inform how they would field the survey, as well as we reviewed the information in draft format.</li> <li>Q. Is that a "yes"?</li> <li>A. That is a "yes" with a qualifying yes.</li> <li>Q. And you reviewed multiple drafts of that survey; correct?</li> <li>A. To my knowledge, yes.</li> <li>Q. Please turn to MBM-7T, Page 26, Line 15 through</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15	<ul> <li>conditions that many people will review or not. But the fact of the matter is we're doing our</li> <li>duty of disclosing to the customers through the tariff,</li> <li>as well as in other mechanisms of the terms of this</li> <li>lease.</li> <li>JUDGE KOPTA: So please don't make comments</li> <li>from the gallery.</li> <li>BY MR. CASEY:</li> <li>Q. Let's turn to your rebuttal testimony, MBM-7</li> <li>well, I don't have a page yet, so I'll just start with</li> <li>questions.</li> <li>Cocker Fennessy was retained to survey customer</li> <li>interest in leasing services after the start of this</li> <li>proceeding; correct?</li> <li>A. Cocker Fennessy was retained in January which</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15	<ul> <li>Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions?</li> <li>A. We provided Cocker Fennessy with an overview of the service to help inform how they would field the survey, as well as we reviewed the information in draft format.</li> <li>Q. Is that a "yes"?</li> <li>A. That is a "yes" with a qualifying yes.</li> <li>Q. And you reviewed multiple drafts of that survey; correct?</li> <li>A. To my knowledge, yes.</li> <li>Q. Please turn to MBM-7T, Page 26, Line 15 through 22.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	<ul> <li>conditions that many people will review or not. But the fact of the matter is we're doing our</li> <li>duty of disclosing to the customers through the tariff,</li> <li>as well as in other mechanisms of the terms of this</li> <li>lease.</li> <li>JUDGE KOPTA: So please don't make comments</li> <li>from the gallery.</li> <li>BY MR. CASEY:</li> <li>Q. Let's turn to your rebuttal testimony, MBM-7</li> <li>well, I don't have a page yet, so I'll just start with</li> <li>questions.</li> <li>Cocker Fennessy was retained to survey customer</li> <li>interest in leasing services after the start of this</li> <li>proceeding; correct?</li> <li>A. Cocker Fennessy was retained in January which</li> <li>was after we filed our initial tariff; correct.</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	<ul> <li>Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions?</li> <li>A. We provided Cocker Fennessy with an overview of the service to help inform how they would field the survey, as well as we reviewed the information in draft format.</li> <li>Q. Is that a "yes"?</li> <li>A. That is a "yes" with a qualifying yes.</li> <li>Q. And you reviewed multiple drafts of that survey; correct?</li> <li>A. To my knowledge, yes.</li> <li>Q. Please turn to MBM-7T, Page 26, Line 15 through 22.</li> <li>MS. CARSON: Can you give the cite again,</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	<ul> <li>conditions that many people will review or not. But the fact of the matter is we're doing our</li> <li>duty of disclosing to the customers through the tariff,</li> <li>as well as in other mechanisms of the terms of this</li> <li>lease.</li> <li>JUDGE KOPTA: So please don't make comments</li> <li>from the gallery.</li> <li>BY MR. CASEY:</li> <li>Q. Let's turn to your rebuttal testimony, MBM-7</li> <li>well, I don't have a page yet, so I'll just start with</li> <li>questions.</li> <li>Cocker Fennessy was retained to survey customer</li> <li>interest in leasing services after the start of this</li> <li>proceeding; correct?</li> <li>A. Cocker Fennessy was retained in January which</li> <li>was after we filed our initial tariff; correct.</li> <li>Q. And in fact, Perkins Coie retained Cocker</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	<ul> <li>Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions?</li> <li>A. We provided Cocker Fennessy with an overview of the service to help inform how they would field the survey, as well as we reviewed the information in draft format.</li> <li>Q. Is that a "yes"?</li> <li>A. That is a "yes" with a qualifying yes.</li> <li>Q. And you reviewed multiple drafts of that survey; correct?</li> <li>A. To my knowledge, yes.</li> <li>Q. Please turn to MBM-7T, Page 26, Line 15 through 22.</li> <li>MS. CARSON: Can you give the cite again, please?</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>conditions that many people will review or not. But the fact of the matter is we're doing our</li> <li>duty of disclosing to the customers through the tariff,</li> <li>as well as in other mechanisms of the terms of this</li> <li>lease. JUDGE KOPTA: So please don't make comments</li> <li>from the gallery.</li> <li>BY MR. CASEY:</li> <li>Q. Let's turn to your rebuttal testimony, MBM-7</li> <li>well, I don't have a page yet, so I'll just start with</li> <li>questions. Cocker Fennessy was retained to survey customer</li> <li>interest in leasing services after the start of this</li> <li>proceeding; correct?</li> <li>A. Cocker Fennessy was retained in January which</li> <li>was after we filed our initial tariff; correct.</li> <li>Q. And in fact, Perkins Coie retained Cocker</li> <li>Fennessy for the purpose of this litigation; correct?</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions?</li> <li>A. We provided Cocker Fennessy with an overview of the service to help inform how they would field the survey, as well as we reviewed the information in draft format.</li> <li>Q. Is that a "yes"?</li> <li>A. That is a "yes" with a qualifying yes.</li> <li>Q. And you reviewed multiple drafts of that survey; correct?</li> <li>A. To my knowledge, yes.</li> <li>Q. Please turn to MBM-7T, Page 26, Line 15 through 22.</li> <li>MS. CARSON: Can you give the cite again, please?</li> <li>MR. CASEY: MBM-7T, Page 26.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>conditions that many people will review or not. But the fact of the matter is we're doing our</li> <li>duty of disclosing to the customers through the tariff,</li> <li>as well as in other mechanisms of the terms of this</li> <li>lease.</li> <li>JUDGE KOPTA: So please don't make comments</li> <li>from the gallery.</li> <li>BY MR. CASEY:</li> <li>Q. Let's turn to your rebuttal testimony, MBM-7</li> <li>well, I don't have a page yet, so I'll just start with</li> <li>questions.</li> <li>Cocker Fennessy was retained to survey customer</li> <li>interest in leasing services after the start of this</li> <li>proceeding; correct?</li> <li>A. Cocker Fennessy was retained in January which</li> <li>was after we filed our initial tariff; correct.</li> <li>Q. And in fact, Perkins Coie retained Cocker</li> <li>Fennessy for the purpose of this litigation; correct?</li> <li>A. That is probably an overstatement. Perkins</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	<ul> <li>Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions?</li> <li>A. We provided Cocker Fennessy with an overview of the service to help inform how they would field the survey, as well as we reviewed the information in draft format.</li> <li>Q. Is that a "yes"?</li> <li>A. That is a "yes" with a qualifying yes.</li> <li>Q. And you reviewed multiple drafts of that survey; correct?</li> <li>A. To my knowledge, yes.</li> <li>Q. Please turn to MBM-7T, Page 26, Line 15 through 22.</li> <li>MS. CARSON: Can you give the cite again, please?</li> <li>MR. CASEY: MBM-7T, Page 26.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	<ul> <li>conditions that many people will review or not. But the fact of the matter is we're doing our</li> <li>duty of disclosing to the customers through the tariff, as well as in other mechanisms of the terms of this lease. JUDGE KOPTA: So please don't make comments</li> <li>from the gallery.</li> <li>BY MR. CASEY:</li> <li>Q. Let's turn to your rebuttal testimony, MBM-7 well, I don't have a page yet, so I'll just start with</li> <li>questions. Cocker Fennessy was retained to survey customer</li> <li>interest in leasing services after the start of this</li> <li>proceeding; correct?</li> <li>A. Cocker Fennessy was retained in January which</li> <li>was after we filed our initial tariff; correct.</li> <li>Q. And in fact, Perkins Coie retained Cocker</li> <li>Fennessy for the purpose of this litigation; correct?</li> <li>A. That is probably an overstatement. Perkins</li> <li>Coie, who is our attorneys in this litigative process,</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	<ul> <li>Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions?</li> <li>A. We provided Cocker Fennessy with an overview of the service to help inform how they would field the survey, as well as we reviewed the information in draft format.</li> <li>Q. Is that a "yes"?</li> <li>A. That is a "yes" with a qualifying yes.</li> <li>Q. And you reviewed multiple drafts of that survey; correct?</li> <li>A. To my knowledge, yes.</li> <li>Q. Please turn to MBM-7T, Page 26, Line 15 through 22.</li> <li>MS. CARSON: Can you give the cite again, please?</li> <li>MR. CASEY: MBM-7T, Page 26.</li> <li>BY MR. CASEY:</li> <li>Q. You testify that Ms. Kimball and the other</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<ul> <li>conditions that many people will review or not. But the fact of the matter is we're doing our</li> <li>duty of disclosing to the customers through the tariff, as well as in other mechanisms of the terms of this lease. JUDGE KOPTA: So please don't make comments from the gallery.</li> <li>BY MR. CASEY:</li> <li>Q. Let's turn to your rebuttal testimony, MBM-7 well, I don't have a page yet, so I'll just start with questions. Cocker Fennessy was retained to survey customer interest in leasing services after the start of this proceeding; correct?</li> <li>A. Cocker Fennessy was retained in January which was after we filed our initial tariff; correct.</li> <li>Q. And in fact, Perkins Coie retained Cocker Fennessy for the purpose of this litigation; correct?</li> <li>A. That is probably an overstatement. Perkins</li> <li>Coie, who is our attorneys in this litigative process, as with any litigative process, advises us on</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<ul> <li>Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions?</li> <li>A. We provided Cocker Fennessy with an overview of the service to help inform how they would field the survey, as well as we reviewed the information in draft format.</li> <li>Q. Is that a "yes"?</li> <li>A. That is a "yes" with a qualifying yes.</li> <li>Q. And you reviewed multiple drafts of that survey; correct?</li> <li>A. To my knowledge, yes.</li> <li>Q. Please turn to MBM-7T, Page 26, Line 15 through 22.</li> <li>MS. CARSON: Can you give the cite again, please?</li> <li>MR. CASEY: MBM-7T, Page 26.</li> <li>BY MR. CASEY:</li> <li>Q. You testify that Ms. Kimball and the other parties that criticize the Cocker Fennessy Survey draw</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>conditions that many people will review or not. But the fact of the matter is we're doing our</li> <li>duty of disclosing to the customers through the tariff, as well as in other mechanisms of the terms of this lease. JUDGE KOPTA: So please don't make comments from the gallery.</li> <li>BY MR. CASEY:</li> <li>Q. Let's turn to your rebuttal testimony, MBM-7 well, I don't have a page yet, so I'll just start with questions. Cocker Fennessy was retained to survey customer interest in leasing services after the start of this proceeding; correct?</li> <li>A. Cocker Fennessy was retained in January which was after we filed our initial tariff; correct.</li> <li>Q. And in fact, Perkins Coie retained Cocker Fennessy for the purpose of this litigation; correct?</li> <li>A. That is probably an overstatement. Perkins Coie, who is our attorneys in this litigative process, as with any litigative process, advises us on consultants that can address issues that we're working</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions?</li> <li>A. We provided Cocker Fennessy with an overview of the service to help inform how they would field the survey, as well as we reviewed the information in draft format.</li> <li>Q. Is that a "yes"?</li> <li>A. That is a "yes" with a qualifying yes.</li> <li>Q. And you reviewed multiple drafts of that survey; correct?</li> <li>A. To my knowledge, yes.</li> <li>Q. Please turn to MBM-7T, Page 26, Line 15 through 22.</li> <li>MR. CASEY: MBM-7T, Page 26.</li> <li>BY MR. CASEY:</li> <li>Q. You testify that Ms. Kimball and the other parties that criticize the Cocker Fennessy Survey draw conclusions that are not based on a firm understanding</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	<ul> <li>conditions that many people will review or not. But the fact of the matter is we're doing our</li> <li>duty of disclosing to the customers through the tariff,</li> <li>as well as in other mechanisms of the terms of this</li> <li>lease.</li> <li>JUDGE KOPTA: So please don't make comments</li> <li>from the gallery.</li> <li>BY MR. CASEY:</li> <li>Q. Let's turn to your rebuttal testimony, MBM-7</li> <li>well, I don't have a page yet, so I'll just start with</li> <li>questions.</li> <li>Cocker Fennessy was retained to survey customer</li> <li>interest in leasing services after the start of this</li> <li>proceeding; correct?</li> <li>A. Cocker Fennessy was retained in January which</li> <li>was after we filed our initial tariff; correct.</li> <li>Q. And in fact, Perkins Coie retained Cocker</li> <li>Fennessy for the purpose of this litigation; correct?</li> <li>A. That is probably an overstatement. Perkins</li> <li>Coie, who is our attorneys in this litigative process, as with any litigative process, advises us on</li> <li>consultants that can address issues that we're working</li> <li>with on a litigative case, and yes, we did secure them.</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions? A. We provided Cocker Fennessy with an overview of the service to help inform how they would field the survey, as well as we reviewed the information in draft format. Q. Is that a "yes"? A. That is a "yes" with a qualifying yes. Q. And you reviewed multiple drafts of that survey; correct? A. To my knowledge, yes. Q. Please turn to MBM-7T, Page 26, Line 15 through 22. MS. CARSON: Can you give the cite again, please? MR. CASEY: MBM-7T, Page 26. BY MR. CASEY: Q. You testify that Ms. Kimball and the other parties that criticize the Cocker Fennessy Survey draw conclusions that are not based on a firm understanding of industry-standard research methods; correct?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>conditions that many people will review or not. But the fact of the matter is we're doing our</li> <li>duty of disclosing to the customers through the tariff, as well as in other mechanisms of the terms of this lease. JUDGE KOPTA: So please don't make comments from the gallery.</li> <li>BY MR. CASEY:</li> <li>Q. Let's turn to your rebuttal testimony, MBM-7 well, I don't have a page yet, so I'll just start with questions. Cocker Fennessy was retained to survey customer interest in leasing services after the start of this proceeding; correct?</li> <li>A. Cocker Fennessy was retained in January which was after we filed our initial tariff; correct.</li> <li>Q. And in fact, Perkins Coie retained Cocker Fennessy for the purpose of this litigation; correct?</li> <li>A. That is probably an overstatement. Perkins Coie, who is our attorneys in this litigative process, as with any litigative process, advises us on consultants that can address issues that we're working</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>Mr. Englert or some combination thereof provided the survey inputs to Cocker Fennessy and then reviewed questions Cocker Fennessy drafted to ensure the survey contained relevant questions?</li> <li>A. We provided Cocker Fennessy with an overview of the service to help inform how they would field the survey, as well as we reviewed the information in draft format.</li> <li>Q. Is that a "yes"?</li> <li>A. That is a "yes" with a qualifying yes.</li> <li>Q. And you reviewed multiple drafts of that survey; correct?</li> <li>A. To my knowledge, yes.</li> <li>Q. Please turn to MBM-7T, Page 26, Line 15 through 22.</li> <li>MR. CASEY: MBM-7T, Page 26.</li> <li>BY MR. CASEY:</li> <li>Q. You testify that Ms. Kimball and the other parties that criticize the Cocker Fennessy Survey draw conclusions that are not based on a firm understanding</li> </ul>

25	JUDGE KOPTA: All right. I wanted to make	25	PSE having some of those privileges, such as a service
24	document at this point in time.	24	a system of checks and balances to counter the effect of
23	MS. CARSON: It is not a confidential	23	Transportation Commission is to provide that oversight,
22	this page. Is this a confidential document?	22	Q. And one of the purposes of the Utility and
21	point. It does say "Confidential Draft" at the top of	21	BY MR. CASEY:
20	JUDGE KOPTA: Let me interject at this	20	oversight that other companies do not have.
19	MR. CASEY: That is what I was referring to.	19	that PSE has allowances, but we also have additional
18	whether that's what you were referring to.	18	THE WITNESS: Thank you. Yes, I would agree
17	one of the headings is "Methodology," and I'm not sure	17	Mr. McCulloch?
16	JUDGE KOPTA: If you point to it, obviously,	16	JUDGE KOPTA: Does that make it clear,
15	ambiguous in terms of "survey methodology."	15	not have service territories, for example.
14	MS. CARSON: Object to the question as	14	Many other companies do not unregulated companies do
13	Q. Yes. Page 1, at the top.	13	such as service territory where they provide service.
12	A. Are you referring to a specific page?	12	state, and as such, it is afforded certain privileges,
11	Cocker Fennessy?	11	Q. PSE is a regulated utility within Washington
10	Q. Is this the survey methodology as identified by	10	BY MR. CASEY:
9	A. Yes.	9	awfully vague. Can you restate that?
8	Q. Can we please turn to MBM-4.	8	JUDGE KOPTA: I don't understand that's
7	us with this process.	7	question.
6	to Cocker Fennessy and our intelligence team to assist	6	MS. CARSON: Object to the form of the
5	A. No, it does not, and that's why we reached out	5	correct?
4	analysis; correct?	4	privileges that many other companies do not realize;
3	not make you an expert in the field of survey design	3	Q. PSE, as a regulated utility, is afforded certain
2	Q. Your Bachelor's of Arts in Asian Studies does	2	BY MR. CASEY:
1	A. That is correct.	1	MR. CASEY: Well, okay.
	Page 204		Page 206
25	methodology; correct?	25	need to ask your questions first.
24	from Cocker Fennessy to testify about the survey	24	suspect she still maintains that position, and so you
23	Q. In this proceeding, PSE did not offer a witness	23	on whether it's being admitted. So, at this point, I
22	BY MR. CASEY:	22	going to use it before she objected and took a position
21	Productive use of our time.	21	Ms. Carson wanted to make sure she knew how you were
20	repeating the testimony. I think it would be a more	20	JUDGE KOPTA: My understanding was that
19	rather than having him repeat the testimony or you	19	start asking questions about it.
18		18 19	
17	the testimony point and ask whatever the question is,		admission of Puget Energy's Code of Ethics before I
	to set up a different point. If you could refer him to	16 17	MR. CASEY: I'm being advised to move for
15 16	JUDGE KOPTA: I agree, unless you're trying		directed in this Section 10 in the middle of the page.
14 15	I don't think that it needs to be reread.	14	And most of my questions are going to be
14	MS. CARSON: The testimony is in the record.	14	Energy's Code of Ethics, and it applies to PSE.
12	read it?	13	about Page 6. Just to situate us, this is Puget
11 12	it's correct. MR. CASEY: Would you like me to have him	11 12	BY MR. CASEY: Q. Okay. Please turn to MBM-37. I want to talk
10	reading of this witness's testimony and asking him if	10	answer any questions regarding that process.
9	MS. CARSON: I'm going to object to the	9	methodology of the survey. And I'm not in a position to
8	flawed; correct?	8	conducted. I don't think it goes to the scientific
7	analysis that the Cocker Fennessy Survey methodology was flawed: correct?	7	summary, might I say, of explaining how this survey was
6 7	from an expert in the field of survey design and analysis that the Cocker Fennessy Survey methodology was	6	is a very broad stroke at explaining an executive
5	asserting they failed to provide testimony or evidence	5	THE WITNESS: So I will answer this. This
4	Q. You also rebut their criticisms of the survey by	4	MS. CARSON: Thank you, Your Honor.
3	A. Yes.	3	to make sure.
2	Q. So is that a "yes" with a qualification?	2	protocols. It was designated confidential, and I wanted
	any evidence of that information.	1	that clear. It wasn't designated according to our
1	and a state of the		The standard standard in the standard standard standard standard standard standard standard standard standard s

1       erritory: correct?       1       files that we can take official notice of, if necessary, if that want the case, JUDGE KOPTA: We appreciate you thinking       2       if that's what you need as a foundation for your question.         2       JUDGE KOPTA: We appreciate you thinking       2       if that's what you need as a foundation for your question.         3       JUDGE KOPTA: We appreciate you thinking       2       if that's what you need as a foundation for your question.         4       BY MR, CASEY:       6       JUDGE KOPTA: Are you going someplace with this line of questions.         6       A. Yes.       JUDGE KOPTA: Are you going someplace with this line of questions.       JUDGE KOPTA: Are you going someplace with this with competitors or attend the objection; there's no stated basis for the objection; there's no stated basis for the objection.         10       A. New discuss prices, terms of sale, or other and meetings with competitors or attend the objection.       10       objections raised by PSE sounsel, there's no stated basis for the objection.         11       A. This proceeding, PSE asked for and received a protective Order or only protected PSE's or competitive information of other particips.       11       this kin protant to this case for the Commission in this take their atter weed at the weed their atter the protective Order on the part of this or protect PSE's involve. Yes a direct bearing on the state Action Doctrine, they is protect by the going on the part of this commission to exercise active supervision under the lew in the event this proposal is actually approved by the agency.		CREE NOS. DE-1518/ 1 AND DG-1518/2 - VOI. III Page 207		NOTE V. Fuger Sound Energy
2       A. I wouldn't be afforded this great opportunity if that wasn't the case.       2       If that's wasn't the case.       3         3       JUDGE KOPTA: We appreciate you thinking that.       3       BY MR: CASEY:         6       BY MR: CASEY:       C. This Code of Ethics provides that PSE should avoid certain activities, which are built-pointed in the middle of the page; correct?       A. Yes.       10       A. Yes.       10       S. CARSON: Objection; rangumentative.         10       A. Yes.       10       N. S. CARSON: Objection; rangumentative.       10         11       A. Yes.       10       N. S. CARSON: Objection; rangumentative.       10         12       O. I want to discuss that first builtet point.       11       11       No. Yes.       10       N. S. CARSON: Objection; rangumentative.         13       A. "Never discuss prices, terms of sale, or other       13       0bjections raised by PSE's counsel, there's no basis for         14       the social information or other       13       0bjection: there's no stated basis for the         15       conspetitive information or other parties;       10       nutbits important to this case for the Commission in         15       control this information or other parties;       12       issues and the antitrust issues raised by the filing are         16       A. That is correct?       12	1	Page 207	1	Page 209
intal wasn't the case.       jutbgE KOPTA: We appreciate you thinking       image: state intervention of the proceeding. PSE has berned a lot about would-be competitors' prices, terms of sale, and other competitive information; correct?         intervention       intervention       intervention         intervention       intervention       intervention       intervention         intervention       intervention       intervention       intervention         intervention       intervention       intervention       intervention         intervention       intervention       intervention       intervention       intervention         intervention       intervention       intervention       intervention       intervention         intervention       intervention       intervention       intervention       intervention         intervention       intervention       intervention       intervention       intervention		-		-
4     JUDGE KOPTA: We appreciate you thinking     4     BY MR. CASEY:       5     C. This Code of Ethics provides that PSE should avoid certain activities, which are bullet-pointed in the medial of the page; correct?     C. This Code of Ethics provides that PSE should avoid certain activities, which are bullet-pointed in the medial of the page; correct?     S. Ar Yes.       10     A. Yes.     A. Yes.     JUDGE KOPTA: Are you going someplace with this, Mr. Casey? I'm having a hard time seeing where       11     Would you mind reading it?     10     bits, Mr. Casey? I'm having a hard time seeing where       12     Vour trying to get with this like of questions.     MS. BROWN: Yes. First of all, many of the       13     A. Tweer discuss prices, terms of sale, or other     13     objection: there's no stated basis for the       14     the objection; there's no stated basis for the     the objection; there's no stated basis for the       15     confidential information; orcerct?     10       16     confidential information; correct?     10       17     Q. And that Protective Order only protect PSE's     10       18     correct:     20       29     Protective Order and the way that the Protective Order     10       20     A. And that Protective Order     10       21     Protective Order and the way that the Protective Order     10       22     NS. CARSON: Objection; that mistates the     2				
s       that.       S         0       During the course of this proceeding, PSE has         0       This Code of Ethics provides that PSE should         1       O. Toxic Code of Ethics provides that PSE should         1       O. Toxic Code of Ethics provides that PSE should         1       O. Toxic Code of Ethics provides that PSE should         1       O. I vant to discuss that first bullet point.         1       O. I vant to discuss that first bullet point.         1       Mould you mind reading it?         2       A. "Never discuss prices, terms of sale, or other competitive information with competitors or attend         1       Mould you mind reading it?         2       A. "Never discuss prices, terms of sale, or other competitive information with competitors or attend         1       Mould you mind reading it?         2       A. "In this proceeding, PSE asked for and received a         1       O. In this proceeding, PSE asked for and received a         1       O. And that Protective Order only protected PSE's competitive information from its competitors; it did not zompetitive information from its competitors; it did not zompetitive information shiply confidential and protective Order and the way that the Protective Order.         2       MS. CARSON: Objection; that misstates the       2         3       Not that Protective Order and the way that the Protective Order	-			
6       BY MR. CASEY:       6       learned a lot about would-be competitors' prices, terms         7       0. This Code 5 Ethics provides that PSE should       of sale, and other competitive information; correct?         9       the middle of the page; correct?       10         10       A. Yes.       10         11       Would you mind reading it?       11         12       Would you mind reading it?       12         13       A. "Never discuss prices, terms of sale, or other       13         14       the objection; argumentative.         15       orderlive information with competitors or attend       14         16       competitive information with competitors or attend       14         17       number one, I think we're entitied to emphasize what we         16       restricts Order for confidential and highly       16         17       number one, I think we're entitied to emphasize what we         18       reflective information from its competitors, it didn       17         19       is decision-making authority, but the anticompetitive         10       A. that is correct?       20         21       competitive information from its competitors, it didn       23         22       competitive information from its competitors, it didn       24				
7       0. This Code of Ethics provides that PSE should       of sale, and other competitive information; correct?         8       Would certain activities, which are bullet-pointed in       MS. CARSON: Objection; argumentative.         10       A. Yes.       JUDGE KOPTA: Are you going someplace with         11       K. Yes.       MS. BROWN: Yes. First of all, many of the         12       Objections raised by PSE's counsel, there's no basis for         13       A. "Never discuss prices, terms of sale, or other       10         14       meetings with competitors or attend       10         15       MS. BROWN: Yes. First of all, many of the       objections raised by PSE's counsel, there's no basis for         16       meetings with competitors or attend       10       objection.         17       O. In this proceeding, PSE asked for and received all       10       The other thing is, we are focusing on,         18       Gridential information; correct?       10       11       Inthe is mortant:         18       Competitive information of ther parties;       12       11       11         19       Fortective Order and the way that the Protective Order       12       11         10       Confidential information of other parties;       12       11         10       Protective Order and the way that the Protective Or				
avoid certain activities, which are bullet-pointed in       #       MS. CARSON: Objection; argumentative.         bitter middle of the page; correct?       9       JUDGE KOPTA: Are you going someplace with         bitter middle of the page; correct?       10       Miks. Kr. Casey? Thm having a hard time seeing where         competitive information with competitors or attend       10       MS. BROWN: Yes. First of all, many of the         competitive information with competitors or attend       10       He objections raised by PSE's counsel, there's no basis for         file       Gompetitive information with competitors or attend       10       He objections raised by PSE's counsel, there's no basis for         file       Gompetitive information set with sin such optics are       10       Objections raised by PSE's counsel, there's no basis for         file       Confidential information; correct?       10       The other thing is, we are focusing on,         competitive information form its competitors, it did not       21       In this proceeding and highly       10         correct?       24       Competitive information of other parties;       22       isoufficant.       22         correct?       Page 208       Page 210       These questions have a direct bearing on       14         file       Protective Order and the way that the Protective Order       11       These questions have a direct beari				
9       the middle of the page; correct?       9       JUDGE KOPTA: Are you going someplace with         10       A. Yes.       10         11       A. Yes.       10         12       Q. I want to discuss that first bullet point.       11         13       A. "Never discuss prices, terms of sale, or other       12         14       competitive information with competitors or attend       14         15       institut connective order for confidential and highly       16         16       discussed."       16         17       Q. In this proceeding, PSE asked for and received al       16         18       iscurssed."       16         19       confidential information; correct?       10         10       A. That is correct.       10         11       Sconfidential information from tis competitors, it did not protective Order and the way that the Protective Order only protected PSE's correct?       12         12       Ornetitive information of other parties; it did not protective Order and the way that the Protective Order.       12         12       Protective Order and the way that the Protective Order.       14         13       A. CARSON: Objection; that misstates the       12         14       bas been used. Other parties have marked their       12		-		
10       A. Yes.       10       this, Mr. Casey? I'm having a hard time seeing where         11       Q. I want to discuss that first bullet point.       11         12       Would you mind reading it?       12         13       A. "Never discuss prices, terms of sale, or other       13         14       Mould you mind reading it?       12         15       Ms. BROWN: Yes. First of all, many of the         16       meetings with competitors or attend       14         17       Q. In this proceeding, PSE asked for and received a       17         17       Q. In this proceeding, rot ordidential and highly       16         18       Protective Order or confidential and highly       16         19       confidential information; correct?       19         10       A. That is correct.       10         21       A. And that Protective Order only protected PSE's       10         22       correct?       12         23       mote time, so ordidential and       10         24       recreics active supervision under the law in the event         25       MS. CARSON: Objection; that misstates the       25         26       Protective Order and the way that the Protective Order.       14         27       Protective Order and thay		-		
11       Q. I want to discuss that first bullet point.       11       you're trying to get with this line of questions.         12       Would you mind reading it?       12       MS. BROWN: Yes. First of all, many of the         14       operative information with competitors or attend       14       14       MS. BROWN: Yes. First of all, many of the         15       meetings with competitors at which such topics are       16       objection: rited by PSE's counsel, there's no stated basis for the         16       discussed."       16       The other thing is, we are focusing on.         17       number one. I think we're entitled to emphasize what we       number one. I think we're entitled to emphasize what we         18       Protective Order for confidential and highly       19       is decision-making authority, but the anticompetitive         19       correct.       20       A. That is correct.       20         20       And that Protective Order on pup totected PSE's       21       22         21       O. And that Protective Order parties have marked their       22       23         22       mode the august and the way that the Protective Order       1       These questions have a direct bearing on         24       accurately reflects the Order that 1 signed.       2       1       These questions have a direct bearind this the file				
12       Would you mind reading it?       12       MS. BROWN: Yes. First of all, many of the         13       A. "Never discuss prices, terms of sale, or other       14       objections raised by PSE's counsel, there's no basis for         14       competitive information with competitors or attend       14       the objections raised by PSE's counsel, there's no basis for         15       incetings with competitors at which such topics are       15       objections, there's no stated basis for the         16       discussed."       16       The other thing is, we are focusing on,         17       Q. In this proceeding, PSE asked for and received a       17       number one, I think we're entitled to emphasize what we         19       confidential information; correct?       19       its decision-making authority, but the anticompetitive         20       A. That is correct.       20       issues and the antitrust issues raised by the filing are         21       O. And that Protective Order only protected PSE's       23       isgnificant.         21       Order the competitive information of other parties, we are closely approved by the agency.       24         22       Protective Order and the way that the Protective Order       1       These questions have a direct bearing on         31       protect the compaties have marked their       2       1       These questions have a direc				
13       A. "Never discuss prices, terms of sale, or other       13       objections raised by PSE's counsel, there's no basis for         14       competitive information with competitors or attend       14       the objection; there's no stated basis for the         15       iscussed."       16       objection; there's no stated basis for the         16       discussed."       16       objection; there's no stated basis for the         17       Q. In this proceeding, PSE asked for and received a       17       number one, 1 think we're entitled to emphasize what we         18       Protective Order for confidential and highly       18       its decision-making authority, but the anticompetitive         20       A. That is correct?       20       issues and the antitrust issues raised by the filing are       21         21       Competitive information from its competitors, it did not at the colligation on the part of this Commission to       22       They raise the State Action Doctrine, they         23       protect the competitive information of other parties;       23       invoke the obligation on the part of this Commission to         24       correct?       23       They raise the State Action Doctrine, they       invoke the obligation on the part of this Commission to         25       MS. CARSON: Objection; that misstates the       25       this proposal is actually approved by the agency.	11	-		
14competitive information with competitors or attend14the objection; there's no stated basis for the15meetings with competitors at which such topics are15objection; there's no stated basis for the15discussed."16The other thing is, we are focusing on,16In this proceeding, PSE asked for and received a17number one, I think we're entitled to emphasize what we17O. In this proceeding, PSE asked for and received a18The other thing is, we are focusing on,18protective Order for confidential and highly18think is important to this case for the Commission in18its decision-making authority, but the anticompetitive18tis decision-making authority, but the anticompetitive21A. And that Protective Order only protected PSE's21issues and the antitrust issues raised by the filing are22correct?23invoke the obligation on the part of this Commission to23protect the competitive information of other parties,23invoke the obligation on the part of this Commission to24MS. CARSON: Objection; that misstates the25this proposal is actually approved by the agency.25MS. CARSON: Objection; that misstates the26that, which is why we want to at the end of these3confidential information as highly confidential and3questions move to have these exhibits admitted into the4record.that, which is also why counsel for PSE has not55JUDGE KOPTA: I agree. I don't believe that3sigulated <t< td=""><td>12</td><td></td><td>12</td><td></td></t<>	12		12	
15       meetings with competitors at which such topics are       15       objection.         16       discussed."       The other thing is, we are focusing on,         17       Q. In this proceeding, PSE asked for and received a       17         19       confidential information; correct?       19         14       discussed."       think is important to this case for the Commission in         19       confidential information; correct?       19         10       A. That is correct.       20         20       A. That is correct.       21         21       Q. And that Protective Order only protected PSE's       22         22       correct?       24         23       correct?       24         24       correct?       24         25       MS. CARSON: Objection; that misstates the       25         26       rofidential information as highly confidential and       3         27       has been used. Other parties have marked their       2         28       scorract?       24         29       rofidential information as highly confidential and       3         30       confidential information as highly confidential and       3         40       corfidential information as highly confidential and	13	-	13	
16       discussed."       16       The other thing is, we are focusing on,         17       Q. In this proceeding, PSE asked for and received a       17       number one, I think we're entitled to emphasize what we         18       Protective Order for confidential and highly       18       think is important to this case for the Commission in         18       confidential information; correct?       19       its decision-making authority, but the anticompetitive         20       A. That is correct.       20       issues and the antitrust issues raised by the filing are         21       G. And that Protective Order only protected PSE's       21       isjnificant.         22       correct?       24       invoke the obligation on the part of this Commission to         24       correct?       24       invoke the obligation on the part of this Commission to         25       MS. CARSON: Objection; that misstates the       25       this proposal is actually approved by the agency.         26       Protective Order and the way that the Protective Order       1       The sequestions have a direct bearing on         26       information as highly confidential and       3       questions move to have these exhibits admitted into the         27       has been used. Other parties signing       6       MS. CARSON: If ungit, Your Honor, PSE was       confidential information as highly c	14		14	-
11       Q. In this proceeding, PSE asked for and received a       17       number one, I think we're entitled to emphasize what we         18       Protective Order for confidential and highly       18       think is important to this case for the Commission in         19       Confidential information; correct?       19       is decision-making authority, but the anticompetitive         21       A. That is correct.       20       issues and the antitrust issues raised by the filing are         22       competitive information form its competitors, it did not       22       They raise the State Action Doctrine, they         23       protect the competitive information of other parties;       23       invoke the obligation on the part of this Commission to         24       correct?       24       the avent of this commission to       exercise active supervision under the law in the event         25       MS. CARSON: Objection; that misstates the       25       this proposal is actually approved by the agency.         26       Protective Order and the way that the Protective Order       1       These questions have a direct bearing on         26       confidential information as highly confidential and       questions move to have these exhibits admitted into the         27       confidential information as highly confidential and       questions move to have these exhibits admitted into the         28       C	15	meetings with competitors at which such topics are	15	-
18Protective Order for confidential and highly18think is important to this case for the Commission in19confidential information; correct?19its decision-making authority, but the anticompetitive20A. That is correct.20issues and the antitrust issues raised by the filing are21Q. And that Protective Order only protected PSE's21significant.22competitive information from its competitors, it did not22They raise the State Action Doctrine, they23protect the competitive information of other parties;23invoke the obligation on the part of this Commission to24correct?24exercise active supervision under the law in the event25MS. CARSON: Objectin; that misstates the25this proposal is actually approved by the agency.1Protective Order and the way that the Protective Order1These questions have a direct bearing on1has been used. Other parties have marked their2that, which is also why counsel for PSE has not3confidential information as highly confidential and3questions move to have these exhibits admitted into the4confidential information as highly confidential and3guestions move to have these exhibits admitted into the5JUDGE KOPTA: l agree. I don't believe that3sconcerned about this line of questioning that really6Ordidential; correct?777PSE objected to several parties signing66Confidential; correct?77MS. CARSON: I'm	16	discussed."	16	The other thing is, we are focusing on,
11       confidential information; correct?       12       its decision-making authority, but the anticompetitive         20       A. That is correct.       20       issues and the antitrust issues raised by the filing are         21       Q. And that Protective Order only protected PSE's       21       significant.         22       competitive information of other parties;       22       They raise the State Action Doctrine, they         23       protect the competitive information of other parties;       23       invoke the obligation on the part of this Commission to         24       correct?       24       They raise the State Action Doctrine, they         25       mS. CARSON: Objection; that misstates the       25       this proposal is actually approved by the agency.         26       Protective Order and the way that the Protective Order       1       These questions have a direct bearing on         26       has been used. Other parties have marked their       2       that, which is suby we want to at the end of these         3       confidential information as highly confidential and       3       questions move to have these exhibits admitted into the         3       JUDGE KOPTA: Lagree. I don't believe that       3       siguitated to their admissibility.         4       accrately reflects the Order that L signed.       5       sipulated to there cord if there wasn't a lin	17	Q. In this proceeding, PSE asked for and received a	17	number one, I think we're entitled to emphasize what we
20A. That is correct.20issues and the antitrust issues raised by the filing are significant.21Q. And that Protective Order only protected PSE's21significant.22competitive information form its competitors, it did not protect the competitive information of other parties; correct?21They raise the State Action Doctrine, they 	18	Protective Order for confidential and highly	18	think is important to this case for the Commission in
21       Q. And that Protective Order only protected PSE's       21       significant.         22       competitive information from its competitors, it did not       22       They raise the State Action Doctrine, they         23       protect the competitive information of other parties;       invoke the obligation on the part of this Commission to         24       exercise active supervision under the law in the event       25         25       MS. CARSON: Objection; that misstates the       25         2       Protective Order and the way that the Protective Order       1         3       confidential information as highly confidential and       2         4       confidential under the Protective Order.       1         5       JUDGE KOPTA: I agree. I don't believe that       3         6       accurately reflects the Order that I signed.       6         7       BY MR. CASEY:       7         9       DY MS. CARSON: I'm going to object again.       7         11       That was pursuant to the terms of the Protective Order,       9         12       MS. CARSON: I'm going to object again.       11         13       That was pursuant to the terms of the Protective Order,       14         14       and PSE abided by the Protective Order and asked for it       14         15	19	confidential information; correct?	19	its decision-making authority, but the anticompetitive
22competitive information from its competitors, it did not22They raise the State Action Doctrine, they23protect the competitive information of other parties;23invoke the obligation on the part of this Commission to24correct?24exercise active supervision under the law in the event25MS. CARSON: Objection; that misstates the25this proposal is actually approved by the agency.2Protective Order and the way that the Protective Order1These questions have a direct bearing on2has been used. Other parties have marked their2this information as highly confidential and33confidential information as highly confidential and3questions move to have these exhibits admitted into the4confidential under the Protective Order.4record, which is also why counsel for PSE has not5JUDGE KOPTA: I agree. I don't believe that5stipulated to their admissibility.6MS. CARSON: If I might, Your Honor, PSE wasconfidentiality agreements which ultimately prevented97MS. CARSON: I'm going to object again.1111that was pursuant to the terms of the Protective Order,1412MS. CARSON: I'm going to object again.1213That was pursuant to the terms of the Protective Order,1414and PSE abided by the Protective Order and asked for it1415to be enforced. It was enforced bilaterally.1516JUDGE KOPTA: I agree, that misstates. They1617weren' rejecting	20	A. That is correct.	20	issues and the antitrust issues raised by the filing are
23protect the competitive information of other parties; correct?23invoke the obligation on the part of this Commission to exercise active supervision under the law in the event this proposal is actually approved by the agency.24MS. CARSON: Objection; that misstates the25this proposal is actually approved by the agency.25Page 208Page 2101Protective Order and the way that the Protective Order12has been used. Other parties have marked their22confidential information as highly confidential and32questions move to have these exhibits admitted into the4confidential under the Protective Order.45JUDGE KOPTA: I agree. I don't believe that53accurately reflects the Order that I signed.66MS. CARSON: If I might, Your Honor, PSE was7BY MR. CASEY:79Orfidential ty agreements which ultimately prevented1010Inse parties from viewing any information PSE deemed1011Inse parties from viewing on bipet cagain.1212MS. CARSON: I'm going to object again.1213That was pursuant to the terms of the Protective Order,1314and PSE abided by the Protective Order and asked for it1415bip enforced. It was enforced bilaterally.1516JUDGE KOPTA: I agree, that misstates. They1617weren't rejecting parties, they were objecting to1718MR. CASEY: Fine. I'm not trying to imply <t< td=""><td>21</td><td>Q. And that Protective Order only protected PSE's</td><td>21</td><td>significant.</td></t<>	21	Q. And that Protective Order only protected PSE's	21	significant.
24correct?24exercise active supervision under the law in the event25MS. CARSON: Objection; that misstates the25exercise active supervision under the law in the event25MS. CARSON: Objection; that misstates the25this proposal is actually approved by the agency.1Protective Order and the way that the Protective Order1These questions have a direct bearing on1has been used. Other parties have marked their2that, which is why we want to at the end of these3confidential information as highly confidential and3questions move to have these exhibits admitted into the4confidential under the Protective Order.4fecord, which is also why counsel for PSE has not5JUDGE KOPTA: I agree. I don't believe that5stipulated to their admissibility.6accurately reflects the Order that I signed.6MS. CARSON: If I might, Your Honor, PSE was7Q. PSE objected to several parties signing8goes to legal issues that can be briefed.0onfidential; agreements which ultimately prevented10into the record if there wasn't a line of questioning11MS. CARSON: I'm going to object again.12MR. CASEY: I'm not trying to naise legal12MS. CARSON: I'm going to object again.1213That was pursuant to the terms of the Protective Order,1314and PSE abided by the Protective Order and asked for it1415to be enforced. It was enforced bilaterally.1516JUDGE KOPTA: I agree, that misstates	22	competitive information from its competitors, it did not	22	They raise the State Action Doctrine, they
25MS. CARSON: Objection; that misstates the25this proposal is actually approved by the agency.1Protective Order and the way that the Protective Order1These questions have a direct bearing on2has been used. Other parties have marked their2that, which is why we want to at the end of these3confidential information as highly confidential and3questions move to have these exhibits admitted into the4confidential under the Protective Order.4record, which is also why counsel for PSE has not5JUDGE KOPTA: 1 agree. I don't believe that5stipulated to their admissibility.6accurately reflects the Order that I signed.6MS. CARSON: If I might, Your Honor, PSE was7confidentiality agreements which ultimately prevented9O. PSE objected to several parties signing89confidentiality agreements which ultimately prevented10Into the record if there wasn't a line of questioning11those parties from viewing any information PSE deemed10Into the record if there wasn't a line of questioning11MS. CARSON: I'm going to object again.12declined that.12MS. CARSON: I'm going to object again.1213That was pursuant to the terms of the Protective Order,1314and PSE abided by the Protective Order and asked for it1415to be enforced. It was enforced bilaterally.1516JUDGE KOPTA: 1 agree, that misstates. They1617weren't rejecting parties, they were objecting to<	23	protect the competitive information of other parties;	23	invoke the obligation on the part of this Commission to
Page 208Page 2081Protective Order and the way that the Protective Order12has been used. Other parties have marked their23confidential information as highly confidential and34confidential information as highly confidential and35confidential under the Protective Order.44confidential under the Protective Order.45JUDGE KOPTA: I agree. I don't believe that56accurately reflects the Order that I signed.67BY MR. CASEY:77BY MR. CASEY:79confidentiality agreements which ultimately prevented910those parties from viewing any information PSE deemed1011ms. CARSON: I'm going to object again.1212MS. CARSON: I'm going to object again.1214and PSE abided by the Protective Order and asked for it1415to be enforced. It was enforced bilaterally.1516JUDGE KOPTA: I agree, that misstates. They1616individuals.1617weren't rejecting parties, they were objecting to1718MR. CASEY: Fine. I'm not trying to imply1919MR. CASEY: Fine. I'm not trying to imply1920anything other than just recapturing the facts that2021use necessarily; I'm trying to highlight the facts22use necessarily; I'm the regulated tariff-based23use necessarily; I'm trying to imply	24	correct?	24	exercise active supervision under the law in the event
1Protective Order and the way that the Protective Order1These questions have a direct bearing on2has been used. Other parties have marked their2that, which is why we want to at the end of these3confidential information as highly confidential and3questions move to have these exhibits admitted into the4confidential under the Protective Order.4record, which is also why counsel for PSE has not5JUDGE KOPTA: I agree. I don't believe that5stipulated to their admissibility.6accurately reflects the Order that I signed.6MS. CARSON: If I might, Your Honor, PSE was7BY MR. CASEY:7confidentiality agreements which ultimately prevented99confidential; correct?71into the record if there wasn't a line of questioning11thas a pursuant to the terms of the Protective Order,13MR. CASEY: I'm not trying to naise legal12MS. CARSON: I'm going to object again.12MR. CASEY: I'm not trying to naise legal13That was pursuant to the terms of the Protective Order,13MR. CASEY: I'm not trying to naise legal14isoues necessarily; I'm trying to highlight the factsand PSE abided by the Protective Order and asked for it14isoues necessarily; I'm trying to highlight the factsand the awkwardness that this file raises.15JUDGE KOPTA: I agree, that misstates. They16I think Mr. Goltz di a great job earlier16MR. CASEY: Fine. I'm not trying to imply19services in competition with free-market services. And,<	25	MS. CARSON: Objection; that misstates the	25	this proposal is actually approved by the agency.
2has been used. Other parties have marked their2that, which is why we want to at the end of these3confidential information as highly confidential and3questions move to have these exhibits admitted into the4confidential under the Protective Order.4record, which is also why counsel for PSE has not5JUDGE KOPTA: I agree. I don't believe that5stipulated to their admissibility.6accurately reflects the Order that I signed.6MS. CARSON: If I might, Your Honor, PSE was7BY MR. CASEY:779confidential; gareements which ultimately prevented7810those parties from viewing any information PSE deemed10into the record if there wasn't a line of questioning11confidential; correct?11that got into legal issues for Mr. McCulloch, and Staff12MS. CARSON: I'm going to object again.12MR. CASEY: I'm not trying to raise legal13That was pursuant to the terms of the Protective Order,13MR. CASEY: I'm not trying to raise legal14to be enforced. It was enforced bilaterally.1515JUDGE KOPTA: I agree, that misstates. They1616individuals.1717weren't rejecting parties, they were objecting to1718MR. CASEY: Fine. I'm not trying to imply1919MR. CASEY: Fine. I'm not trying to imply1920anything other than just recapturing the facts that2021you know, one of the big issues in this case is kind of<		Page 208		Page 210
3confidential information as highly confidential and confidential under the Protective Order.3questions move to have these exhibits admitted into the record, which is also why counsel for PSE has not5JUDGE KOPTA: I agree. I don't believe that accurately reflects the Order that I signed.5MS. CARSON: If I might, Your Honor, PSE was concerned about this line of questioning that really goes to legal issues that can be briefed.7Q. PSE objected to several parties signing confidentiality agreements which ultimately prevented those parties from viewing any information PSE deemed confidential; correct?610MS. CARSON: I'm going to object again.1011MS. CARSON: I'm going to object again.1012MS. CARSON: I'm going to object again.1213That was pursuant to the terms of the Protective Order, and PSE abided by the Protective Order and asked for it usenforced. It was enforced bilaterally.1514JUDGE KOPTA: I agree, that misstates. They weren't rejecting parties, they were objecting to individuals.1617Wern't rejecting parties, they were objecting to individuals.1718MR. CASEY: Fine. I'm not trying to imply1919MR. CASEY: Fine. I'm not trying to imply1920anything other than just recapturing the facts that2020anything other than just recapturing the fac	1	Protective Order and the way that the Protective Order	1	These questions have a direct bearing on
4confidential under the Protective Order.4record, which is also why counsel for PSE has not5JUDGE KOPTA: I agree. I don't believe that5stipulated to their admissibility.6accurately reflects the Order that I signed.6MS. CARSON: If I might, Your Honor, PSE was7BY MR. CASEY:7confidentiality agreements which ultimately prevented79confidentiality agreements which ultimately prevented9PSE offered to allow these to be stipulated10those parties from viewing any information PSE deemed10into the record if there wasn't a line of questioning11confidential; correct?11that got into legal issues for Mr. McCulloch, and Staff12MS. CARSON: I'm going to object again.1213That was pursuant to the terms of the Protective Order,1314and PSE abided by the Protective Order and asked for it1415to be enforced. It was enforced bilaterally.1516JUDGE KOPTA: I agree, that misstates. They1617weren't rejecting parties, they were objecting to1718situation where we will have regulated tariff-based19MR. CASEY: Fine. I'm not trying to imply1920anything other than just recapturing the facts that2020anything other than just recapturing the facts that2020anything other than just recapturing the facts that20	2	has been used. Other parties have marked their	2	that, which is why we want to at the end of these
5JUDGE KOPTA: 1 agree. 1 don't believe that accurately reflects the Order that 1 signed.5stipulated to their admissibility.7BY MR. CASEY:7MS. CARSON: 1f 1 might, Your Honor, PSE was concerned about this line of questioning that really goes to legal issues that can be briefed.9Q. PSE objected to several parties signing confidentiality agreements which ultimately prevented those parties from viewing any information PSE deemed confidential; correct?9PSE offered to allow these to be stipulated into the record if there wasn't a line of questioning that got into legal issues for Mr. McCulloch, and Staff12MS. CARSON: 1'm going to object again.12eclined that.13That was pursuant to the terms of the Protective Order, and PSE abided by the Protective Order and asked for it to be enforced. It was enforced bilaterally.15issues necessarily; 1'm trying to highlight the facts and the awkwardness that this file raises.14JUDGE KOPTA: 1 agree, that misstates. They individuals.16I think Mr. Goltz did a great job earlier17weren't rejecting parties, they were objecting to individuals.17summarizing the fact that this case brings up a very odd18MR. CASEY: Fine. 1'm not trying to imply19services in competition with free-market services. And,19MR. CASEY: Fine. 1'm not trying to imply19services in competition with free-market services. And,19MR. CASEY: Fine. 1'm not trying to imply19services in competition with free-market services. And,10anything other than just recapturing the facts that20you know, on	3	confidential information as highly confidential and	3	questions move to have these exhibits admitted into the
6accurately reflects the Order that I signed.6MS. CARSON: If I might, Your Honor, PSE was7BY MR. CASEY:7concerned about this line of questioning that really8Q. PSE objected to several parties signing89confidentiality agreements which ultimately prevented910those parties from viewing any information PSE deemed1011into the record if there wasn't a line of questioning12MS. CARSON: I'm going to object again.1113That was pursuant to the terms of the Protective Order,1314and PSE abided by the Protective Order and asked for it1415to be enforced. It was enforced bilaterally.1516JUDGE KOPTA: I agree, that misstates. They1617weren't rejecting parties, they were objecting to1718situation where we will have regulated tariff-based19MR. CASEY: Fine. I'm not trying to imply1920anything other than just recapturing the facts that2020anything other than just recapturing the facts that2020anything other than just recapturing the facts that20	4	confidential under the Protective Order.	4	record, which is also why counsel for PSE has not
7BY MR. CASEY:7concerned about this line of questioning that really goes to legal issues that can be briefed.9confidentiality agreements which ultimately prevented those parties from viewing any information PSE deemed confidential; correct?9PSE offered to allow these to be stipulated into the record if there wasn't a line of questioning12MS. CARSON: I'm going to object again.1213That was pursuant to the terms of the Protective Order, and PSE abided by the Protective Order and asked for it to be enforced. It was enforced bilaterally.1516JUDGE KOPTA: I agree, that misstates. They individuals.1617Weren't rejecting parties, they were objecting to individuals.1718MR. CASEY: Fine. I'm not trying to imply anything other than just recapturing the facts that1819MR. CASEY: Fine. I'm not trying to imply anything other than just recapturing the facts that1920MR. CASEY: Fine. I'm not trying to imply anything other than just recapturing the facts that2020worew, one of the big issues in this case is kind of	5	JUDGE KOPTA: I agree. I don't believe that	5	stipulated to their admissibility.
8Q. PSE objected to several parties signing confidentiality agreements which ultimately prevented those parties from viewing any information PSE deemed confidential; correct?8goes to legal issues that can be briefed.11pSE offered to allow these to be stipulated into the record if there wasn't a line of questioning that got into legal issues for Mr. McCulloch, and Staff12MS. CARSON: I'm going to object again.1213That was pursuant to the terms of the Protective Order, and PSE abided by the Protective Order and asked for it to be enforced. It was enforced bilaterally.1314JUDGE KOPTA: I agree, that misstates. They individuals.1617weren't rejecting parties, they were objecting to individuals.1718MR. CASEY: Fine. I'm not trying to imply anything other than just recapturing the facts that1819MR. CASEY: Fine. I'm not trying to imply anything other than just recapturing the facts that1920MR. CASEY: Fine. I'm not trying to imply anything other than just recapturing the facts that2020Ner, Chaser Case is kind of20	6	accurately reflects the Order that I signed.	6	MS. CARSON: If I might, Your Honor, PSE was
9confidentiality agreements which ultimately prevented those parties from viewing any information PSE deemed confidential; correct?9PSE offered to allow these to be stipulated into the record if there wasn't a line of questioning that got into legal issues for Mr. McCulloch, and Staff declined that.12MS. CARSON: I'm going to object again.1213That was pursuant to the terms of the Protective Order, and PSE abided by the Protective Order and asked for it to be enforced. It was enforced bilaterally.1414JUDGE KOPTA: I agree, that misstates. They individuals.1617weren't rejecting parties, they were objecting to individuals.1718MR. CASEY: Fine. I'm not trying to imply anything other than just recapturing the facts that1819MR. CASEY: Fine. I'm not trying to imply anything other than just recapturing the facts that1920Nervices in competition with free-market services. And, you know, one of the big issues in this case is kind of	7	BY MR. CASEY:	7	concerned about this line of questioning that really
10those parties from viewing any information PSE deemed confidential; correct?10into the record if there wasn't a line of questioning that got into legal issues for Mr. McCulloch, and Staff declined that.12MS. CARSON: I'm going to object again.1213That was pursuant to the terms of the Protective Order, and PSE abided by the Protective Order and asked for it to be enforced. It was enforced bilaterally.1414JUDGE KOPTA: I agree, that misstates. They individuals.1617Weren't rejecting parties, they were objecting to individuals.1718MR. CASEY: Fine. I'm not trying to imply anything other than just recapturing the facts that1820MR. CASEY: Fine. I'm streeapturing the facts that1920MR. CASEY: Fine. I'm streeapturing the facts that1920MR. CASEY: Fine. I'm streeapturing the facts that2020MR. CASEY: Fine. I'm streeapturing the facts that20	8	Q. PSE objected to several parties signing	8	goes to legal issues that can be briefed.
11confidential; correct?11that got into legal issues for Mr. McCulloch, and Staff12MS. CARSON: I'm going to object again.12declined that.13That was pursuant to the terms of the Protective Order,13MR. CASEY: I'm not trying to raise legal14and PSE abided by the Protective Order and asked for it14issues necessarily; I'm trying to highlight the facts15to be enforced. It was enforced bilaterally.15and the awkwardness that this file raises.16JUDGE KOPTA: I agree, that misstates. They16I think Mr. Goltz did a great job earlier17weren't rejecting parties, they were objecting to17summarizing the fact that this case brings up a very odd18individuals.18situation where we will have regulated tariff-based19MR. CASEY: Fine. I'm not trying to imply19services in competition with free-market services. And,20anything other than just recapturing the facts that20you know, one of the big issues in this case is kind of	9	confidentiality agreements which ultimately prevented	9	PSE offered to allow these to be stipulated
11confidential; correct?11that got into legal issues for Mr. McCulloch, and Staff12MS. CARSON: I'm going to object again.12declined that.13That was pursuant to the terms of the Protective Order,13MR. CASEY: I'm not trying to raise legal14and PSE abided by the Protective Order and asked for it14issues necessarily; I'm trying to highlight the facts15to be enforced. It was enforced bilaterally.15and the awkwardness that this file raises.16JUDGE KOPTA: I agree, that misstates. They16I think Mr. Goltz did a great job earlier17weren't rejecting parties, they were objecting to17summarizing the fact that this case brings up a very odd18individuals.18situation where we will have regulated tariff-based19MR. CASEY: Fine. I'm not trying to imply19services in competition with free-market services. And,20anything other than just recapturing the facts that20you know, one of the big issues in this case is kind of	10		10	into the record if there wasn't a line of questioning
12MS. CARSON: I'm going to object again.12declined that.13That was pursuant to the terms of the Protective Order,13MR. CASEY: I'm not trying to raise legal14and PSE abided by the Protective Order and asked for it14issues necessarily; I'm trying to highlight the facts15to be enforced. It was enforced bilaterally.15and the awkwardness that this file raises.16JUDGE KOPTA: I agree, that misstates. They16I think Mr. Goltz did a great job earlier17weren't rejecting parties, they were objecting to17summarizing the fact that this case brings up a very odd18individuals.18situation where we will have regulated tariff-based19MR. CASEY: Fine. I'm not trying to imply19services in competition with free-market services. And,20anything other than just recapturing the facts that20you know, one of the big issues in this case is kind of	11		11	
13That was pursuant to the terms of the Protective Order, and PSE abided by the Protective Order and asked for it to be enforced. It was enforced bilaterally.13MR. CASEY: I'm not trying to raise legal issues necessarily; I'm trying to highlight the facts and the awkwardness that this file raises.16JUDGE KOPTA: I agree, that misstates. They weren't rejecting parties, they were objecting to individuals.16I think Mr. Goltz did a great job earlier18individuals.17summarizing the fact that this case brings up a very odd situation where we will have regulated tariff-based services in competition with free-market services. And, you know, one of the big issues in this case is kind of	12	MS. CARSON: I'm going to object again.	12	
14and PSE abided by the Protective Order and asked for it14issues necessarily; I'm trying to highlight the facts15to be enforced. It was enforced bilaterally.15and the awkwardness that this file raises.16JUDGE KOPTA: I agree, that misstates. They16I think Mr. Goltz did a great job earlier17weren't rejecting parties, they were objecting to17summarizing the fact that this case brings up a very odd18individuals.18situation where we will have regulated tariff-based19MR. CASEY: Fine. I'm not trying to imply19services in competition with free-market services. And,20anything other than just recapturing the facts that20you know, one of the big issues in this case is kind of	13		13	MR. CASEY: I'm not trying to raise legal
16JUDGE KOPTA: I agree, that misstates. They16I think Mr. Goltz did a great job earlier17weren't rejecting parties, they were objecting to17summarizing the fact that this case brings up a very odd18individuals.18situation where we will have regulated tariff-based19MR. CASEY: Fine. I'm not trying to imply19services in competition with free-market services. And,20anything other than just recapturing the facts that20you know, one of the big issues in this case is kind of	14	and PSE abided by the Protective Order and asked for it	14	issues necessarily; I'm trying to highlight the facts
16JUDGE KOPTA: I agree, that misstates. They16I think Mr. Goltz did a great job earlier17weren't rejecting parties, they were objecting to17summarizing the fact that this case brings up a very odd18individuals.18situation where we will have regulated tariff-based19MR. CASEY: Fine. I'm not trying to imply19services in competition with free-market services. And,20anything other than just recapturing the facts that20you know, one of the big issues in this case is kind of	15	to be enforced. It was enforced bilaterally.	15	and the awkwardness that this file raises.
17weren't rejecting parties, they were objecting to17summarizing the fact that this case brings up a very odd18individuals.18situation where we will have regulated tariff-based19MR. CASEY: Fine. I'm not trying to imply19services in competition with free-market services. And,20anything other than just recapturing the facts that20you know, one of the big issues in this case is kind of	16		16	I think Mr. Goltz did a great job earlier
18individuals.18situation where we will have regulated tariff-based19MR. CASEY: Fine. I'm not trying to imply19services in competition with free-market services. And,20anything other than just recapturing the facts that20you know, one of the big issues in this case is kind of	17		17	
19MR. CASEY: Fine. I'm not trying to imply19services in competition with free-market services. And,20anything other than just recapturing the facts that20you know, one of the big issues in this case is kind of	18		18	
20anything other than just recapturing the facts that20you know, one of the big issues in this case is kind of	19	MR. CASEY: Fine. I'm not trying to imply	19	-
	20		20	
21 underne this administrative proceeding and, 21 where the bounds of regulation ends and competition	21	underlie this administrative proceeding and,	21	where the bounds of regulation ends and competition
essentially, which parties are privy to and not privy to 22 begins and whether they are appropriately overlapped.	22		22	
23 information. 23 In addition, this case brings up areas of	23		23	
JUDGE KOPTA: Well, we have signed 24 the law which are unsettled and could potentially	24		24	•
<sup>25</sup> protective agreements that are part of the Commission's <sup>25</sup> subject the Company to scrutiny.	25	protective agreements that are part of the Commission's	25	subject the Company to scrutiny.

	CREE 1403. 01-15107 1 AND 00-151072 - VOI. III	_	
1	Page 211	1	Page 213
1	JUDGE KOPTA: If you would confine your	1	Q. Do you agree that the biggest competition to
2	questioning to the facts. My concern at this point is,	2	PSE's proposed lease offering is the outright purchase
3	as I see your line of questioning, you seem to be	3	of equipment?
4	suggesting that the Company's access to information in	4	A. What we've detailed in testimony and as
5	the course of a litigation proceeding is somehow a	5	Ms. Norton talked to this morning
6	violation of a antitrust law. And that's where I'm	6	JUDGE KOPTA: Mr. McCulloch, I'm going to
7	seeing you go.	7	interrupt you and remind you, as I did Ms. Norton,
8	So what I'm giving you a hint as to the	8	please answer "yes" or "no" or "I don't know" before you
9	direction that I think that you should go is, let's	9	provide a response.
10	focus on the facts, and we can hear the law as part of	10	THE WITNESS: Thank you.
11	your briefing.	11	Can you repeat your question?
12	MR. CASEY: And I do not want to imply that	12	JUDGE KOPTA: You can have the court
13	this is a violation. I do think there is the Company	13	reporter read it back if you'd like.
14	has a Code of Ethics, which actually Mr. McCulloch	14	BY MR. CASEY:
15	invokes the corporate values in his testimony, MBM-7T,	15	Q. I do I do agree that in trying to engage
16	Page 15, Lines 7 to 8, he invokes the corporate values.	16	customers to participate in the leasing service, one of
17	I do think there is an aspect of how do we	17	the alternatives that they would have to the leasing
18	reconcile what's going on in this case with the	18	service would be the outright purchase of equipment?
19	corporate values. And again, I'm not trying to imply,	19	A. Yes. There are many options the customers have,
20	you know, bad faith, but just acknowledge the reality of	20	as we've stated. This is another option that is not
21	the situation that their proposed leasing services,	21	available in the market today, and we think would
22	especially as they would be expanded, you know,	22	benefit the market, provide measurable benefits to all
23	potentially in both.	23	of our ratepayers, and it would be an option customers
24	The Commission should be very impressed with	24	could choose if they felt it was appropriate for their
25	the weight of responsibility that it would have in	25	needs.
	Page 212		Page 214
1	supervising these activities.	1	Q. So you agree that this leasing service would be
2	JUDGE KOPTA: I think we're aware of our		
2		2	in competition with other services that are offering for
2	responsibilities, Mr. Casey, and so if you would like to	2 3	in competition with other services that are offering for the purchase of the equipment; correct?
3	responsibilities, Mr. Casey, and so if you would like to	3	the purchase of the equipment; correct?
3 4	responsibilities, Mr. Casey, and so if you would like to ask questions about the facts, then you may do so.	3 4	the purchase of the equipment; correct? MS. CARSON: Objection; misstates the
3 4 5	responsibilities, Mr. Casey, and so if you would like to ask questions about the facts, then you may do so. MR. CASEY: Just trying to find myself on	3 4 5	the purchase of the equipment; correct? MS. CARSON: Objection; misstates the witness's testimony.
3 4 5 6	responsibilities, Mr. Casey, and so if you would like to ask questions about the facts, then you may do so. MR. CASEY: Just trying to find myself on this page, give me one second.	3 4 5 6	the purchase of the equipment; correct? MS. CARSON: Objection; misstates the witness's testimony. JUDGE KOPTA: He's asking if he would agree.
3 4 5 6 7	responsibilities, Mr. Casey, and so if you would like to ask questions about the facts, then you may do so. MR. CASEY: Just trying to find myself on this page, give me one second. JUDGE KOPTA: Sure.	3 4 5 6 7	the purchase of the equipment; correct? MS. CARSON: Objection; misstates the witness's testimony. JUDGE KOPTA: He's asking if he would agree. I'll allow that question.
3 4 5 6 7 8	responsibilities, Mr. Casey, and so if you would like to ask questions about the facts, then you may do so. MR. CASEY: Just trying to find myself on this page, give me one second. JUDGE KOPTA: Sure. BY MR. CASEY:	3 4 5 6 7 8	the purchase of the equipment; correct? MS. CARSON: Objection; misstates the witness's testimony. JUDGE KOPTA: He's asking if he would agree. I'll allow that question. THE WITNESS: I do not agree from the
3 4 5 6 7 8 9	responsibilities, Mr. Casey, and so if you would like to ask questions about the facts, then you may do so. MR. CASEY: Just trying to find myself on this page, give me one second. JUDGE KOPTA: Sure. BY MR. CASEY: Q. PSE developed its proposed rates the proposed	3 4 5 6 7 8 9	the purchase of the equipment; correct? MS. CARSON: Objection; misstates the witness's testimony. JUDGE KOPTA: He's asking if he would agree. I'll allow that question. THE WITNESS: I do not agree from the perspective that there's not a comprehensive service as
3 4 5 7 8 9 10	responsibilities, Mr. Casey, and so if you would like to ask questions about the facts, then you may do so. MR. CASEY: Just trying to find myself on this page, give me one second. JUDGE KOPTA: Sure. BY MR. CASEY: Q. PSE developed its proposed rates the proposed rates in the tariff based on a Requests For	3 4 5 6 7 8 9 10	the purchase of the equipment; correct? MS. CARSON: Objection; misstates the witness's testimony. JUDGE KOPTA: He's asking if he would agree. I'll allow that question. THE WITNESS: I do not agree from the perspective that there's not a comprehensive service as we presented today that a customer would be able to
3 4 5 7 8 9 10 11	responsibilities, Mr. Casey, and so if you would like to ask questions about the facts, then you may do so. MR. CASEY: Just trying to find myself on this page, give me one second. JUDGE KOPTA: Sure. BY MR. CASEY: Q. PSE developed its proposed rates the proposed rates in the tariff based on a Requests For Qualification; correct?	3 4 5 6 7 8 9 10 11	the purchase of the equipment; correct? MS. CARSON: Objection; misstates the witness's testimony. JUDGE KOPTA: He's asking if he would agree. I'll allow that question. THE WITNESS: I do not agree from the perspective that there's not a comprehensive service as we presented today that a customer would be able to choose.
3 4 5 7 8 9 10 11 12	responsibilities, Mr. Casey, and so if you would like to ask questions about the facts, then you may do so. MR. CASEY: Just trying to find myself on this page, give me one second. JUDGE KOPTA: Sure. BY MR. CASEY: <b>Q. PSE developed its proposed rates the proposed</b> rates in the tariff based on a Requests For Qualification; correct? A. Correct. We received bids from providers in two	3 4 5 6 7 8 9 10 11 12	the purchase of the equipment; correct? MS. CARSON: Objection; misstates the witness's testimony. JUDGE KOPTA: He's asking if he would agree. I'll allow that question. THE WITNESS: I do not agree from the perspective that there's not a comprehensive service as we presented today that a customer would be able to choose. So, you term it as "competition." I'm
3 4 5 6 7 8 9 10 11 12 13	<ul> <li>responsibilities, Mr. Casey, and so if you would like to ask questions about the facts, then you may do so.</li> <li>MR. CASEY: Just trying to find myself on</li> <li>this page, give me one second.</li> <li>JUDGE KOPTA: Sure.</li> <li>BY MR. CASEY:</li> <li>Q. PSE developed its proposed rates the proposed rates in the tariff based on a Requests For</li> <li>Qualification; correct?</li> <li>A. Correct. We received bids from providers in two separate qualification requests that were used in</li> </ul>	3 4 5 6 7 8 9 10 11 12 13	the purchase of the equipment; correct? MS. CARSON: Objection; misstates the witness's testimony. JUDGE KOPTA: He's asking if he would agree. I'll allow that question. THE WITNESS: I do not agree from the perspective that there's not a comprehensive service as we presented today that a customer would be able to choose. So, you term it as "competition." I'm looking at it from the perspective of commensurate
3 4 5 6 7 8 9 10 11 12 13 14	<ul> <li>responsibilities, Mr. Casey, and so if you would like to ask questions about the facts, then you may do so. MR. CASEY: Just trying to find myself on this page, give me one second. JUDGE KOPTA: Sure.</li> <li>BY MR. CASEY:</li> <li>Q. PSE developed its proposed rates the proposed rates in the tariff based on a Requests For</li> <li>Qualification; correct?</li> <li>A. Correct. We received bids from providers in two separate qualification requests that were used in informing the rates that are filed today.</li> </ul>	3 4 5 6 7 8 9 10 11 12 13 14	the purchase of the equipment; correct? MS. CARSON: Objection; misstates the witness's testimony. JUDGE KOPTA: He's asking if he would agree. I'll allow that question. THE WITNESS: I do not agree from the perspective that there's not a comprehensive service as we presented today that a customer would be able to choose. So, you term it as "competition." I'm looking at it from the perspective of commensurate options, and I don't see a commensurate option out there
3 4 5 6 7 8 9 10 11 12 13 14 15	<ul> <li>responsibilities, Mr. Casey, and so if you would like to ask questions about the facts, then you may do so. MR. CASEY: Just trying to find myself on</li> <li>this page, give me one second. JUDGE KOPTA: Sure.</li> <li>BY MR. CASEY:</li> <li>Q. PSE developed its proposed rates the proposed rates in the tariff based on a Requests For</li> <li>Qualification; correct?</li> <li>A. Correct. We received bids from providers in two separate qualification requests that were used in informing the rates that are filed today.</li> <li>Q. And those providers who responded to the RFQ are</li> </ul>	3 4 5 6 7 8 9 10 11 12 13 14 15	the purchase of the equipment; correct? MS. CARSON: Objection; misstates the witness's testimony. JUDGE KOPTA: He's asking if he would agree. I'll allow that question. THE WITNESS: I do not agree from the perspective that there's not a comprehensive service as we presented today that a customer would be able to choose. So, you term it as "competition." I'm looking at it from the perspective of commensurate options, and I don't see a commensurate option out there today.
3 4 5 6 7 8 9 10 11 12 13 14 15 16	<ul> <li>responsibilities, Mr. Casey, and so if you would like to ask questions about the facts, then you may do so. MR. CASEY: Just trying to find myself on</li> <li>this page, give me one second. JUDGE KOPTA: Sure.</li> <li>BY MR. CASEY:</li> <li>Q. PSE developed its proposed rates the proposed rates in the tariff based on a Requests For</li> <li>Qualification; correct?</li> <li>A. Correct. We received bids from providers in two separate qualification requests that were used in informing the rates that are filed today.</li> <li>Q. And those providers who responded to the RFQ are hoping to partner with PSE in this endeavor; correct?</li> </ul>	3 4 5 6 7 8 9 10 11 12 13 14 15 16	the purchase of the equipment; correct? MS. CARSON: Objection; misstates the witness's testimony. JUDGE KOPTA: He's asking if he would agree. I'll allow that question. THE WITNESS: I do not agree from the perspective that there's not a comprehensive service as we presented today that a customer would be able to choose. So, you term it as "competition." I'm looking at it from the perspective of commensurate options, and I don't see a commensurate option out there today. BY MR. CASEY:
3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	<ul> <li>responsibilities, Mr. Casey, and so if you would like to ask questions about the facts, then you may do so. MR. CASEY: Just trying to find myself on this page, give me one second. JUDGE KOPTA: Sure.</li> <li>BY MR. CASEY:</li> <li>Q. PSE developed its proposed rates the proposed rates in the tariff based on a Requests For</li> <li>Qualification; correct?</li> <li>A. Correct. We received bids from providers in two separate qualification requests that were used in informing the rates that are filed today.</li> <li>Q. And those providers who responded to the RFQ are hoping to partner with PSE in this endeavor; correct?</li> <li>A. Well, I can't speak for them, but their bid is</li> </ul>	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	<pre>the purchase of the equipment; correct? MS. CARSON: Objection; misstates the witness's testimony. JUDGE KOPTA: He's asking if he would agree. I'll allow that question. THE WITNESS: I do not agree from the perspective that there's not a comprehensive service as we presented today that a customer would be able to choose. So, you term it as "competition." I'm looking at it from the perspective of commensurate options, and I don't see a commensurate option out there today. BY MR. CASEY: Q. Through the RFQ, you learned about those service</pre>
3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>responsibilities, Mr. Casey, and so if you would like to ask questions about the facts, then you may do so. MR. CASEY: Just trying to find myself on this page, give me one second. JUDGE KOPTA: Sure.</li> <li>BY MR. CASEY:</li> <li>Q. PSE developed its proposed rates the proposed rates in the tariff based on a Requests For Qualification; correct?</li> <li>A. Correct. We received bids from providers in two separate qualification requests that were used in informing the rates that are filed today.</li> <li>Q. And those providers who responded to the RFQ are hoping to partner with PSE in this endeavor; correct?</li> <li>A. Well, I can't speak for them, but their bid is indicative of the fact that they're interested in doing</li> </ul>	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<pre>the purchase of the equipment; correct? MS. CARSON: Objection; misstates the witness's testimony. JUDGE KOPTA: He's asking if he would agree. I'll allow that question. THE WITNESS: I do not agree from the perspective that there's not a comprehensive service as we presented today that a customer would be able to choose. So, you term it as "competition." I'm looking at it from the perspective of commensurate options, and I don't see a commensurate option out there today. BY MR. CASEY: Q. Through the RFQ, you learned about those service providers' terms and conditions for providing these HVAC</pre>
3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	<ul> <li>responsibilities, Mr. Casey, and so if you would like to ask questions about the facts, then you may do so. MR. CASEY: Just trying to find myself on</li> <li>this page, give me one second. JUDGE KOPTA: Sure.</li> <li>BY MR. CASEY:</li> <li>Q. PSE developed its proposed rates the proposed rates in the tariff based on a Requests For</li> <li>Qualification; correct?</li> <li>A. Correct. We received bids from providers in two separate qualification requests that were used in informing the rates that are filed today.</li> <li>Q. And those providers who responded to the RFQ are hoping to partner with PSE in this endeavor; correct?</li> <li>A. Well, I can't speak for them, but their bid is indicative of the fact that they're interested in doing business with PSE in this manner.</li> </ul>	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	<pre>the purchase of the equipment; correct? MS. CARSON: Objection; misstates the witness's testimony. JUDGE KOPTA: He's asking if he would agree. I'll allow that question. THE WITNESS: I do not agree from the perspective that there's not a comprehensive service as we presented today that a customer would be able to choose. So, you term it as "competition." I'm looking at it from the perspective of commensurate options, and I don't see a commensurate option out there today. BY MR. CASEY: Q. Through the RFQ, you learned about those service providers' terms and conditions for providing these HVAC services; correct?</pre>
3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	<ul> <li>responsibilities, Mr. Casey, and so if you would like to ask questions about the facts, then you may do so. MR. CASEY: Just trying to find myself on this page, give me one second. JUDGE KOPTA: Sure.</li> <li>BY MR. CASEY:</li> <li>Q. PSE developed its proposed rates the proposed rates in the tariff based on a Requests For Qualification; correct?</li> <li>A. Correct. We received bids from providers in two separate qualification requests that were used in informing the rates that are filed today.</li> <li>Q. And those providers who responded to the RFQ are hoping to partner with PSE in this endeavor; correct?</li> <li>A. Well, I can't speak for them, but their bid is indicative of the fact that they're interested in doing business with PSE in this manner.</li> <li>Q. Those partners are also in another sense</li> </ul>	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	<pre>the purchase of the equipment; correct? MS. CARSON: Objection; misstates the witness's testimony. JUDGE KOPTA: He's asking if he would agree. I'll allow that question. THE WITNESS: I do not agree from the perspective that there's not a comprehensive service as we presented today that a customer would be able to choose. So, you term it as "competition." I'm looking at it from the perspective of commensurate options, and I don't see a commensurate option out there today. BY MR. CASEY: Q. Through the RFQ, you learned about those service providers' terms and conditions for providing these HVAC services; correct? A. No. We provided a detailed list of equipment</pre>
3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<ul> <li>responsibilities, Mr. Casey, and so if you would like to ask questions about the facts, then you may do so. MR. CASEY: Just trying to find myself on</li> <li>this page, give me one second. JUDGE KOPTA: Sure.</li> <li>BY MR. CASEY:</li> <li>Q. PSE developed its proposed rates the proposed rates in the tariff based on a Requests For</li> <li>Qualification; correct?</li> <li>A. Correct. We received bids from providers in two separate qualification requests that were used in informing the rates that are filed today.</li> <li>Q. And those providers who responded to the RFQ are</li> <li>hoping to partner with PSE in this endeavor; correct?</li> <li>A. Well, I can't speak for them, but their bid is</li> <li>indicative of the fact that they're interested in doing</li> <li>business with PSE in this manner.</li> <li>Q. Those partners are also in another sense</li> <li>would-be competitors; correct?</li> </ul>	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<pre>the purchase of the equipment; correct? MS. CARSON: Objection; misstates the witness's testimony. JUDGE KOPTA: He's asking if he would agree. I'll allow that question. THE WITNESS: I do not agree from the perspective that there's not a comprehensive service as we presented today that a customer would be able to choose. So, you term it as "competition." I'm looking at it from the perspective of commensurate options, and I don't see a commensurate option out there today. BY MR. CASEY: Q. Through the RFQ, you learned about those service providers' terms and conditions for providing these HVAC services; correct? A. No. We provided a detailed list of equipment with specifications, as well as a detail of the work</pre>
3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>responsibilities, Mr. Casey, and so if you would like to ask questions about the facts, then you may do so. MR. CASEY: Just trying to find myself on</li> <li>this page, give me one second. JUDGE KOPTA: Sure.</li> <li>BY MR. CASEY:</li> <li>Q. PSE developed its proposed rates the proposed rates in the tariff based on a Requests For</li> <li>Qualification; correct?</li> <li>A. Correct. We received bids from providers in two separate qualification requests that were used in informing the rates that are filed today.</li> <li>Q. And those providers who responded to the RFQ are hoping to partner with PSE in this endeavor; correct?</li> <li>A. Well, I can't speak for them, but their bid is indicative of the fact that they're interested in doing business with PSE in this manner.</li> <li>Q. Those partners are also in another sense would-be competitors; correct?</li> <li>A. I'm not aware of any leasing service available</li> </ul>	3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<pre>the purchase of the equipment; correct? MS. CARSON: Objection; misstates the witness's testimony. JUDGE KOPTA: He's asking if he would agree. I'll allow that question. THE WITNESS: I do not agree from the perspective that there's not a comprehensive service as we presented today that a customer would be able to choose. So, you term it as "competition." I'm looking at it from the perspective of commensurate options, and I don't see a commensurate option out there today. BY MR. CASEY: Q. Through the RFQ, you learned about those service providers' terms and conditions for providing these HVAC services; correct? A. No. We provided a detailed list of equipment with specifications, as well as a detail of the work scope associated to this service for those providers to</pre>

	CREE 1103. OE-13107 1 AND 00-131072 - VOI. III		WOTO V. Tuget Sound Energ
-	Page 215	1	Page 217
1	Q. I want to focus on Bidder Request Number 3.		incorporated in the lease solutions. So I don't think
2	A. What was the date of the request?	2	that there's tying of one product to another product. I
3	Q. Number 3 on Page 5.	3	think there's services that are incorporated or
4	A. Thank you.	4	comprehensive in that equipment lease.
5	Q. I'll give you a moment to review.	5	BY MR. CASEY:
6	Would a response to this Data Request enable the	6	Q. Someone cannot just lease the equipment without
7	Company to learn about the terms, sales, and prices of	7	getting the maintenance and repair service; correct?
8	its competitors?	8	A. That is not what we've presented. We've
9	MS. CARSON: I'm going to object, based on	9	presented a comprehensive service.
10	speculation, because I don't believe we got any	10	Q. So correct?
11	responses to any of these Data Requests.	11	A. That is correct.
12	MR. GOLTZ: That's not true.	12	Q. Yes, okay, thank you. Last, I want to talk
13	MS. CARSON: Or very limited.	13	about the proposed leasing rates. This is another area
14	MR. GOLTZ: You got responses; you got	14	which the components of that rate have all been marked
15	objections.	15	as highly confidential.
16	JUDGE KOPTA: We've had this battle.	16	I've done my best to structure my questions to
10 17	MS. CARSON: And there's also provisions for	17	not reveal any of that, but if you want to go into a
18	material to be marked as highly confidential or	18	closed session, I'll respect that, as well. I will be
19	confidential by the Intervenor groups which would	19	turning to a couple of highly confidential exhibits.
20	prohibit anyone from PSE from seeing the information	20	JUDGE KOPTA: I'd prefer to try and do this
21	under the terms of the Protective Order.	21	on the public record, if possible. And if we run into
22	MR. CASEY: I'm sorry, I missed that last	22	problems, I'm sure Ms. Carson will let us know if we
23	part.	23	need to have a closed session.
24	MS. CARSON: Under the terms of the	24	MR. CASEY: Thank you.
25	Protective Order, any of this information that is	25	BY MR. CASEY:
	Page 216		Page 218
1	confidential or highly confidential, no person from PSE	1	Q. PSE has not already purchased the products it
2	may see.	2	would offer under the proposed service; correct?
3	JUDGE KOPTA: Did you want to continue with	3	A. Correct; no product would be purchased until it
4	a question, Mr. Casey, on this?	4	was installed.
5	BY MR. CASEY:	5	Q. So PSE does not know the actual cost of the
6	Q. How does PSE reconcile well, I'll move on.	6	equipment it would offer under this program; correct?
7	Let's go back to the Code of Ethics.	7	A. PSE has actual costs from the market for the
8	JUDGE KOPTA: MBM-37?	8	equipment that we specified, so I believe we have actual
9	MR. CASEY: Yes.	9	costs, known costs for the equipment that will be
10	BY MR. CASEY:	10	leased.
	Q. Page 6. And this time, I want to discuss Bullet	11	Q. But PSE has not identified the exact products
12	Point 4 which has to do with never tying the purchase of	12	that it would offer; correct?
12	Point 4 which has to do with never tying the purchase of one product as a condition to selling another.		A. That's not correct. We've stated in our tariff,
12 13	Point 4 which has to do with never tying the purchase of one product as a condition to selling another. Is PSE's proposal to offer an all-inclusive	12	A. That's not correct. We've stated in our tariff, you see equipment specified based on size, efficiency,
12 13 14	Point 4 which has to do with never tying the purchase of one product as a condition to selling another.	12 13	A. That's not correct. We've stated in our tariff,
12 13 14 15	Point 4 which has to do with never tying the purchase of one product as a condition to selling another. Is PSE's proposal to offer an all-inclusive	12 13 14	A. That's not correct. We've stated in our tariff, you see equipment specified based on size, efficiency,
12 13 14 15 16	Point 4 which has to do with never tying the purchase of one product as a condition to selling another. Is PSE's proposal to offer an all-inclusive bundled product that includes the equipment,	12 13 14 15	A. That's not correct. We've stated in our tariff, you see equipment specified based on size, efficiency, and various other performance capabilities, based on
12 13 14 15 16 17	Point 4 which has to do with never tying the purchase of one product as a condition to selling another. Is PSE's proposal to offer an all-inclusive bundled product that includes the equipment, installation, maintenance, and repair services tying one	12 13 14 15 16	A. That's not correct. We've stated in our tariff, you see equipment specified based on size, efficiency, and various other performance capabilities, based on certifications, so to speak. And so we have selected
12 13 14 15 16 17 18	Point 4 which has to do with never tying the purchase of one product as a condition to selling another. Is PSE's proposal to offer an all-inclusive bundled product that includes the equipment, installation, maintenance, and repair services tying one product to another product?	12 13 14 15 16 17	A. That's not correct. We've stated in our tariff, you see equipment specified based on size, efficiency, and various other performance capabilities, based on certifications, so to speak. And so we have selected the equipment that will be offered in the tariff that we
12 13 14 15 16 17 18 19	Point 4 which has to do with never tying the purchase of one product as a condition to selling another. Is PSE's proposal to offer an all-inclusive bundled product that includes the equipment, installation, maintenance, and repair services tying one product to another product? MS. CARSON: Objection; calls for a legal conclusion.	12 13 14 15 16 17 18	<ul> <li>A. That's not correct. We've stated in our tariff, you see equipment specified based on size, efficiency, and various other performance capabilities, based on certifications, so to speak. And so we have selected the equipment that will be offered in the tariff that we are presenting.</li> <li>Q. To me your statement is saying two different</li> </ul>
12 13 14 15 16 17 18 19 20	Point 4 which has to do with never tying the purchase of one product as a condition to selling another. Is PSE's proposal to offer an all-inclusive bundled product that includes the equipment, installation, maintenance, and repair services tying one product to another product? MS. CARSON: Objection; calls for a legal conclusion. JUDGE KOPTA: I'm going to overrule it. I	12 13 14 15 16 17 18 19 20	<ul> <li>A. That's not correct. We've stated in our tariff, you see equipment specified based on size, efficiency, and various other performance capabilities, based on certifications, so to speak. And so we have selected the equipment that will be offered in the tariff that we are presenting.</li> <li>Q. To me your statement is saying two different things. You say you have identified categories of</li> </ul>
12 13 14 15 16 17 18 19 20 21	Point 4 which has to do with never tying the purchase of one product as a condition to selling another. Is PSE's proposal to offer an all-inclusive bundled product that includes the equipment, installation, maintenance, and repair services tying one product to another product? MS. CARSON: Objection; calls for a legal conclusion. JUDGE KOPTA: I'm going to overrule it. I think it's a factual question.	12 13 14 15 16 17 18 19 20 21	<ul> <li>A. That's not correct. We've stated in our tariff, you see equipment specified based on size, efficiency, and various other performance capabilities, based on certifications, so to speak. And so we have selected the equipment that will be offered in the tariff that we are presenting.</li> <li>Q. To me your statement is saying two different things. You say you have identified categories of products with specific technical specifications, but</li> </ul>
12 13 14 15 16 17 18 19 20 21 22	Point 4 which has to do with never tying the purchase of one product as a condition to selling another. Is PSE's proposal to offer an all-inclusive bundled product that includes the equipment, installation, maintenance, and repair services tying one product to another product? MS. CARSON: Objection; calls for a legal conclusion. JUDGE KOPTA: I'm going to overrule it. I think it's a factual question. THE WITNESS: Well, if we're specifically	12 13 14 15 16 17 18 19 20 21 22	<ul> <li>A. That's not correct. We've stated in our tariff, you see equipment specified based on size, efficiency, and various other performance capabilities, based on certifications, so to speak. And so we have selected the equipment that will be offered in the tariff that we are presenting.</li> <li>Q. To me your statement is saying two different things. You say you have identified categories of products with specific technical specifications, but that doesn't mean you have identified a particular</li> </ul>
111 122 133 14 155 16 17 18 19 20 21 222 23 24	Point 4 which has to do with never tying the purchase of one product as a condition to selling another. Is PSE's proposal to offer an all-inclusive bundled product that includes the equipment, installation, maintenance, and repair services tying one product to another product? MS. CARSON: Objection; calls for a legal conclusion. JUDGE KOPTA: I'm going to overrule it. I think it's a factual question.	12 13 14 15 16 17 18 19 20 21	<ul> <li>A. That's not correct. We've stated in our tariff, you see equipment specified based on size, efficiency, and various other performance capabilities, based on certifications, so to speak. And so we have selected the equipment that will be offered in the tariff that we are presenting.</li> <li>Q. To me your statement is saying two different things. You say you have identified categories of products with specific technical specifications, but</li> </ul>
12 13 14 15 16 17 18 19 20 21 22	Point 4 which has to do with never tying the purchase of one product as a condition to selling another. Is PSE's proposal to offer an all-inclusive bundled product that includes the equipment, installation, maintenance, and repair services tying one product to another product? MS. CARSON: Objection; calls for a legal conclusion. JUDGE KOPTA: I'm going to overrule it. I think it's a factual question. THE WITNESS: Well, if we're specifically talking about a product, I think you got the equipment,	12 13 14 15 16 17 18 19 20 21 22	<ul> <li>A. That's not correct. We've stated in our tariff, you see equipment specified based on size, efficiency, and various other performance capabilities, based on certifications, so to speak. And so we have selected the equipment that will be offered in the tariff that we are presenting.</li> <li>Q. To me your statement is saying two different things. You say you have identified categories of products with specific technical specifications, but that doesn't mean you have identified a particular product that you are going to offer; correct?</li> </ul>

	Page 219		Page 221
1	that.	1	it was a 2-ton that heat pump had a 2-ton capacity,
2	Is there a distinction, Mr. McCulloch,	2	2.5-ton capacity, or a 3-ton capacity; correct?
3	between a category of products and an individual like a	3	A. We did. We bundled those based on how we handle
4	Trane 2000X, for example?	4	our services today. With our existing rental business,
5	THE WITNESS: There are distinctions between	5	we have rates established for 55-gallon or smaller water
б	brands, certainly, and models. Again, the information	6	heaters. We also, in other services, for example our
7	that we put forward in the RFQ stipulated a type of	7	line extension, provide an allowance for an extension
8	information that will allow us to firmly understand the	8	Q. I want to focus on just the heat pumps.
9	equipment that will be installed in a home; brand and	9	A. I understand, let me finish my sentence that
10	model at this juncture do not affect that cost.	10	allows for that cost based on size. So we think that
11	BY MR. CASEY:	11	bundling these costs together is appropriate. And as I
12	Q. So you're saying that every brand and model that	12	stated in my testimony, it has very small impact on the
13	offers similar specification, technical specifications,	13	total costs of the rate.
14	offers that product at the exact same cost?	14	Q. If you look at that cost at the bottom, the one
15	A. No, based on my review of the RFQ responses, I	15	you used in your rate model, it does not match any of
16	think the costs are commensurate with each other based	16	the costs, any of the unit costs you received from the
17	on the products that are presented.	17	RFQ; correct?
18	Q. Okay. Let's turn to ECO-8HC. Are you there?	18	A. As I stated, we averaged those costs.
19	You're familiar with this exhibit; correct?	19	Q. That's a yes?
20	A. Iam.	20	A. That's a yes.
21	Q. This table includes the 18 different unit costs	21	Q. And the column next to it, the Unit Cost Pricing
22	that were averaged together to develop the unit cost of	22	Sheet Percentage Variation, this is the percentage that
23	a residential heat pump; correct?	23	each cost you received from the RFQ varies from the one
24	A. That is correct.	24	that you used in the rate; correct?
25	Q. These 18 different unit costs came from the bids	25	A. I didn't produce this exhibit, so I will have to
	Page 220		Page 222
1	submitted from the RFQ; correct?	1	say that I take it on good faith that that's correct.
2	A. They are from the RFQ.	2	Q. And if you go to Page 2, that's a graphic
3	Q. And these 18 different unit costs come from six	3	depiction of that variation; correct?
4	different service providers; correct?	4	A. I'm going to take your word for it, as I did not
5	A. I believe that's correct.	5	produce this document.
6	Q. And of these 18 different units costs, six are	6	MS. CARSON: I object to the witness
7	for heat pumps with a 2-ton capacity, six are for heat	7	explaining an exhibit that he didn't prepare.
8	pumps with a 2.5-ton capacity, and six are for heat	8	MR. CASEY: I'll move on.
9	pumps with a 3-ton capacity; correct?	9	BY MR. CASEY:
10	A. That is correct.	10	Q. In the tariff, there's just one lease price for
11	Q. Looking at the first three columns, the smaller	11	heat pumps; correct?
12		12	A. That is correct; there's one cost for a 2-ton to
13	A. That's correct.	13	3-ton heat pump.
14		14	Q. And PSE, not the customer, would decide the
15	third group of three, and the fourth group of three;	15	appropriate capacity heat pump to install; correct?
16		16	A. As I stated in my testimony, we intend to
17	A. There appears to be cost differences between the sizes of equipment ves	17	install equipment that meets the customers' needs, which
18		18	will include our service providers doing a manual J and
19	Q. Now, the very bottom, the last figure in the	19	sizing calculation to ensure that it meets those
20	unit cost RFQ column, the very bottom	20	specifications. We think this is appropriate within
21	A. Yes. O That's the number you used as the input for heat	21	this range to provide that option to our customers.
22	Q. That's the number you used as the input for heat	22 23	<ul><li>Q. That was a yes?</li><li>A. Yes.</li></ul>
23	pumps; correct?	143	
<b>∩</b> ⁄	A That is correct	24	
24 25	<ul> <li>A. That is correct.</li> <li>Q. And you used that number regardless of whether</li> </ul>	24 25	Q. Thank you. So far, we've only talked about

	Page 223		Page 225
1	just one of many key assumptions that were used to	1	put out, any information to refute that, so we think
2	develop the rate for each product; correct?	2	it's appropriate to use in this case.
3	A. I would say yes, but I would correct the word	3	Q. So given all of these averages and the number of
4	"assumptions" because these are known costs.	4	assumptions that need to be estimated over the life of
5	Q. Known costs?	5	the lease, is it a gross misrepresentation to say that
6	A. That's what I've attested to.	6	the proposed rates are based on cost estimates predicted
7	Q. Known costs for a 15- to 18-year lease term?	7	to occur over the life of a 10- to 18-year lease term?
8	A. Correct. We feel that the rates that we've	8	MS. CARSON: Objection; argumentative.
9	presented, based on the timeframe that those leases will	9	JUDGE KOPTA: Sustained.
10	exist, are appropriate and will allow the Company to	10	BY MR. CASEY:
11	recover its capital, as well as its weighted average of	11	Q. PSE proposes that each customer's lease rate
12	capital within that.	12	will be fixed for the life of the lease; correct?
13	Q. And you believe you know these costs to the	13	A. That's one of the benefits, yes.
14	cent?	14	Q. And so if these rates end up being inaccurate,
15	A. Building any business, certainly, you have to	15	participating customers are stuck with them; correct?
16	put in assumptions which will be proved over time, but I	16	A. I believe that the rates that we filed are just,
17	think we've done our best in presenting costs and inputs	17	fair, and reasonable. I don't believe that the Company
18	that are appropriate to inform the rates that have been	18	has inappropriately positioned customers over the
19	proposed.	19	long-term of the lease, as we've stated, that they will
20	Q. Similar to the capital cost of the piece of	20	overpay or underpay for the service that we presented.
21	equipment, PSE undertook a similar averaging exercise to	21	JUDGE KOPTA: I'm going to interject in a
22	estimate installation costs; correct?	22	moment. First
23	A. Correct. We averaged the costs that we received	23	THE WITNESS: Yes or no, thank you.
24	from the RFQ inputs.	24	JUDGE KOPTA: Second, please avoid the
25	Q. You also did a similar averaging exercise to	25	loaded terms like "stuck" and just say "they are
	Page 224		Page 226
1	Page 224 estimate maintenance costs; correct?	1	Page 226 obligated" so that we can minimize any kind of more
1 2		1 2	-
	estimate maintenance costs; correct?		obligated" so that we can minimize any kind of more
2	estimate maintenance costs; correct? A. Correct.	2	obligated" so that we can minimize any kind of more objections from counsel, which I will sustain.
2 3	estimate maintenance costs; correct? A. Correct. Q. And to estimate repair costs; correct?	2 3	obligated" so that we can minimize any kind of more objections from counsel, which I will sustain. BY MR. CASEY:
2 3 4	<ul> <li>estimate maintenance costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate repair costs; correct?</li> <li>A. Correct.</li> </ul>	2 3 4	obligated" so that we can minimize any kind of more objections from counsel, which I will sustain. BY MR. CASEY: <b>Q. Given fixed rates for the life of the lease, if</b>
2 3 4 5	<ul> <li>estimate maintenance costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate repair costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate the average cost of bad debt per</li> </ul>	2 3 4 5	obligated" so that we can minimize any kind of more objections from counsel, which I will sustain. BY MR. CASEY: Q. Given fixed rates for the life of the lease, if the Company refreshed its rates, there's no way to apply
2 3 4 5 6	<ul> <li>estimate maintenance costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate repair costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate the average cost of bad debt per unit; correct?</li> </ul>	2 3 4 5 6	<ul> <li>obligated" so that we can minimize any kind of more objections from counsel, which I will sustain.</li> <li>BY MR. CASEY:</li> <li>Q. Given fixed rates for the life of the lease, if the Company refreshed its rates, there's no way to apply that to it would only apply to future customers;</li> </ul>
2 3 4 5 6 7	<ul> <li>estimate maintenance costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate repair costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate the average cost of bad debt per unit; correct?</li> <li>A. I believe the average bad debt was predicated on</li> </ul>	2 3 4 5 6 7	obligated" so that we can minimize any kind of more objections from counsel, which I will sustain. BY MR. CASEY: Q. Given fixed rates for the life of the lease, if the Company refreshed its rates, there's no way to apply that to it would only apply to future customers; correct?
2 3 5 6 7 8	<ul> <li>estimate maintenance costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate repair costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate the average cost of bad debt per unit; correct?</li> <li>A. I believe the average bad debt was predicated on our known existing rental business, and we applied those</li> </ul>	2 3 4 5 6 7 8	<ul> <li>obligated" so that we can minimize any kind of more objections from counsel, which I will sustain.</li> <li>BY MR. CASEY:</li> <li>Q. Given fixed rates for the life of the lease, if the Company refreshed its rates, there's no way to apply that to it would only apply to future customers; correct?</li> <li>A. Yes. That's what we stated in our testimony.</li> </ul>
2 3 5 7 8 9	<ul> <li>estimate maintenance costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate repair costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate the average cost of bad debt per unit; correct?</li> <li>A. I believe the average bad debt was predicated on our known existing rental business, and we applied those factors to our pricing model.</li> </ul>	2 3 4 5 6 7 8 9	obligated" so that we can minimize any kind of more objections from counsel, which I will sustain. BY MR. CASEY: Q. Given fixed rates for the life of the lease, if the Company refreshed its rates, there's no way to apply that to it would only apply to future customers; correct? A. Yes. That's what we stated in our testimony. Q. Your rates were also we touched on this
2 3 4 5 6 7 8 9 10	<ul> <li>estimate maintenance costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate repair costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate the average cost of bad debt per unit; correct?</li> <li>A. I believe the average bad debt was predicated on our known existing rental business, and we applied those factors to our pricing model.</li> <li>Q. Did you use the same credit test for the Legacy</li> </ul>	2 3 4 5 6 7 8 9	<ul> <li>obligated" so that we can minimize any kind of more objections from counsel, which I will sustain.</li> <li>BY MR. CASEY:</li> <li>Q. Given fixed rates for the life of the lease, if the Company refreshed its rates, there's no way to apply that to it would only apply to future customers; correct?</li> <li>A. Yes. That's what we stated in our testimony.</li> <li>Q. Your rates were also we touched on this earlier with Ms. Norton.</li> </ul>
2 3 4 5 6 7 8 9 10 11	<ul> <li>estimate maintenance costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate repair costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate the average cost of bad debt per unit; correct?</li> <li>A. I believe the average bad debt was predicated on our known existing rental business, and we applied those factors to our pricing model.</li> <li>Q. Did you use the same credit test for the Legacy Rental Program as you're going to use for the proposed</li> </ul>	2 3 4 5 6 7 8 9 10 11	obligated" so that we can minimize any kind of more objections from counsel, which I will sustain. BY MR. CASEY: Q. Given fixed rates for the life of the lease, if the Company refreshed its rates, there's no way to apply that to it would only apply to future customers; correct? A. Yes. That's what we stated in our testimony. Q. Your rates were also we touched on this earlier with Ms. Norton. The rates were also predicated on a certain
2 3 4 5 6 7 8 9 10 11 12	<ul> <li>estimate maintenance costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate repair costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate the average cost of bad debt per unit; correct?</li> <li>A. I believe the average bad debt was predicated on our known existing rental business, and we applied those factors to our pricing model.</li> <li>Q. Did you use the same credit test for the Legacy Rental Program as you're going to use for the proposed service?</li> </ul>	2 3 4 5 6 7 8 9 10 11 12	obligated" so that we can minimize any kind of more objections from counsel, which I will sustain. BY MR. CASEY: Q. Given fixed rates for the life of the lease, if the Company refreshed its rates, there's no way to apply that to it would only apply to future customers; correct? A. Yes. That's what we stated in our testimony. Q. Your rates were also we touched on this earlier with Ms. Norton. The rates were also predicated on a certain level of customer participation; correct?
2 3 4 5 6 7 8 9 10 11 12 13	<ul> <li>estimate maintenance costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate repair costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate the average cost of bad debt per unit; correct?</li> <li>A. I believe the average bad debt was predicated on our known existing rental business, and we applied those factors to our pricing model.</li> <li>Q. Did you use the same credit test for the Legacy Rental Program as you're going to use for the proposed service?</li> <li>A. Despite the gray in my beard, I wasn't here in</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13	obligated" so that we can minimize any kind of more objections from counsel, which I will sustain. BY MR. CASEY: Q. Given fixed rates for the life of the lease, if the Company refreshed its rates, there's no way to apply that to it would only apply to future customers; correct? A. Yes. That's what we stated in our testimony. Q. Your rates were also we touched on this earlier with Ms. Norton. The rates were also predicated on a certain level of customer participation; correct? A. Correct. We did a market assessment, and the
2 3 4 5 6 7 8 9 10 11 12 13 14	<ul> <li>estimate maintenance costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate repair costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate the average cost of bad debt per unit; correct?</li> <li>A. I believe the average bad debt was predicated on our known existing rental business, and we applied those factors to our pricing model.</li> <li>Q. Did you use the same credit test for the Legacy Rental Program as you're going to use for the proposed service?</li> <li>A. Despite the gray in my beard, I wasn't here in 1960, so I don't know what credit tests were used at</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14	obligated" so that we can minimize any kind of more objections from counsel, which I will sustain. BY MR. CASEY: Q. Given fixed rates for the life of the lease, if the Company refreshed its rates, there's no way to apply that to it would only apply to future customers; correct? A. Yes. That's what we stated in our testimony. Q. Your rates were also we touched on this earlier with Ms. Norton. The rates were also predicated on a certain level of customer participation; correct? A. Correct. We did a market assessment, and the rates are built up based on that market assessment.
2 3 4 5 6 7 8 9 10 11 12 13 14 15	<ul> <li>estimate maintenance costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate repair costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate the average cost of bad debt per unit; correct?</li> <li>A. I believe the average bad debt was predicated on our known existing rental business, and we applied those factors to our pricing model.</li> <li>Q. Did you use the same credit test for the Legacy Rental Program as you're going to use for the proposed service?</li> <li>A. Despite the gray in my beard, I wasn't here in 1960, so I don't know what credit tests were used at that point, but we have been operating the service for a</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15	<ul> <li>obligated" so that we can minimize any kind of more objections from counsel, which I will sustain.</li> <li>BY MR. CASEY:</li> <li>Q. Given fixed rates for the life of the lease, if the Company refreshed its rates, there's no way to apply that to it would only apply to future customers; correct?</li> <li>A. Yes. That's what we stated in our testimony.</li> <li>Q. Your rates were also we touched on this earlier with Ms. Norton. The rates were also predicated on a certain level of customer participation; correct?</li> <li>A. Correct. We did a market assessment, and the rates are built up based on that market assessment.</li> <li>Q. That market assessment is the Cocker Fennessy</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	<ul> <li>estimate maintenance costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate repair costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate the average cost of bad debt per unit; correct?</li> <li>A. I believe the average bad debt was predicated on our known existing rental business, and we applied those factors to our pricing model.</li> <li>Q. Did you use the same credit test for the Legacy Rental Program as you're going to use for the proposed service?</li> <li>A. Despite the gray in my beard, I wasn't here in 1960, so I don't know what credit tests were used at that point, but we have been operating the service for a significant amount of time. We've detailed in my</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	obligated" so that we can minimize any kind of more objections from counsel, which I will sustain. BY MR. CASEY: Q. Given fixed rates for the life of the lease, if the Company refreshed its rates, there's no way to apply that to it would only apply to future customers; correct? A. Yes. That's what we stated in our testimony. Q. Your rates were also we touched on this earlier with Ms. Norton. The rates were also predicated on a certain level of customer participation; correct? A. Correct. We did a market assessment, and the rates are built up based on that market assessment. Q. That market assessment is the Cocker Fennessy Survey we were talking about earlier?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	<ul> <li>estimate maintenance costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate repair costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate the average cost of bad debt per unit; correct?</li> <li>A. I believe the average bad debt was predicated on our known existing rental business, and we applied those factors to our pricing model.</li> <li>Q. Did you use the same credit test for the Legacy Rental Program as you're going to use for the proposed service?</li> <li>A. Despite the gray in my beard, I wasn't here in 1960, so I don't know what credit tests were used at that point, but we have been operating the service for a significant amount of time. We've detailed in my testimony what our credit criteria will be for this new</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	obligated" so that we can minimize any kind of more objections from counsel, which I will sustain. BY MR. CASEY: Q. Given fixed rates for the life of the lease, if the Company refreshed its rates, there's no way to apply that to it would only apply to future customers; correct? A. Yes. That's what we stated in our testimony. Q. Your rates were also we touched on this earlier with Ms. Norton. The rates were also predicated on a certain level of customer participation; correct? A. Correct. We did a market assessment, and the rates are built up based on that market assessment. Q. That market assessment is the Cocker Fennessy Survey we were talking about earlier? A. In part.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>estimate maintenance costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate repair costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate the average cost of bad debt per unit; correct?</li> <li>A. I believe the average bad debt was predicated on our known existing rental business, and we applied those factors to our pricing model.</li> <li>Q. Did you use the same credit test for the Legacy Rental Program as you're going to use for the proposed service?</li> <li>A. Despite the gray in my beard, I wasn't here in 1960, so I don't know what credit tests were used at that point, but we have been operating the service for a significant amount of time. We've detailed in my testimony what our credit criteria will be for this new service.</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>obligated" so that we can minimize any kind of more objections from counsel, which I will sustain.</li> <li>BY MR. CASEY:</li> <li>Q. Given fixed rates for the life of the lease, if the Company refreshed its rates, there's no way to apply that to it would only apply to future customers; correct?</li> <li>A. Yes. That's what we stated in our testimony.</li> <li>Q. Your rates were also we touched on this earlier with Ms. Norton.</li> <li>The rates were also predicated on a certain level of customer participation; correct?</li> <li>A. Correct. We did a market assessment, and the rates are built up based on that market assessment.</li> <li>Q. That market assessment is the Cocker Fennessy Survey we were talking about earlier?</li> <li>A. In part.</li> <li>Q. In part. Thank you.</li> <li>If PSE overshoots its estimated participation level, would it over-earn or under-earn?</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	<ul> <li>estimate maintenance costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate repair costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate the average cost of bad debt per unit; correct?</li> <li>A. I believe the average bad debt was predicated on our known existing rental business, and we applied those factors to our pricing model.</li> <li>Q. Did you use the same credit test for the Legacy Rental Program as you're going to use for the proposed service?</li> <li>A. Despite the gray in my beard, I wasn't here in 1960, so I don't know what credit tests were used at that point, but we have been operating the service for a significant amount of time. We've detailed in my testimony what our credit criteria will be for this new service.</li> <li>Q. Okay. You undertook a similar averaging</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	<ul> <li>obligated" so that we can minimize any kind of more objections from counsel, which I will sustain.</li> <li>BY MR. CASEY:</li> <li>Q. Given fixed rates for the life of the lease, if the Company refreshed its rates, there's no way to apply that to it would only apply to future customers; correct?</li> <li>A. Yes. That's what we stated in our testimony.</li> <li>Q. Your rates were also we touched on this earlier with Ms. Norton.</li> <li>The rates were also predicated on a certain level of customer participation; correct?</li> <li>A. Correct. We did a market assessment, and the rates are built up based on that market assessment.</li> <li>Q. That market assessment is the Cocker Fennessy Survey we were talking about earlier?</li> <li>A. In part.</li> <li>Q. In part. Thank you.</li> <li>If PSE overshoots its estimated participation</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	<ul> <li>estimate maintenance costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate repair costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate the average cost of bad debt per unit; correct?</li> <li>A. I believe the average bad debt was predicated on our known existing rental business, and we applied those factors to our pricing model.</li> <li>Q. Did you use the same credit test for the Legacy Rental Program as you're going to use for the proposed service?</li> <li>A. Despite the gray in my beard, I wasn't here in 1960, so I don't know what credit tests were used at that point, but we have been operating the service for a significant amount of time. We've detailed in my testimony what our credit criteria will be for this new service.</li> <li>Q. Okay. You undertook a similar averaging exercise to estimate the average failure rate per unit;</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	<ul> <li>obligated" so that we can minimize any kind of more objections from counsel, which I will sustain.</li> <li>BY MR. CASEY:</li> <li>Q. Given fixed rates for the life of the lease, if the Company refreshed its rates, there's no way to apply that to it would only apply to future customers; correct?</li> <li>A. Yes. That's what we stated in our testimony.</li> <li>Q. Your rates were also we touched on this earlier with Ms. Norton.</li> <li>The rates were also predicated on a certain level of customer participation; correct?</li> <li>A. Correct. We did a market assessment, and the rates are built up based on that market assessment.</li> <li>Q. That market assessment is the Cocker Fennessy Survey we were talking about earlier?</li> <li>A. In part.</li> <li>Q. In part. Thank you.</li> <li>If PSE overshoots its estimated participation level, would it over-earn or under-earn?</li> </ul>
2 3 4 5 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<ul> <li>estimate maintenance costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate repair costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate the average cost of bad debt per unit; correct?</li> <li>A. I believe the average bad debt was predicated on our known existing rental business, and we applied those factors to our pricing model.</li> <li>Q. Did you use the same credit test for the Legacy Rental Program as you're going to use for the proposed service?</li> <li>A. Despite the gray in my beard, I wasn't here in 1960, so I don't know what credit tests were used at that point, but we have been operating the service for a significant amount of time. We've detailed in my testimony what our credit criteria will be for this new service.</li> <li>Q. Okay. You undertook a similar averaging exercise to estimate the average failure rate per unit; correct?</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<ul> <li>obligated" so that we can minimize any kind of more objections from counsel, which I will sustain.</li> <li>BY MR. CASEY:</li> <li>Q. Given fixed rates for the life of the lease, if the Company refreshed its rates, there's no way to apply that to it would only apply to future customers; correct?</li> <li>A. Yes. That's what we stated in our testimony.</li> <li>Q. Your rates were also we touched on this earlier with Ms. Norton.</li> <li>The rates were also predicated on a certain level of customer participation; correct?</li> <li>A. Correct. We did a market assessment, and the rates are built up based on that market assessment.</li> <li>Q. That market assessment is the Cocker Fennessy Survey we were talking about earlier?</li> <li>A. In part.</li> <li>Q. In part. Thank you.</li> <li>If PSE overshoots its estimated participation level, would it over-earn or under-earn?</li> <li>A. I believe the rates that are stipulated have the</li> </ul>
2 3 4 5 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>estimate maintenance costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate repair costs; correct?</li> <li>A. Correct.</li> <li>Q. And to estimate the average cost of bad debt per unit; correct?</li> <li>A. I believe the average bad debt was predicated on our known existing rental business, and we applied those factors to our pricing model.</li> <li>Q. Did you use the same credit test for the Legacy Rental Program as you're going to use for the proposed service?</li> <li>A. Despite the gray in my beard, I wasn't here in 1960, so I don't know what credit tests were used at that point, but we have been operating the service for a significant amount of time. We've detailed in my testimony what our credit criteria will be for this new service.</li> <li>Q. Okay. You undertook a similar averaging exercise to estimate the average failure rate per unit; correct?</li> <li>A. Again, we utilized data that we know as of today</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>obligated" so that we can minimize any kind of more objections from counsel, which I will sustain.</li> <li>BY MR. CASEY:</li> <li>Q. Given fixed rates for the life of the lease, if the Company refreshed its rates, there's no way to apply that to it would only apply to future customers; correct?</li> <li>A. Yes. That's what we stated in our testimony.</li> <li>Q. Your rates were also we touched on this earlier with Ms. Norton.</li> <li>The rates were also predicated on a certain level of customer participation; correct?</li> <li>A. Correct. We did a market assessment, and the rates are built up based on that market assessment.</li> <li>Q. That market assessment is the Cocker Fennessy Survey we were talking about earlier?</li> <li>A. In part.</li> <li>Q. In part. Thank you.</li> <li>If PSE overshoots its estimated participation level, would it over-earn or under-earn?</li> <li>A. I believe the rates that are stipulated have the capability of serving a wide variety of customers. I'm</li> </ul>

	Dago 227		Dogo 220
1	Page 227 participate, that would actually result in a very small	1	Page 229 MR. CASEY: Yes. I do point out using the
2	incremental change because that really impacts the	2	one I didn't use later, I think it's MBM it's the
3	operational costs, where the majority of the rate is	3	one that immediately precedes the Code of Ethics.
	fixed on the capital side.	4	
4			JUDGE KOPTA: The website home page?
5	Q. Is the Request For Qualification the same as a	5	
6	Purchase Order?	6	JUDGE KOPTA: MBM-36?
7	MS. CARSON: Objection; ambiguous.	7	MR. CASEY: Yes.
8	JUDGE KOPTA: Overruled. To the extent you	8	JUDGE KOPTA: So you want to reserve that
9	know.	9	for another witness?
10	THE WITNESS: We have not entered any	10	MR. CASEY: Yes.
11	purchase agreements.	11	JUDGE KOPTA: All right. We won't look at
12	BY MR. CASEY:	12	that one yet. Are you moving for Exhibit 37, 38 and 39?
13	Q. Is it possible the vendors will have a different	13	MR. CASEY: Yes, Your Honor.
14	price when a purchase is offered?	14	JUDGE KOPTA: Exhibit 39 wasn't discussed,
15	A. When a purchase to whom?	15	but it was a Data Request to another intervenor.
16	Q. To PSE. When PSE goes out to if this program	16	Ms. Carson?
17	was approved and you went out to actually acquire the	17	MS. CARSON: Your Honor, I question whether
18	equipment you would offer in this program, is it	18	Data Requests are appropriate as Data Requests
19	possible that the rates will be different from those	19	themselves, without responses, are appropriate as
20	the costs to PSE will be different from those than you	20	evidence.
21	received in our Request for Qualifications?	21	I guess there was a motion, and they were
22	A. Thinking in the realm of possibility, yes, I	22	attached to the motion, but it seems to me it's not
23	think I stated in my testimony that that could be the	23	evidence, it's a procedural device that's used. So I
24	case. Ms. Norton this morning spoke about some	24	would argue that there's no reason for those to be
25	commitments that PSE has made and that really would be	25	admitted into evidence.
	Page 228		Page 230
1	up to the judgment of the Commission whether there would	1	The Code of Ethics, Mr. McCulloch certainly
2	be an appropriate need to refresh rates.	2	didn't prepare that document. I think it's not
3	But I again will stipulate that I believe the	3	appropriate to be admitted into evidence, and I'll
4	rates that we presented are appropriate for the service	4	continue to object.
5	that we're going to provide and that are based on known	5	MR. CASEY: Your Honor, I would say the Code
6	costs that we have today.	6	of Ethics is certainly relevant to the proposed service
7	Q. The rates that you developed used the Company's	7	they plan to offer, and I would be taken aback if PSE
8	weighted cost of capital; correct?	8	were to argue that the Code of Ethics was not relevant
9	A. That's correct.	9	to the service they propose to offer, especially after
10	Q. If that cost of capital were to change, say,	10	Mr. McCulloch invoked the corporate values in his
11	five years into a 15-year lease, customers would still	11	testimony.
12	pay the old cost of capital for the entire lease;	12	JUDGE KOPTA: What about the Data Requests?
13	correct?	13	MR. CASEY: The Data Requests go to the fact
14	A. Because those rates are levelized over that	14	of kind of any trust implications and the power
15	period, that is correct.	15	that you know, the power and privileges that
16	MR. CASEY: I have no further questions.	16	regulated companies have.
17	JUDGE KOPTA: Thank you.	17	MS. CARSON: But again, I would point out
18	Ms. Gafken?	18	that this was in the course of litigation and
19	MR. CASEY: I'd like to move for the	19	information that was not available. First of all, was
20	admission of the exhibits that were we discussed	20	not produced in the substantive information. And
21	earlier.	21	second, PSE would not have had access to it to the
22	JUDGE KOPTA: All right. The four that I	22	extent it was confidential or highly confidential?
	did not admit earlier are MBM-36, MBM-37, MBM-38, and	23	JUDGE KOPTA: I agree. I will admit MBM-37.
23		23	
23 24	MBM-39. In your cross, you only discussed two of those	24	I think there's at least some tangential value to having
			-

	Page 231		Page 233
	GAFKEN / McCULLOCH		GAFKEN / McCULLOCH
1	Requests, and so I will deny admission of 38 and 39.	1	Q. And when looking at the residential lease
2	And we will leave 36 open for introduction by another	2	likelihood, that information was analyzed based on
3	witness.	3	product type; is that correct?
4	Now, Ms. Gafken.	4	A. That is correct. There were options presented
5		5	to customers based on those equipment types.
6	CROSS-EXAMINATION	6	Q. Would you please turn to your rebuttal testimony
7	BY MS. GAFKEN:	7	which is Exhibit MBM-7T.
8	Q. Good afternoon. Mr. McCulloch, would you please	8	A. Yes.
9	turn to Cross-Exhibit MBM-40HC. And Mr. McCulloch, this	9	Q. If you would turn to Page 27 and look at Lines 7
10	document does contain highly confidential information,	10	through 9.
11	but I'm not anticipating alluding to anything	11	Exhibit MBM-7T, Page 27, Lines 7 through 9.
12	confidential, or at least appears in other places that	12	A. Yes.
13	are not confidential.	13	Q. There you state (as read), The survey provided
14	COMMISSIONER DANNER: I didn't catch the	14	to respondents the average monthly payment and term of
15	exhibit.	15	the lease. PSE's customer base is fully capable of
16	MS. GAFKEN: MBM-40.	16	performing basic calculations. Correct?
17	COMMISSIONER DANNER: Thank you.	17	A. I believe that's true.
18	BY MS. GAFKEN:	18	Q. Are you aware that under state law, leases are
19	Q. Mr. McCulloch, do you recognize Cross-Exhibit	19	required to disclose the total cost of the lease?
20	MBM-40HC as PSE's response to Public Counsel Data	20	A. Is this in reference to the survey questions?
21	Request Number 40?	21	Q. No, I'm asking what you know, whether you're
22	A. I do.	22	aware of the state law that requires leases of personal
23	Q. Public Counsel Data Number 40 asks PSE to	23	property to disclose the total cost of the lease.
24	provide its Excel workbook entitled PSE Lease Solutions	24	A. Well, I'm not an attorney.
25	Market Potential, February 9, 2016; correct?	25	Q. Understood.
	Page 232		Page 234
	Page 232 GAFKEN / McCULLOCH		Page 234 GAFKEN / McCULLOCH
	-		
1	-	1	
1	GAFKEN / McCULLOCH	1	GAFKEN / McCULLOCH
	GAFKEN / McCULLOCH A. Correct. Q. And the workbook requested was part of PSE's		GAFKEN / McCULLOCH A. However, we have detailed in our tariff that we
2	GAFKEN / McCULLOCH A. Correct. Q. And the workbook requested was part of PSE's pricing model for the proposed leasing program; correct?	2	GAFKEN / McCULLOCH A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease
2 3	GAFKEN / McCULLOCH A. Correct. Q. And the workbook requested was part of PSE's	2 3	GAFKEN / McCULLOCH A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease term within the lease agreement. So I believe we are in
2 3 4	GAFKEN / McCULLOCH A. Correct. Q. And the workbook requested was part of PSE's pricing model for the proposed leasing program; correct? A. It informs, inputs into the pricing model.	2 3 4	GAFKEN / McCULLOCH A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease term within the lease agreement. So I believe we are in our tariff, if that is true, comporting with that law.
2 3 4 5	GAFKEN / McCULLOCH A. Correct. Q. And the workbook requested was part of PSE's pricing model for the proposed leasing program; correct? A. It informs, inputs into the pricing model. Q. The workbook was used to estimate the potential	2 3 4 5	GAFKEN / McCULLOCH A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease term within the lease agreement. So I believe we are in our tariff, if that is true, comporting with that law. Q. Let me make sure I understand the testimony, and
2 3 4 5 6	GAFKEN / McCULLOCH A. Correct. Q. And the workbook requested was part of PSE's pricing model for the proposed leasing program; correct? A. It informs, inputs into the pricing model. Q. The workbook was used to estimate the potential market size for the proposed leasing program; correct?	2 3 4 5 6	GAFKEN / McCULLOCH A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease term within the lease agreement. So I believe we are in our tariff, if that is true, comporting with that law. Q. Let me make sure I understand the testimony, and maybe you can tell me if this is correct or not,
2 3 4 5 6 7	GAFKEN / McCULLOCH A. Correct. Q. And the workbook requested was part of PSE's pricing model for the proposed leasing program; correct? A. It informs, inputs into the pricing model. Q. The workbook was used to estimate the potential market size for the proposed leasing program; correct? A. Yes. It provides an assessment of the technical	2 3 4 5 6 7	GAFKEN / McCULLOCH A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease term within the lease agreement. So I believe we are in our tariff, if that is true, comporting with that law. Q. Let me make sure I understand the testimony, and maybe you can tell me if this is correct or not, Mr. McCulloch.
2 3 4 5 6 7 8	GAFKEN / McCULLOCH A. Correct. Q. And the workbook requested was part of PSE's pricing model for the proposed leasing program; correct? A. It informs, inputs into the pricing model. Q. The workbook was used to estimate the potential market size for the proposed leasing program; correct? A. Yes. It provides an assessment of the technical potential of the market.	2 3 4 5 6 7 8	GAFKEN / McCULLOCH A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease term within the lease agreement. So I believe we are in our tariff, if that is true, comporting with that law. Q. Let me make sure I understand the testimony, and maybe you can tell me if this is correct or not, Mr. McCulloch. Do you understand that the total cost of the
2 3 4 5 6 7 8 9	GAFKEN / McCULLOCH A. Correct. Q. And the workbook requested was part of PSE's pricing model for the proposed leasing program; correct? A. It informs, inputs into the pricing model. Q. The workbook was used to estimate the potential market size for the proposed leasing program; correct? A. Yes. It provides an assessment of the technical potential of the market. Q. Would you please turn to Page 7 of Cross-Exhibit	2 3 4 5 6 7 8 9	GAFKEN / McCULLOCH A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease term within the lease agreement. So I believe we are in our tariff, if that is true, comporting with that law. Q. Let me make sure I understand the testimony, and maybe you can tell me if this is correct or not, Mr. McCulloch. Do you understand that the total cost of the lease is required to be disclosed to customers?
2 3 5 6 7 8 9	GAFKEN / McCULLOCH A. Correct. Q. And the workbook requested was part of PSE's pricing model for the proposed leasing program; correct? A. It informs, inputs into the pricing model. Q. The workbook was used to estimate the potential market size for the proposed leasing program; correct? A. Yes. It provides an assessment of the technical potential of the market. Q. Would you please turn to Page 7 of Cross-Exhibit MBM-40. A. Yes.	2 3 4 5 6 7 8 9 10	GAFKEN / McCULLOCH A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease term within the lease agreement. So I believe we are in our tariff, if that is true, comporting with that law. Q. Let me make sure I understand the testimony, and maybe you can tell me if this is correct or not, Mr. McCulloch. Do you understand that the total cost of the lease is required to be disclosed to customers? MS. CARSON: Objection; asked and answered.
2 3 4 5 6 7 8 9 10 11	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the workbook requested was part of PSE's pricing model for the proposed leasing program; correct?</li> <li>A. It informs, inputs into the pricing model.</li> <li>Q. The workbook was used to estimate the potential market size for the proposed leasing program; correct?</li> <li>A. Yes. It provides an assessment of the technical potential of the market.</li> <li>Q. Would you please turn to Page 7 of Cross-Exhibit MBM-40.</li> <li>A. Yes.</li> <li>Q. That page lists the inputs and assumptions used</li> </ul>	2 3 4 5 6 7 8 9 10 11	GAFKEN / McCULLOCH A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease term within the lease agreement. So I believe we are in our tariff, if that is true, comporting with that law. Q. Let me make sure I understand the testimony, and maybe you can tell me if this is correct or not, Mr. McCulloch. Do you understand that the total cost of the lease is required to be disclosed to customers? MS. CARSON: Objection; asked and answered. JUDGE KOPTA: Sustained. BY MS. GAFKEN:
2 3 4 5 6 7 8 9 10 11 12	GAFKEN / McCULLOCH A. Correct. Q. And the workbook requested was part of PSE's pricing model for the proposed leasing program; correct? A. It informs, inputs into the pricing model. Q. The workbook was used to estimate the potential market size for the proposed leasing program; correct? A. Yes. It provides an assessment of the technical potential of the market. Q. Would you please turn to Page 7 of Cross-Exhibit MBM-40. A. Yes. Q. That page lists the inputs and assumptions used in PSE's pricing model; correct?	2 3 4 5 6 7 8 9 10 11 12	GAFKEN / McCULLOCH A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease term within the lease agreement. So I believe we are in our tariff, if that is true, comporting with that law. Q. Let me make sure I understand the testimony, and maybe you can tell me if this is correct or not, Mr. McCulloch. Do you understand that the total cost of the lease is required to be disclosed to customers? MS. CARSON: Objection; asked and answered. JUDGE KOPTA: Sustained. BY MS. GAFKEN: Q. Mr. McCulloch, would you agree that focusing
2 3 4 5 6 7 8 9 10 11 12 13	GAFKEN / McCULLOCH A. Correct. Q. And the workbook requested was part of PSE's pricing model for the proposed leasing program; correct? A. It informs, inputs into the pricing model. Q. The workbook was used to estimate the potential market size for the proposed leasing program; correct? A. Yes. It provides an assessment of the technical potential of the market. Q. Would you please turn to Page 7 of Cross-Exhibit MBM-40. A. Yes. Q. That page lists the inputs and assumptions used in PSE's pricing model; correct? A. Again, it provides some of the inputs that were	2 3 4 5 6 7 8 9 10 11 12 13	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease term within the lease agreement. So I believe we are in our tariff, if that is true, comporting with that law.</li> <li>Q. Let me make sure I understand the testimony, and maybe you can tell me if this is correct or not, Mr. McCulloch.</li> <li>Do you understand that the total cost of the lease is required to be disclosed to customers?</li> <li>MS. CARSON: Objection; asked and answered. JUDGE KOPTA: Sustained.</li> <li>BY MS. GAFKEN:</li> <li>Q. Mr. McCulloch, would you agree that focusing only on the monthly payment of a lease could result in a</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the workbook requested was part of PSE's pricing model for the proposed leasing program; correct?</li> <li>A. It informs, inputs into the pricing model.</li> <li>Q. The workbook was used to estimate the potential market size for the proposed leasing program; correct?</li> <li>A. Yes. It provides an assessment of the technical potential of the market.</li> <li>Q. Would you please turn to Page 7 of Cross-Exhibit</li> <li>MBM-40.</li> <li>A. Yes.</li> <li>Q. That page lists the inputs and assumptions used in PSE's pricing model; correct?</li> <li>A. Again, it provides some of the inputs that were used in developing the technical potential, which</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14	GAFKEN / McCULLOCH A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease term within the lease agreement. So I believe we are in our tariff, if that is true, comporting with that law. Q. Let me make sure I understand the testimony, and maybe you can tell me if this is correct or not, Mr. McCulloch. Do you understand that the total cost of the lease is required to be disclosed to customers? MS. CARSON: Objection; asked and answered. JUDGE KOPTA: Sustained. BY MS. GAFKEN: Q. Mr. McCulloch, would you agree that focusing only on the monthly payment of a lease could result in a customer making a decision with incomplete information?
2 3 4 5 6 7 8 9 10 11 12 13 14 15	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the workbook requested was part of PSE's pricing model for the proposed leasing program; correct?</li> <li>A. It informs, inputs into the pricing model.</li> <li>Q. The workbook was used to estimate the potential market size for the proposed leasing program; correct?</li> <li>A. Yes. It provides an assessment of the technical potential of the market.</li> <li>Q. Would you please turn to Page 7 of Cross-Exhibit MBM-40.</li> <li>A. Yes.</li> <li>Q. That page lists the inputs and assumptions used in PSE's pricing model; correct?</li> <li>A. Again, it provides some of the inputs that were used in developing the technical potential, which informed the pricing model.</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease term within the lease agreement. So I believe we are in our tariff, if that is true, comporting with that law.</li> <li>Q. Let me make sure I understand the testimony, and maybe you can tell me if this is correct or not, Mr. McCulloch.</li> <li>Do you understand that the total cost of the lease is required to be disclosed to customers?</li> <li>MS. CARSON: Objection; asked and answered. JUDGE KOPTA: Sustained.</li> <li>BY MS. GAFKEN:</li> <li>Q. Mr. McCulloch, would you agree that focusing only on the monthly payment of a lease could result in a</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the workbook requested was part of PSE's pricing model for the proposed leasing program; correct?</li> <li>A. It informs, inputs into the pricing model.</li> <li>Q. The workbook was used to estimate the potential market size for the proposed leasing program; correct?</li> <li>A. Yes. It provides an assessment of the technical potential of the market.</li> <li>Q. Would you please turn to Page 7 of Cross-Exhibit MBM-40.</li> <li>A. Yes.</li> <li>Q. That page lists the inputs and assumptions used in PSE's pricing model; correct?</li> <li>A. Again, it provides some of the inputs that were used in developing the technical potential, which</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease term within the lease agreement. So I believe we are in our tariff, if that is true, comporting with that law.</li> <li>Q. Let me make sure I understand the testimony, and maybe you can tell me if this is correct or not, Mr. McCulloch.</li> <li>Do you understand that the total cost of the lease is required to be disclosed to customers?</li> <li>MS. CARSON: Objection; asked and answered. JUDGE KOPTA: Sustained.</li> <li>BY MS. GAFKEN:</li> <li>Q. Mr. McCulloch, would you agree that focusing only on the monthly payment of a lease could result in a customer making a decision with incomplete information?</li> <li>A. I can't speculate to how a customer would</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the workbook requested was part of PSE's pricing model for the proposed leasing program; correct?</li> <li>A. It informs, inputs into the pricing model.</li> <li>Q. The workbook was used to estimate the potential market size for the proposed leasing program; correct?</li> <li>A. Yes. It provides an assessment of the technical potential of the market.</li> <li>Q. Would you please turn to Page 7 of Cross-Exhibit MBM-40.</li> <li>A. Yes.</li> <li>Q. That page lists the inputs and assumptions used in PSE's pricing model; correct?</li> <li>A. Again, it provides some of the inputs that were used in developing the technical potential, which informed the pricing model.</li> <li>Q. One of the assumptions that was used is residential lease likelihood; correct?</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease term within the lease agreement. So I believe we are in our tariff, if that is true, comporting with that law.</li> <li>Q. Let me make sure I understand the testimony, and maybe you can tell me if this is correct or not, Mr. McCulloch.</li> <li>Do you understand that the total cost of the lease is required to be disclosed to customers?</li> <li>MS. CARSON: Objection; asked and answered. JUDGE KOPTA: Sustained.</li> <li>BY MS. GAFKEN:</li> <li>Q. Mr. McCulloch, would you agree that focusing only on the monthly payment of a lease could result in a customer making a decision with incomplete information?</li> <li>A. I can't speculate to how a customer would answer.</li> <li>Q. So you don't agree, then, that focusing only on</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the workbook requested was part of PSE's pricing model for the proposed leasing program; correct?</li> <li>A. It informs, inputs into the pricing model.</li> <li>Q. The workbook was used to estimate the potential market size for the proposed leasing program; correct?</li> <li>A. Yes. It provides an assessment of the technical potential of the market.</li> <li>Q. Would you please turn to Page 7 of Cross-Exhibit MBM-40.</li> <li>A. Yes.</li> <li>Q. That page lists the inputs and assumptions used in PSE's pricing model; correct?</li> <li>A. Again, it provides some of the inputs that were used in developing the technical potential, which informed the pricing model.</li> <li>Q. One of the assumptions that was used is residential lease likelihood; correct?</li> <li>A. Yes. Those are the inputs that we received from</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease term within the lease agreement. So I believe we are in our tariff, if that is true, comporting with that law.</li> <li>Q. Let me make sure I understand the testimony, and maybe you can tell me if this is correct or not, Mr. McCulloch.</li> <li>Do you understand that the total cost of the lease is required to be disclosed to customers?</li> <li>MS. CARSON: Objection; asked and answered. JUDGE KOPTA: Sustained.</li> <li>BY MS. GAFKEN:</li> <li>Q. Mr. McCulloch, would you agree that focusing only on the monthly payment of a lease could result in a customer making a decision with incomplete information?</li> <li>A. I can't speculate to how a customer would answer.</li> <li>Q. So you don't agree, then, that focusing only on a monthly payment would result in a customer making a</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the workbook requested was part of PSE's pricing model for the proposed leasing program; correct?</li> <li>A. It informs, inputs into the pricing model.</li> <li>Q. The workbook was used to estimate the potential market size for the proposed leasing program; correct?</li> <li>A. Yes. It provides an assessment of the technical potential of the market.</li> <li>Q. Would you please turn to Page 7 of Cross-Exhibit MBM-40.</li> <li>A. Yes.</li> <li>Q. That page lists the inputs and assumptions used in PSE's pricing model; correct?</li> <li>A. Again, it provides some of the inputs that were used in developing the technical potential, which informed the pricing model.</li> <li>Q. One of the assumptions that was used is residential lease likelihood; correct?</li> <li>A. Yes. Those are the inputs that we received from our Cocker Fennessy Survey.</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease term within the lease agreement. So I believe we are in our tariff, if that is true, comporting with that law.</li> <li>Q. Let me make sure I understand the testimony, and maybe you can tell me if this is correct or not, Mr. McCulloch.</li> <li>Do you understand that the total cost of the lease is required to be disclosed to customers? MS. CARSON: Objection; asked and answered. JUDGE KOPTA: Sustained.</li> <li>BY MS. GAFKEN:</li> <li>Q. Mr. McCulloch, would you agree that focusing only on the monthly payment of a lease could result in a customer making a decision with incomplete information?</li> <li>A. I can't speculate to how a customer would answer.</li> <li>Q. So you don't agree, then, that focusing only on a monthly payment would result in a customer making a decision based on incomplete information?</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the workbook requested was part of PSE's pricing model for the proposed leasing program; correct?</li> <li>A. It informs, inputs into the pricing model.</li> <li>Q. The workbook was used to estimate the potential market size for the proposed leasing program; correct?</li> <li>A. Yes. It provides an assessment of the technical potential of the market.</li> <li>Q. Would you please turn to Page 7 of Cross-Exhibit MBM-40.</li> <li>A. Yes.</li> <li>Q. That page lists the inputs and assumptions used in PSE's pricing model; correct?</li> <li>A. Again, it provides some of the inputs that were used in developing the technical potential, which informed the pricing model.</li> <li>Q. One of the assumptions that was used is residential lease likelihood; correct?</li> <li>A. Yes. Those are the inputs that we received from our Cocker Fennessy Survey.</li> <li>Q. Okay. So the reference to "PSE customer"</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease term within the lease agreement. So I believe we are in our tariff, if that is true, comporting with that law.</li> <li>Q. Let me make sure I understand the testimony, and maybe you can tell me if this is correct or not, Mr. McCulloch.</li> <li>Do you understand that the total cost of the lease is required to be disclosed to customers?</li> <li>MS. CARSON: Objection; asked and answered. JUDGE KOPTA: Sustained.</li> <li>BY MS. GAFKEN:</li> <li>Q. Mr. McCulloch, would you agree that focusing only on the monthly payment of a lease could result in a customer making a decision with incomplete information?</li> <li>A. I can't speculate to how a customer would answer.</li> <li>Q. So you don't agree, then, that focusing only on a monthly payment would result in a customer making a decision based on incomplete information?</li> <li>A. I don't agree. I believe that by providing the</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the workbook requested was part of PSE's pricing model for the proposed leasing program; correct?</li> <li>A. It informs, inputs into the pricing model.</li> <li>Q. The workbook was used to estimate the potential market size for the proposed leasing program; correct?</li> <li>A. Yes. It provides an assessment of the technical potential of the market.</li> <li>Q. Would you please turn to Page 7 of Cross-Exhibit MBM-40.</li> <li>A. Yes.</li> <li>Q. That page lists the inputs and assumptions used in PSE's pricing model; correct?</li> <li>A. Again, it provides some of the inputs that were used in developing the technical potential, which informed the pricing model.</li> <li>Q. One of the assumptions that was used is residential lease likelihood; correct?</li> <li>A. Yes. Those are the inputs that we received from our Cocker Fennessy Survey.</li> <li>Q. Okay. So the reference to "PSE customer survey," that's a reference to the Cocker Fennessy</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease term within the lease agreement. So I believe we are in our tariff, if that is true, comporting with that law.</li> <li>Q. Let me make sure I understand the testimony, and maybe you can tell me if this is correct or not, Mr. McCulloch.</li> <li>Do you understand that the total cost of the lease is required to be disclosed to customers?</li> <li>MS. CARSON: Objection; asked and answered. JUDGE KOPTA: Sustained.</li> <li>BY MS. GAFKEN:</li> <li>Q. Mr. McCulloch, would you agree that focusing only on the monthly payment of a lease could result in a customer making a decision with incomplete information?</li> <li>A. I can't speculate to how a customer would answer.</li> <li>Q. So you don't agree, then, that focusing only on a monthly payment would result in a customer making a decision based on incomplete information?</li> <li>A. I don't agree. I believe that by providing the customer the term of the lease, as well as the cost of</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the workbook requested was part of PSE's pricing model for the proposed leasing program; correct?</li> <li>A. It informs, inputs into the pricing model.</li> <li>Q. The workbook was used to estimate the potential market size for the proposed leasing program; correct?</li> <li>A. Yes. It provides an assessment of the technical potential of the market.</li> <li>Q. Would you please turn to Page 7 of Cross-Exhibit MBM-40.</li> <li>A. Yes.</li> <li>Q. That page lists the inputs and assumptions used in PSE's pricing model; correct?</li> <li>A. Again, it provides some of the inputs that were used in developing the technical potential, which informed the pricing model.</li> <li>Q. One of the assumptions that was used is residential lease likelihood; correct?</li> <li>A. Yes. Those are the inputs that we received from our Cocker Fennessy Survey.</li> <li>Q. Okay. So the reference to "PSE customer"</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. However, we have detailed in our tariff that we will provide the total costs of the lease over the lease term within the lease agreement. So I believe we are in our tariff, if that is true, comporting with that law.</li> <li>Q. Let me make sure I understand the testimony, and maybe you can tell me if this is correct or not, Mr. McCulloch.</li> <li>Do you understand that the total cost of the lease is required to be disclosed to customers?</li> <li>MS. CARSON: Objection; asked and answered. JUDGE KOPTA: Sustained.</li> <li>BY MS. GAFKEN:</li> <li>Q. Mr. McCulloch, would you agree that focusing only on the monthly payment of a lease could result in a customer making a decision with incomplete information?</li> <li>A. I can't speculate to how a customer would answer.</li> <li>Q. So you don't agree, then, that focusing only on a monthly payment would result in a customer making a decision based on incomplete information?</li> <li>A. I don't agree. I believe that by providing the</li> </ul>

	Page 235		Page 237
	GAFKEN / McCULLOCH		GAFKEN / McCULLOCH
1	the total cost of the lease is not an important piece of	1	Exhibit MBM-42C?
2	information for a customer to consider?	2	A. Yes.
3	A. No, I believe it is. That's why we included it	3	Q. Now, that page contains county demographic
4	in our tariff.	4	information; is that correct?
5	Q. Would you please turn to Cross-Exhibit MBM-44.	5	A. It appears from the footnote the data source is
6	A. I'm there.	6	2010 census data.
7	Q. Do you recognize Cross-Exhibit MBM-44 as PSE's	7	Q. And there's a title called Housing Units by
8	Response to Public Counsel Data Request Number 43?	8	Tenure. Do you see that?
9	A. I do.	9	A. I do.
10	Q. The last paragraph on Page 1 of Cross-Exhibit	10	Q. And under that title, there is data regarding
11	MBM-44 states that (as read), The Cocker Fennessy Survey	11	renters by county; correct?
12	participants are respondents who are identified as being	12	A. There is detail in here regarding
13	within the PSE service area, being PSE electric or	13	renter-occupied housing.
14	natural gas customers, or being homeowners; is that	14	Q. In PSE's assessment of potential interest in the
15	correct?	15	proposed leasing program, PSE applied the Cocker
16	A. It actually states that they are both PSE	16	Fennessy Survey results to all residential customers,
17	customers and homeowners, not one or the other.	17	both residential I'm sorry, both homeowners and
18	Q. Right. I used the term "and" in including all	18	non-homeowners; is that correct?
19	those things.	19	A. That's correct. Despite the fact that somebody
20	A. That's correct.	20	might be renting their home to another individual
21	Q. The survey did not include responses from	21	doesn't mean that that owner can't enter into a lease
22	customers who were not homeowners; is that correct?	22	agreement. So we think it's appropriate to include all
23	A. That's correct. The lease is not available to	23	those in there.
24	customers who do not own their property.	24	Q. Did the Cocker Fennessy Survey ask landlords if
25	Q. PSE's service territory includes residential	25	they were interested in utilizing the proposed leasing
	- Dava 000		
	Page 236		Page 238
	Page 236 GAFKEN / McCULLOCH		
	GAFKEN / McCULLOCH		Page 238 GAFKEN / McCULLOCH
1	GAFKEN / McCULLOCH customers who are not homeowners; is that correct?	1	Page 238 GAFKEN / McCULLOCH service for their rental properties?
1 2	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does.	2	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making
1	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C.	2 3	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that
1 2 3 4	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C. And this is an exhibit with confidential data, but I'm	2 3 4	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that question or could have answered that question. But we
1 2 3 4 5	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C. And this is an exhibit with confidential data, but I'm not referring to the confidential nature of the exhibit.	2 3 4 5	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that question or could have answered that question. But we did not differentiate between a homeowner who rents his
1 2 3 4 5 6	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C. And this is an exhibit with confidential data, but I'm not referring to the confidential nature of the exhibit. Are you there?	2 3 4 5 6	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that question or could have answered that question. But we did not differentiate between a homeowner who rents his property or a homeowner who is domicile in that
1 2 3 4 5 6 7	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C. And this is an exhibit with confidential data, but I'm not referring to the confidential nature of the exhibit. Are you there? A. Yes, I'm here.	2 3 4 5 6 7	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that question or could have answered that question. But we did not differentiate between a homeowner who rents his property or a homeowner who is domicile in that property.
1 2 3 4 5 6 7 8	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C. And this is an exhibit with confidential data, but I'm not referring to the confidential nature of the exhibit. Are you there? A. Yes, I'm here. COMMISSIONER RENDAHL: Ms. Gafken, I don't	2 3 4 5 6 7 8	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that question or could have answered that question. But we did not differentiate between a homeowner who rents his property or a homeowner who is domicile in that property. Q. Is that an assumption that you are making or an
1 2 3 4 5 6 7	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C. And this is an exhibit with confidential data, but I'm not referring to the confidential nature of the exhibit. Are you there? A. Yes, I'm here. COMMISSIONER RENDAHL: Ms. Gafken, I don't have a copy of 42. I have 44 and 45, and the last	2 3 4 5 6 7	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that question or could have answered that question. But we did not differentiate between a homeowner who rents his property or a homeowner who is domicile in that property. Q. Is that an assumption that you are making or an assumption that Cocker Fennessy was making? Who is
1 2 3 4 5 6 7 8 9 10	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C. And this is an exhibit with confidential data, but I'm not referring to the confidential nature of the exhibit. Are you there? A. Yes, I'm here. COMMISSIONER RENDAHL: Ms. Gafken, I don't have a copy of 42. I have 44 and 45, and the last number I have is 40. I don't think any of us have them	2 3 4 5 6 7 8 9 10	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that question or could have answered that question. But we did not differentiate between a homeowner who rents his property or a homeowner who is domicile in that property. Q. Is that an assumption that you are making or an assumption that Cocker Fennessy was making? Who is making the assumption?
1 2 3 4 5 6 7 8 9	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C. And this is an exhibit with confidential data, but I'm not referring to the confidential nature of the exhibit. Are you there? A. Yes, I'm here. COMMISSIONER RENDAHL: Ms. Gafken, I don't have a copy of 42. I have 44 and 45, and the last number I have is 40. I don't think any of us have them on the bench.	2 3 4 5 6 7 8 9	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that question or could have answered that question. But we did not differentiate between a homeowner who rents his property or a homeowner who is domicile in that property. Q. Is that an assumption that you are making or an assumption that Cocker Fennessy was making? Who is making the assumption? A. I'm making that assumption.
1 2 3 4 5 6 7 8 9 10 11	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C. And this is an exhibit with confidential data, but I'm not referring to the confidential nature of the exhibit. Are you there? A. Yes, I'm here. COMMISSIONER RENDAHL: Ms. Gafken, I don't have a copy of 42. I have 44 and 45, and the last number I have is 40. I don't think any of us have them on the bench. JUDGE KOPTA: I do. So it may be a problem.	2 3 4 5 6 7 8 9 10 11	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that question or could have answered that question. But we did not differentiate between a homeowner who rents his property or a homeowner who is domicile in that property. Q. Is that an assumption that you are making or an assumption that Cocker Fennessy was making? Who is making the assumption? A. I'm making that assumption. Q. I want to return to your rebuttal testimony
1 2 3 4 5 6 7 8 9 10 11 12	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C. And this is an exhibit with confidential data, but I'm not referring to the confidential nature of the exhibit. Are you there? A. Yes, I'm here. COMMISSIONER RENDAHL: Ms. Gafken, I don't have a copy of 42. I have 44 and 45, and the last number I have is 40. I don't think any of us have them on the bench.	2 3 4 5 6 7 8 9 10 11 12	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that question or could have answered that question. But we did not differentiate between a homeowner who rents his property or a homeowner who is domicile in that property. Q. Is that an assumption that you are making or an assumption that Cocker Fennessy was making? Who is making the assumption? A. I'm making that assumption.
1 2 3 4 5 6 7 8 9 10 11 12 13	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C. And this is an exhibit with confidential data, but I'm not referring to the confidential nature of the exhibit. Are you there? A. Yes, I'm here. COMMISSIONER RENDAHL: Ms. Gafken, I don't have a copy of 42. I have 44 and 45, and the last number I have is 40. I don't think any of us have them on the bench. JUDGE KOPTA: I do. So it may be a problem. COMMISSIONER RENDAHL: So it's just the two	2 3 4 5 6 7 8 9 10 11 12 13	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that question or could have answered that question. But we did not differentiate between a homeowner who rents his property or a homeowner who is domicile in that property. Q. Is that an assumption that you are making or an assumption that Cocker Fennessy was making? Who is making the assumption? A. I'm making that assumption. Q. I want to return to your rebuttal testimony which is Exhibit MBM-7T, and please turn to Page 28.
1 2 3 4 5 6 7 8 9 10 11 12 13 14	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C. And this is an exhibit with confidential data, but I'm not referring to the confidential nature of the exhibit. Are you there? A. Yes, I'm here. COMMISSIONER RENDAHL: Ms. Gafken, I don't have a copy of 42. I have 44 and 45, and the last number I have is 40. I don't think any of us have them on the bench. JUDGE KOPTA: I do. So it may be a problem. COMMISSIONER RENDAHL: So it's just the two of us.	2 3 4 5 6 7 8 9 10 11 12 13 14	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that question or could have answered that question. But we did not differentiate between a homeowner who rents his property or a homeowner who is domicile in that property. Q. Is that an assumption that you are making or an assumption that Cocker Fennessy was making? Who is making the assumption. Q. I want to return to your rebuttal testimony which is Exhibit MBM-7T, and please turn to Page 28. A. I'm there.
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C. And this is an exhibit with confidential data, but I'm not referring to the confidential nature of the exhibit. Are you there? A. Yes, I'm here. COMMISSIONER RENDAHL: Ms. Gafken, I don't have a copy of 42. I have 44 and 45, and the last number I have is 40. I don't think any of us have them on the bench. JUDGE KOPTA: I do. So it may be a problem. COMMISSIONER RENDAHL: So it's just the two of us. MS. GAFKEN: Will the one copy suffice?	2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that question or could have answered that question. But we did not differentiate between a homeowner who rents his property or a homeowner who is domicile in that property. Q. Is that an assumption that you are making or an assumption that Cocker Fennessy was making? Who is making the assumption? A. I'm making that assumption. Q. I want to return to your rebuttal testimony which is Exhibit MBM-7T, and please turn to Page 28. A. I'm there. Q. At Lines 4 through 7 you state that (as read),
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C. And this is an exhibit with confidential data, but I'm not referring to the confidential nature of the exhibit. Are you there? A. Yes, I'm here. COMMISSIONER RENDAHL: Ms. Gafken, I don't have a copy of 42. I have 44 and 45, and the last number I have is 40. I don't think any of us have them on the bench. JUDGE KOPTA: I do. So it may be a problem. COMMISSIONER RENDAHL: So it's just the two of us. MS. GAFKEN: Will the one copy suffice? COMMISSIONER DANNER: Yes. I'll share.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that question or could have answered that question. But we did not differentiate between a homeowner who rents his property or a homeowner who is domicile in that property. Q. Is that an assumption that you are making or an assumption that Cocker Fennessy was making? Who is making the assumption? A. I'm making that assumption. Q. I want to return to your rebuttal testimony which is Exhibit MBM-7T, and please turn to Page 28. A. I'm there. Q. At Lines 4 through 7 you state that (as read), It is commonly understood that a lease is an agreement
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C. And this is an exhibit with confidential data, but I'm not referring to the confidential nature of the exhibit. Are you there? A. Yes, I'm here. COMMISSIONER RENDAHL: Ms. Gafken, I don't have a copy of 42. I have 44 and 45, and the last number I have is 40. I don't think any of us have them on the bench. JUDGE KOPTA: I do. So it may be a problem. COMMISSIONER RENDAHL: So it's just the two of us. MS. GAFKEN: Will the one copy suffice? COMMISSIONER DANNER: Yes. I'll share. BY MS. GAFKEN:	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that question or could have answered that question. But we did not differentiate between a homeowner who rents his property or a homeowner who is domicile in that property. Q. Is that an assumption that you are making or an assumption that Cocker Fennessy was making? Who is making the assumption? A. I'm making that assumption. Q. I want to return to your rebuttal testimony which is Exhibit MBM-7T, and please turn to Page 28. A. I'm there. Q. At Lines 4 through 7 you state that (as read), It is commonly understood that a lease is an agreement to use property owned by another in exchange for payment
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C. And this is an exhibit with confidential data, but I'm not referring to the confidential nature of the exhibit. Are you there? A. Yes, I'm here. COMMISSIONER RENDAHL: Ms. Gafken, I don't have a copy of 42. I have 44 and 45, and the last number I have is 40. I don't think any of us have them on the bench. JUDGE KOPTA: I do. So it may be a problem. COMMISSIONER RENDAHL: So it's just the two of us. MS. GAFKEN: Will the one copy suffice? COMMISSIONER DANNER: Yes. I'll share. BY MS. GAFKEN: Q. Okay. Mr. McCulloch, are you at	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that question or could have answered that question. But we did not differentiate between a homeowner who rents his property or a homeowner who is domicile in that property. Q. Is that an assumption that you are making or an assumption that Cocker Fennessy was making? Who is making the assumption? A. I'm making that assumption. Q. I want to return to your rebuttal testimony which is Exhibit MBM-7T, and please turn to Page 28. A. I'm there. Q. At Lines 4 through 7 you state that (as read), It is commonly understood that a lease is an agreement to use property owned by another in exchange for payment for a time period and at the end of the lease term the
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C. And this is an exhibit with confidential data, but I'm not referring to the confidential nature of the exhibit. Are you there? A. Yes, I'm here. COMMISSIONER RENDAHL: Ms. Gafken, I don't have a copy of 42. I have 44 and 45, and the last number I have is 40. I don't think any of us have them on the bench. JUDGE KOPTA: I do. So it may be a problem. COMMISSIONER RENDAHL: So it's just the two of us. MS. GAFKEN: Will the one copy suffice? COMMISSIONER DANNER: Yes. I'll share. BY MS. GAFKEN: Q. Okay. Mr. McCulloch, are you at Exhibit MBM-42C? A. Yes. Q. Okay. Do you recognize Cross-Exhibit MBM-42C as	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that question or could have answered that question. But we did not differentiate between a homeowner who rents his property or a homeowner who is domicile in that property. Q. Is that an assumption that you are making or an assumption that Cocker Fennessy was making? Who is making the assumption? A. I'm making that assumption. Q. I want to return to your rebuttal testimony which is Exhibit MBM-7T, and please turn to Page 28. A. I'm there. Q. At Lines 4 through 7 you state that (as read), It is commonly understood that a lease is an agreement to use property owned by another in exchange for payment for a time period and at the end of the lease term the property is returned to the owner. Is that correct? A. That's correct. That's my understanding of the lease.
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C. And this is an exhibit with confidential data, but I'm not referring to the confidential nature of the exhibit. Are you there? A. Yes, I'm here. COMMISSIONER RENDAHL: Ms. Gafken, I don't have a copy of 42. I have 44 and 45, and the last number I have is 40. I don't think any of us have them on the bench. JUDGE KOPTA: I do. So it may be a problem. COMMISSIONER RENDAHL: So it's just the two of us. MS. GAFKEN: Will the one copy suffice? COMMISSIONER DANNER: Yes. I'll share. BY MS. GAFKEN: Q. Okay. Mr. McCulloch, are you at Exhibit MBM-42C? A. Yes. Q. Okay. Do you recognize Cross-Exhibit MBM-42C as PSE's Supplemental Response to Staff Data Request	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that question or could have answered that question. But we did not differentiate between a homeowner who rents his property or a homeowner who is domicile in that property. Q. Is that an assumption that you are making or an assumption that Cocker Fennessy was making? Who is making the assumption? A. I'm making that assumption. Q. I want to return to your rebuttal testimony which is Exhibit MBM-7T, and please turn to Page 28. A. I'm there. Q. At Lines 4 through 7 you state that (as read), It is commonly understood that a lease is an agreement to use property owned by another in exchange for payment for a time period and at the end of the lease term the property is returned to the owner. Is that correct? A. That's correct. That's my understanding of the lease. Q. Okay. And it's been established earlier, but
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C. And this is an exhibit with confidential data, but I'm not referring to the confidential nature of the exhibit. Are you there? A. Yes, I'm here. COMMISSIONER RENDAHL: Ms. Gafken, I don't have a copy of 42. I have 44 and 45, and the last number I have is 40. I don't think any of us have them on the bench. JUDGE KOPTA: I do. So it may be a problem. COMMISSIONER RENDAHL: So it's just the two of us. MS. GAFKEN: Will the one copy suffice? COMMISSIONER DANNER: Yes. I'll share. BY MS. GAFKEN: Q. Okay. Mr. McCulloch, are you at Exhibit MBM-42C? A. Yes. Q. Okay. Do you recognize Cross-Exhibit MBM-42C as PSE's Supplemental Response to Staff Data Request Number 31?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that question or could have answered that question. But we did not differentiate between a homeowner who rents his property or a homeowner who is domicile in that property. Q. Is that an assumption that you are making or an assumption that Cocker Fennessy was making? Who is making the assumption? A. I'm making that assumption. Q. I want to return to your rebuttal testimony which is Exhibit MBM-7T, and please turn to Page 28. A. I'm there. Q. At Lines 4 through 7 you state that (as read), It is commonly understood that a lease is an agreement to use property owned by another in exchange for payment for a time period and at the end of the lease term the property is returned to the owner. Is that correct? A. That's correct. That's my understanding of the lease. Q. Okay. And it's been established earlier, but just for foundation I want to ask this quick question.
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GAFKEN / McCULLOCH customers who are not homeowners; is that correct? A. Yes, it does. Q. Would you please turn to Cross-Exhibit MBM-42C. And this is an exhibit with confidential data, but I'm not referring to the confidential nature of the exhibit. Are you there? A. Yes, I'm here. COMMISSIONER RENDAHL: Ms. Gafken, I don't have a copy of 42. I have 44 and 45, and the last number I have is 40. I don't think any of us have them on the bench. JUDGE KOPTA: I do. So it may be a problem. COMMISSIONER RENDAHL: So it's just the two of us. MS. GAFKEN: Will the one copy suffice? COMMISSIONER DANNER: Yes. I'll share. BY MS. GAFKEN: Q. Okay. Mr. McCulloch, are you at Exhibit MBM-42C? A. Yes. Q. Okay. Do you recognize Cross-Exhibit MBM-42C as PSE's Supplemental Response to Staff Data Request Number 31? A. I do.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	Page 238 GAFKEN / McCULLOCH service for their rental properties? A. By asking whether they owned the home I'm making the assumption that landlords would have answered that question or could have answered that question. But we did not differentiate between a homeowner who rents his property or a homeowner who is domicile in that property. Q. Is that an assumption that you are making or an assumption that Cocker Fennessy was making? Who is making the assumption? A. I'm making that assumption. Q. I want to return to your rebuttal testimony which is Exhibit MBM-7T, and please turn to Page 28. A. I'm there. Q. At Lines 4 through 7 you state that (as read), It is commonly understood that a lease is an agreement to use property owned by another in exchange for payment for a time period and at the end of the lease term the property is returned to the owner. Is that correct? A. That's correct. That's my understanding of the lease. Q. Okay. And it's been established earlier, but

	Page 239		Page 241
	GAFKEN / McCULLOCH		GAFKEN / McCULLOCH
1	A. That's correct.	1	"closed rate." That term is the percentage of leads
2	Q. At the time the Cocker Fennessy Survey was	2	that resulted in installs; is that correct?
3	developed and conducted, the proposed lease tariff on	3	A. That appears to be the percent of referrals that
	file with the Commission were structured as lease-to-own		resulted in a self-reported installation.
4		4	
5	for the customer would own the appliance at the end of	5	Q. Is self-reporting the only way that PSE confirms
6	the lease; correct? And we looked at that language	6	whether there's an installation that occurs?
7	earlier.	7	A. Are you asking regarding the Contractor Alliance
8	A. We did look at that information. I do not	8	Network?
9	believe that it informed any of the surveys we did prior	9	Q. Correct.
10	to the Cocker Fennessy Survey.	10	A. It also has the capability, I believe, of
11	Q. And I'm not asking about the surveys before.	11	understanding through rebate applications whether
12	Let me back up.	12	installation has occurred.
13	So the testimony in your rebuttal that I pointed	13	Q. Okay. Would you please turn to your
14	you to, that was in response to Public Counsel's	14	Exhibit MBM-22?
15	testimony with respect to failure to disclose that PSE	15	A. Yes.
16	owned the lease equipment at the end of the lease, and	16	Q. Actually, let me go back quickly to the closed
17	you testified as you did.	17	rate and our discussion about self-reporting versus
18			installs.
	So my question to you is, that at the time of	18	
19	the Cocker Fennessy Survey when it was conducted, isn't	19	The information on Page 45 of Exhibit MBM-42C,
20	it true that the lease, the proposed lease tariff that	20	does that number that's in the box there, does that only
21	was on file, was a lease-to-own tariff? And we looked	21	report self-reportings or does that also include
22	at this tariff	22	information that PSE would have with respect to installs
23	A. I think that the information regarding what was	23	via the rebate information?
24	proposed at that time did not inform the survey, but I	24	A. I don't have that information. I didn't create
25	guess I will answer your question saying yes, at that	25	this report, so it would be speculative for me to answer
			Page 242
	Page 240		Page 242
	Page 240 GAFKEN / McCULLOCH	1	Page 242 GAFKEN / McCULLOCH
1	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer	1	Page 242 GAFKEN / McCULLOCH that question.
1 2	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that.	2	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your
1 2 3	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of	2 3	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22.
1 2 3 4	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential	2 3 4	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes.
1 2 3 4 5	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential	2 3 4 5	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed
1 2 3 4	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential information.	2 3 4 5 6	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed Transition Plan for PSE's existing rental customers;
1 2 3 4 5	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential information. A. Page 45?	2 3 4 5	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed Transition Plan for PSE's existing rental customers; correct?
1 2 3 4 5 6	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential information.	2 3 4 5 6	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed Transition Plan for PSE's existing rental customers;
1 2 3 4 5 6 7	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential information. A. Page 45?	2 3 4 5 6 7	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed Transition Plan for PSE's existing rental customers; correct?
1 2 3 4 5 6 7 8	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential information. A. Page 45? Q. Correct.	2 3 4 5 6 7 8	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed Transition Plan for PSE's existing rental customers; correct? A. Yes. This exhibit presents a proposition on how
1 2 3 4 5 6 7 8 9	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential information. A. Page 45? Q. Correct. A. Okay.	2 3 4 5 6 7 8 9	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed Transition Plan for PSE's existing rental customers; correct? A. Yes. This exhibit presents a proposition on how to transition customers in our existing rental service.
1 2 3 4 5 6 7 8 9 10	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential information. A. Page 45? Q. Correct. A. Okay. Q. This page presents data regarding PSE's	2 3 4 5 6 7 8 9 10	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed Transition Plan for PSE's existing rental customers; correct? A. Yes. This exhibit presents a proposition on how to transition customers in our existing rental service. Q. And under the rental service, there isn't a set
1 2 3 4 5 6 7 8 9 10 11	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential information. A. Page 45? Q. Correct. A. Okay. Q. This page presents data regarding PSE's Contractor Alliance Network; correct? A. Yes, that's what the heading says.	2 3 4 5 6 7 8 9 10 11	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed Transition Plan for PSE's existing rental customers; correct? A. Yes. This exhibit presents a proposition on how to transition customers in our existing rental service. Q. And under the rental service, there isn't a set term, it's a month-to-month program; is that correct? A. That's correct. That's one of the items that
1 2 3 4 5 6 7 8 9 10 11 12 13	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential information. A. Page 45? Q. Correct. A. Okay. Q. This page presents data regarding PSE's Contractor Alliance Network; correct? A. Yes, that's what the heading says. Q. Do you see the term "leads" on the page? It's	2 3 4 5 6 7 8 9 10 11 12 13	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed Transition Plan for PSE's existing rental customers; correct? A. Yes. This exhibit presents a proposition on how to transition customers in our existing rental service. Q. And under the rental service, there isn't a set term, it's a month-to-month program; is that correct? A. That's correct. That's one of the items that customers pointed out was of issue in the existing
1 2 3 4 5 6 7 8 9 10 11 12 13 14	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential information. A. Page 45? Q. Correct. A. Okay. Q. This page presents data regarding PSE's Contractor Alliance Network; correct? A. Yes, that's what the heading says. Q. Do you see the term "leads" on the page? It's really small print.	2 3 4 5 6 7 8 9 10 11 12 13 14	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed Transition Plan for PSE's existing rental customers; correct? A. Yes. This exhibit presents a proposition on how to transition customers in our existing rental service. Q. And under the rental service, there isn't a set term, it's a month-to-month program; is that correct? A. That's correct. That's one of the items that customers pointed out was of issue in the existing rental service that we've tried to correct in modifying
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential information. A. Page 45? Q. Correct. A. Okay. Q. This page presents data regarding PSE's Contractor Alliance Network; correct? A. Yes, that's what the heading says. Q. Do you see the term "leads" on the page? It's really small print. A. I do see those.	2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed Transition Plan for PSE's existing rental customers; correct? A. Yes. This exhibit presents a proposition on how to transition customers in our existing rental service. Q. And under the rental service, there isn't a set term, it's a month-to-month program; is that correct? A. That's correct. That's one of the items that customers pointed out was of issue in the existing rental service that we've tried to correct in modifying this new service, provide an existing term of the lease.
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential information. A. Page 45? Q. Correct. A. Okay. Q. This page presents data regarding PSE's Contractor Alliance Network; correct? A. Yes, that's what the heading says. Q. Do you see the term "leads" on the page? It's really small print. A. I do see those. Q. Okay, great. The term "leads" refers to	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed Transition Plan for PSE's existing rental customers; correct? A. Yes. This exhibit presents a proposition on how to transition customers in our existing rental service. Q. And under the rental service, there isn't a set term, it's a month-to-month program; is that correct? A. That's correct. That's one of the items that customers pointed out was of issue in the existing rental service that we've tried to correct in modifying this new service, provide an existing term of the lease. Q. And for the rental customers, the prices can
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential information. A. Page 45? Q. Correct. A. Okay. Q. This page presents data regarding PSE's Contractor Alliance Network; correct? A. Yes, that's what the heading says. Q. Do you see the term "leads" on the page? It's really small print. A. I do see those. Q. Okay, great. The term "leads" refers to referrals from PSE's Contractor Alliance Network; is	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed Transition Plan for PSE's existing rental customers; correct? A. Yes. This exhibit presents a proposition on how to transition customers in our existing rental service. Q. And under the rental service, there isn't a set term, it's a month-to-month program; is that correct? A. That's correct. That's one of the items that customers pointed out was of issue in the existing rental service that we've tried to correct in modifying this new service, provide an existing term of the lease. Q. And for the rental customers, the prices can fluctuate; is that a correct understanding?
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential information. A. Page 45? Q. Correct. A. Okay. Q. This page presents data regarding PSE's Contractor Alliance Network; correct? A. Yes, that's what the heading says. Q. Do you see the term "leads" on the page? It's really small print. A. I do see those. Q. Okay, great. The term "leads" refers to referrals from PSE's Contractor Alliance Network; is that correct?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed Transition Plan for PSE's existing rental customers; correct? A. Yes. This exhibit presents a proposition on how to transition customers in our existing rental service. Q. And under the rental service, there isn't a set term, it's a month-to-month program; is that correct? A. That's correct. That's one of the items that customers pointed out was of issue in the existing rental service that we've tried to correct in modifying this new service, provide an existing term of the lease. Q. And for the rental customers, the prices can fluctuate; is that a correct understanding? A. The rates for our existing rental business are
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential information. A. Page 45? Q. Correct. A. Okay. Q. This page presents data regarding PSE's Contractor Alliance Network; correct? A. Yes, that's what the heading says. Q. Do you see the term "leads" on the page? It's really small print. A. I do see those. Q. Okay, great. The term "leads" refers to referrals from PSE's Contractor Alliance Network; is that correct? A. I believe that's what we responded to in the	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed Transition Plan for PSE's existing rental customers; correct? A. Yes. This exhibit presents a proposition on how to transition customers in our existing rental service. Q. And under the rental service, there isn't a set term, it's a month-to-month program; is that correct? A. That's correct. That's one of the items that customers pointed out was of issue in the existing rental service that we've tried to correct in modifying this new service, provide an existing term of the lease. Q. And for the rental customers, the prices can fluctuate; is that a correct understanding? A. The rates for our existing rental business are predicated on our general rate, so they can fluctuate as
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential information. A. Page 45? Q. Correct. A. Okay. Q. This page presents data regarding PSE's Contractor Alliance Network; correct? A. Yes, that's what the heading says. Q. Do you see the term "leads" on the page? It's really small print. A. I do see those. Q. Okay, great. The term "leads" refers to referrals from PSE's Contractor Alliance Network; is that correct? A. I believe that's what we responded to in the Data Request.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed Transition Plan for PSE's existing rental customers; correct? A. Yes. This exhibit presents a proposition on how to transition customers in our existing rental service. Q. And under the rental service, there isn't a set term, it's a month-to-month program; is that correct? A. That's correct. That's one of the items that customers pointed out was of issue in the existing rental service that we've tried to correct in modifying this new service, provide an existing term of the lease. Q. And for the rental customers, the prices can fluctuate; is that a correct understanding? A. The rates for our existing rental business are predicated on our general rate, so they can fluctuate as it is impacted by that process.
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential information. A. Page 45? Q. Correct. A. Okay. Q. This page presents data regarding PSE's Contractor Alliance Network; correct? A. Yes, that's what the heading says. Q. Do you see the term "leads" on the page? It's really small print. A. I do see those. Q. Okay, great. The term "leads" refers to referrals from PSE's Contractor Alliance Network; is that correct? A. I believe that's what we responded to in the Data Request. Q. The term "installs" refers to the number of	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed Transition Plan for PSE's existing rental customers; correct? A. Yes. This exhibit presents a proposition on how to transition customers in our existing rental service. Q. And under the rental service, there isn't a set term, it's a month-to-month program; is that correct? A. That's correct. That's one of the items that customers pointed out was of issue in the existing rental service that we've tried to correct in modifying this new service, provide an existing term of the lease. Q. And for the rental customers, the prices can fluctuate; is that a correct understanding? A. The rates for our existing rental business are predicated on our general rate, so they can fluctuate as it is impacted by that process. Q. Would you please turn to Cross-Exhibit MBM-46?
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential information. A. Page 45? Q. Correct. A. Okay. Q. This page presents data regarding PSE's Contractor Alliance Network; correct? A. Yes, that's what the heading says. Q. Do you see the term "leads" on the page? It's really small print. A. I do see those. Q. Okay, great. The term "leads" refers to referrals from PSE's Contractor Alliance Network; is that correct? A. I believe that's what we responded to in the Data Request. Q. The term "installs" refers to the number of installations reported by the participating contractors;	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed Transition Plan for PSE's existing rental customers; correct? A. Yes. This exhibit presents a proposition on how to transition customers in our existing rental service. Q. And under the rental service, there isn't a set term, it's a month-to-month program; is that correct? A. That's correct. That's one of the items that customers pointed out was of issue in the existing rental service that we've tried to correct in modifying this new service, provide an existing term of the lease. Q. And for the rental customers, the prices can fluctuate; is that a correct understanding? A. The rates for our existing rental business are predicated on our general rate, so they can fluctuate as it is impacted by that process. Q. Would you please turn to Cross-Exhibit MBM-46? A. Okay.
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential information. A. Page 45? Q. Correct. A. Okay. Q. This page presents data regarding PSE's Contractor Alliance Network; correct? A. Yes, that's what the heading says. Q. Do you see the term "leads" on the page? It's really small print. A. I do see those. Q. Okay, great. The term "leads" refers to referrals from PSE's Contractor Alliance Network; is that correct? A. I believe that's what we responded to in the Data Request. Q. The term "installs" refers to the number of	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed Transition Plan for PSE's existing rental customers; correct? A. Yes. This exhibit presents a proposition on how to transition customers in our existing rental service. Q. And under the rental service, there isn't a set term, it's a month-to-month program; is that correct? A. That's correct. That's one of the items that customers pointed out was of issue in the existing rental service that we've tried to correct in modifying this new service, provide an existing term of the lease. Q. And for the rental customers, the prices can fluctuate; is that a correct understanding? A. The rates for our existing rental business are predicated on our general rate, so they can fluctuate as it is impacted by that process. Q. Would you please turn to Cross-Exhibit MBM-46?
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 240 GAFKEN / McCULLOCH time, that's how the tariff was written. It's no longer on file as that. Q. Would you please turn to Page 45 of Cross-Exhibit MBM-42. Again, this is a confidential document, but I won't be asking you about confidential information. A. Page 45? Q. Correct. A. Okay. Q. This page presents data regarding PSE's Contractor Alliance Network; correct? A. Yes, that's what the heading says. Q. Do you see the term "leads" on the page? It's really small print. A. I do see those. Q. Okay, great. The term "leads" refers to referrals from PSE's Contractor Alliance Network; is that correct? A. I believe that's what we responded to in the Data Request. Q. The term "installs" refers to the number of installations reported by the participating contractors;	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 242 GAFKEN / McCULLOCH that question. Q. Okay. Now if you would please turn to your Exhibit MBM-22. A. Yes. Q. In this exhibit you explain the proposed Transition Plan for PSE's existing rental customers; correct? A. Yes. This exhibit presents a proposition on how to transition customers in our existing rental service. Q. And under the rental service, there isn't a set term, it's a month-to-month program; is that correct? A. That's correct. That's one of the items that customers pointed out was of issue in the existing rental service that we've tried to correct in modifying this new service, provide an existing term of the lease. Q. And for the rental customers, the prices can fluctuate; is that a correct understanding? A. The rates for our existing rental business are predicated on our general rate, so they can fluctuate as it is impacted by that process. Q. Would you please turn to Cross-Exhibit MBM-46? A. Okay.

	Page 243		Page 245
	GAFKEN / McCULLOCH		GAFKEN / McCULLOCH
1	Q. The response in Cross-Exhibit MBM-46 is undated,	1	circumstance.
2	but would you expect, subject to check, that PSE	2	A. Well, I think your example of a default is
3	provided its response to Public Counsel Data Request	3	really the only case where a piece of equipment would be
	Number 8 via email on April 11, 2016?		actively removed by PSE during the term of the lease,
4	-	4	
5	A. I'll accept that.	5	and we've included a factor for default within our
6	Q. In Public Counsel Data Request Number 8, PSE was	6	pricing.
7	asked to provide an explanation of PSE's plan to	7	Q. But there could be other circumstances as well,
8	transition existing rental customers to the new lease	8	couldn't there? I mean, if somebody was selling their
9	program; is that correct?	9	home, for example, and the new homeowner either didn't
10	A. Yes.	10	continue the lease, or whatever the terms are, that
11	Q. In its response, PSE stated that it (as read),	11	would apply when somebody sells their home. Isn't that
12	Expected to develop and file a Transition Plan for	12	another situation where
13	customers of the existing rental program after the	13	A. At that point, there is the option to
14	leasing service tariffs had been approved by the	14	purchase
15	Commission. Correct?	15	Q. Wait a minute. Answer the question, just for
16	A. That is correct. Part of the proposal that we	16	the record.
17		17	Isn't that another circumstance where equipment
18	customers, so I believe it's appropriate that a	18	could be removed before the end of its useful life?
	transition be thought through where we have an approved		A. That is a potential. My assessment, again based
19		19	
20	service where those customers could matriculate to, as	20	on what I know today in our existing lease business, is
21	presented in the proposal.	21	in a sales transaction, when the escrow company requires
22	Q. In its response to Public Counsel Data Request	22	that the lease option be closed, that that equipment
23	· · ·	23	transfers ownership to the new owner; it's not removed
24	transition existing rental customers to the proposed	24	in a majority of cases.
25	leasing program in its discovery response; correct?	25	Q. Okay. But going back to my question,
	Page 244		Page 246
	5		C C
	Page 244 GAFKEN / McCULLOCH		Page 246 GAFKEN / McCULLOCH
1	GAFKEN / McCULLOCH	1	GAFKEN / McCULLOCH
1	GAFKEN / McCULLOCH A. We had not thought through that detailed plan at	1	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of
2	GAFKEN / McCULLOCH A. We had not thought through that detailed plan at that point, correct.	2	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's
2 3	GAFKEN / McCULLOCH <ul> <li>A. We had not thought through that detailed plan at that point, correct.</li> <li>Q. Mr. McCulloch, would you please turn to</li> </ul>	2 3	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life?
2	GAFKEN / McCULLOCH A. We had not thought through that detailed plan at that point, correct. Q. Mr. McCulloch, would you please turn to Cross-Exhibit MBM-48?	2 3 4	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered.
2 3 4 5	GAFKEN / McCULLOCH <ul> <li>A. We had not thought through that detailed plan at that point, correct.</li> <li>Q. Mr. McCulloch, would you please turn to</li> <li>Cross-Exhibit MBM-48?</li> <li>A. Yes.</li> </ul>	2 3 4 5	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been
2 3 4 5 6	GAFKEN / McCULLOCH A. We had not thought through that detailed plan at that point, correct. Q. Mr. McCulloch, would you please turn to Cross-Exhibit MBM-48? A. Yes. Q. Do you recognize Cross-Exhibit MBM-48 as PSE's	2 3 4 5 6	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been answered.
2 3 4 5 6 7	GAFKEN / McCULLOCH <ul> <li>A. We had not thought through that detailed plan at that point, correct.</li> <li>Q. Mr. McCulloch, would you please turn to</li> <li>Cross-Exhibit MBM-48?</li> <li>A. Yes.</li> <li>Q. Do you recognize Cross-Exhibit MBM-48 as PSE's</li> <li>Response to Public Counsel Data Request Number 27?</li> </ul>	2 3 4 5 6 7	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been answered. JUDGE KOPTA: I don't believe it has been
2 3 4 5 6 7 8	GAFKEN / McCULLOCH A. We had not thought through that detailed plan at that point, correct. Q. Mr. McCulloch, would you please turn to Cross-Exhibit MBM-48? A. Yes. Q. Do you recognize Cross-Exhibit MBM-48 as PSE's Response to Public Counsel Data Request Number 27? A. I do.	2 3 4 5 6 7 8	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been answered. JUDGE KOPTA: I don't believe it has been answered either.
2 3 4 5 6 7	GAFKEN / McCULLOCH A. We had not thought through that detailed plan at that point, correct. Q. Mr. McCulloch, would you please turn to Cross-Exhibit MBM-48? A. Yes. Q. Do you recognize Cross-Exhibit MBM-48 as PSE's Response to Public Counsel Data Request Number 27? A. I do. Q. With respect to equipment that is removed from	2 3 4 5 6 7 8 9	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been answered. JUDGE KOPTA: I don't believe it has been answered either. THE WITNESS: I believe we've accounted for
2 3 4 5 6 7 8	GAFKEN / McCULLOCH A. We had not thought through that detailed plan at that point, correct. Q. Mr. McCulloch, would you please turn to Cross-Exhibit MBM-48? A. Yes. Q. Do you recognize Cross-Exhibit MBM-48 as PSE's Response to Public Counsel Data Request Number 27? A. I do. Q. With respect to equipment that is removed from customer premises before the useful life is exhausted,	2 3 4 5 6 7 8	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been answered. JUDGE KOPTA: I don't believe it has been answered either. THE WITNESS: I believe we've accounted for the default, case of default, and that to my knowledge
2 3 4 5 6 7 8 9	GAFKEN / McCULLOCH A. We had not thought through that detailed plan at that point, correct. Q. Mr. McCulloch, would you please turn to Cross-Exhibit MBM-48? A. Yes. Q. Do you recognize Cross-Exhibit MBM-48 as PSE's Response to Public Counsel Data Request Number 27? A. I do. Q. With respect to equipment that is removed from customer premises before the useful life is exhausted, has PSE undertaken any analysis to evaluate what	2 3 4 5 6 7 8 9	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been answered. JUDGE KOPTA: I don't believe it has been answered either. THE WITNESS: I believe we've accounted for the default, case of default, and that to my knowledge is a situation where we would see this exercise being
2 3 4 5 6 7 8 9	GAFKEN / McCULLOCH A. We had not thought through that detailed plan at that point, correct. Q. Mr. McCulloch, would you please turn to Cross-Exhibit MBM-48? A. Yes. Q. Do you recognize Cross-Exhibit MBM-48 as PSE's Response to Public Counsel Data Request Number 27? A. I do. Q. With respect to equipment that is removed from customer premises before the useful life is exhausted,	2 3 4 5 6 7 8 9 10	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been answered. JUDGE KOPTA: I don't believe it has been answered either. THE WITNESS: I believe we've accounted for the default, case of default, and that to my knowledge
2 3 4 5 6 7 8 9 10 11	GAFKEN / McCULLOCH A. We had not thought through that detailed plan at that point, correct. Q. Mr. McCulloch, would you please turn to Cross-Exhibit MBM-48? A. Yes. Q. Do you recognize Cross-Exhibit MBM-48 as PSE's Response to Public Counsel Data Request Number 27? A. I do. Q. With respect to equipment that is removed from customer premises before the useful life is exhausted, has PSE undertaken any analysis to evaluate what	2 3 4 5 6 7 8 9 10 11	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been answered. JUDGE KOPTA: I don't believe it has been answered either. THE WITNESS: I believe we've accounted for the default, case of default, and that to my knowledge is a situation where we would see this exercise being
2 3 4 5 6 7 8 9 10 11 12	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. We had not thought through that detailed plan at that point, correct.</li> <li>Q. Mr. McCulloch, would you please turn to</li> <li>Cross-Exhibit MBM-48?</li> <li>A. Yes.</li> <li>Q. Do you recognize Cross-Exhibit MBM-48 as PSE's</li> <li>Response to Public Counsel Data Request Number 27?</li> <li>A. I do.</li> <li>Q. With respect to equipment that is removed from customer premises before the useful life is exhausted, has PSE undertaken any analysis to evaluate what percentage of equipment might fall into this category?</li> <li>A. We've not undertaken analysis specifically of</li> </ul>	2 3 4 5 6 7 8 9 10 11 12	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been answered. JUDGE KOPTA: I don't believe it has been answered either. THE WITNESS: I believe we've accounted for the default, case of default, and that to my knowledge is a situation where we would see this exercise being put forward.
2 3 4 5 6 7 8 9 10 11 12 13	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. We had not thought through that detailed plan at that point, correct.</li> <li>Q. Mr. McCulloch, would you please turn to</li> <li>Cross-Exhibit MBM-48?</li> <li>A. Yes.</li> <li>Q. Do you recognize Cross-Exhibit MBM-48 as PSE's</li> <li>Response to Public Counsel Data Request Number 27?</li> <li>A. I do.</li> <li>Q. With respect to equipment that is removed from customer premises before the useful life is exhausted, has PSE undertaken any analysis to evaluate what percentage of equipment might fall into this category?</li> <li>A. We've not undertaken analysis specifically of</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been answered. JUDGE KOPTA: I don't believe it has been answered either. THE WITNESS: I believe we've accounted for the default, case of default, and that to my knowledge is a situation where we would see this exercise being put forward. BY MS. GAFKEN:
2 3 4 5 6 7 8 9 10 11 12 13 14	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. We had not thought through that detailed plan at that point, correct.</li> <li>Q. Mr. McCulloch, would you please turn to</li> <li>Cross-Exhibit MBM-48?</li> <li>A. Yes.</li> <li>Q. Do you recognize Cross-Exhibit MBM-48 as PSE's</li> <li>Response to Public Counsel Data Request Number 27?</li> <li>A. I do.</li> <li>Q. With respect to equipment that is removed from customer premises before the useful life is exhausted, has PSE undertaken any analysis to evaluate what percentage of equipment might fall into this category?</li> <li>A. We've not undertaken analysis specifically of the equipment that would be removed at its end of useful life, other than all the leases that we have put in our</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been answered. JUDGE KOPTA: I don't believe it has been answered either. THE WITNESS: I believe we've accounted for the default, case of default, and that to my knowledge is a situation where we would see this exercise being put forward. BY MS. GAFKEN: Q. Has PSE estimated a dollar amount associated
2 3 4 5 6 7 8 9 10 11 12 13 14 15	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. We had not thought through that detailed plan at that point, correct.</li> <li>Q. Mr. McCulloch, would you please turn to</li> <li>Cross-Exhibit MBM-48?</li> <li>A. Yes.</li> <li>Q. Do you recognize Cross-Exhibit MBM-48 as PSE's</li> <li>Response to Public Counsel Data Request Number 27?</li> <li>A. I do.</li> <li>Q. With respect to equipment that is removed from customer premises before the useful life is exhausted, has PSE undertaken any analysis to evaluate what percentage of equipment might fall into this category?</li> <li>A. We've not undertaken analysis specifically of the equipment that would be removed at its end of useful</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been answered. JUDGE KOPTA: I don't believe it has been answered either. THE WITNESS: I believe we've accounted for the default, case of default, and that to my knowledge is a situation where we would see this exercise being put forward. BY MS. GAFKEN: Q. Has PSE estimated a dollar amount associated with defaults?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. We had not thought through that detailed plan at that point, correct.</li> <li>Q. Mr. McCulloch, would you please turn to Cross-Exhibit MBM-48?</li> <li>A. Yes.</li> <li>Q. Do you recognize Cross-Exhibit MBM-48 as PSE's Response to Public Counsel Data Request Number 27?</li> <li>A. I do.</li> <li>Q. With respect to equipment that is removed from customer premises before the useful life is exhausted, has PSE undertaken any analysis to evaluate what percentage of equipment might fall into this category?</li> <li>A. We've not undertaken analysis specifically of the equipment that would be removed at its end of useful life, other than all the leases that we have put in our market assessment will at some point have an end of life, unlike today's service.</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been answered. JUDGE KOPTA: I don't believe it has been answered either. THE WITNESS: I believe we've accounted for the default, case of default, and that to my knowledge is a situation where we would see this exercise being put forward. BY MS. GAFKEN: Q. Has PSE estimated a dollar amount associated with defaults? A. There is a cost associated to default in the pricing, correct.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. We had not thought through that detailed plan at that point, correct.</li> <li>Q. Mr. McCulloch, would you please turn to Cross-Exhibit MBM-48?</li> <li>A. Yes.</li> <li>Q. Do you recognize Cross-Exhibit MBM-48 as PSE's Response to Public Counsel Data Request Number 27?</li> <li>A. I do.</li> <li>Q. With respect to equipment that is removed from customer premises before the useful life is exhausted, has PSE undertaken any analysis to evaluate what percentage of equipment might fall into this category?</li> <li>A. We've not undertaken analysis specifically of the equipment that would be removed at its end of useful life, other than all the leases that we have put in our market assessment will at some point have an end of life, unlike today's service.</li> <li>Q. Let me back up just a little bit, because my</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been answered. JUDGE KOPTA: I don't believe it has been answered either. THE WITNESS: I believe we've accounted for the default, case of default, and that to my knowledge is a situation where we would see this exercise being put forward. BY MS. GAFKEN: Q. Has PSE estimated a dollar amount associated with defaults? A. There is a cost associated to default in the pricing, correct. Q. At this time, is PSE assuming that equipment
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. We had not thought through that detailed plan at that point, correct.</li> <li>Q. Mr. McCulloch, would you please turn to</li> <li>Cross-Exhibit MBM-48?</li> <li>A. Yes.</li> <li>Q. Do you recognize Cross-Exhibit MBM-48 as PSE's</li> <li>Response to Public Counsel Data Request Number 27?</li> <li>A. I do.</li> <li>Q. With respect to equipment that is removed from customer premises before the useful life is exhausted, has PSE undertaken any analysis to evaluate what percentage of equipment might fall into this category?</li> <li>A. We've not undertaken analysis specifically of the equipment that would be removed at its end of useful life, other than all the leases that we have put in our market assessment will at some point have an end of life, unlike today's service.</li> <li>Q. Let me back up just a little bit, because my question was, so for equipment that might be removed</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been answered. JUDGE KOPTA: I don't believe it has been answered either. THE WITNESS: I believe we've accounted for the default, case of default, and that to my knowledge is a situation where we would see this exercise being put forward. BY MS. GAFKEN: Q. Has PSE estimated a dollar amount associated with defaults? A. There is a cost associated to default in the pricing, correct. Q. At this time, is PSE assuming that equipment that is removed from a customer's premises before the
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. We had not thought through that detailed plan at that point, correct.</li> <li>Q. Mr. McCulloch, would you please turn to Cross-Exhibit MBM-48?</li> <li>A. Yes.</li> <li>Q. Do you recognize Cross-Exhibit MBM-48 as PSE's Response to Public Counsel Data Request Number 27?</li> <li>A. I do.</li> <li>Q. With respect to equipment that is removed from customer premises before the useful life is exhausted, has PSE undertaken any analysis to evaluate what percentage of equipment might fall into this category?</li> <li>A. We've not undertaken analysis specifically of the equipment that would be removed at its end of useful life, other than all the leases that we have put in our market assessment will at some point have an end of life, unlike today's service.</li> <li>Q. Let me back up just a little bit, because my question was, so for equipment that might be removed prior to the end of life</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been answered. JUDGE KOPTA: I don't believe it has been answered either. THE WITNESS: I believe we've accounted for the default, case of default, and that to my knowledge is a situation where we would see this exercise being put forward. BY MS. GAFKEN: Q. Has PSE estimated a dollar amount associated with defaults? A. There is a cost associated to default in the pricing, correct. Q. At this time, is PSE assuming that equipment that is removed from a customer's premises before the useful life is exhausted will be disposed of or
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. We had not thought through that detailed plan at that point, correct.</li> <li>Q. Mr. McCulloch, would you please turn to Cross-Exhibit MBM-48?</li> <li>A. Yes.</li> <li>Q. Do you recognize Cross-Exhibit MBM-48 as PSE's Response to Public Counsel Data Request Number 27?</li> <li>A. I do.</li> <li>Q. With respect to equipment that is removed from customer premises before the useful life is exhausted, has PSE undertaken any analysis to evaluate what percentage of equipment might fall into this category?</li> <li>A. We've not undertaken analysis specifically of the equipment that would be removed at its end of useful life, other than all the leases that we have put in our market assessment will at some point have an end of life, unlike today's service.</li> <li>Q. Let me back up just a little bit, because my question was, so for equipment that might be removed prior to the end of life A. Sure.</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been answered. JUDGE KOPTA: I don't believe it has been answered either. THE WITNESS: I believe we've accounted for the default, case of default, and that to my knowledge is a situation where we would see this exercise being put forward. BY MS. GAFKEN: Q. Has PSE estimated a dollar amount associated with defaults? A. There is a cost associated to default in the pricing, correct. Q. At this time, is PSE assuming that equipment that is removed from a customer's premises before the useful life is exhausted will be disposed of or recycled?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. We had not thought through that detailed plan at that point, correct.</li> <li>Q. Mr. McCulloch, would you please turn to Cross-Exhibit MBM-48?</li> <li>A. Yes.</li> <li>Q. Do you recognize Cross-Exhibit MBM-48 as PSE's Response to Public Counsel Data Request Number 27?</li> <li>A. I do.</li> <li>Q. With respect to equipment that is removed from customer premises before the useful life is exhausted, has PSE undertaken any analysis to evaluate what percentage of equipment might fall into this category?</li> <li>A. We've not undertaken analysis specifically of the equipment that would be removed at its end of useful life, other than all the leases that we have put in our market assessment will at some point have an end of life, unlike today's service.</li> <li>Q. Let me back up just a little bit, because my question was, so for equipment that might be removed prior to the end of life A. Sure.</li> <li>Q either there's a default or there's a lot of</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been answered. JUDGE KOPTA: I don't believe it has been answered either. THE WITNESS: I believe we've accounted for the default, case of default, and that to my knowledge is a situation where we would see this exercise being put forward. BY MS. GAFKEN: Q. Has PSE estimated a dollar amount associated with defaults? A. There is a cost associated to default in the pricing, correct. Q. At this time, is PSE assuming that equipment that is removed from a customer's premises before the useful life is exhausted will be disposed of or recycled? A. It will be disposed of and recycled, correct.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. We had not thought through that detailed plan at that point, correct.</li> <li>Q. Mr. McCulloch, would you please turn to Cross-Exhibit MBM-48?</li> <li>A. Yes.</li> <li>Q. Do you recognize Cross-Exhibit MBM-48 as PSE's Response to Public Counsel Data Request Number 27?</li> <li>A. I do.</li> <li>Q. With respect to equipment that is removed from customer premises before the useful life is exhausted, has PSE undertaken any analysis to evaluate what percentage of equipment might fall into this category?</li> <li>A. We've not undertaken analysis specifically of the equipment that would be removed at its end of useful life, other than all the leases that we have put in our market assessment will at some point have an end of life, unlike today's service.</li> <li>Q. Let me back up just a little bit, because my question was, so for equipment that might be removed prior to the end of life <ul> <li>A. Sure.</li> <li>Q either there's a default or there's a lot of different reasons why this might happen, my question is</li> </ul> </li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been answered. JUDGE KOPTA: I don't believe it has been answered either. THE WITNESS: I believe we've accounted for the default, case of default, and that to my knowledge is a situation where we would see this exercise being put forward. BY MS. GAFKEN: Q. Has PSE estimated a dollar amount associated with defaults? A. There is a cost associated to default in the pricing, correct. Q. At this time, is PSE assuming that equipment that is removed from a customer's premises before the useful life is exhausted will be disposed of or recycled? A. It will be disposed of and recycled, correct. Q. And PSE's response in Cross-Exhibit MBM-48
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>GAFKEN / McCULLOCH</li> <li>A. We had not thought through that detailed plan at that point, correct.</li> <li>Q. Mr. McCulloch, would you please turn to Cross-Exhibit MBM-48?</li> <li>A. Yes.</li> <li>Q. Do you recognize Cross-Exhibit MBM-48 as PSE's Response to Public Counsel Data Request Number 27?</li> <li>A. I do.</li> <li>Q. With respect to equipment that is removed from customer premises before the useful life is exhausted, has PSE undertaken any analysis to evaluate what percentage of equipment might fall into this category?</li> <li>A. We've not undertaken analysis specifically of the equipment that would be removed at its end of useful life, other than all the leases that we have put in our market assessment will at some point have an end of life, unlike today's service.</li> <li>Q. Let me back up just a little bit, because my question was, so for equipment that might be removed prior to the end of life</li> <li>A. Sure.</li> <li>Q either there's a default or there's a lot of different reasons why this might happen, my question is whether PSE has done any analysis to evaluate what</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GAFKEN / McCULLOCH Mr. McCulloch, has PSE analyzed what percentage of leased equipment may be removed from a customer's premises before the end of its useful life? MS. CARSON: Objection; asked and answered. MS. GAFKEN: I don't believe it has been answered. JUDGE KOPTA: I don't believe it has been answered either. THE WITNESS: I believe we've accounted for the default, case of default, and that to my knowledge is a situation where we would see this exercise being put forward. BY MS. GAFKEN: Q. Has PSE estimated a dollar amount associated with defaults? A. There is a cost associated to default in the pricing, correct. Q. At this time, is PSE assuming that equipment that is removed from a customer's premises before the useful life is exhausted will be disposed of or recycled? A. It will be disposed of and recycled, correct.

	Page 247		Page 249
	FARUQUI		FARUQUI
1	been included in PSE's highly confidential pricing	1	But more to the point, it's interesting;
2	model. Is that still the case?	2	Puget Sound Energy and SMACNA are trying to prove the
3	A. The cost of disposal has not been included other	3	same point but for different reasons. We're both trying
4	than in the cost associated to default.	4	to say there's no lease market out there. And they make
5	MS. GAFKEN: Thank you; that concludes my	5	the point to say there's no lease market and, therefore,
б	questions.	6	there's a gap and we can fill it, and, therefore, we
7	JUDGE KOPTA: All right, thank you. It is	7	ought to get a regulatory approval to fill that gap.
8	now close to 3:15, our usual afternoon break time, so	8	We're saying that there's no lease market
9	this is an opportune time to take our break.	9	out there to show that there's no demand for a lease
10	MS. CARSON: Your Honor, we do have a	10	program in Washington or around the country.
11	witness with some time constraints, Dr. Faruqui, who is	11	Dr. Faruqui testified that he did, in
12	scheduled to be up next. He has a flight to catch and	12	preparation for his testimony, a literature survey of
13	needs to leave shortly after 4:00. There's very little	13	all of these issues of consumer issues, and then he
14	cross-examination for him, as I recall.	14	analyzed that.
15	MR. GOLTZ: There's even less than you	15	And our question was a very simple one. So
16	recall. I don't need to ask him any questions.	16	in all your literature survey, did you find anything
17	(A break was taken from	17	about a lease program for this that helped you educate
18	3:15 p.m. to 3:30 p.m.)	18	your testimony? Answer is no. I think that's relevant
19	JUDGE KOPTA: All right. Let's be back on	19	to that issue of whether there's a market gap and
20	the record. We're returning from our afternoon break,	20	whether there's really a demand for the service in the
21	and to accommodate witness schedules, we're going to	21	marketplace.
22	take up Dr. Faruqui at this point. We'll ask him to	22	JUDGE KOPTA: Mr. Steele?
23	stand and raise your right hand.	23	MR. STEELE: I mean, Dr. Faruqui's role in
24	AHMAD FARUQUI,	24	this case was not to analyze that specific issue. He
25	having been duly sworn, testified as follows:	25	was brought in to analyze the public benefits of PSE's
	Page 248		Page 250
	Page 248 FARUQUI		Page 250 FARUQUI
1		1	-
1	FARUQUI	1	FARUQUI
	FARUQUI JUDGE KOPTA: As I understand it, none of		FARUQUI leasing program. And so asking Dr. Faruqui about
2	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a	2 3	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't
2 3	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the	2 3	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public
2 3 4	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the record to which PSE objects.	2 3 4	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public benefits of PSE's proposed service.
2 3 4 5	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the record to which PSE objects. And at this point, I will let Mr. Steele, if	2 3 4 5	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public benefits of PSE's proposed service. And so again, I mean, as it relates to
2 3 4 5 6	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the record to which PSE objects. And at this point, I will let Mr. Steele, if you want to make that objection, we will hear that and	2 3 4 5 6	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public benefits of PSE's proposed service. And so again, I mean, as it relates to SMACNA, they were brought into this case because they
2 3 4 5 6 7	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the record to which PSE objects. And at this point, I will let Mr. Steele, if you want to make that objection, we will hear that and SMACNA's response.	2 3 4 5 6 7	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public benefits of PSE's proposed service. And so again, I mean, as it relates to SMACNA, they were brought into this case because they represented that they had specific market information as
2 3 4 5 6 7 8	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the record to which PSE objects. And at this point, I will let Mr. Steele, if you want to make that objection, we will hear that and SMACNA's response. MR. STEELE: PSE believes that this exhibit	2 3 4 5 6 7 8	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public benefits of PSE's proposed service. And so again, I mean, as it relates to SMACNA, they were brought into this case because they represented that they had specific market information as contractors. And as we've seen throughout this case,
2 3 4 5 6 7 8 9	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the record to which PSE objects. And at this point, I will let Mr. Steele, if you want to make that objection, we will hear that and SMACNA's response. MR. STEELE: PSE believes that this exhibit is beyond the scope of SMACNA's role in this case. As	2 3 4 5 6 7 8 9	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public benefits of PSE's proposed service. And so again, I mean, as it relates to SMACNA, they were brought into this case because they represented that they had specific market information as contractors. And as we've seen throughout this case, SMACNA has delved into all kinds of areas that PSE
2 3 4 5 6 7 8 9	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the record to which PSE objects. And at this point, I will let Mr. Steele, if you want to make that objection, we will hear that and SMACNA's response. MR. STEELE: PSE believes that this exhibit is beyond the scope of SMACNA's role in this case. As PSE understands, the Commission's prehearing conference,	2 3 4 5 6 7 8 9 10	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public benefits of PSE's proposed service. And so again, I mean, as it relates to SMACNA, they were brought into this case because they represented that they had specific market information as contractors. And as we've seen throughout this case, SMACNA has delved into all kinds of areas that PSE believes are beyond their role and their expertise as
2 3 4 5 6 7 8 9 10 11	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the record to which PSE objects. And at this point, I will let Mr. Steele, if you want to make that objection, we will hear that and SMACNA's response. MR. STEELE: PSE believes that this exhibit is beyond the scope of SMACNA's role in this case. As PSE understands, the Commission's prehearing conference, the role of the Intervenor was to provide market	2 3 4 5 6 7 8 9 10 11	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public benefits of PSE's proposed service. And so again, I mean, as it relates to SMACNA, they were brought into this case because they represented that they had specific market information as contractors. And as we've seen throughout this case, SMACNA has delved into all kinds of areas that PSE believes are beyond their role and their expertise as contractors in the marketplace. That's why they were
2 3 4 5 7 8 9 10 11 12	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the record to which PSE objects. And at this point, I will let Mr. Steele, if you want to make that objection, we will hear that and SMACNA's response. MR. STEELE: PSE believes that this exhibit is beyond the scope of SMACNA's role in this case. As PSE understands, the Commission's prehearing conference, the role of the Intervenor was to provide market information as to relates to market participants,	2 3 4 5 6 7 8 9 10 11 12	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public benefits of PSE's proposed service. And so again, I mean, as it relates to SMACNA, they were brought into this case because they represented that they had specific market information as contractors. And as we've seen throughout this case, SMACNA has delved into all kinds of areas that PSE believes are beyond their role and their expertise as contractors in the marketplace. That's why they were brought in.
2 3 4 5 6 7 8 9 10 11 12 13	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the record to which PSE objects. And at this point, I will let Mr. Steele, if you want to make that objection, we will hear that and SMACNA's response. MR. STEELE: PSE believes that this exhibit is beyond the scope of SMACNA's role in this case. As PSE understands, the Commission's prehearing conference, the role of the Intervenor was to provide market information as to relates to market participants, contractors in the marketplace.	2 3 4 5 6 7 8 9 10 11 12 13	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public benefits of PSE's proposed service. And so again, I mean, as it relates to SMACNA, they were brought into this case because they represented that they had specific market information as contractors. And as we've seen throughout this case, SMACNA has delved into all kinds of areas that PSE believes are beyond their role and their expertise as contractors in the marketplace. That's why they were brought in. Other issues I think Public Counsel and
2 3 4 5 6 7 8 9 10 11 12 13 14	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the record to which PSE objects. And at this point, I will let Mr. Steele, if you want to make that objection, we will hear that and SMACNA's response. MR. STEELE: PSE believes that this exhibit is beyond the scope of SMACNA's role in this case. As PSE understands, the Commission's prehearing conference, the role of the Intervenor was to provide market information as to relates to market participants, contractors in the marketplace. We believe that this exhibit and others goes	2 3 4 5 6 7 8 9 10 11 12 13 14	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public benefits of PSE's proposed service. And so again, I mean, as it relates to SMACNA, they were brought into this case because they represented that they had specific market information as contractors. And as we've seen throughout this case, SMACNA has delved into all kinds of areas that PSE believes are beyond their role and their expertise as contractors in the marketplace. That's why they were brought in. Other issues I think Public Counsel and Staff are more equipped to address and adequately have
2 3 4 5 6 7 8 9 10 11 12 13 14 15	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the record to which PSE objects. And at this point, I will let Mr. Steele, if you want to make that objection, we will hear that and SMACNA's response. MR. STEELE: PSE believes that this exhibit is beyond the scope of SMACNA's role in this case. As PSE understands, the Commission's prehearing conference, the role of the Intervenor was to provide market information as to relates to market participants, contractors in the marketplace. We believe that this exhibit and others goes beyond their role in this case, which was to provide	2 3 4 5 6 7 8 9 10 11 12 13 14 15	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public benefits of PSE's proposed service. And so again, I mean, as it relates to SMACNA, they were brought into this case because they represented that they had specific market information as contractors. And as we've seen throughout this case, SMACNA has delved into all kinds of areas that PSE believes are beyond their role and their expertise as contractors in the marketplace. That's why they were brought in. Other issues I think Public Counsel and Staff are more equipped to address and adequately have done so. SMACNA I don't think needs to delve into areas
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the record to which PSE objects. And at this point, I will let Mr. Steele, if you want to make that objection, we will hear that and SMACNA's response. MR. STEELE: PSE believes that this exhibit is beyond the scope of SMACNA's role in this case. As PSE understands, the Commission's prehearing conference, the role of the Intervenor was to provide market information as to relates to market participants, contractors in the marketplace. We believe that this exhibit and others goes beyond their role in this case, which was to provide which they offered market information to the Commission	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public benefits of PSE's proposed service. And so again, I mean, as it relates to SMACNA, they were brought into this case because they represented that they had specific market information as contractors. And as we've seen throughout this case, SMACNA has delved into all kinds of areas that PSE believes are beyond their role and their expertise as contractors in the marketplace. That's why they were brought in. Other issues I think Public Counsel and Staff are more equipped to address and adequately have done so. SMACNA I don't think needs to delve into areas that are beyond their role as contractors and
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the record to which PSE objects. And at this point, I will let Mr. Steele, if you want to make that objection, we will hear that and SMACNA's response. MR. STEELE: PSE believes that this exhibit is beyond the scope of SMACNA's role in this case. As PSE understands, the Commission's prehearing conference, the role of the Intervenor was to provide market information as to relates to market participants, contractors in the marketplace. We believe that this exhibit and others goes beyond their role in this case, which was to provide which they offered market information to the Commission to aid in the Commission's decision regarding the	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public benefits of PSE's proposed service. And so again, I mean, as it relates to SMACNA, they were brought into this case because they represented that they had specific market information as contractors. And as we've seen throughout this case, SMACNA has delved into all kinds of areas that PSE believes are beyond their role and their expertise as contractors in the marketplace. That's why they were brought in. Other issues I think Public Counsel and Staff are more equipped to address and adequately have done so. SMACNA I don't think needs to delve into areas that are beyond their role as contractors and participants in the marketplace.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the record to which PSE objects. And at this point, I will let Mr. Steele, if you want to make that objection, we will hear that and SMACNA's response. MR. STEELE: PSE believes that this exhibit is beyond the scope of SMACNA's role in this case. As PSE understands, the Commission's prehearing conference, the role of the Intervenor was to provide market information as to relates to market participants, contractors in the marketplace. We believe that this exhibit and others goes beyond their role in this case, which was to provide which they offered market information to the Commission to aid in the Commission's decision regarding the leasing service. And we believe that this goes beyond	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public benefits of PSE's proposed service. And so again, I mean, as it relates to SMACNA, they were brought into this case because they represented that they had specific market information as contractors. And as we've seen throughout this case, SMACNA has delved into all kinds of areas that PSE believes are beyond their role and their expertise as contractors in the marketplace. That's why they were brought in. Other issues I think Public Counsel and Staff are more equipped to address and adequately have done so. SMACNA I don't think needs to delve into areas that are beyond their role as contractors and participants in the marketplace. JUDGE KOPTA: Well, in this area, there's a
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the record to which PSE objects. And at this point, I will let Mr. Steele, if you want to make that objection, we will hear that and SMACNA's response. MR. STEELE: PSE believes that this exhibit is beyond the scope of SMACNA's role in this case. As PSE understands, the Commission's prehearing conference, the role of the Intervenor was to provide market information as to relates to market participants, contractors in the marketplace. We believe that this exhibit and others goes beyond their role in this case, which was to provide which they offered market information to the Commission to aid in the Commission's decision regarding the leasing service. And we believe that this goes beyond that.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public benefits of PSE's proposed service. And so again, I mean, as it relates to SMACNA, they were brought into this case because they represented that they had specific market information as contractors. And as we've seen throughout this case, SMACNA has delved into all kinds of areas that PSE believes are beyond their role and their expertise as contractors in the marketplace. That's why they were brought in. Other issues I think Public Counsel and Staff are more equipped to address and adequately have done so. SMACNA I don't think needs to delve into areas that are beyond their role as contractors and participants in the marketplace. JUDGE KOPTA: Well, in this area, there's a specific reference to Dr. Faruqui's testimony, and I
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the record to which PSE objects. And at this point, I will let Mr. Steele, if you want to make that objection, we will hear that and SMACNA's response. MR. STEELE: PSE believes that this exhibit is beyond the scope of SMACNA's role in this case. As PSE understands, the Commission's prehearing conference, the role of the Intervenor was to provide market information as to relates to market participants, contractors in the marketplace. We believe that this exhibit and others goes beyond their role in this case, which was to provide which they offered market information to the Commission to aid in the Commission's decision regarding the leasing service. And we believe that this goes beyond that. JUDGE KOPTA: Mr. Goltz?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public benefits of PSE's proposed service. And so again, I mean, as it relates to SMACNA, they were brought into this case because they represented that they had specific market information as contractors. And as we've seen throughout this case, SMACNA has delved into all kinds of areas that PSE believes are beyond their role and their expertise as contractors in the marketplace. That's why they were brought in. Other issues I think Public Counsel and Staff are more equipped to address and adequately have done so. SMACNA I don't think needs to delve into areas that are beyond their role as contractors and participants in the marketplace. JUDGE KOPTA: Well, in this area, there's a specific reference to Dr. Faruqui's testimony, and I think that there's an appropriate question. I don't see
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the record to which PSE objects. And at this point, I will let Mr. Steele, if you want to make that objection, we will hear that and SMACNA's response. MR. STEELE: PSE believes that this exhibit is beyond the scope of SMACNA's role in this case. As PSE understands, the Commission's prehearing conference, the role of the Intervenor was to provide market information as to relates to market participants, contractors in the marketplace. We believe that this exhibit and others goes beyond their role in this case, which was to provide which they offered market information to the Commission to aid in the Commission's decision regarding the leasing service. And we believe that this goes beyond that. JUDGE KOPTA: Mr. Goltz? MR. GOLTZ: First of all, minor point. They	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public benefits of PSE's proposed service. And so again, I mean, as it relates to SMACNA, they were brought into this case because they represented that they had specific market information as contractors. And as we've seen throughout this case, SMACNA has delved into all kinds of areas that PSE believes are beyond their role and their expertise as contractors in the marketplace. That's why they were brought in. Other issues I think Public Counsel and Staff are more equipped to address and adequately have done so. SMACNA I don't think needs to delve into areas that are beyond their role as contractors and participants in the marketplace. JUDGE KOPTA: Well, in this area, there's a specific reference to Dr. Faruqui's testimony, and I think that there's an appropriate question. I don't see it as being beyond the scope, as Mr. Goltz explained.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the record to which PSE objects. And at this point, I will let Mr. Steele, if you want to make that objection, we will hear that and SMACNA's response. MR. STEELE: PSE believes that this exhibit is beyond the scope of SMACNA's role in this case. As PSE understands, the Commission's prehearing conference, the role of the Intervenor was to provide market information as to relates to market participants, contractors in the marketplace. We believe that this exhibit and others goes beyond their role in this case, which was to provide which they offered market information to the Commission to aid in the Commission's decision regarding the leasing service. And we believe that this goes beyond that. JUDGE KOPTA: Mr. Goltz? MR. GOLTZ: First of all, minor point. They charged various Data Requests that we had lots of	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public benefits of PSE's proposed service. And so again, I mean, as it relates to SMACNA, they were brought into this case because they represented that they had specific market information as contractors. And as we've seen throughout this case, SMACNA has delved into all kinds of areas that PSE believes are beyond their role and their expertise as contractors in the marketplace. That's why they were brought in. Other issues I think Public Counsel and Staff are more equipped to address and adequately have done so. SMACNA I don't think needs to delve into areas that are beyond their role as contractors and participants in the marketplace. JUDGE KOPTA: Well, in this area, there's a specific reference to Dr. Faruqui's testimony, and I think that there's an appropriate question. I don't see it as being beyond the scope, as Mr. Goltz explained. They are here as a participant in the market
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	FARUQUI JUDGE KOPTA: As I understand it, none of the parties have cross for Dr. Faruqui, but SMACNA has a cross-exhibit that they would like entered into the record to which PSE objects. And at this point, I will let Mr. Steele, if you want to make that objection, we will hear that and SMACNA's response. MR. STEELE: PSE believes that this exhibit is beyond the scope of SMACNA's role in this case. As PSE understands, the Commission's prehearing conference, the role of the Intervenor was to provide market information as to relates to market participants, contractors in the marketplace. We believe that this exhibit and others goes beyond their role in this case, which was to provide which they offered market information to the Commission to aid in the Commission's decision regarding the leasing service. And we believe that this goes beyond that. JUDGE KOPTA: Mr. Goltz? MR. GOLTZ: First of all, minor point. They charged various Data Requests that we had lots of objections about outside of scope, as Mr. Steele	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	FARUQUI leasing program. And so asking Dr. Faruqui about whether he analyzed other lease programs, that wasn't his role in this case, it was to analyze the public benefits of PSE's proposed service. And so again, I mean, as it relates to SMACNA, they were brought into this case because they represented that they had specific market information as contractors. And as we've seen throughout this case, SMACNA has delved into all kinds of areas that PSE believes are beyond their role and their expertise as contractors in the marketplace. That's why they were brought in. Other issues I think Public Counsel and Staff are more equipped to address and adequately have done so. SMACNA I don't think needs to delve into areas that are beyond their role as contractors and participants in the marketplace. JUDGE KOPTA: Well, in this area, there's a specific reference to Dr. Faruqui's testimony, and I think that there's an appropriate question. I don't see it as being beyond the scope, as Mr. Goltz explained. They are here as a participant in the market to give the Commission their perspective on the market

	CKCL1403. OE-10107 1 AND OC-101072 - VOI. III		
	Page 251 FARUQUI		Page 253 FARUQUI
1	intervention that I granted to them back at the	1	COMMISSIONER JONES: And you have developed
2	prehearing conference. So I will overrule the objection	2	a Proprietary Model, I think which is in AF-5HC, called
3	and admit this exhibit.	3	the Societal Benefits the Public Benefits Model that
4	So Dr. Faruqui's Exhibits AF-1T through	4	describes in great detail some of the benefits, the
5	AF-5HC have already been admitted; AF-6 has just been	5	public benefits of this specific tariff, right?
б	admitted. None of the parties have cross-examination	6	THE WITNESS: That's right. The model is
7	for him, but Commissioner Jones has a few questions, so	7	designed to look at the benefits of the specific tariff
8	I will turn to him at this point.	8	as opposed to looking at the alternatives that the
9	COMMISSIONER JONES: Good afternoon,	9	customer would have, like doing their own purchase or
10	Dr. Faruqui.	10	getting it financed with a third party.
11	THE WITNESS: Good afternoon.	11	Those are the options that people can avail
12	COMMISSIONER JONES: It's good to see you in	12	themselves of even today. Then comes the Lease
13	another context. I'm used to seeing you at meetings	13	Solutions. So the model says, okay, if the world was to
14	talking about time-of-use pricing, dynamic pricing.	14	change from the way it is today and the Lease Solutions
15	THE WITNESS: Indeed, indeed.	15	was to be introduced, then what would be the incremental
16	COMMISSIONER JONES: Following up on	16	benefits to society of having some customers buy into
17	Mr. Goltz's point, have you been involved in other state	17	the Lease Solutions concept.
18	commissions on Lease Solutions-type rate-making or is it	18	COMMISSIONER JONES: So on Lines 14 and 15
19	mainly on dynamic pricing, rate design issues?	19	you say, "Any deviations from PSE's pricing assumptions,
20	THE WITNESS: So I've been involved in a lot	20	leading to under-recovery of revenue, will be borne by
21	of rate issues sorry. Can you hear me now?	21	PSE's shareholders, not their customers."
22	I've been involved in a variety of	22	THE WITNESS: I must apologize. I can't
23	tariff-related issues, including tariffs for, for	23	seem to detect that language. Was that Page 16?
24	example, net energy metering issues and distributed	24	COMMISSIONER JONES: You should be on your
25	generation issues, so in that broad variety of tariffs.	25	rebuttal; at least on mine, it's Lines 14 and 15 on
	Page 252		Page 254
			r aye 204
	FARUQUI		FARUQUI
1	FARUQUI	1	FARUQUI
1	FARUQUI And some of them are end-use-specific like tariffs for	1	FARUQUI Page 16.
2	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work	2	FARUQUI Page 16. THE WITNESS: I think there was variance in
	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years.		FARUQUI Page 16. THE WITNESS: I think there was variance in the versions.
2 3 4	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not	2 3 4	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine.
2 3 4 5	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not going to take up too much time because I know you have	2 3 4 5	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine. THE WITNESS: Yes, "Any deviations from
2 3 4	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not going to take up too much time because I know you have to catch your plane back to San Francisco.	2 3 4	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine. THE WITNESS: Yes, "Any deviations from PSE's pricing"
2 3 4 5 6 7	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not going to take up too much time because I know you have to catch your plane back to San Francisco. So if you could turn to your testimony. I'm	2 3 4 5 6 7	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine. THE WITNESS: Yes, "Any deviations from PSE's pricing" COMMISSIONER JONES: So explain that to me.
2 3 4 5 6	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not going to take up too much time because I know you have to catch your plane back to San Francisco. So if you could turn to your testimony. I'm going to be focusing on Section 3, Pages 16 through 19.	2 3 4 5 6	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine. THE WITNESS: Yes, "Any deviations from PSE's pricing" COMMISSIONER JONES: So explain that to me. I have a difficult this service is going to be
2 3 4 5 6 7 8	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not going to take up too much time because I know you have to catch your plane back to San Francisco. So if you could turn to your testimony. I'm going to be focusing on Section 3, Pages 16 through 19. If you could turn to Page 16.	2 3 4 5 6 7 8	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine. THE WITNESS: Yes, "Any deviations from PSE's pricing" COMMISSIONER JONES: So explain that to me. I have a difficult this service is going to be offered as a regulated service, not an unregulated
2 3 4 5 6 7 8 9	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not going to take up too much time because I know you have to catch your plane back to San Francisco. So if you could turn to your testimony. I'm going to be focusing on Section 3, Pages 16 through 19. If you could turn to Page 16. THE WITNESS: Direct testimony, Page 16.	2 3 4 5 6 7 8 9	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine. THE WITNESS: Yes, "Any deviations from PSE's pricing" COMMISSIONER JONES: So explain that to me. I have a difficult this service is going to be offered as a regulated service, not an unregulated service; right?
2 3 4 5 7 8 9	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not going to take up too much time because I know you have to catch your plane back to San Francisco. So if you could turn to your testimony. I'm going to be focusing on Section 3, Pages 16 through 19. If you could turn to Page 16.	2 3 4 5 6 7 8 9 10	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine. THE WITNESS: Yes, "Any deviations from PSE's pricing" COMMISSIONER JONES: So explain that to me. I have a difficult this service is going to be offered as a regulated service, not an unregulated service; right? THE WITNESS: Correct.
2 3 4 5 6 7 8 9 10 11	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not going to take up too much time because I know you have to catch your plane back to San Francisco. So if you could turn to your testimony. I'm going to be focusing on Section 3, Pages 16 through 19. If you could turn to Page 16. THE WITNESS: Direct testimony, Page 16. COMMISSIONER JONES: Correct. That is AF-4T.	2 3 4 5 6 7 8 9 10 11	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine. THE WITNESS: Yes, "Any deviations from PSE's pricing" COMMISSIONER JONES: So explain that to me. I have a difficult this service is going to be offered as a regulated service, not an unregulated service; right? THE WITNESS: Correct. COMMISSIONER JONES: Under an unregulated
2 3 4 5 6 7 8 9 10 11 12	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not going to take up too much time because I know you have to catch your plane back to San Francisco. So if you could turn to your testimony. I'm going to be focusing on Section 3, Pages 16 through 19. If you could turn to Page 16. THE WITNESS: Direct testimony, Page 16. COMMISSIONER JONES: Correct. That is	2 3 4 5 6 7 8 9 10 11 12	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine. THE WITNESS: Yes, "Any deviations from PSE's pricing" COMMISSIONER JONES: So explain that to me. I have a difficult this service is going to be offered as a regulated service, not an unregulated service; right? THE WITNESS: Correct.
2 3 4 5 6 7 8 9 10 11 12 13	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not going to take up too much time because I know you have to catch your plane back to San Francisco. So if you could turn to your testimony. I'm going to be focusing on Section 3, Pages 16 through 19. If you could turn to Page 16. THE WITNESS: Direct testimony, Page 16. COMMISSIONER JONES: Correct. That is AF-4T. JUDGE KOPTA: That will be your rebuttal testimony.	2 3 4 5 6 7 8 9 10 11 12 13	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine. THE WITNESS: Yes, "Any deviations from PSE's pricing" COMMISSIONER JONES: So explain that to me. I have a difficult this service is going to be offered as a regulated service, not an unregulated service; right? THE WITNESS: Correct. COMMISSIONER JONES: Under an unregulated service, in general, the shareholders would bear the risk of pricing deviations in market acceptance and
2 3 4 5 6 7 8 9 10 11 12 13 14	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not going to take up too much time because I know you have to catch your plane back to San Francisco. So if you could turn to your testimony. I'm going to be focusing on Section 3, Pages 16 through 19. If you could turn to Page 16. THE WITNESS: Direct testimony, Page 16. COMMISSIONER JONES: Correct. That is AF-4T. JUDGE KOPTA: That will be your rebuttal	2 3 4 5 6 7 8 9 10 11 12 13 14	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine. THE WITNESS: Yes, "Any deviations from PSE's pricing" COMMISSIONER JONES: So explain that to me. I have a difficult this service is going to be offered as a regulated service, not an unregulated service; right? THE WITNESS: Correct. COMMISSIONER JONES: Under an unregulated service, in general, the shareholders would bear the
2 3 4 5 6 7 8 9 10 11 12 13 14 15	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not going to take up too much time because I know you have to catch your plane back to San Francisco. So if you could turn to your testimony. I'm going to be focusing on Section 3, Pages 16 through 19. If you could turn to Page 16. THE WITNESS: Direct testimony, Page 16. COMMISSIONER JONES: Correct. That is AF-4T. JUDGE KOPTA: That will be your rebuttal testimony. COMMISSIONER JONES: Excuse me, your rebuttal.	2 3 4 5 6 7 8 9 10 11 12 13 14 15	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine. THE WITNESS: Yes, "Any deviations from PSE's pricing" COMMISSIONER JONES: So explain that to me. I have a difficult this service is going to be offered as a regulated service, not an unregulated service; right? THE WITNESS: Correct. COMMISSIONER JONES: Under an unregulated service, in general, the shareholders would bear the risk of pricing deviations in market acceptance and things like that. Under regulated service, I don't understand how PSE shareholders bear much risk from
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not going to take up too much time because I know you have to catch your plane back to San Francisco. So if you could turn to your testimony. I'm going to be focusing on Section 3, Pages 16 through 19. If you could turn to Page 16. THE WITNESS: Direct testimony, Page 16. COMMISSIONER JONES: Correct. That is AF-4T. JUDGE KOPTA: That will be your rebuttal testimony. COMMISSIONER JONES: Excuse me, your	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine. THE WITNESS: Yes, "Any deviations from PSE's pricing" COMMISSIONER JONES: So explain that to me. I have a difficult this service is going to be offered as a regulated service, not an unregulated service; right? THE WITNESS: Correct. COMMISSIONER JONES: Under an unregulated service, in general, the shareholders would bear the risk of pricing deviations in market acceptance and things like that. Under regulated service, I don't
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not going to take up too much time because I know you have to catch your plane back to San Francisco. So if you could turn to your testimony. I'm going to be focusing on Section 3, Pages 16 through 19. If you could turn to Page 16. THE WITNESS: Direct testimony, Page 16. COMMISSIONER JONES: Correct. That is AF-4T. JUDGE KOPTA: That will be your rebuttal testimony. COMMISSIONER JONES: Excuse me, your rebuttal. THE WITNESS: My rebuttal, thank you.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine. THE WITNESS: Yes, "Any deviations from PSE's pricing" COMMISSIONER JONES: So explain that to me. I have a difficult this service is going to be offered as a regulated service, not an unregulated service; right? THE WITNESS: Correct. COMMISSIONER JONES: Under an unregulated service, in general, the shareholders would bear the risk of pricing deviations in market acceptance and things like that. Under regulated service, I don't understand how PSE shareholders bear much risk from pricing deviations.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not going to take up too much time because I know you have to catch your plane back to San Francisco. So if you could turn to your testimony. I'm going to be focusing on Section 3, Pages 16 through 19. If you could turn to Page 16. THE WITNESS: Direct testimony, Page 16. COMMISSIONER JONES: Correct. That is AF-4T. JUDGE KOPTA: That will be your rebuttal testimony. COMMISSIONER JONES: Excuse me, your rebuttal. THE WITNESS: My rebuttal, thank you. COMMISSION JONES: Tell me when you're	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine. THE WITNESS: Yes, "Any deviations from PSE's pricing" COMMISSIONER JONES: So explain that to me. I have a difficult this service is going to be offered as a regulated service, not an unregulated service; right? THE WITNESS: Correct. COMMISSIONER JONES: Under an unregulated service, in general, the shareholders would bear the risk of pricing deviations in market acceptance and things like that. Under regulated service, I don't understand how PSE shareholders bear much risk from pricing deviations. THE WITNESS: So this is a design feature
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not going to take up too much time because I know you have to catch your plane back to San Francisco. So if you could turn to your testimony. I'm going to be focusing on Section 3, Pages 16 through 19. If you could turn to Page 16. THE WITNESS: Direct testimony, Page 16. COMMISSIONER JONES: Correct. That is AF-4T. JUDGE KOPTA: That will be your rebuttal testimony. COMMISSIONER JONES: Excuse me, your rebuttal. THE WITNESS: My rebuttal, thank you. COMMISSION JONES: Tell me when you're there.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine. THE WITNESS: Yes, "Any deviations from PSE's pricing" COMMISSIONER JONES: So explain that to me. I have a difficult this service is going to be offered as a regulated service, not an unregulated service; right? THE WITNESS: Correct. COMMISSIONER JONES: Under an unregulated service, in general, the shareholders would bear the risk of pricing deviations in market acceptance and things like that. Under regulated service, I don't understand how PSE shareholders bear much risk from pricing deviations. THE WITNESS: So this is a design feature that, my understanding, has been built into the tariff
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not going to take up too much time because I know you have to catch your plane back to San Francisco. So if you could turn to your testimony. I'm going to be focusing on Section 3, Pages 16 through 19. If you could turn to Page 16. THE WITNESS: Direct testimony, Page 16. COMMISSIONER JONES: Correct. That is AF-4T. JUDGE KOPTA: That will be your rebuttal testimony. COMMISSIONER JONES: Excuse me, your rebuttal. THE WITNESS: My rebuttal, thank you. COMMISSION JONES: Tell me when you're there. THE WITNESS: I am on Page 16 through 31.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine. THE WITNESS: Yes, "Any deviations from PSE's pricing" COMMISSIONER JONES: So explain that to me. I have a difficult this service is going to be offered as a regulated service, not an unregulated service; right? THE WITNESS: Correct. COMMISSIONER JONES: Under an unregulated service, in general, the shareholders would bear the risk of pricing deviations in market acceptance and things like that. Under regulated service, I don't understand how PSE shareholders bear much risk from pricing deviations. THE WITNESS: So this is a design feature that, my understanding, has been built into the tariff design, the design to recover the revenues based on the
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not going to take up too much time because I know you have to catch your plane back to San Francisco. So if you could turn to your testimony. I'm going to be focusing on Section 3, Pages 16 through 19. If you could turn to Page 16. THE WITNESS: Direct testimony, Page 16. COMMISSIONER JONES: Correct. That is AF-4T. JUDGE KOPTA: That will be your rebuttal testimony. COMMISSIONER JONES: Excuse me, your rebuttal. THE WITNESS: My rebuttal, thank you. COMMISSION JONES: Tell me when you're there. THE WITNESS: I am on Page 16 through 31. COMMISSIONER JONES: I'm going to be	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine. THE WITNESS: Yes, "Any deviations from PSE's pricing" COMMISSIONER JONES: So explain that to me. I have a difficult this service is going to be offered as a regulated service, not an unregulated service; right? THE WITNESS: Correct. COMMISSIONER JONES: Under an unregulated service, in general, the shareholders would bear the risk of pricing deviations in market acceptance and things like that. Under regulated service, I don't understand how PSE shareholders bear much risk from pricing deviations. THE WITNESS: So this is a design feature that, my understanding, has been built into the tariff design, the design to recover the revenues based on the cost projections. And the customers who are
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not going to take up too much time because I know you have to catch your plane back to San Francisco. So if you could turn to your testimony. I'm going to be focusing on Section 3, Pages 16 through 19. If you could turn to Page 16. THE WITNESS: Direct testimony, Page 16. COMMISSIONER JONES: Correct. That is AF-4T. JUDGE KOPTA: That will be your rebuttal testimony. COMMISSIONER JONES: Excuse me, your rebuttal. THE WITNESS: My rebuttal, thank you. COMMISSION JONES: Tell me when you're there. THE WITNESS: I am on Page 16 through 31. COMMISSIONER JONES: I'm going to be focusing on Lines 16 through 19. And this describes,	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine. THE WITNESS: Yes, "Any deviations from PSE's pricing" COMMISSIONER JONES: So explain that to me. I have a difficult this service is going to be offered as a regulated service, not an unregulated service; right? THE WITNESS: Correct. COMMISSIONER JONES: Under an unregulated service, in general, the shareholders would bear the risk of pricing deviations in market acceptance and things like that. Under regulated service, I don't understand how PSE shareholders bear much risk from pricing deviations. THE WITNESS: So this is a design feature that, my understanding, has been built into the tariff design, the design to recover the revenues based on the cost projections. And the customers who are participants in the lease service are paying for that
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	FARUQUI And some of them are end-use-specific like tariffs for electric cars. That's sort of been the focus of my work within the last few years. COMMISSIONER JONES: Okay. Well, I'm not going to take up too much time because I know you have to catch your plane back to San Francisco. So if you could turn to your testimony. I'm going to be focusing on Section 3, Pages 16 through 19. If you could turn to Page 16. THE WITNESS: Direct testimony, Page 16. COMMISSIONER JONES: Correct. That is AF-4T. JUDGE KOPTA: That will be your rebuttal testimony. COMMISSIONER JONES: Excuse me, your rebuttal. THE WITNESS: My rebuttal, thank you. COMMISSION JONES: Tell me when you're there. THE WITNESS: I am on Page 16 through 31. COMMISSIONER JONES: I'm going to be focusing on Lines 16 through 19. And this describes, does it not, the using of Benefits Model to the value	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	FARUQUI Page 16. THE WITNESS: I think there was variance in the versions. COMMISSION JONES: Yes, that's fine. THE WITNESS: Yes, "Any deviations from PSE's pricing" COMMISSIONER JONES: So explain that to me. I have a difficult this service is going to be offered as a regulated service, not an unregulated service; right? THE WITNESS: Correct. COMMISSIONER JONES: Under an unregulated service, in general, the shareholders would bear the risk of pricing deviations in market acceptance and things like that. Under regulated service, I don't understand how PSE shareholders bear much risk from pricing deviations. THE WITNESS: So this is a design feature that, my understanding, has been built into the tariff design, the design to recover the revenues based on the cost projections. And the customers who are participants in the lease service are paying for that based on that assumption.

			Word V. Fuget Could Energy
	Page 255 FARUQUI		Page 257 FARUQUI
1	understanding, to not shift the unrecovered revenue onto	1	So what we are doing, what I did was I said,
2	the other customers, and they're going to socialize it	2	okay, conditional on those people signing up for this
3	and spread it out like it's traditionally done.	3	program, based on its features and their preferences and
4	My understanding is the current rental	4	their constraints and, you know, myopic decision-making
5	program has the one that's close to new customers	5	and all those challenges, they bought into it.
б	have that feature in it as well. But the new lease	6	So the world that I'm looking at, it assumes
7	program is designed to be self-contained. Any delta	7	they are already on the program. And I'm saying their
8	would not be spread over to the other customers.	8	being on the program, does that create additional
9	COMMISSIONER JONES: Okay. I don't know if	9	societal benefits for everyone else by using less
10	I totally understand, but I'll accept that clarification	10	energy, reducing pollution, and all of that.
11	by you.	11	COMMISSIONER JONES: So as I understand your
12	Let's move on to the traditional	12	argument, it's more on the additionality. Because you
13	cost-effectiveness tests on Line 20 and going into the	13	describe it as a voluntary program, not a mandatory
14	next page on so you state here that both the TRC, the	14	program, but because it's voluntary, even though it's in
15	Total Resource Cost test, or any cost-effectiveness	15	a tariff now and even though it's something the
16	tests, are not relevant in this case at all.	16	Commission will have more diligent oversight over, under
17	THE WITNESS: Correct.	17	tariff service, you stress these things based on the
18	COMMISSIONER JONES: And our Staff and I	18	additionality.
19	think Public Counsel witnesses say entirely the	19	You are not saying all the other measures
20	opposite: That we should be applying these	20	that the Company takes under its natural gas
21	cost-effectiveness tests because, A, we have a mandatory	21	conservation program, that we should not be applying the
22	EERS, an Energy Efficiency Resource Standard, and all	22	TRC test to
23	the utilities are obligated by law to pursue technical	23	THE WITNESS: Exactly.
24	feasible conservation. That's one of their arguments,	24	COMMISSIONER JONES: you aren't saying
25	right?	25	that, are you?
20	5	_	
	Page 256		Page 258
			-
1	Page 256 FARUQUI	1	Page 258 FARUQUI
	Page 256 FARUQUI But you appear to be differing or you appear		Page 258
1	Page 256 FARUQUI	1	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is
1	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your rationale here a little bit more.	1 2	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred. So there's two world views. There's the world with the
1 2 3	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your	1 2 3	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred.
1 2 3 4	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your rationale here a little bit more. THE WITNESS: Sure, absolutely. So the	1 2 3 4	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred. So there's two world views. There's the world with the conservation programs. They have gone out so far but
1 2 3 4 5	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your rationale here a little bit more. THE WITNESS: Sure, absolutely. So the Company already has a regulated conservation program	1 2 3 4 5	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred. So there's two world views. There's the world with the conservation programs. They have gone out so far but some people have been overlooked. And so this new
1 2 3 4 5 6	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your rationale here a little bit more. THE WITNESS: Sure, absolutely. So the Company already has a regulated conservation program that it pursues, that passed those tests, and the	1 2 3 4 5 6	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred. So there's two world views. There's the world with the conservation programs. They have gone out so far but some people have been overlooked. And so this new program comes in, it reaches out to them, enrolls them.
1 2 3 4 5 6 7	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your rationale here a little bit more. THE WITNESS: Sure, absolutely. So the Company already has a regulated conservation program that it pursues, that passed those tests, and the Company has done the best it can to enroll customers	1 2 3 4 5 6 7	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred. So there's two world views. There's the world with the conservation programs. They have gone out so far but some people have been overlooked. And so this new program comes in, it reaches out to them, enrolls them. And then what I'm doing is saying, okay, the fact that
1 2 3 4 5 6 7 8	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your rationale here a little bit more. THE WITNESS: Sure, absolutely. So the Company already has a regulated conservation program that it pursues, that passed those tests, and the Company has done the best it can to enroll customers under those conservation programs that pass the test.	1 2 3 4 5 6 7 8	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred. So there's two world views. There's the world with the conservation programs. They have gone out so far but some people have been overlooked. And so this new program comes in, it reaches out to them, enrolls them. And then what I'm doing is saying, okay, the fact that they enrolled has the opportunity to create additional
1 2 3 4 5 6 7 8 9	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your rationale here a little bit more. THE WITNESS: Sure, absolutely. So the Company already has a regulated conservation program that it pursues, that passed those tests, and the Company has done the best it can to enroll customers under those conservation programs that pass the test. It was our programs that are ratepayer-funded programs.	1 2 3 4 5 6 7 8 9	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred. So there's two world views. There's the world with the conservation programs. They have gone out so far but some people have been overlooked. And so this new program comes in, it reaches out to them, enrolls them. And then what I'm doing is saying, okay, the fact that they enrolled has the opportunity to create additional benefits. I'm trying to measure those and quantify
1 2 3 4 5 6 7 8 9 10	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your rationale here a little bit more. THE WITNESS: Sure, absolutely. So the Company already has a regulated conservation program that it pursues, that passed those tests, and the Company has done the best it can to enroll customers under those conservation programs that pass the test. It was our programs that are ratepayer-funded programs. This is a new optional service that is being	1 2 3 4 5 6 7 8 9 10	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred. So there's two world views. There's the world with the conservation programs. They have gone out so far but some people have been overlooked. And so this new program comes in, it reaches out to them, enrolls them. And then what I'm doing is saying, okay, the fact that they enrolled has the opportunity to create additional benefits. I'm trying to measure those and quantify those.
1 2 3 4 5 6 7 8 9 10 11	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your rationale here a little bit more. THE WITNESS: Sure, absolutely. So the Company already has a regulated conservation program that it pursues, that passed those tests, and the Company has done the best it can to enroll customers under those conservation programs that pass the test. It was our programs that are ratepayer-funded programs. This is a new optional service that is being offered to bridge the gap in the market, which the	1 2 3 4 5 6 7 8 9 10 11	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred. So there's two world views. There's the world with the conservation programs. They have gone out so far but some people have been overlooked. And so this new program comes in, it reaches out to them, enrolls them. And then what I'm doing is saying, okay, the fact that they enrolled has the opportunity to create additional benefits. I'm trying to measure those and quantify those. COMMISSIONER JONES: Did you hear anything
1 2 3 4 5 6 7 8 9 10 11 12	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your rationale here a little bit more. THE WITNESS: Sure, absolutely. So the Company already has a regulated conservation program that it pursues, that passed those tests, and the Company has done the best it can to enroll customers under those conservation programs that pass the test. It was our programs that are ratepayer-funded programs. This is a new optional service that is being offered to bridge the gap in the market, which the surveys have indicated, that there are many customers	1 2 3 4 5 6 7 8 9 10 11 12	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred. So there's two world views. There's the world with the conservation programs. They have gone out so far but some people have been overlooked. And so this new program comes in, it reaches out to them, enrolls them. And then what I'm doing is saying, okay, the fact that they enrolled has the opportunity to create additional benefits. I'm trying to measure those and quantify those. COMMISSIONER JONES: Did you hear anything this morning well, strike that.
1 2 3 4 5 6 7 8 9 10 11 12 13	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your rationale here a little bit more. THE WITNESS: Sure, absolutely. So the Company already has a regulated conservation program that it pursues, that passed those tests, and the Company has done the best it can to enroll customers under those conservation programs that pass the test. It was our programs that are ratepayer-funded programs. This is a new optional service that is being offered to bridge the gap in the market, which the surveys have indicated, that there are many customers who are not replacing their equipment at the end of the	1 2 3 4 5 6 7 8 9 10 11 12 13	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred. So there's two world views. There's the world with the conservation programs. They have gone out so far but some people have been overlooked. And so this new program comes in, it reaches out to them, enrolls them. And then what I'm doing is saying, okay, the fact that they enrolled has the opportunity to create additional benefits. I'm trying to measure those and quantify those. COMMISSIONER JONES: Did you hear anything this morning well, strike that. Your data inputs are primarily based on the
1 2 3 4 5 6 7 8 9 10 11 12 13 14	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your rationale here a little bit more. THE WITNESS: Sure, absolutely. So the Company already has a regulated conservation program that it pursues, that passed those tests, and the Company has done the best it can to enroll customers under those conservation programs that pass the test. It was our programs that are ratepayer-funded programs. This is a new optional service that is being offered to bridge the gap in the market, which the surveys have indicated, that there are many customers who are not replacing their equipment at the end of the useful life. And so there's an opportunity to tap into	1 2 3 4 5 6 7 8 9 10 11 12 13 14	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred. So there's two world views. There's the world with the conservation programs. They have gone out so far but some people have been overlooked. And so this new program comes in, it reaches out to them, enrolls them. And then what I'm doing is saying, okay, the fact that they enrolled has the opportunity to create additional benefits. I'm trying to measure those and quantify those. COMMISSIONER JONES: Did you hear anything this morning well, strike that. Your data inputs are primarily based on the survey data from the Cocker Fennessy study; right?
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your rationale here a little bit more. THE WITNESS: Sure, absolutely. So the Company already has a regulated conservation program that it pursues, that passed those tests, and the Company has done the best it can to enroll customers under those conservation programs that pass the test. It was our programs that are ratepayer-funded programs. This is a new optional service that is being offered to bridge the gap in the market, which the surveys have indicated, that there are many customers who are not replacing their equipment at the end of the useful life. And so there's an opportunity to tap into that market segment and get more conservation benefits,	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred. So there's two world views. There's the world with the conservation programs. They have gone out so far but some people have been overlooked. And so this new program comes in, it reaches out to them, enrolls them. And then what I'm doing is saying, okay, the fact that they enrolled has the opportunity to create additional benefits. I'm trying to measure those and quantify those. COMMISSIONER JONES: Did you hear anything this morning well, strike that. Your data inputs are primarily based on the survey data from the Cocker Fennessy study; right? THE WITNESS: Correct.
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your rationale here a little bit more. THE WITNESS: Sure, absolutely. So the Company already has a regulated conservation program that it pursues, that passed those tests, and the Company has done the best it can to enroll customers under those conservation programs that pass the test. It was our programs that are ratepayer-funded programs. This is a new optional service that is being offered to bridge the gap in the market, which the surveys have indicated, that there are many customers who are not replacing their equipment at the end of the useful life. And so there's an opportunity to tap into that market segment and get more conservation benefits, more social or society benefits from that untapped	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred. So there's two world views. There's the world with the conservation programs. They have gone out so far but some people have been overlooked. And so this new program comes in, it reaches out to them, enrolls them. And then what I'm doing is saying, okay, the fact that they enrolled has the opportunity to create additional benefits. I'm trying to measure those and quantify those. COMMISSIONER JONES: Did you hear anything this morning well, strike that. Your data inputs are primarily based on the survey data from the Cocker Fennessy study; right? THE WITNESS: Correct. COMMISSIONER JONES: You heard extensive
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your rationale here a little bit more. THE WITNESS: Sure, absolutely. So the Company already has a regulated conservation program that it pursues, that passed those tests, and the Company has done the best it can to enroll customers under those conservation programs that pass the test. It was our programs that are ratepayer-funded programs. This is a new optional service that is being offered to bridge the gap in the market, which the surveys have indicated, that there are many customers who are not replacing their equipment at the end of the useful life. And so there's an opportunity to tap into that market segment and get more conservation benefits, more social or society benefits from that untapped market.	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred. So there's two world views. There's the world with the conservation programs. They have gone out so far but some people have been overlooked. And so this new program comes in, it reaches out to them, enrolls them. And then what I'm doing is saying, okay, the fact that they enrolled has the opportunity to create additional benefits. I'm trying to measure those and quantify those. COMMISSIONER JONES: Did you hear anything this morning well, strike that. Your data inputs are primarily based on the survey data from the Cocker Fennessy study; right? THE WITNESS: Correct. COMMISSIONER JONES: You heard extensive cross-examination this morning both from Mr. Casey and
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your rationale here a little bit more. THE WITNESS: Sure, absolutely. So the Company already has a regulated conservation program that it pursues, that passed those tests, and the Company has done the best it can to enroll customers under those conservation programs that pass the test. It was our programs that are ratepayer-funded programs. This is a new optional service that is being offered to bridge the gap in the market, which the surveys have indicated, that there are many customers who are not replacing their equipment at the end of the useful life. And so there's an opportunity to tap into that market segment and get more conservation benefits, more social or society benefits from that untapped market. This program is offered on the premise that	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred. So there's two world views. There's the world with the conservation programs. They have gone out so far but some people have been overlooked. And so this new program comes in, it reaches out to them, enrolls them. And then what I'm doing is saying, okay, the fact that they enrolled has the opportunity to create additional benefits. I'm trying to measure those and quantify those. COMMISSIONER JONES: Did you hear anything this morning well, strike that. Your data inputs are primarily based on the survey data from the Cocker Fennessy study; right? THE WITNESS: Correct. COMMISSIONER JONES: You heard extensive cross-examination this morning both from Mr. Casey and Mr. Goltz on some of the inputs, on some of the
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your rationale here a little bit more. THE WITNESS: Sure, absolutely. So the Company already has a regulated conservation program that it pursues, that passed those tests, and the Company has done the best it can to enroll customers under those conservation programs that pass the test. It was our programs that are ratepayer-funded programs. This is a new optional service that is being offered to bridge the gap in the market, which the surveys have indicated, that there are many customers who are not replacing their equipment at the end of the useful life. And so there's an opportunity to tap into that market segment and get more conservation benefits, more social or society benefits from that untapped market. This program is offered on the premise that those people that like the program and the features,	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred. So there's two world views. There's the world with the conservation programs. They have gone out so far but some people have been overlooked. And so this new program comes in, it reaches out to them, enrolls them. And then what I'm doing is saying, okay, the fact that they enrolled has the opportunity to create additional benefits. I'm trying to measure those and quantify those. COMMISSIONER JONES: Did you hear anything this morning well, strike that. Your data inputs are primarily based on the survey data from the Cocker Fennessy study; right? THE WITNESS: Correct. COMMISSIONER JONES: You heard extensive cross-examination this morning both from Mr. Casey and Mr. Goltz on some of the inputs, on some of the accuracy, perhaps, or the lack of accuracy on the NEEA
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your rationale here a little bit more. THE WITNESS: Sure, absolutely. So the Company already has a regulated conservation program that it pursues, that passed those tests, and the Company has done the best it can to enroll customers under those conservation programs that pass the test. It was our programs that are ratepayer-funded programs. This is a new optional service that is being offered to bridge the gap in the market, which the surveys have indicated, that there are many customers who are not replacing their equipment at the end of the useful life. And so there's an opportunity to tap into that market segment and get more conservation benefits, more social or society benefits from that untapped market. This program is offered on the premise that those people that like the program and the features, because it's all in one, because maintenance is part of	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred. So there's two world views. There's the world with the conservation programs. They have gone out so far but some people have been overlooked. And so this new program comes in, it reaches out to them, enrolls them. And then what I'm doing is saying, okay, the fact that they enrolled has the opportunity to create additional benefits. I'm trying to measure those and quantify those. COMMISSIONER JONES: Did you hear anything this morning well, strike that. Your data inputs are primarily based on the survey data from the Cocker Fennessy study; right? THE WITNESS: Correct. COMMISSIONER JONES: You heard extensive cross-examination this morning both from Mr. Casey and Mr. Goltz on some of the inputs, on some of the accuracy, perhaps, or the lack of accuracy on the NEEA study, some of the market data.
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your rationale here a little bit more. THE WITNESS: Sure, absolutely. So the Company already has a regulated conservation program that it pursues, that passed those tests, and the Company has done the best it can to enroll customers under those conservation programs that pass the test. It was our programs that are ratepayer-funded programs. This is a new optional service that is being offered to bridge the gap in the market, which the surveys have indicated, that there are many customers who are not replacing their equipment at the end of the useful life. And so there's an opportunity to tap into that market segment and get more conservation benefits, more social or society benefits from that untapped market. This program is offered on the premise that those people that like the program and the features, because it's all in one, because maintenance is part of it, because they don't have any upfront capital	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred. So there's two world views. There's the world with the conservation programs. They have gone out so far but some people have been overlooked. And so this new program comes in, it reaches out to them, enrolls them. And then what I'm doing is saying, okay, the fact that they enrolled has the opportunity to create additional benefits. I'm trying to measure those and quantify those. COMMISSIONER JONES: Did you hear anything this morning well, strike that. Your data inputs are primarily based on the survey data from the Cocker Fennessy study; right? THE WITNESS: Correct. COMMISSIONER JONES: You heard extensive cross-examination this morning both from Mr. Casey and Mr. Goltz on some of the inputs, on some of the accuracy, perhaps, or the lack of accuracy on the NEEA study, some of the market data. Did you hear anything this morning that
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 256 FARUQUI But you appear to be differing or you appear to be taking that on. So I want to understand your rationale here a little bit more. THE WITNESS: Sure, absolutely. So the Company already has a regulated conservation program that it pursues, that passed those tests, and the Company has done the best it can to enroll customers under those conservation programs that pass the test. It was our programs that are ratepayer-funded programs. This is a new optional service that is being offered to bridge the gap in the market, which the surveys have indicated, that there are many customers who are not replacing their equipment at the end of the useful life. And so there's an opportunity to tap into that market segment and get more conservation benefits, more social or society benefits from that untapped market. This program is offered on the premise that those people that like the program and the features, because it's all in one, because maintenance is part of it, because they don't have any upfront capital investment to make, all of those reasons, that they sign	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 258 FARUQUI THE WITNESS: I am not. I'm saying this is all additional to what otherwise would have occurred. So there's two world views. There's the world with the conservation programs. They have gone out so far but some people have been overlooked. And so this new program comes in, it reaches out to them, enrolls them. And then what I'm doing is saying, okay, the fact that they enrolled has the opportunity to create additional benefits. I'm trying to measure those and quantify those. COMMISSIONER JONES: Did you hear anything this morning well, strike that. Your data inputs are primarily based on the survey data from the Cocker Fennessy study; right? THE WITNESS: Correct. COMMISSIONER JONES: You heard extensive cross-examination this morning both from Mr. Casey and Mr. Goltz on some of the inputs, on some of the accuracy, perhaps, or the lack of accuracy on the NEEA study, some of the market data. Did you hear anything this morning that would as an economist, data inputs are essential to

	CKET NOS. UE-1518/1 AND UG-1518/2 - VOI. III		WUTC V. Puget Sound Energy
	Page 259		Page 261
	FARUQUI		FARUQUI
1	THE WITNESS: I did not hear anything new.	1	modeling yet, but I think many of the benefits relate to
2	I was familiar with I became familiar with the survey	2	avoided carbon emissions and avoided capacity and issues
3	data when I was brought in to do this project.	3	like that; right?
4	The first thing I asked was where is the	4	So at a high level, could you please
5	data coming from, how were the surveys done, what	5	summarize what the, quote, societal benefits of this
б	approach was used, what did the results look like; and	6	Lease Solutions program are?
7	also who did the study, what are their credentials, what	7	THE WITNESS: So at a high level, what we
8	are their capabilities. And I did my due diligence on	8	did was we looked at each of the individual appliances
9	the survey. I clearly did not do the survey, I did not	9	and estimated the amount of electricity and natural gas
10	design the survey, so therefore I came in after it had	10	that would be saved as a result of replacing an
11	already been done. But it was going to be a crucial	11	efficient appliance with a more efficient appliance.
12	input to my analysis, so I put it through due diligence.	12	That was the first step was to estimate the
13	COMMISSIONER JONES: Okay. Enough on that.	13	physical units, therms, and kilowatt hours; and
14	Turn to page, if you would, please, turn to	14	secondly, to derive from that the savings in CO2
15	Page 19. This relates to Mr. Cebulko, Lines 11 through	15	emissions based on certain assumed conversion factors
16	15. Are you there?	16	between producing a kilowatt hour and saving a ton of
17	THE WITNESS: I'm on Page 19. What line?	17	CO2, and the same thing with therms.
18	COMMISSIONER JONES: Lines 12 through 15.	18	So basically, it was quantify the physical
19	So in there you state that Mr. Cebulko had the Public	19	kilowatt hour in therms savings and then translate those
20	Benefits Model in his possession and is welcome to	20	into CO2 savings. We also looked at the capacity savings
21	adjust the data as he sees fit.	21	on the electric side in terms of generation capacity.
22	When did Mr. Cebulko have access to your	22	And those are some of the major categories of benefits
23	Public Benefits Model, this very extensive spreadsheet,	23	that we quantify.
24	do you know?	24	COMMISSIONER JONES: So at a high level,
25	THE WITNESS: I actually can't remember	25	those are the major, quote, societal benefits, end
	Dava 000		Page 262
	Page 260		Faye 202
	Page 260 FARUQUI		-
	FARUQUI		FARUQUI
1	-	1	-
1 2	FARUQUI	1 2	FARUQUI
	FARUQUI exactly when, but I remember having a webinar where he		FARUQUI quote, that you see coming from this program?
2	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it	2	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question.
2 3	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through	2 3	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct.
2 3 4	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it worked, what the results looked like, what were the key	2 3 4	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question. Page 19, please.
2 3 4 5	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it worked, what the results looked like, what were the key assumptions. But I can't remember exactly when.	2 3 4 5	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question. Page 19, please. THE WITNESS: Sure.
2 3 4 5	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it worked, what the results looked like, what were the key assumptions. But I can't remember exactly when. COMMISSIONER JONES: Would you accept,	2 3 4 5 6	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question. Page 19, please. THE WITNESS: Sure. COMMISSIONER JONES: So this is on Lines 3
2 3 4 5 6 7	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it worked, what the results looked like, what were the key assumptions. But I can't remember exactly when. COMMISSIONER JONES: Would you accept, subject to check, that it was provided as an exhibit in	2 3 4 5 6 7	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question. Page 19, please. THE WITNESS: Sure. COMMISSIONER JONES: So this is on Lines 3 through 6, where you are saying that the Public Benefits
2 3 4 5 6 7 8	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it worked, what the results looked like, what were the key assumptions. But I can't remember exactly when. COMMISSIONER JONES: Would you accept, subject to check, that it was provided as an exhibit in testimony AF-5HC when your rebuttal testimony was	2 3 4 5 6 7 8	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question. Page 19, please. THE WITNESS: Sure. COMMISSIONER JONES: So this is on Lines 3 through 6, where you are saying that the Public Benefits Model that you use assumes customers will choose an
2 3 4 5 6 7 8 9	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it worked, what the results looked like, what were the key assumptions. But I can't remember exactly when. COMMISSIONER JONES: Would you accept, subject to check, that it was provided as an exhibit in testimony AF-5HC when your rebuttal testimony was submitted on July 1st?	2 3 4 5 6 7 8 9	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question. Page 19, please. THE WITNESS: Sure. COMMISSIONER JONES: So this is on Lines 3 through 6, where you are saying that the Public Benefits Model that you use assumes customers will choose an energy-efficient model when it's, quote, technically
2 3 4 5 6 7 8 9	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it worked, what the results looked like, what were the key assumptions. But I can't remember exactly when. COMMISSIONER JONES: Would you accept, subject to check, that it was provided as an exhibit in testimony AF-5HC when your rebuttal testimony was submitted on July 1st? MR. STEELE: No, I don't believe that's	2 3 4 5 6 7 8 9 10 11	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question. Page 19, please. THE WITNESS: Sure. COMMISSIONER JONES: So this is on Lines 3 through 6, where you are saying that the Public Benefits Model that you use assumes customers will choose an energy-efficient model when it's, quote, technically feasible to do so. "This is based on PSE survey data
2 3 4 5 7 8 9 10 11	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it worked, what the results looked like, what were the key assumptions. But I can't remember exactly when. COMMISSIONER JONES: Would you accept, subject to check, that it was provided as an exhibit in testimony AF-5HC when your rebuttal testimony was submitted on July 1st? MR. STEELE: No, I don't believe that's correct. MS. CARSON: That is correct, but the	2 3 4 5 6 7 8 9 10 11	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question. Page 19, please. THE WITNESS: Sure. COMMISSIONER JONES: So this is on Lines 3 through 6, where you are saying that the Public Benefits Model that you use assumes customers will choose an energy-efficient model when it's, quote, technically feasible to do so. "This is based on PSE survey data that showed obtaining efficient equipment was central to the customer's decision to lease."
2 3 4 5 7 8 9 10 11 12	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it worked, what the results looked like, what were the key assumptions. But I can't remember exactly when. COMMISSIONER JONES: Would you accept, subject to check, that it was provided as an exhibit in testimony AF-5HC when your rebuttal testimony was submitted on July 1st? MR. STEELE: No, I don't believe that's correct.	2 3 4 5 6 7 8 9 10 11 12 13	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question. Page 19, please. THE WITNESS: Sure. COMMISSIONER JONES: So this is on Lines 3 through 6, where you are saying that the Public Benefits Model that you use assumes customers will choose an energy-efficient model when it's, quote, technically feasible to do so. "This is based on PSE survey data that showed obtaining efficient equipment was central to
2 3 4 5 6 7 8 9 10 11 12 13	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it worked, what the results looked like, what were the key assumptions. But I can't remember exactly when. COMMISSIONER JONES: Would you accept, subject to check, that it was provided as an exhibit in testimony AF-5HC when your rebuttal testimony was submitted on July 1st? MR. STEELE: No, I don't believe that's correct. MS. CARSON: That is correct, but the parties had it long before that as work papers. And we can verify the date. I believe it was in February, but	2 3 4 5 6 7 8 9 10 11 12 13	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question. Page 19, please. THE WITNESS: Sure. COMMISSIONER JONES: So this is on Lines 3 through 6, where you are saying that the Public Benefits Model that you use assumes customers will choose an energy-efficient model when it's, quote, technically feasible to do so. "This is based on PSE survey data that showed obtaining efficient equipment was central to the customer's decision to lease." I had a chance to review the highlights of
2 3 4 5 6 7 8 9 10 11 12 13 14	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it worked, what the results looked like, what were the key assumptions. But I can't remember exactly when. COMMISSIONER JONES: Would you accept, subject to check, that it was provided as an exhibit in testimony AF-5HC when your rebuttal testimony was submitted on July 1st? MR. STEELE: No, I don't believe that's correct. MS. CARSON: That is correct, but the parties had it long before that as work papers. And we	2 3 4 5 6 7 8 9 10 11 12 13 14	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question. Page 19, please. THE WITNESS: Sure. COMMISSIONER JONES: So this is on Lines 3 through 6, where you are saying that the Public Benefits Model that you use assumes customers will choose an energy-efficient model when it's, quote, technically feasible to do so. "This is based on PSE survey data that showed obtaining efficient equipment was central to the customer's decision to lease." I had a chance to review the highlights of the NEEA survey of 2012. Did you have a chance to
2 3 4 5 6 7 8 9 10 11 12 13 14 15	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it worked, what the results looked like, what were the key assumptions. But I can't remember exactly when. COMMISSIONER JONES: Would you accept, subject to check, that it was provided as an exhibit in testimony AF-5HC when your rebuttal testimony was submitted on July 1st? MR. STEELE: No, I don't believe that's correct. MS. CARSON: That is correct, but the parties had it long before that as work papers. And we can verify the date. I believe it was in February, but we can verify that for you. COMMISSIONER JONES: We'll ask Mr. Cebulko	2 3 4 5 6 7 8 9 10 11 12 13 14 15	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question. Page 19, please. THE WITNESS: Sure. COMMISSIONER JONES: So this is on Lines 3 through 6, where you are saying that the Public Benefits Model that you use assumes customers will choose an energy-efficient model when it's, quote, technically feasible to do so. "This is based on PSE survey data that showed obtaining efficient equipment was central to the customer's decision to lease." I had a chance to review the highlights of the NEEA survey of 2012. Did you have a chance to review that as well?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it worked, what the results looked like, what were the key assumptions. But I can't remember exactly when. COMMISSIONER JONES: Would you accept, subject to check, that it was provided as an exhibit in testimony AF-5HC when your rebuttal testimony was submitted on July 1st? MR. STEELE: No, I don't believe that's correct. MS. CARSON: That is correct, but the parties had it long before that as work papers. And we can verify the date. I believe it was in February, but we can verify that for you. COMMISSIONER JONES: We'll ask Mr. Cebulko when he's up here, as well, later on.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question. Page 19, please. THE WITNESS: Sure. COMMISSIONER JONES: So this is on Lines 3 through 6, where you are saying that the Public Benefits Model that you use assumes customers will choose an energy-efficient model when it's, quote, technically feasible to do so. "This is based on PSE survey data that showed obtaining efficient equipment was central to the customer's decision to lease." I had a chance to review the highlights of the NEEA survey of 2012. Did you have a chance to review that as well? THE WITNESS: Yes. COMMISSIONER JONES: I think one of the
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it worked, what the results looked like, what were the key assumptions. But I can't remember exactly when. COMMISSIONER JONES: Would you accept, subject to check, that it was provided as an exhibit in testimony AF-5HC when your rebuttal testimony was submitted on July 1st? MR. STEELE: No, I don't believe that's correct. MS. CARSON: That is correct, but the parties had it long before that as work papers. And we can verify the date. I believe it was in February, but we can verify that for you. COMMISSIONER JONES: We'll ask Mr. Cebulko when he's up here, as well, later on. Dr. Faruqui, would you turn back to Page 17.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question. Page 19, please. THE WITNESS: Sure. COMMISSIONER JONES: So this is on Lines 3 through 6, where you are saying that the Public Benefits Model that you use assumes customers will choose an energy-efficient model when it's, quote, technically feasible to do so. "This is based on PSE survey data that showed obtaining efficient equipment was central to the customer's decision to lease." I had a chance to review the highlights of the NEEA survey of 2012. Did you have a chance to review that as well? THE WITNESS: Yes. COMMISSIONER JONES: I think one of the high-level conclusions of the NEEA survey was while
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it worked, what the results looked like, what were the key assumptions. But I can't remember exactly when. COMMISSIONER JONES: Would you accept, subject to check, that it was provided as an exhibit in testimony AF-5HC when your rebuttal testimony was submitted on July 1st? MR. STEELE: No, I don't believe that's correct. MS. CARSON: That is correct, but the parties had it long before that as work papers. And we can verify the date. I believe it was in February, but we can verify that for you. COMMISSIONER JONES: We'll ask Mr. Cebulko when he's up here, as well, later on. Dr. Faruqui, would you turn back to Page 17. And this is my last line of questioning.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question. Page 19, please. THE WITNESS: Sure. COMMISSIONER JONES: So this is on Lines 3 through 6, where you are saying that the Public Benefits Model that you use assumes customers will choose an energy-efficient model when it's, quote, technically feasible to do so. "This is based on PSE survey data that showed obtaining efficient equipment was central to the customer's decision to lease." I had a chance to review the highlights of the NEEA survey of 2012. Did you have a chance to review that as well? THE WITNESS: Yes. COMMISSIONER JONES: I think one of the high-level conclusions of the NEEA survey was while energy efficiency is important, cost, rebates, and
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it worked, what the results looked like, what were the key assumptions. But I can't remember exactly when. COMMISSIONER JONES: Would you accept, subject to check, that it was provided as an exhibit in testimony AF-5HC when your rebuttal testimony was submitted on July 1st? MR. STEELE: No, I don't believe that's correct. MS. CARSON: That is correct, but the parties had it long before that as work papers. And we can verify the date. I believe it was in February, but we can verify that for you. COMMISSIONER JONES: We'll ask Mr. Cebulko when he's up here, as well, later on. Dr. Faruqui, would you turn back to Page 17. And this is my last line of questioning. THE WITNESS: Sure.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question. Page 19, please. THE WITNESS: Sure. COMMISSIONER JONES: So this is on Lines 3 through 6, where you are saying that the Public Benefits Model that you use assumes customers will choose an energy-efficient model when it's, quote, technically feasible to do so. "This is based on PSE survey data that showed obtaining efficient equipment was central to the customer's decision to lease." I had a chance to review the highlights of the NEEA survey of 2012. Did you have a chance to review that as well? THE WITNESS: Yes. COMMISSIONER JONES: I think one of the high-level conclusions of the NEEA survey was while energy efficiency is important, cost, rebates, and incentives, especially rebates incentives, are even more
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it worked, what the results looked like, what were the key assumptions. But I can't remember exactly when. COMMISSIONER JONES: Would you accept, subject to check, that it was provided as an exhibit in testimony AF-5HC when your rebuttal testimony was submitted on July 1st? MR. STEELE: No, I don't believe that's correct. MS. CARSON: That is correct, but the parties had it long before that as work papers. And we can verify the date. I believe it was in February, but we can verify that for you. COMMISSIONER JONES: We'll ask Mr. Cebulko when he's up here, as well, later on. Dr. Faruqui, would you turn back to Page 17. And this is my last line of questioning. THE WITNESS: Sure. COMMISSIONER JONES: Page 17, Lines 15	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question. Page 19, please. THE WITNESS: Sure. COMMISSIONER JONES: So this is on Lines 3 through 6, where you are saying that the Public Benefits Model that you use assumes customers will choose an energy-efficient model when it's, quote, technically feasible to do so. "This is based on PSE survey data that showed obtaining efficient equipment was central to the customer's decision to lease." I had a chance to review the highlights of the NEEA survey of 2012. Did you have a chance to review that as well? THE WITNESS: Yes. COMMISSIONER JONES: I think one of the high-level conclusions of the NEEA survey was while energy efficiency is important, cost, rebates, and incentives, especially rebates incentives, are even more important. So do you agree with that or not? Because
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it worked, what the results looked like, what were the key assumptions. But I can't remember exactly when. COMMISSIONER JONES: Would you accept, subject to check, that it was provided as an exhibit in testimony AF-5HC when your rebuttal testimony was submitted on July 1st? MR. STEELE: No, I don't believe that's correct. MS. CARSON: That is correct, but the parties had it long before that as work papers. And we can verify the date. I believe it was in February, but we can verify that for you. COMMISSIONER JONES: We'll ask Mr. Cebulko when he's up here, as well, later on. Dr. Faruqui, would you turn back to Page 17. And this is my last line of questioning. THE WITNESS: Sure. COMMISSIONER JONES: Page 17, Lines 15 through 18, especially when you start talking about	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question. Page 19, please. THE WITNESS: Sure. COMMISSIONER JONES: So this is on Lines 3 through 6, where you are saying that the Public Benefits Model that you use assumes customers will choose an energy-efficient model when it's, quote, technically feasible to do so. "This is based on PSE survey data that showed obtaining efficient equipment was central to the customer's decision to lease." I had a chance to review the highlights of the NEEA survey of 2012. Did you have a chance to review that as well? THE WITNESS: Yes. COMMISSIONER JONES: I think one of the high-level conclusions of the NEEA survey was while energy efficiency is important, cost, rebates, and incentives, especially rebates incentives, are even more important. So do you agree with that or not? Because what you seem to be saying here is that energy
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it worked, what the results looked like, what were the key assumptions. But I can't remember exactly when. COMMISSIONER JONES: Would you accept, subject to check, that it was provided as an exhibit in testimony AF-5HC when your rebuttal testimony was submitted on July 1st? MR. STEELE: No, I don't believe that's correct. MS. CARSON: That is correct, but the parties had it long before that as work papers. And we can verify the date. I believe it was in February, but we can verify that for you. COMMISSIONER JONES: We'll ask Mr. Cebulko when he's up here, as well, later on. Dr. Faruqui, would you turn back to Page 17. And this is my last line of questioning. THE WITNESS: Sure. COMMISSIONER JONES: Page 17, Lines 15 through 18, especially when you start talking about societal benefits.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question. Page 19, please. THE WITNESS: Sure. COMMISSIONER JONES: So this is on Lines 3 through 6, where you are saying that the Public Benefits Model that you use assumes customers will choose an energy-efficient model when it's, quote, technically feasible to do so. "This is based on PSE survey data that showed obtaining efficient equipment was central to the customer's decision to lease." I had a chance to review the highlights of the NEEA survey of 2012. Did you have a chance to review that as well? THE WITNESS: Yes. COMMISSIONER JONES: I think one of the high-level conclusions of the NEEA survey was while energy efficiency is important, cost, rebates, and incentives, especially rebates incentives, are even more important. So do you agree with that or not? Because what you seem to be saying here is that energy efficiency in and of itself is perhaps the major factor
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	FARUQUI exactly when, but I remember having a webinar where he was a participant, I believe, in which we went through the model and explained its various features, how it worked, what the results looked like, what were the key assumptions. But I can't remember exactly when. COMMISSIONER JONES: Would you accept, subject to check, that it was provided as an exhibit in testimony AF-5HC when your rebuttal testimony was submitted on July 1st? MR. STEELE: No, I don't believe that's correct. MS. CARSON: That is correct, but the parties had it long before that as work papers. And we can verify the date. I believe it was in February, but we can verify that for you. COMMISSIONER JONES: We'll ask Mr. Cebulko when he's up here, as well, later on. Dr. Faruqui, would you turn back to Page 17. And this is my last line of questioning. THE WITNESS: Sure. COMMISSIONER JONES: Page 17, Lines 15 through 18, especially when you start talking about societal benefits. At a high level, and I haven't had a chance	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	FARUQUI quote, that you see coming from this program? THE WITNESS: That's correct. COMMISSIONER JONES: One more question. Page 19, please. THE WITNESS: Sure. COMMISSIONER JONES: So this is on Lines 3 through 6, where you are saying that the Public Benefits Model that you use assumes customers will choose an energy-efficient model when it's, quote, technically feasible to do so. "This is based on PSE survey data that showed obtaining efficient equipment was central to the customer's decision to lease." I had a chance to review the highlights of the NEEA survey of 2012. Did you have a chance to review that as well? THE WITNESS: Yes. COMMISSIONER JONES: I think one of the high-level conclusions of the NEEA survey was while energy efficiency is important, cost, rebates, and incentives, especially rebates incentives, are even more important. So do you agree with that or not? Because what you seem to be saying here is that energy

Page 283         Page 283           FARUQUI         FARUQUI           1         sightly different. If load darify as to this         2           2         specific question, and III address the broader issue         2           3         So what I was responding to here was that         2           4         So what I was responding to here was that         2           5         PSE's Lesse Solution is offering equipment, some of it is         6           6         So what I was responding to here was that         6           5         So what I was responding to here was that         6           6         So what I was responding to here was that         6           10         outhing any way. And they're being enourgated to dit         10           11         putting in equipment at the code because they would have         11           12         done that any way. And they're being enourgated to dit         13           13         how they're bog ing bog out is say that we are         15         16           14         code: but haven't young the do is say that we are         16         16           15         code haven's woung work they're out you you say to quantify the intangble         17         16           15         code-bart haven' quantified the convenience and you t	_	CKC(1403. 0E-10107   AND 00-101072 - V0I. III		
2       specific question, and III address the broader issue       2       experts are whom, Mr. McCulloch and III is team?         4       So what I was responding to here was that       5       THE WITNESS: Yes, that's correct.         5       PSE's Lass Solution is offering equipment, some of it is       efficiency of Puget is run in another division by         6       So what I was responding to here was that       5         7       efficient if the ceel evel and some of it is       efficiency of Puget is run in another division by         9       looking at the second category, which is 1 an not       0       coordination on what teffines the code levels and what         10       puting in equipment at the code because they would have       11       If I could answer your other question, which is         11       puting in equipment at the code because they would have       11       If I could answer your other question, which is         12       done that anyway. And they're being encouraged to do I       12       was another part that I heard to your question, which is         13       but may respond the threshold set by the       13       14       COMMISSIONER JONES: You have a plane to         14       code       code west the convenience factor       15       THE WITNESS: Ty us you can be brief.         14       code west the acoustoner who bought the equipment is       20       2		Page 263 FARUQUI		Page 265 FARUQUI
2       specific question, and III address the broader issue       2       experts are whom, Mr. McCulloch and III is team?         4       So what I was responding to here was that       5       THE WITNESS: Yes, that's correct.         5       PSE's Lass Solution is offering equipment, some of it is       efficiency of Puget is run in another division by         6       So what I was responding to here was that       5         7       efficient if the ceel evel and some of it is       efficiency of Puget is run in another division by         9       looking at the second category, which is 1 an not       0       coordination on what teffines the code levels and what         10       puting in equipment at the code because they would have       11       If I could answer your other question, which is         11       puting in equipment at the code because they would have       11       If I could answer your other question, which is         12       done that anyway. And they're being encouraged to do I       12       was another part that I heard to your question, which is         13       but may respond the threshold set by the       13       14       COMMISSIONER JONES: You have a plane to         14       code       code west the convenience factor       15       THE WITNESS: Ty us you can be brief.         14       code west the acoustoner who bought the equipment is       20       2	1	slightly different. If I could clarify as to this	1	COMMISSIONER JONES. And the subject matter
3         THE WTNESS: Yes, that's correct.           6         which is afficient at the code level and some of its           6         which is afficient at the code level and some of its           7         PRE'S Lease Solutions is offering equipment, some of           8         So in the Public Benefits Model, I'm only           9         Ioloxing at the second category, which is at an ot           10         counting any benefits from customers who are just           10         putting in equipment at the code because they would have           12         but Hey're holg enouraged to do it           13         but Hey're holg enouraged to do it           14         code, but I haven't quantified the threshold set by the           15         order financy (seed. Now. there's obvously some           16         code, but I haven't quantified the consenience factor           19         code, but I haven't quantified the consenience factor           19         code, but I haven't quantified the consenience factor           10         code, but I haven't quantified the consenience factor           10         code west over consenience factor           10         code be cause they are oblaged           11         forced-air furnaces and some of the major appliances           11         forced-air furnaces and some of the subor <td></td> <td></td> <td></td> <td>-</td>				-
4         COMMISSIONER JONES: Must responding to here was that         4         COMMISSIONER JONES: Must be account the energy           5         PSE's Lasse Solutions is offering equipment in searce of exceeding the code.         5         efficiency of Puget is run in another division by           7         ording at the second category, which is I am not         5         efficiency of Puget is run in another division by           10         ocunting any benefits from customers who are just         1         the defices are in terms of efficiency.           11         putting in equipment at the code because they would have         11         if i could answer your other question, there           12         done that arwyow. And there's obviously some         16         if i could answer your other go the solution on what defines the could leaved by a half           15         so all i was trying to do is say that we are         16         cotack.         16           16         orde built haverit quanifies the couvelonce factor         16         the deficiency is only one factor among many when           12         benefits. The just looking at the tangible benefits         21         a quick response, which is that I agree entirely that           14         take into your analysis that the federal code on gas         22         cock.         THE WITNESS: Is worked with the subject           16         factors. And It said if a Lease S				
i       PES's Lesse Solutions is offering equipment, some of this efficient in the sense of exceeding the code.       i         i       Which is efficient in the sense of exceeding the code.       in the Public Benefits Mondel, I'm only       in the Public Benefits Mondel, I'm only         i       So in the Public Benefits Mondel, I'm only       in the case, but my understanding was that they have         i       Jourting in exponent setting, which is it an not       in the deltas are in terms of efficiency.         i       If Loudal assers your offer queuestion, there       was another part that I heard to your question, there         i       done that anyway. And they're being encouraged to do it       was another part that I heard to your question, there         i       code, but I haver not going beyond the threshold set by the       code         is converineene for the customer who bough the equipment in       is converineene for the customer who bough the intrangible       codMMISSIONER JONES. How one factor         i       code, but I havert quantified the convenience factor       is customer.       codMMISSIONER JONES. And by 'code," di you         i       take into your analysis that the federal code on gas       is customers make the'buying decisions.         i       code levels besed on the code to cust what are the going benefits the unith the subject       factors. And it said if a Lesse Solutons was to be         i       forcode-lar furmaces and some of the major ap	4	-	4	
			5	
File WiTNESS: My understanding is that is                  So all the second category, which is 1 am not                  Jouting any benefits from customers who are just                 Jouting any benefits here unless the equipment at code                 So all I was trying to do is say that we are                 So converinces for the customer who bought the equipment at code                 converinces for the customer who bought the equipment interview                 converinces for the customer who bought the equipment interview                 converinces for the customer who bought the intargible                 vitch arise when equipment that exceeds the code is                 being installed by the customer.                 COMMISSIONER JONER JONES: And by "code," diry ou                 the defase on the tole code beards                 code levels based on the collective collaborative                 code levels                  the defase on	6		6	
s       So in the Public Benefits Model. I'm only       is       is       the case, but my understanding was that flex have         9       looking at the second category, which is I am not       ocordination on what defines the code levels and what         10       putting in equipment at the code because they would have       11       If I could answer your other question, there         12       done that anyway. And they're being encouraged to of it       12       was another part that I heard to your question, which is         13       but they're not going beyond the threshold set by the       13       but they're not going beyond the threshold set by the         14       code.       COMMISSIONER JONES: You have a plane to       CoMMISSIONER JONES: You have a plane to         15       not adding benefits here unless the equipment exceeds       17       hour -         18       corvenience for the customer who bought the equipment in       18       COMMISSIONER JONES: - you can be brief.         19       oddick when equipment that exceeds the code is       14       quick response, which is it at agree entirely that         12       which ansate the decisions.       20       a quick response, which is that agree entirely that         14       which ansate the decisions and some, the major appliances       1       factors. And it said if a Lease Solutions was to be         12       changed in 2015//	7	efficient in the sense of exceeding the code.	7	-
9         counting any benefits from customers who are just         10         counting any benefits from customers who are just         10         If I could answer your other question, there           12         putting in equipment at the code because they would have         11         If I could answer your other question, there           13         but heyr end going beyond the threshold set by the         11         If I could answer your other question, there           14         code.         11         If I could answer your other question, there           14         code.         12         was another part that 1 heard to your question, which is           15         So all I was trying to do is asy that we are         15         COMMISSIONER JONES: You have a plane to           15         coverime of the customer who bought the equipment in         10         COMMISSIONER JONES: you can be brief.           10         code, but I havent quantified the convenience factor         10         COMMISSIONER JONES: you can be brief.           11         being instaled by the customer.         21         Quet response which is that 1 agree entriey that           14         the inglish after the anglish benefits         21         Quet response which is that 1 agree entriey that           14         the inglish after accele is as any inglish after the anglish benefits         21         CodMISSIONER JONES: And by code	8	So in the Public Benefits Model, I'm only	8	
10       counting any benefits from customers who are just       10       the deflas are in terms of efficiency.         11       putting in equipment at the code because they would have       11       If I could answer your other question, there         13       but they're not going beyond the threshold set by the       13       in a the starway. And they're being encouraget to do it       12       was another part that I heard to your question, which is         14       code.       So all I was thying to do is say that we are       15       COMMISSIONER JONES: You have a plane to         15       not adding benefits here unless the equipment exceeds       16       The efficiency level. Now, there's obviously some       17         16       not adding benefits the customer who bought the equipment in       18       COMMISSIONER JONES: - you can be brief.         19       code, but I haven't quantified the convenience factor       19       JUDGE KOPTA: One at a time.         21       benefits. I'm just looking at the tangible benefits       21       a quick response, which is that 1 agree entirely that         23       being installed by the customer.       22       THE WITNESS: I that was done, the         24       COMMISSIONER JONES: And by 'code,' did you       24       Code level has any on the collective collaborative         25       charge in 2015?       THE WITNESS: I ve worked with the subject	9	looking at the second category, which is I am not	9	
12       done that anyway. And they're being encouraged to do it       12       was another part that I heard to your question, which is         13       but they're noting beyond the threshold set by the       13       how much weight	10		10	the deltas are in terms of efficiency.
12       Gone that anyway. And they're being encouraged to do it       12       was another part that I heard to your question, which is         13       but they're not going beyond the threshold set by the       13       how much weight         14       code.       14       COMMISSIONER JONES: You have a plane to         15       So all I was trying to do is say that we are       15       code.       14         16       not adding benefits here unless the equipment exceeds       16       THE WITNESS: It just got delayed by a half         16       to overeinece for the customer who bought the equipment in       16       code.       17         10       convenience for the customer.       100 ECK KOPTA: One at a time.       JUDGE KOPTA: One at a time.         20       being installed by the customer.       22       a quick response, which is that lagree entirely that         21       being installed by the customer.       23       customers make their buying docisions.         21       take into your analysis that the federal code on gas       23       customers make their buying docisions.         22       change in 2015?       THE WITNESS: I ve worked with the subject       1       factors. And it said if a Lease Solutions was to be         3       THE WITNESS: I ve worked with the subject       a not axis the same code level that 1       1     <	11	putting in equipment at the code because they would have	11	If I could answer your other question, there
14       COMMISSIONER JONES: You have a plane to         15       So all was trying to do is sufficiency level. Now, there's obviously some       15         17       the efficiency level. Now, there's obviously some       16         18       convenience for the customer who bought the equipment in       17         19       code, but I havent quantified the convenience factor       19         19       code, but I havent quantified the convenience factor       19         20       benefits. In just locking at the tangible benefits       21         21       benefits. Privator and grave patient benefits       21         22       take into your analysis that the federal code on gas       22         23       being installed by the customer.       24         24       COMMISSIONER JONES: And by "code," did you       23         25       take into your analysis that the federal code on gas       25         26       Codek rests at PSE on that to look at what are the       26         27       THE WITNESS: I've worked with the subject       14         28       that or thas the same code level that 1       7         29       THE WITNESS: I've worked with the subject       14         40       made available, would you participate in it under these       14         20	12	done that anyway. And they're being encouraged to do it	12	· ·
15       So all was trying to do is say that we are       15       catch, too, so         16       not adding benefits here unless the equipment exceeds       16         17       the efficiency level. Now, there's obviously some       17         18       convenience for the customer who bought the equipment in       18         19       code, but I haven't quantified the convenience factor       19         20       since there's no easy way to quantify the intangible       20         21       benefits. I'm just looking at the tangible benefits       21         22       which arise when equipment that exceeds the code is       22         23       being installed by the customer.       23         24       COMMISSIONER JONES: And by 'code,' did you       24         25       take into your analysis that the faderal code on gas       25         26       FARUQUI       FARUQUI         11       forced-air furnaces and some of the major appliances       1         2       changed in 2015?       THE WITNESS: I've worked with the subject       1         3       THE WITNESS: Ve worked with the subject       1         4       matter experts at PSE on that to look at what are the       4         6       code levels based on the colleotrative       5	13	but they're not going beyond the threshold set by the	13	
16       not adding benefits here unless the equipment exceeds       16       THE WITNESS: It just got delayed by a half         17       the efficiency level. Now, there's obviously some       17         18       convenience for the customer who bought the equipment in       18         19       code, but I haven't quantify the intangible       20         20       since there's no easy way to quantify the intangible       20         21       benefits. Thi just locking the tangible benefits       21         22       which arise when equipment that exceeds the code is       22         23       being installed by the customer.       23         24       COMMISSIONER JONES: And by "code," fid you       24         25       Caker Fennessy Survey, accounted for all of those         26       FARUQUI       FARUQUI         1       factors. And it said if a lease Solutions was to be         26       charged in 2015?       16         27       THE WITNESS: I've worked with the subject       1         3       THE WITNESS: I've worked with the subject       1         4       matter experts at PSE on that to look at what are the       2         6       code levels based on the collective collaborative       5         6       code levels.       0	14	code.	14	COMMISSIONER JONES: You have a plane to
17       the efficiency level. Now, there's obviously some       17       hour         18       corvenience for the customer who bought the equipment in       18         10       code, but I haven't quantified the convenience factor       19         11       code but I haven't quantified the convenience factor       18         12       binefits. 'I'' ust looking at the tangible benefits       20         13       being installed by the customer.       21         24       COMMISSIONER JONES: And by "code," did you       22         25       take into your analysis that the federal code on gas       21         26       FARUQUI       Page 264         7       FARUQUI       Page 266         6       FARUQUI       FARUQUI         1       factors. And it said if a Lease Solutions was to be       2         2       matter experts at PSE on that to look at what are the       2         3       THE WITNESS: 'I've worked with the subject       1         4       matter experts at PSE on that to look at what are the       2         5       code level       Dode level based on the collective collaborative       2         4       activity that happens here.       1         7       And so it was the same code level that I       2	15	So all I was trying to do is say that we are	15	catch, too, so
18       convenience for the customer who bought the equipment in       18       COMMISSIONER JONES:	16	not adding benefits here unless the equipment exceeds	16	THE WITNESS: It just got delayed by a half
19       code, but I haven't quantified the convenience factor       19       JUDGE KOPTA: One at a time.         20       since there's no easy way to quantify the intangible       20         21       benefits. I'm just looking at the tangible benefits       21         22       which arise when equipment that exceeds the code is       22         23       being installed by the customer.       23         24       COMMISSIONER JONES: And by "code," did you       23         25       take into your analysis that the federal code on gas       24         Page 264         FARUQUI         1         forced-air furnaces and some of the major appliances         1         1         1         1         1         forced-air furnaces and some of the major appliances         1         1         1         1         1         1         1         1         1         1         1       1	17	the efficiency level. Now, there's obviously some	17	hour
20       since there's no easy way to quantify the intangible       20       THE WITNESS: Sorry. All I can give you is a quick response, which is that I agree entirely that         21       a quick response, which is that I agree entirely that       21         23       being installed by the customer.       22         24       COMMISSIONER JONES: And by "code," did you       24         25       take into your analysis that the federal code on gas       25         26       FARUQUI       26         27       FARUQUI       7         28       changed in 2015?       7         29       THE WITNESS: I've worked with the subject       7         30       THE WITNESS: I've worked with the subject       7         41       advick that are the       4         42       code levels based on the collective collaborative       3         43       terms and conditions. So it was talking to real people       who had in their mind what their normal behavior would         44       take wailable, would you participate in it under these       1         45       code levels based on the collective collaborative       3         46       catvity that happens here.       6         47       And so it was the same code level that I       7         48       rec	18	convenience for the customer who bought the equipment in	18	COMMISSIONER JONES: you can be brief.
21       benefits. I'm just looking at the tangible benefits       21       a quick response, which is that I agree entirely that         22       being installed by the customer.       22         23       COMMISSIONER JONES: And by 'code," did you       23         24       COMMISSIONER JONES: And by 'code," did you       24         25       COMMISSIONER JONES: And by 'code," did you       25         26       Page 264       Page 266         FARUQUI       Page 264       Page 266         26       change in 2015?       Page 266         3       THE WITNESS: I've worked with the subject       factors. And it sail if a Lease Solutions was to be         and a so it was the same code level that I       read available, would you participate in it under these         4       matter experts at PSE on that to look at what are the       code levels based on the collective collaborative         activity that happens here.       6       COMMISSIONER JONES: So I think Staff and         7       And so it was the same code level that I       recognize in the conservation programs as meeting the       code level.         8       code level.       COMMISSIONER JONES: So I think Staff and       10         9       code level.       So you disagree with that?       3         12       equipment that PSE used in its analys	19	code, but I haven't quantified the convenience factor	19	JUDGE KOPTA: One at a time.
22       which arise when equipment that exceeds the code is       22       energy efficiency is only one factor among many when         23       being installed by the customer.       23         24       COMMISSIONER JONES: And by "code," did you       24         25       take into your analysis that the federal code on gas       24         26       FARUQUI       Page 264         Page 264         FarUQUI         1         forced-air furnaces and some of the major appliances         changed in 2015?         THE WITNESS: I've worked with the subject         a the collective collaborative         a take available, would you participate in it under these         terms and conditions. So it was the same code level that I         7       And so it was the same code level that I       7         8       code level.       6       COMMISSIONER JONES: So I think Staff and         10       COMMISSIONER JONES: So I think Staff and       10         11       provided. So you disagree with that?       17         12       cocker Fennessy Survey, assumed that certain equipment       10         14       that LAI I'm saying is I don't count that as an       17         12<	20	since there's no easy way to quantify the intangible	20	THE WITNESS: Sorry. All I can give you is
23       being installed by the customer.       23       customers make their buying decisions.         24       COMMISSIONER JONES: And by "code," did you       24         25       take into your analysis that the federal code on gas       25         Page 264         FARUQUI         1       forced-air furnaces and some of the major appliances       1         changed in 2015?       THE WITNESS: I've worked with the subject       matter experts at PSE on that to look at what are the         3       THE WITNESS: I've worked with the subject       activity that happens here.         4       And so it was the same code level that I       6         code level.       COMMISSIONER JONES: So I think Staff and       7         1       Public Counsel withesses are asying that some of the       11         11       Public Counsel withesses. No, I don't disagree with       11         12       equipment that PSE. No, I don't disagree with       11         13       additional benefit; I only count the benefit when it       18         14       that. All I'm saying is I don't count that as an       17         17       THE WITNESS: No, I don't disagree with       16         18       additional benefit; I only count the benefit when it       18         19 <td< td=""><td>21</td><td>benefits. I'm just looking at the tangible benefits</td><td>21</td><td>a quick response, which is that I agree entirely that</td></td<>	21	benefits. I'm just looking at the tangible benefits	21	a quick response, which is that I agree entirely that
24       COMMISSIONER JONES: And by "code," did you       24       And I believe that survey that was done, the         25       take into your analysis that the federal code on gas       Page 264       Page 266         FARUQUI         1       forced-air furnaces and some of the major appliances       1       factors. And it said if a Lease Solutions was to be       matter experts at PSE on that to look at what are the       2       take into inthe in ind what their normal behavior would         5       code levels based on the collective collaborative       activity that happens here.       6       COMMISSIONER JONES: But you do understand         6       activity that happens here.       6       COMMISSIONER JONES: But you do understand         7       And so it was the same code level that I       7       6       COMMISSIONER JONES: So I think Staff and       7         9       code level.       9       COMMISSIONER JONES: So I think Staff and       10       10       COMMISSIONER JONES: So I think Staff and       10         11       Public Counsel witnesses are saying that some of the       11       20       COMMISSIONER JONES: ON, I don't disagree with       11         12       questions.       JUDGE KOPTA: Thank you. Anything further       10         14       the At II I'' maying is I don't count that as an       17       Redirect?	22	which arise when equipment that exceeds the code is	22	energy efficiency is only one factor among many when
25     take into your analysis that the federal code on gas     25     Cocker Fennessy Survey, accounted for all of those       Page 264     Page 266       FARUQUI       1     forced-air furnaces and some of the major appliances     1     factors. And it said if a Lease Solutions was to be       2     changed in 2015?     1     factors. And it said if a Lease Solutions was to be       3     THE WITNESS: I've worked with the subject     1       matter experts at PSE on that to look at what are the     2     code levels based on the collective collaborative       activity that happens here.     4     4     who had in their mind what their normal behavior would       7     And so it was the same code level that I     7       7     recognize in the conservation programs as meeting the     6       6     COMMISSIONER JONES: So I think Staff and     10       10     COMMISSIONER JONES: So I think Staff and     10       11     Public Counsel withesa analysis, based on the     12       12     questions.     JUDGE KOPTA: Thank you. Anything further       14     not up to federal code in 2015 would be leased and     17       15     provided. So you disagree with that?     15       16     MR. STEELE: Your Honor, Mr. McCulloch can       17     that. All I'm saying is I don't count that as an	23	being installed by the customer.	23	customers make their buying decisions.
Page 264       Page 264         FARUQUI       FARUQUI         1       forced-air furnaces and some of the major appliances       1         changed in 2015?       THE WITNESS: I've worked with the subject       factors. And it said if a Lease Solutions was to be         matter experts at PSE on that to look at what are the       code levels based on the collective collaborative       activity that happens here.         7       And so it was the same code level that I       recognize in the conservation programs as meeting the       COMMISSIONER JONES: So I think Staff and         9       code level.       0       COMMISSIONER JONES: So I think Staff and         10       COMMISSIONER JONES: So I think Staff and       10         Public Coursel witnesses are saying that some of the       11         11       recognize in the conservation programs as meeting the       COMMISSIONER JONES: So I think Staff and         10       COMMISSIONER JONES: So I think Staff and       10         11       Public Coursel witnesses are saying that some of the       11         12       equipment that PSE used in its analysis, based on the       12         13       Docker Fennessy Survey, assumed that certain equipment       11         14       rot up to federal code in 2015 would be leased and       11         17       that. All I'm saying is I don't court	24	COMMISSIONER JONES: And by "code," did you	24	And I believe that survey that was done, the
FARUQUIFARUQUI1forced-air furnaces and some of the major appliances changed in 2015?13THE WITNESS: I/ve worked with the subject matter experts at PSE on that to look at what are the code levels based on the collective collaborative activity that happens here.16activity that happens here.67And so it was the same code level that I recognize in the conservation programs as meeting the code level.68COMMISSIONER JONES: So I think Staff and 	25	take into your analysis that the federal code on gas	25	Cocker Fennessy Survey, accounted for all of those
1forced-air furnaces and some of the major appliances12changed in 2015?THE WITNESS: I've worked with the subjectattree experts at PSE on that to look at what are the3THE WITNESS: I've worked with the subjectattree experts at PSE on that to look at what are the4code levels based on the collective collaborativeattivity that happens here.6activity that happens here.67And so it was the same code level that I78recognize in the conservation programs as meeting the65code level.79COMMISSIONER JONES: So I think Staff and1010COMMISSIONER JONES: So I think Staff and1011Public Counsel witnesses are saying that some of the1112equipment that PSE used in its analysis, based on the1213Cocker Fennessy Survey, assumed that certain equipment1314not up to federal code in 2015 would be leased and1417that. All I'm saying is I don't count that as an1718exceeds the code. So it's a conservative estimate.1919codels in the 2015 new National Energy Appliance Efficiency2011THE WITNESS: I believe it's the most2112THE WITNESS: I believe it's the most2113THE WITNESS: I believe it's the most2214applicable and recent code that we were looking at. We24		Page 264		Page 266
2changed in 2015?2made available, would you participate in it under these3THE WITNESS: I've worked with the subject3matter experts at PSE on that to look at what are the4code levels based on the collective collaborative5activity that happens here.6activity that happens here.6And so it was the same code level that I7recognize in the conservation programs as meeting the6code level.7ocde level.<		FARUQUI		FARUQUI
3THE WITNESS: I've worked with the subject3terms and conditions. So it was talking to real people4matter experts at PSE on that to look at what are the4who had in their mind what their normal behavior would5code levels based on the collective collaborativeactivity that happens here.66activity that happens here.6COMMISSIONER JONES: But you do understand7And so it was the same code level that I78recognize in the conservation programs as meeting the99code level.910COMMISSIONER JONES: So I think Staff and1011Public Counsel witnesses are saying that some of the119coderal code in 10 ta sanjysis, based on the1112equipment that PSE used in its analysis, based on the1213cocker Fennessy Survey, assumed that certain equipment1314not up to federal code in 2015 would be leased and1415provided. So you disagree with that?1516THE WITNESS: No, I don't disagree with1617that. All I'm saying is I don't count that as an1718additional benefit; I only count the benefit when it1819exceeds the code. So it's a conservative estimate.1920COMMISSIONER JONES: And by the "code" you2021mean the 2015 new National Energy Appliance Efficiency2122THE WITNESS: I believe it's the most2323THE WITNESS: I believe it's the most24 <tr< td=""><td>1</td><td>forced-air furnaces and some of the major appliances</td><td>1</td><td>factors. And it said if a Lease Solutions was to be</td></tr<>	1	forced-air furnaces and some of the major appliances	1	factors. And it said if a Lease Solutions was to be
4matter experts at PSE on that to look at what are the code levels based on the collective collaborative activity that happens here.4who had in their mind what their normal behavior would be.7And so it was the same code level that I recognize in the conservation programs as meeting the code level.6COMMISSIONER JONES: But you do understand that we do have an EERS, a mandatory energy efficiency standard in this state; right?8recognize in the conservation programs as meeting the code level.9THE WITNESS: I do, yes. And so they cannot10COMMISSIONER JONES: So I think Staff and equipment that PSE used in its analysis, based on the cocker Fennessy Survey, assumed that certain equipment not up to federal code in 2015 would be leased and provided. So you disagree with that?1011Public Counsel witnesses are asing if a don't count that as an additional benefit; I only count the benefit when it exceeds the code. So it's a conservative estimate.1112COMMISSIONER JONES: And by the "code" you mean the 2015 new National Energy Appliance Efficiency additional benefit?1314ME STEELE: No, Your Honor.1415MS. CARSON: One moment.16COMMISSIONER JONES: And by the "code" you mean the 2015 new National Energy Appliance Efficiency additional benefit?1417THE WITNESS: I believe it's the most applicable and recent code that we were looking at. We2424THE WITNESS: Thank you very much.	2	changed in 2015?	2	made available, would you participate in it under these
5code levels based on the collective collaborative activity that happens here.5be.7And so it was the same code level that I recognize in the conservation programs as meeting the code level.7that we do have an EERS, a mandatory energy efficiency standard in this state; right?8recognize in the conservation programs as meeting the code level.7that we do have an EERS, a mandatory energy efficiency standard in this state; right?9code level.9THE WITNESS: I do, yes. And so they cannot10COMMISSIONER JONES: So I think Staff and Public Counsel witnesses are saying that some of the equipment that PSE used in its analysis, based on the cocker Fennessy Survey, assumed that certain equipment not up to federal code in 2015 would be leased and provided. So you disagree with that?13JUDGE KOPTA: Thank you. Anything further from the bench?16THE WITNESS: No, I don't disagree with additional benefit; I only count that as an additional benefit; I only count that as an additional benefit; I only count that benefit when it exceeds the code. So it's a conservative estimate.19MR. STEELE: Your Honor, Mr. McCulloch can address the 2015 new National Energy Appliance Efficiency codes; right?12COMMISSIONER JONES: And by the "code" you mean the 2015 new National Energy Appliance Efficiency codes; right?2012THE WITNESS: I believe it's the most applicable and recent code that we were looking at. We2123THE WITNESS: I believe it's the most applicable and recent code that we were looking at. We24	3	THE WITNESS: I've worked with the subject		terms and conditions. So it was talking to real people
6activity that happens here.6COMMISSIONER JONES: But you do understand that we do have an EERS, a mandatory energy efficiency standard in this state; right?9code level.9THE WITNESS: I do, yes. And so they cannot10COMMISSIONER JONES: So I think Staff and10buy equipment that is less than that.11Public Counsel witnesses are saying that some of the11COMMISSIONER JONES: Okay. Those are all my2equipment that PSE used in its analysis, based on the1213Cocker Fennessy Survey, assumed that certain equipment1314not up to federal code in 2015 would be leased and provided. So you disagree with that?1516THE WITNESS: No, I don't disagree with1617that. All I'm saying is I don't count that as an additional benefit; I only count the benefit when it1818additional benefit; I only count the benefit when it1820COMMISSIONER JONES: And by the "code" you mean the 2015 new National Energy Appliance Efficiency2021THE WITNESS: I believe it's the most applicable and recent code that we were looking at. We2423THE WITNESS: I believe it's the most applicable and recent code that we were looking at. We24			3	
And so it was the same code level that I7that we do have an EERS, a mandatory energy efficiency8recognize in the conservation programs as meeting the7that we do have an EERS, a mandatory energy efficiency9code level.9THE WITNESS: I do, yes. And so they cannot10COMMISSIONER JONES: So I think Staff and10buy equipment that is less than that.11Public Counsel witnesses are saying that some of the11COMMISSIONER JONES: Okay. Those are all my12equipment that PSE used in its analysis, based on the1213Cocker Fennessy Survey, assumed that certain equipment1314not up to federal code in 2015 would be leased and1415provided. So you disagree with that?1516THE WITNESS: No, I don't disagree with1617that. All I'm saying is I don't count that as an1718additional benefit; I only count the benefit when it1819exceeds the code. So it's a conservative estimate.1910COMMISSIONER JONES: And by the "code" youMR. STEELE: No, Your Honor.19mean the 2015 new National Energy Appliance Efficiency2020THE WITNESS: I believe it's the most2321THE WITNESS: I believe it's the most2322THE WITNESS: I believe it's the most2323THE WITNESS: I believe it's the most2424THE WITNESS: Thank you very much.	4		3 4	<b>o</b> 1 1
8recognize in the conservation programs as meeting the code level.8standard in this state; right? THE WITNESS: I do, yes. And so they cannot buy equipment that is less than that.10COMMISSIONER JONES: So I think Staff and 		matter experts at PSE on that to look at what are the code levels based on the collective collaborative	4	who had in their mind what their normal behavior would
9code level.9THE WITNESS: I do, yes. And so they cannot10COMMISSIONER JONES: So I think Staff and10buy equipment that is less than that.11Public Counsel witnesses are saying that some of the11COMMISSIONER JONES: Okay. Those are all my12equipment that PSE used in its analysis, based on the1213Cocker Fennessy Survey, assumed that certain equipment1314not up to federal code in 2015 would be leased and1415provided. So you disagree with that?1516THE WITNESS: No, I don't disagree with1617that. All I'm saying is I don't count that as an1718additional benefit; I only count the benefit when it1819exceeds the code. So it's a conservative estimate.1920COMMISSIONER JONES: And by the "code" you2021mean the 2015 new National Energy Appliance Efficiency2122Codes; right?22Dr. Faruqui, you are excused. Thank you for coming to23THE WITNESS: I believe it's the most2324applicable and recent code that we were looking at. We24	5	matter experts at PSE on that to look at what are the code levels based on the collective collaborative	4 5	who had in their mind what their normal behavior would be. COMMISSIONER JONES: But you do understand
10COMMISSIONER JONES: So I think Staff and10buy equipment that is less than that.11Public Counsel witnesses are saying that some of the11COMMISSIONER JONES: Okay. Those are all my12equipment that PSE used in its analysis, based on the1213Cocker Fennessy Survey, assumed that certain equipment1314not up to federal code in 2015 would be leased and1415provided. So you disagree with that?1516THE WITNESS: No, I don't disagree with1617that. All I'm saying is I don't count that as an17additional benefit; I only count the benefit when it1820COMMISSIONER JONES: And by the "code" you21mean the 2015 new National Energy Appliance Efficiency22Codes; right?2023THE WITNESS: I believe it's the most24applicable and recent code that we were looking at. We24	5 6	matter experts at PSE on that to look at what are the code levels based on the collective collaborative activity that happens here.	4 5 6	who had in their mind what their normal behavior would be. COMMISSIONER JONES: But you do understand that we do have an EERS, a mandatory energy efficiency
11Public Counsel witnesses are saying that some of the equipment that PSE used in its analysis, based on the Cocker Fennessy Survey, assumed that certain equipment not up to federal code in 2015 would be leased and provided. So you disagree with that?11COMMISSIONER JONES: Okay. Those are all my questions.13JUDGE KOPTA: Thank you. Anything further14not up to federal code in 2015 would be leased and provided. So you disagree with that?1316THE WITNESS: No, I don't disagree with that. All I'm saying is I don't count that as an additional benefit; I only count the benefit when it exceeds the code. So it's a conservative estimate.1620COMMISSIONER JONES: And by the "code" you mean the 2015 new National Energy Appliance Efficiency codes; right?1721THE WITNESS: I believe it's the most applicable and recent code that we were looking at. We2424THE WITNESS: Thank you very much.	5 6 7	matter experts at PSE on that to look at what are the code levels based on the collective collaborative activity that happens here. And so it was the same code level that I recognize in the conservation programs as meeting the	4 5 6 7	who had in their mind what their normal behavior would be. COMMISSIONER JONES: But you do understand that we do have an EERS, a mandatory energy efficiency standard in this state; right?
12equipment that PSE used in its analysis, based on the12questions.13Cocker Fennessy Survey, assumed that certain equipment13JUDGE KOPTA: Thank you. Anything further14not up to federal code in 2015 would be leased and14from the bench?15THE WITNESS: No, I don't disagree with16MR. STEELE: Your Honor, Mr. McCulloch can17that. All I'm saying is I don't count that as an17additional benefit; I only count the benefit when it18additional benefit; I only count the benefit when it18JUDGE KOPTA: Any redirect?19ccoMMISSIONER JONES: And by the "code" you20MR. STEELE: No, Your Honor.20COMMISSIONER JONES: And by the "code" you21MR. STEELE: No, Your Honor.21mean the 2015 new National Energy Appliance Efficiency21JUDGE KOPTA: All right. Thank you.22THE WITNESS: I believe it's the most23Dr. Faruqui, you are excused. Thank you for coming to23THE WITNESS: I believe it's the most23THE WITNESS: Thank you very much.	5 6 7 8	matter experts at PSE on that to look at what are the code levels based on the collective collaborative activity that happens here. And so it was the same code level that I recognize in the conservation programs as meeting the code level.	4 5 6 7 8	who had in their mind what their normal behavior would be. COMMISSIONER JONES: But you do understand that we do have an EERS, a mandatory energy efficiency standard in this state; right? THE WITNESS: I do, yes. And so they cannot
13Cocker Fennessy Survey, assumed that certain equipment not up to federal code in 2015 would be leased and provided. So you disagree with that?13JUDGE KOPTA: Thank you. Anything further14not up to federal code in 2015 would be leased and provided. So you disagree with that?141416THE WITNESS: No, I don't disagree with that. All I'm saying is I don't count that as an additional benefit; I only count the benefit when it exceeds the code. So it's a conservative estimate.16MR. STEELE: Your Honor, Mr. McCulloch can address the 2015 federal standard.19exceeds the code. So it's a conservative estimate.19MS. CARSON: One moment.20COMMISSIONER JONES: And by the "code" you mean the 2015 new National Energy Appliance Efficiency codes; right?20MR. STEELE: No, Your Honor.21THE WITNESS: I believe it's the most applicable and recent code that we were looking at. We24THE WITNESS: Thank you very much.	5 6 7 8 9	matter experts at PSE on that to look at what are the code levels based on the collective collaborative activity that happens here. And so it was the same code level that I recognize in the conservation programs as meeting the code level. COMMISSIONER JONES: So I think Staff and	4 5 6 7 8 9	who had in their mind what their normal behavior would be. COMMISSIONER JONES: But you do understand that we do have an EERS, a mandatory energy efficiency standard in this state; right? THE WITNESS: I do, yes. And so they cannot buy equipment that is less than that.
14not up to federal code in 2015 would be leased and provided. So you disagree with that?14from the bench?15THE WITNESS: No, I don't disagree with that. All I'm saying is I don't count that as an additional benefit; I only count the benefit when it exceeds the code. So it's a conservative estimate.16MR. STEELE: Your Honor, Mr. McCulloch can address the 2015 federal standard.19exceeds the code. So it's a conservative estimate.19MS. CARSON: One moment.20COMMISSIONER JONES: And by the "code" you mean the 2015 new National Energy Appliance Efficiency codes; right?20MR. STEELE: No, Your Honor.21THE WITNESS: I believe it's the most applicable and recent code that we were looking at. We24THE WITNESS: Thank you very much.	5 6 7 8 9 10	matter experts at PSE on that to look at what are the code levels based on the collective collaborative activity that happens here. And so it was the same code level that I recognize in the conservation programs as meeting the code level. COMMISSIONER JONES: So I think Staff and Public Counsel witnesses are saying that some of the	4 5 7 8 9 10	who had in their mind what their normal behavior would be. COMMISSIONER JONES: But you do understand that we do have an EERS, a mandatory energy efficiency standard in this state; right? THE WITNESS: I do, yes. And so they cannot buy equipment that is less than that.
15provided. So you disagree with that?15Redirect?16THE WITNESS: No, I don't disagree with16MR. STEELE: Your Honor, Mr. McCulloch can17that. All I'm saying is I don't count that as an17address the 2015 federal standard.18additional benefit; I only count the benefit when it18JUDGE KOPTA: Any redirect?19exceeds the code. So it's a conservative estimate.19MS. CARSON: One moment.20COMMISSIONER JONES: And by the "code" you20MR. STEELE: No, Your Honor.21mean the 2015 new National Energy Appliance Efficiency21JUDGE KOPTA: All right. Thank you.22codes; right?22Dr. Faruqui, you are excused. Thank you for coming to23THE WITNESS: I believe it's the most23THE WITNESS: Thank you very much.24applicable and recent code that we were looking at. We24THE WITNESS: Thank you very much.	5 6 7 8 9 10 11	matter experts at PSE on that to look at what are the code levels based on the collective collaborative activity that happens here. And so it was the same code level that I recognize in the conservation programs as meeting the code level. COMMISSIONER JONES: So I think Staff and Public Counsel witnesses are saying that some of the equipment that PSE used in its analysis, based on the	4 5 7 8 9 10 11	who had in their mind what their normal behavior would be. COMMISSIONER JONES: But you do understand that we do have an EERS, a mandatory energy efficiency standard in this state; right? THE WITNESS: I do, yes. And so they cannot buy equipment that is less than that. COMMISSIONER JONES: Okay. Those are all my questions.
16THE WITNESS: No, I don't disagree with16MR. STEELE: Your Honor, Mr. McCulloch can17that. All I'm saying is I don't count that as an17address the 2015 federal standard.18additional benefit; I only count the benefit when it18JUDGE KOPTA: Any redirect?19exceeds the code. So it's a conservative estimate.19MS. CARSON: One moment.20COMMISSIONER JONES: And by the "code" you20MR. STEELE: No, Your Honor.21mean the 2015 new National Energy Appliance Efficiency21JUDGE KOPTA: All right. Thank you.22codes; right?22Dr. Faruqui, you are excused. Thank you for coming to23THE WITNESS: I believe it's the most23THE WITNESS: Thank you very much.	5 6 7 8 9 10 11 12	matter experts at PSE on that to look at what are the code levels based on the collective collaborative activity that happens here. And so it was the same code level that I recognize in the conservation programs as meeting the code level. COMMISSIONER JONES: So I think Staff and Public Counsel witnesses are saying that some of the equipment that PSE used in its analysis, based on the Cocker Fennessy Survey, assumed that certain equipment	4 5 7 8 9 10 11	who had in their mind what their normal behavior would be. COMMISSIONER JONES: But you do understand that we do have an EERS, a mandatory energy efficiency standard in this state; right? THE WITNESS: I do, yes. And so they cannot buy equipment that is less than that. COMMISSIONER JONES: Okay. Those are all my questions. JUDGE KOPTA: Thank you. Anything further
17that. All I'm saying is I don't count that as an17address the 2015 federal standard.18additional benefit; I only count the benefit when it18JUDGE KOPTA: Any redirect?19exceeds the code. So it's a conservative estimate.19MS. CARSON: One moment.20COMMISSIONER JONES: And by the "code" you20MR. STEELE: No, Your Honor.21mean the 2015 new National Energy Appliance Efficiency21JUDGE KOPTA: All right. Thank you.22codes; right?22Dr. Faruqui, you are excused. Thank you for coming to23THE WITNESS: I believe it's the most23THE WITNESS: Thank you very much.24applicable and recent code that we were looking at. We24THE WITNESS: Thank you very much.	5 6 7 9 10 11 12 13	matter experts at PSE on that to look at what are the code levels based on the collective collaborative activity that happens here. And so it was the same code level that I recognize in the conservation programs as meeting the code level. COMMISSIONER JONES: So I think Staff and Public Counsel witnesses are saying that some of the equipment that PSE used in its analysis, based on the Cocker Fennessy Survey, assumed that certain equipment not up to federal code in 2015 would be leased and	4 5 7 8 9 10 11 12 13 14	who had in their mind what their normal behavior would be. COMMISSIONER JONES: But you do understand that we do have an EERS, a mandatory energy efficiency standard in this state; right? THE WITNESS: I do, yes. And so they cannot buy equipment that is less than that. COMMISSIONER JONES: Okay. Those are all my questions. JUDGE KOPTA: Thank you. Anything further from the bench?
18additional benefit; I only count the benefit when it18JUDGE KOPTA: Any redirect?19exceeds the code. So it's a conservative estimate.19MS. CARSON: One moment.20COMMISSIONER JONES: And by the "code" you20MR. STEELE: No, Your Honor.21mean the 2015 new National Energy Appliance Efficiency21JUDGE KOPTA: All right. Thank you.22codes; right?22Dr. Faruqui, you are excused. Thank you for coming to23THE WITNESS: I believe it's the most2324applicable and recent code that we were looking at. We2424THE WITNESS: Thank you very much.	5 6 7 8 9 10 11 12 13 14	matter experts at PSE on that to look at what are the code levels based on the collective collaborative activity that happens here. And so it was the same code level that I recognize in the conservation programs as meeting the code level. COMMISSIONER JONES: So I think Staff and Public Counsel witnesses are saying that some of the equipment that PSE used in its analysis, based on the Cocker Fennessy Survey, assumed that certain equipment not up to federal code in 2015 would be leased and provided. So you disagree with that?	4 5 7 8 9 10 11 12 13 14	who had in their mind what their normal behavior would be. COMMISSIONER JONES: But you do understand that we do have an EERS, a mandatory energy efficiency standard in this state; right? THE WITNESS: I do, yes. And so they cannot buy equipment that is less than that. COMMISSIONER JONES: Okay. Those are all my questions. JUDGE KOPTA: Thank you. Anything further from the bench? Redirect?
19exceeds the code. So it's a conservative estimate.19MS. CARSON: One moment.20COMMISSIONER JONES: And by the "code" you20MR. STEELE: No, Your Honor.21mean the 2015 new National Energy Appliance Efficiency21JUDGE KOPTA: All right. Thank you.22codes; right?22Dr. Faruqui, you are excused. Thank you for coming to23THE WITNESS: I believe it's the most2324applicable and recent code that we were looking at. We24	5 6 7 9 10 11 12 13 14 15	matter experts at PSE on that to look at what are the code levels based on the collective collaborative activity that happens here. And so it was the same code level that I recognize in the conservation programs as meeting the code level. COMMISSIONER JONES: So I think Staff and Public Counsel witnesses are saying that some of the equipment that PSE used in its analysis, based on the Cocker Fennessy Survey, assumed that certain equipment not up to federal code in 2015 would be leased and provided. So you disagree with that? THE WITNESS: No, I don't disagree with	4 5 7 8 9 10 11 12 13 14 15	who had in their mind what their normal behavior would be. COMMISSIONER JONES: But you do understand that we do have an EERS, a mandatory energy efficiency standard in this state; right? THE WITNESS: I do, yes. And so they cannot buy equipment that is less than that. COMMISSIONER JONES: Okay. Those are all my questions. JUDGE KOPTA: Thank you. Anything further from the bench? Redirect? MR. STEELE: Your Honor, Mr. McCulloch can
20COMMISSIONER JONES: And by the "code" you20MR. STEELE: No, Your Honor.21mean the 2015 new National Energy Appliance Efficiency21JUDGE KOPTA: All right. Thank you.22codes; right?22Dr. Faruqui, you are excused. Thank you for coming to23THE WITNESS: I believe it's the most2324applicable and recent code that we were looking at. We24	5 6 7 8 9 10 11 12 13 14 15 16 17	matter experts at PSE on that to look at what are the code levels based on the collective collaborative activity that happens here. And so it was the same code level that I recognize in the conservation programs as meeting the code level. COMMISSIONER JONES: So I think Staff and Public Counsel witnesses are saying that some of the equipment that PSE used in its analysis, based on the Cocker Fennessy Survey, assumed that certain equipment not up to federal code in 2015 would be leased and provided. So you disagree with that? THE WITNESS: No, I don't disagree with that. All I'm saying is I don't count that as an	4 5 6 7 8 9 10 11 12 13 14 15 16 17	who had in their mind what their normal behavior would be. COMMISSIONER JONES: But you do understand that we do have an EERS, a mandatory energy efficiency standard in this state; right? THE WITNESS: I do, yes. And so they cannot buy equipment that is less than that. COMMISSIONER JONES: Okay. Those are all my questions. JUDGE KOPTA: Thank you. Anything further from the bench? Redirect? MR. STEELE: Your Honor, Mr. McCulloch can address the 2015 federal standard.
21mean the 2015 new National Energy Appliance Efficiency codes; right?21JUDGE KOPTA: All right. Thank you.23THE WITNESS: I believe it's the most applicable and recent code that we were looking at. We21JUDGE KOPTA: All right. Thank you.24THE WITNESS: I believe it's the most testimony today.23	5 6 7 8 9 10 11 12 13 14 15 16 17 18	matter experts at PSE on that to look at what are the code levels based on the collective collaborative activity that happens here. And so it was the same code level that I recognize in the conservation programs as meeting the code level. COMMISSIONER JONES: So I think Staff and Public Counsel witnesses are saying that some of the equipment that PSE used in its analysis, based on the Cocker Fennessy Survey, assumed that certain equipment not up to federal code in 2015 would be leased and provided. So you disagree with that? THE WITNESS: No, I don't disagree with that. All I'm saying is I don't count that as an additional benefit; I only count the benefit when it	4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	who had in their mind what their normal behavior would be. COMMISSIONER JONES: But you do understand that we do have an EERS, a mandatory energy efficiency standard in this state; right? THE WITNESS: I do, yes. And so they cannot buy equipment that is less than that. COMMISSIONER JONES: Okay. Those are all my questions. JUDGE KOPTA: Thank you. Anything further from the bench? Redirect? MR. STEELE: Your Honor, Mr. McCulloch can address the 2015 federal standard. JUDGE KOPTA: Any redirect?
22codes; right?22Dr. Faruqui, you are excused. Thank you for coming to23THE WITNESS: I believe it's the most23testimony today.24applicable and recent code that we were looking at. We24THE WITNESS: Thank you very much.	5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	matter experts at PSE on that to look at what are the code levels based on the collective collaborative activity that happens here. And so it was the same code level that I recognize in the conservation programs as meeting the code level. COMMISSIONER JONES: So I think Staff and Public Counsel witnesses are saying that some of the equipment that PSE used in its analysis, based on the Cocker Fennessy Survey, assumed that certain equipment not up to federal code in 2015 would be leased and provided. So you disagree with that? THE WITNESS: No, I don't disagree with that. All I'm saying is I don't count that as an additional benefit; I only count the benefit when it exceeds the code. So it's a conservative estimate.	4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	who had in their mind what their normal behavior would be. COMMISSIONER JONES: But you do understand that we do have an EERS, a mandatory energy efficiency standard in this state; right? THE WITNESS: I do, yes. And so they cannot buy equipment that is less than that. COMMISSIONER JONES: Okay. Those are all my questions. JUDGE KOPTA: Thank you. Anything further from the bench? Redirect? MR. STEELE: Your Honor, Mr. McCulloch can address the 2015 federal standard. JUDGE KOPTA: Any redirect? MS. CARSON: One moment.
23THE WITNESS: I believe it's the most23testimony today.24applicable and recent code that we were looking at. We24THE WITNESS: Thank you very much.	5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	matter experts at PSE on that to look at what are the code levels based on the collective collaborative activity that happens here. And so it was the same code level that I recognize in the conservation programs as meeting the code level. COMMISSIONER JONES: So I think Staff and Public Counsel witnesses are saying that some of the equipment that PSE used in its analysis, based on the Cocker Fennessy Survey, assumed that certain equipment not up to federal code in 2015 would be leased and provided. So you disagree with that? THE WITNESS: No, I don't disagree with that. All I'm saying is I don't count that as an additional benefit; I only count the benefit when it exceeds the code. So it's a conservative estimate. COMMISSIONER JONES: And by the "code" you	4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	who had in their mind what their normal behavior would be. COMMISSIONER JONES: But you do understand that we do have an EERS, a mandatory energy efficiency standard in this state; right? THE WITNESS: I do, yes. And so they cannot buy equipment that is less than that. COMMISSIONER JONES: Okay. Those are all my questions. JUDGE KOPTA: Thank you. Anything further from the bench? Redirect? MR. STEELE: Your Honor, Mr. McCulloch can address the 2015 federal standard. JUDGE KOPTA: Any redirect? MS. CARSON: One moment. MR. STEELE: No, Your Honor.
24    applicable and recent code that we were looking at. We    24    THE WITNESS: Thank you very much.	5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	matter experts at PSE on that to look at what are the code levels based on the collective collaborative activity that happens here. And so it was the same code level that I recognize in the conservation programs as meeting the code level. COMMISSIONER JONES: So I think Staff and Public Counsel witnesses are saying that some of the equipment that PSE used in its analysis, based on the Cocker Fennessy Survey, assumed that certain equipment not up to federal code in 2015 would be leased and provided. So you disagree with that? THE WITNESS: No, I don't disagree with that. All I'm saying is I don't count that as an additional benefit; I only count the benefit when it exceeds the code. So it's a conservative estimate. COMMISSIONER JONES: And by the "code" you mean the 2015 new National Energy Appliance Efficiency	4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<ul> <li>who had in their mind what their normal behavior would be.</li> <li>COMMISSIONER JONES: But you do understand that we do have an EERS, a mandatory energy efficiency standard in this state; right?</li> <li>THE WITNESS: I do, yes. And so they cannot buy equipment that is less than that.</li> <li>COMMISSIONER JONES: Okay. Those are all my questions.</li> <li>JUDGE KOPTA: Thank you. Anything further from the bench?</li> <li>Redirect?</li> <li>MR. STEELE: Your Honor, Mr. McCulloch can address the 2015 federal standard.</li> <li>JUDGE KOPTA: Any redirect?</li> <li>MS. CARSON: One moment.</li> <li>MR. STEELE: No, Your Honor.</li> <li>JUDGE KOPTA: All right. Thank you.</li> </ul>
	5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	matter experts at PSE on that to look at what are the code levels based on the collective collaborative activity that happens here. And so it was the same code level that I recognize in the conservation programs as meeting the code level. COMMISSIONER JONES: So I think Staff and Public Counsel witnesses are saying that some of the equipment that PSE used in its analysis, based on the Cocker Fennessy Survey, assumed that certain equipment not up to federal code in 2015 would be leased and provided. So you disagree with that? THE WITNESS: No, I don't disagree with that. All I'm saying is I don't count that as an additional benefit; I only count the benefit when it exceeds the code. So it's a conservative estimate. COMMISSIONER JONES: And by the "code" you mean the 2015 new National Energy Appliance Efficiency codes; right?	4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>who had in their mind what their normal behavior would be.</li> <li>COMMISSIONER JONES: But you do understand that we do have an EERS, a mandatory energy efficiency standard in this state; right?</li> <li>THE WITNESS: I do, yes. And so they cannot buy equipment that is less than that.</li> <li>COMMISSIONER JONES: Okay. Those are all my questions.</li> <li>JUDGE KOPTA: Thank you. Anything further from the bench?</li> <li>Redirect?</li> <li>MR. STEELE: Your Honor, Mr. McCulloch can address the 2015 federal standard.</li> <li>JUDGE KOPTA: Any redirect?</li> <li>MS. CARSON: One moment.</li> <li>MR. STEELE: No, Your Honor.</li> <li>JUDGE KOPTA: All right. Thank you.</li> </ul>
25 got the numbers from the subject matter experts at PSE. 25 MS. GAFKEN: Your Honor, we just have one	5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	matter experts at PSE on that to look at what are the code levels based on the collective collaborative activity that happens here. And so it was the same code level that I recognize in the conservation programs as meeting the code level. COMMISSIONER JONES: So I think Staff and Public Counsel witnesses are saying that some of the equipment that PSE used in its analysis, based on the Cocker Fennessy Survey, assumed that certain equipment not up to federal code in 2015 would be leased and provided. So you disagree with that? THE WITNESS: No, I don't disagree with that. All I'm saying is I don't count that as an additional benefit; I only count the benefit when it exceeds the code. So it's a conservative estimate. COMMISSIONER JONES: And by the "code" you mean the 2015 new National Energy Appliance Efficiency codes; right? THE WITNESS: I believe it's the most	4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	<ul> <li>who had in their mind what their normal behavior would be.</li> <li>COMMISSIONER JONES: But you do understand that we do have an EERS, a mandatory energy efficiency standard in this state; right?</li> <li>THE WITNESS: I do, yes. And so they cannot buy equipment that is less than that.</li> <li>COMMISSIONER JONES: Okay. Those are all my questions.</li> <li>JUDGE KOPTA: Thank you. Anything further from the bench?</li> <li>Redirect?</li> <li>MR. STEELE: Your Honor, Mr. McCulloch can address the 2015 federal standard.</li> <li>JUDGE KOPTA: Any redirect?</li> <li>MS. CARSON: One moment.</li> <li>MR. STEELE: No, Your Honor.</li> <li>JUDGE KOPTA: All right. Thank you.</li> <li>Dr. Faruqui, you are excused. Thank you for coming to testimony today.</li> </ul>
	5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	matter experts at PSE on that to look at what are the code levels based on the collective collaborative activity that happens here. And so it was the same code level that I recognize in the conservation programs as meeting the code level. COMMISSIONER JONES: So I think Staff and Public Counsel witnesses are saying that some of the equipment that PSE used in its analysis, based on the Cocker Fennessy Survey, assumed that certain equipment not up to federal code in 2015 would be leased and provided. So you disagree with that? THE WITNESS: No, I don't disagree with that. All I'm saying is I don't count that as an additional benefit; I only count the benefit when it exceeds the code. So it's a conservative estimate. COMMISSIONER JONES: And by the "code" you mean the 2015 new National Energy Appliance Efficiency codes; right? THE WITNESS: I believe it's the most applicable and recent code that we were looking at. We	4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	<ul> <li>who had in their mind what their normal behavior would be.</li> <li>COMMISSIONER JONES: But you do understand that we do have an EERS, a mandatory energy efficiency standard in this state; right?</li> <li>THE WITNESS: I do, yes. And so they cannot buy equipment that is less than that.</li> <li>COMMISSIONER JONES: Okay. Those are all my questions.</li> <li>JUDGE KOPTA: Thank you. Anything further from the bench?</li> <li>Redirect?</li> <li>MR. STEELE: Your Honor, Mr. McCulloch can address the 2015 federal standard.</li> <li>JUDGE KOPTA: Any redirect?</li> <li>MS. CARSON: One moment.</li> <li>MR. STEELE: No, Your Honor.</li> <li>JUDGE KOPTA: All right. Thank you.</li> <li>Dr. Faruqui, you are excused. Thank you very much.</li> </ul>

	Page 267		Page 269
	FARUQUI		GOLTZ / McCULLOCH
1	point of clarification. There was some discussion about	1	percent, you agree with that?
2	when the model was provided to the parties, and I think	2	A. I'm not here to place speculation of wrong or
3	they were work papers, but they were provided in	3	right on each individual, but I believe that as
4	response to a Data Request on March 25. So that's the	4	Ms. Norton testified, we feel that these data points are
5	data that we have.	5	appropriate. We have not seen any other data presented
6	JUDGE KOPTA: Okay. Well, then we'll go	6	that reflects otherwise.
7	with that.	7	Q. So is that a yes, you agree that 40 percent
8	Before we take up with Mr. Goltz's cross, I	8	A. I believe that 40 percent is representative of
9	was looking at the exhibit list and noticed there were	9	unmet need in the market today.
10	three other exhibits that were identified under Staff's	10	Q. So could you turn to MBM-50 and 51. And these
11	cross. MBM-23, 24, and 25 that are not admitted, and I	11	essentially are the same Data Requests from SMACNA to
12	don't believe that they were raised during the cross.	12	Puget Sound Energy. One relates to investor-owned
13	MR. CASEY: I talked with counsel and she	13	utilities and one relates to non-investor-owned
14	gave me the impression that I told her I hadn't	14	utilities; is that correct?
15	planned on crossing. I told Ms. Carson I wasn't	15	A. That is correct.
16	planning on crossing, I just wanted to use those	16	Q. And Attachment A to MBM-50, PSE listed that as a
17	exhibits to rebut some of Mr. McCulloch's statements on	17	response in effect to both MBM-50 and 51; correct?
18	brief, and she gave me the impression that that would be	18	A. Correct. We provided an excerpt of optional
19	okay.	19	services that are provided in the market by utilities.
20	MS. CARSON: We did stipulate to them late	20	Q. So you submitted a spreadsheet, and for the
21	today.	21	benefit of anybody, I've got a blown-up version, so it's
22	JUDGE KOPTA: All right. Then	22	in four-point type instead of two-point type if anybody
23	Exhibits MBM-23, 24, and 25 are admitted.	23	would like.
24	MR. CASEY: Thank you, Your Honor.	24	MS. BROWN: I'd like one.
25	JUDGE KOPTA: Mr. Goltz, I believe it's your	25	
		23	MS. CARSON: I'll take one also.
	Page 268	23	Page 270
		23	
	Page 268 GOLTZ / McCULLOCH		Page 270 GOLTZ / McCULLOCH
1	Page 268 GOLTZ / McCULLOCH turn.	1	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ:
1 2	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH,	1 2	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to
1 2 3	Page 268 GOLTZ / McCULLOCH turn.	1 2 3	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous
1 2 3 4	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows:	1 2 3 4	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America?
1 2 3 4 5	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows: CROSS-EXAMINATION	1 2 3 4 5	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America? A. This is a listing that we received through
1 2 3 4 5 6	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows: CROSS-EXAMINATION BY MR. GOLTZ:	1 2 3 4 5 6	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America? A. This is a listing that we received through E Source of optional services that are offered within
1 2 3 4 5 6 7	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows: CROSS-EXAMINATION BY MR. GOLTZ: Q. Good afternoon, Mr. McCulloch.	1 2 3 4 5 6 7	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America? A. This is a listing that we received through E Source of optional services that are offered within the U.S.
1 2 3 4 5 6 7 8	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows: CROSS-EXAMINATION BY MR. GOLTZ: Q. Good afternoon, Mr. McCulloch. A. Good afternoon.	1 2 3 4 5 6 7 8	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America? A. This is a listing that we received through E Source of optional services that are offered within the U.S. Q. The question was, is PSE aware of any other
1 2 3 4 5 6 7 8 9	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows: CROSS-EXAMINATION BY MR. GOLTZ: Q. Good afternoon, Mr. McCulloch. A. Good afternoon. Q. So touching briefly on JET-3, which was	1 2 3 4 5 6 7 8 9	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America? A. This is a listing that we received through E Source of optional services that are offered within the U.S. Q. The question was, is PSE aware of any other investor-owned utility with a current or past program to
1 2 3 4 5 6 7 8 9 10	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows: CROSS-EXAMINATION BY MR. GOLTZ: Q. Good afternoon, Mr. McCulloch. A. Good afternoon. Q. So touching briefly on JET-3, which was discussed this morning with Ms. Norton, a number of us	1 2 3 4 5 6 7 8 9 10	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America? A. This is a listing that we received through E Source of optional services that are offered within the U.S. Q. The question was, is PSE aware of any other investor-owned utility with a current or past program to lease appliances similar to the program PSE is
1 2 3 4 5 6 7 8 9 10 11	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows: CROSS-EXAMINATION BY MR. GOLTZ: Q. Good afternoon, Mr. McCulloch. A. Good afternoon, Mr. McCulloch. A. Good afternoon. Q. So touching briefly on JET-3, which was discussed this morning with Ms. Norton, a number of us were questioning whether it was the 40 percent number	1 2 3 4 5 6 7 8 9 10 11	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America? A. This is a listing that we received through E Source of optional services that are offered within the U.S. Q. The question was, is PSE aware of any other investor-owned utility with a current or past program to lease appliances similar to the program PSE is proposing, and you provided this list?
1 2 3 4 5 6 7 8 9 10 11 12	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows: CROSS-EXAMINATION BY MR. GOLTZ: Q. Good afternoon, Mr. McCulloch. A. Good afternoon. Q. So touching briefly on JET-3, which was discussed this morning with Ms. Norton, a number of us were questioning whether it was the 40 percent number was right or whether it should be more like 21 or 22	1 2 3 4 5 6 7 8 9 10 11 12	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America? A. This is a listing that we received through E Source of optional services that are offered within the U.S. Q. The question was, is PSE aware of any other investor-owned utility with a current or past program to lease appliances similar to the program PSE is proposing, and you provided this list? A. That is correct.
1 2 3 4 5 6 7 8 9 10 11 12 13	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows: CROSS-EXAMINATION BY MR. GOLTZ: Q. Good afternoon, Mr. McCulloch. A. Good afternoon. Q. So touching briefly on JET-3, which was discussed this morning with Ms. Norton, a number of us were questioning whether it was the 40 percent number was right or whether it should be more like 21 or 22 percent of equipment that is, quote, past its useful	1 2 3 4 5 6 7 8 9 10 11 12 13	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America? A. This is a listing that we received through E Source of optional services that are offered within the U.S. Q. The question was, is PSE aware of any other investor-owned utility with a current or past program to lease appliances similar to the program PSE is proposing, and you provided this list? A. That is correct. Q. And so in looking at this list, you have a
1 2 3 4 5 6 7 8 9 10 11 12 13 14	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows: CROSS-EXAMINATION BY MR. GOLTZ: Q. Good afternoon, Mr. McCulloch. A. Good afternoon. Q. So touching briefly on JET-3, which was discussed this morning with Ms. Norton, a number of us were questioning whether it was the 40 percent number was right or whether it should be more like 21 or 22 percent of equipment that is, quote, past its useful life.	1 2 3 4 5 6 7 8 9 10 11 12 13 14	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America? A. This is a listing that we received through E Source of optional services that are offered within the U.S. Q. The question was, is PSE aware of any other investor-owned utility with a current or past program to lease appliances similar to the program PSE is proposing, and you provided this list? A. That is correct. Q. And so in looking at this list, you have a column, whether it's regulated or unregulated; and some
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows: CROSS-EXAMINATION BY MR. GOLTZ: Q. Good afternoon, Mr. McCulloch. A. Good afternoon. Q. So touching briefly on JET-3, which was discussed this morning with Ms. Norton, a number of us were questioning whether it was the 40 percent number was right or whether it should be more like 21 or 22 percent of equipment that is, quote, past its useful life. Are you sticking with 40 percent or do you agree	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America? A. This is a listing that we received through E Source of optional services that are offered within the U.S. Q. The question was, is PSE aware of any other investor-owned utility with a current or past program to lease appliances similar to the program PSE is proposing, and you provided this list? A. That is correct. Q. And so in looking at this list, you have a column, whether it's regulated or unregulated; and some are regulated, some are unknown, and some are
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows: CROSS-EXAMINATION BY MR. GOLTZ: Q. Good afternoon, Mr. McCulloch. A. Good afternoon. Q. So touching briefly on JET-3, which was discussed this morning with Ms. Norton, a number of us were questioning whether it was the 40 percent number was right or whether it should be more like 21 or 22 percent of equipment that is, quote, past its useful life. Are you sticking with 40 percent or do you agree with me that it's less than that?	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America? A. This is a listing that we received through E Source of optional services that are offered within the U.S. Q. The question was, is PSE aware of any other investor-owned utility with a current or past program to lease appliances similar to the program PSE is proposing, and you provided this list? A. That is correct. Q. And so in looking at this list, you have a column, whether it's regulated or unregulated; and some are regulated. And then you have, I see, a solar program,
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows: CROSS-EXAMINATION BY MR. GOLTZ: Q. Good afternoon, Mr. McCulloch. A. Good afternoon. Q. So touching briefly on JET-3, which was discussed this morning with Ms. Norton, a number of us were questioning whether it was the 40 percent number was right or whether it should be more like 21 or 22 percent of equipment that is, quote, past its useful life. Are you sticking with 40 percent or do you agree with me that it's less than that? A. As Ms. Norton stated, we believe that the 40	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America? A. This is a listing that we received through E Source of optional services that are offered within the U.S. Q. The question was, is PSE aware of any other investor-owned utility with a current or past program to lease appliances similar to the program PSE is proposing, and you provided this list? A. That is correct. Q. And so in looking at this list, you have a column, whether it's regulated or unregulated; and some are regulated, some are unknown, and some are unregulated. And then you have, I see, a solar program, a tree service program, an outdoor lighting gallery,
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows: CROSS-EXAMINATION BY MR. GOLTZ: Q. Good afternoon, Mr. McCulloch. A. Good afternoon. Q. So touching briefly on JET-3, which was discussed this morning with Ms. Norton, a number of us were questioning whether it was the 40 percent number was right or whether it should be more like 21 or 22 percent of equipment that is, quote, past its useful life. Are you sticking with 40 percent or do you agree with me that it's less than that? A. As Ms. Norton stated, we believe that the 40 percent accurately represents what is the potential	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America? A. This is a listing that we received through E Source of optional services that are offered within the U.S. Q. The question was, is PSE aware of any other investor-owned utility with a current or past program to lease appliances similar to the program PSE is proposing, and you provided this list? A. That is correct. Q. And so in looking at this list, you have a column, whether it's regulated or unregulated; and some are regulated. And then you have, I see, a solar program, a tree service program, an outdoor lighting gallery, surge protection program.
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows: CROSS-EXAMINATION BY MR. GOLTZ: Q. Good afternoon, Mr. McCulloch. A. Good afternoon. Q. So touching briefly on JET-3, which was discussed this morning with Ms. Norton, a number of us were questioning whether it was the 40 percent number was right or whether it should be more like 21 or 22 percent of equipment that is, quote, past its useful life. Are you sticking with 40 percent or do you agree with me that it's less than that? A. As Ms. Norton stated, we believe that the 40 percent accurately represents what is the potential unmet need in the market today.	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America? A. This is a listing that we received through E Source of optional services that are offered within the U.S. Q. The question was, is PSE aware of any other investor-owned utility with a current or past program to lease appliances similar to the program PSE is proposing, and you provided this list? A. That is correct. Q. And so in looking at this list, you have a column, whether it's regulated or unregulated; and some are regulated, some are unknown, and some are unregulated. And then you have, I see, a solar program, a tree service program, an outdoor lighting gallery, surge protection program. The only two that I saw on this, and maybe you
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows: CROSS-EXAMINATION BY MR. GOLTZ: Q. Good afternoon, Mr. McCulloch. A. Good afternoon. Q. So touching briefly on JET-3, which was discussed this morning with Ms. Norton, a number of us were questioning whether it was the 40 percent number was right or whether it should be more like 21 or 22 percent of equipment that is, quote, past its useful life. Are you sticking with 40 percent or do you agree with me that it's less than that? A. As Ms. Norton stated, we believe that the 40 percent accurately represents what is the potential unmet need in the market today. Q. You listened to the cross-examination of	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America? A. This is a listing that we received through E Source of optional services that are offered within the U.S. Q. The question was, is PSE aware of any other investor-owned utility with a current or past program to lease appliances similar to the program PSE is proposing, and you provided this list? A. That is correct. Q. And so in looking at this list, you have a column, whether it's regulated or unregulated; and some are regulated. And then you have, I see, a solar program, a tree service program. The only two that I saw on this, and maybe you can confirm this, was a water heater rental program for
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows: CROSS-EXAMINATION BY MR. GOLTZ: Q. Good afternoon, Mr. McCulloch. A. Good afternoon, Mr. McCulloch. A. Good afternoon. Q. So touching briefly on JET-3, which was discussed this morning with Ms. Norton, a number of us were questioning whether it was the 40 percent number was right or whether it should be more like 21 or 22 percent of equipment that is, quote, past its useful life. Are you sticking with 40 percent or do you agree with me that it's less than that? A. As Ms. Norton stated, we believe that the 40 percent accurately represents what is the potential unmet need in the market today. Q. You listened to the cross-examination of Ms. Norton this morning?	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America? A. This is a listing that we received through E Source of optional services that are offered within the U.S. Q. The question was, is PSE aware of any other investor-owned utility with a current or past program to lease appliances similar to the program PSE is proposing, and you provided this list? A. That is correct. Q. And so in looking at this list, you have a column, whether it's regulated or unregulated; and some are regulated, some are unknown, and some are unregulated. And then you have, I see, a solar program, a tree service program, an outdoor lighting gallery, surge protection program. The only two that I saw on this, and maybe you can confirm this, was a water heater rental program for Green Mountain Power and one for Kitchener,
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows: CROSS-EXAMINATION BY MR. GOLTZ: Q. Good afternoon, Mr. McCulloch. A. Good afternoon, Mr. McCulloch. A. Good afternoon. Q. So touching briefly on JET-3, which was discussed this morning with Ms. Norton, a number of us were questioning whether it was the 40 percent number was right or whether it should be more like 21 or 22 percent of equipment that is, quote, past its useful life. Are you sticking with 40 percent or do you agree with me that it's less than that? A. As Ms. Norton stated, we believe that the 40 percent accurately represents what is the potential unmet need in the market today. Q. You listened to the cross-examination of Ms. Norton this morning? A. It was riveting. I listened to it intently,	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America? A. This is a listing that we received through E Source of optional services that are offered within the U.S. Q. The question was, is PSE aware of any other investor-owned utility with a current or past program to lease appliances similar to the program PSE is proposing, and you provided this list? A. That is correct. Q. And so in looking at this list, you have a column, whether it's regulated or unregulated; and some are regulated. And then you have, I see, a solar program, a tree service program, an outdoor lighting gallery, surge protection program. The only two that I saw on this, and maybe you can confirm this, was a water heater rental program for Green Mountain Power and one for Kitchener, K-i-t-c-h-e-n-e-r, Utilities.
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows: CROSS-EXAMINATION BY MR. GOLTZ: Q. Good afternoon, Mr. McCulloch. A. Good afternoon, Mr. McCulloch. A. Good afternoon. Q. So touching briefly on JET-3, which was discussed this morning with Ms. Norton, a number of us were questioning whether it was the 40 percent number was right or whether it should be more like 21 or 22 percent of equipment that is, quote, past its useful life. Are you sticking with 40 percent or do you agree with me that it's less than that? A. As Ms. Norton stated, we believe that the 40 percent accurately represents what is the potential unmet need in the market today. Q. You listened to the cross-examination of Ms. Norton this morning? A. It was riveting. I listened to it intently, yes.	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America? A. This is a listing that we received through E Source of optional services that are offered within the U.S. Q. The question was, is PSE aware of any other investor-owned utility with a current or past program to lease appliances similar to the program PSE is proposing, and you provided this list? A. That is correct. Q. And so in looking at this list, you have a column, whether it's regulated or unregulated; and some are regulated. And then you have, I see, a solar program, a tree service program, an outdoor lighting gallery, surge protection program. The only two that I saw on this, and maybe you can confirm this, was a water heater rental program for Green Mountain Power and one for Kitchener, K-i-t-c-h-e-n-e-r, Utilities. Are those the only appliance leasing programs on
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	Page 268 GOLTZ / McCULLOCH turn. MALCOLM McCULLOCH, having been previously sworn, testified as follows: CROSS-EXAMINATION BY MR. GOLTZ: Q. Good afternoon, Mr. McCulloch. A. Good afternoon, Mr. McCulloch. A. Good afternoon. Q. So touching briefly on JET-3, which was discussed this morning with Ms. Norton, a number of us were questioning whether it was the 40 percent number was right or whether it should be more like 21 or 22 percent of equipment that is, quote, past its useful life. Are you sticking with 40 percent or do you agree with me that it's less than that? A. As Ms. Norton stated, we believe that the 40 percent accurately represents what is the potential unmet need in the market today. Q. You listened to the cross-examination of Ms. Norton this morning? A. It was riveting. I listened to it intently,	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 270 GOLTZ / McCULLOCH BY MR. GOLTZ: Q. So in looking at MBM-50, or the Attachment A to MBM-50, these are your listing of potential analogous programs from around North America? A. This is a listing that we received through E Source of optional services that are offered within the U.S. Q. The question was, is PSE aware of any other investor-owned utility with a current or past program to lease appliances similar to the program PSE is proposing, and you provided this list? A. That is correct. Q. And so in looking at this list, you have a column, whether it's regulated or unregulated; and some are regulated. Some are unknown, and some are unregulated. And then you have, I see, a solar program, a tree service program. The only two that I saw on this, and maybe you can confirm this, was a water heater rental program for Green Mountain Power and one for Kitchener, K-i-t-c-h-e-n-e-r, Utilities. Are those the only appliance leasing programs on this exhibit, subject to check?

	Page 271		Page 273
	GOLTZ / McCULLOCH		GOLTZ / McCULLOCH
1	appliance, but there are other end-use options that are	1	Q. And how did you pick those, the prices of
2	on this list.	2	products?
3	Q. Right.	3	A. The products? As detailed in my testimony, we
4	A. Yes.	4	looked at the existing market today and the penetration
5	Q. They're the only appliance leasing programs on	5	of those types of products and what would serve the mean
6	the list?	6	of the customers in the residential sector.
7	A. I think that's correct.	7	Q. So in MBM-52, I was asking whether or not in
8	Q. And then under Green Mountain, if you go to the	8	your RFQ process you, in effect, asked your contractors
9	right-hand column where it has a website, and then it	9	to whom you sent the RFQs for other ideas of products,
10	says program Web page leads to empty page.	10	and you did not?
11	Have you checked that Web page for whether it's	11	A. We did not have any products outside of those
12	still empty or not?	12	listed in the tariff today in the RFQ process.
13	A. I've not recently checked the status. I know	13	Q. So this can be shortened somewhat because you've
14	Green Mountain does have lease offers available today.	14	already responded to a number of these questions. But
15	Q. But that Web page, subject to check, is not	15	so I understand, to confirm, were evaluating the prices
16	working	16	that are in your tariff right now, whether they're fair,
17	A. I have not checked that recently, no.	17	just, and reasonable; correct?
18	Q. And then Kitchener, would you accept, subject to	18	A. Correct. That's the purpose of this process.
19	check, that Kitchener is a consumer-owned utility	19	Q. Okay. And these are cost-based rates?
20	outside of Toronto, Canada?	20	A. These are rates based on actual costs received
21	MS. CARSON: I object to this use of	21	in bids we received from the market.
22	"subject to check." These are not calculations for the	22	Q. There's more than that. There's a whole bunch
23	witness to do on the stand, which is the point of	23	of costs that go into this
24	"subject to check," and I don't think the witness should	24	A. There are other costs associated to that other
25	-	25	than what we received in the RFQ, yes.
	Page 272		Page 274
	Page 272		Page 274
	Page 272 GOLTZ / McCULLOCH		Page 274 GOLTZ / McCULLOCH
1	GOLTZ / McCULLOCH	1	GOLTZ / McCULLOCH
1	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this	1	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based
2	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit.	2	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates?
2 3	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ:	2 3	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes.
2 3 4	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: Q. Are you aware of where Kitchener utilities is?	2 3 4	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC.
2 3 4 5	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: <b>Q. Are you aware of where Kitchener utilities is?</b> A. I am not. I'm not aware of where they are	2 3 4 5	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC. A. It's a pretty long document. Is there a
2 3 4 5 6	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: <b>Q. Are you aware of where Kitchener utilities is?</b> A. I am not. I'm not aware of where they are located.	2 3 4 5 6	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC. A. It's a pretty long document. Is there a specific page?
2 3 4 5 6 7	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: <b>Q. Are you aware of where Kitchener utilities is?</b> A. I am not. I'm not aware of where they are located. <b>Q. So do I deduce from this, then, that in</b>	2 3 4 5 6 7	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC. A. It's a pretty long document. Is there a specific page? Q. It's ECO-8HC. It was the one that we looked at
2 3 4 5 6 7 8	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: <b>Q. Are you aware of where Kitchener utilities is?</b> A. I am not. I'm not aware of where they are located. <b>Q. So do I deduce from this, then, that in</b> <b>developing its lease program, PSE did not look to other</b>	2 3 4 5 6 7 8	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC. A. It's a pretty long document. Is there a specific page? Q. It's ECO-8HC. It was the one that we looked at earlier.
2 3 4 5 6 7 8 9	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: Q. Are you aware of where Kitchener utilities is? A. I am not. I'm not aware of where they are located. Q. So do I deduce from this, then, that in developing its lease program, PSE did not look to other models for lease programs?	2 3 4 5 6 7 8 9	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC. A. It's a pretty long document. Is there a specific page? Q. It's ECO-8HC. It was the one that we looked at earlier. A. Yes.
2 3 5 6 7 8 9	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: Q. Are you aware of where Kitchener utilities is? A. I am not. I'm not aware of where they are located. Q. So do I deduce from this, then, that in developing its lease program, PSE did not look to other models for lease programs? A. I think as we stated in response to this Data	2 3 4 5 6 7 8 9 10	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC. A. It's a pretty long document. Is there a specific page? Q. It's ECO-8HC. It was the one that we looked at earlier. A. Yes. Q. And I believe you answered questions on this
2 3 4 5 6 7 8 9 10	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: <b>Q. Are you aware of where Kitchener utilities is?</b> A. I am not. I'm not aware of where they are located. <b>Q. So do I deduce from this, then, that in</b> <b>developing its lease program, PSE did not look to other</b> <b>models for lease programs?</b> A. I think as we stated in response to this Data Request, PSE, and in my testimony, used our existing	2 3 4 5 6 7 8 9 10 11	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC. A. It's a pretty long document. Is there a specific page? Q. It's ECO-8HC. It was the one that we looked at earlier. A. Yes. Q. And I believe you answered questions on this exhibit?
2 3 4 5 6 7 8 9 10 11 12	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: Q. Are you aware of where Kitchener utilities is? A. I am not. I'm not aware of where they are located. Q. So do I deduce from this, then, that in developing its lease program, PSE did not look to other models for lease programs? A. I think as we stated in response to this Data Request, PSE, and in my testimony, used our existing rental service as a baseline for developing this service	2 3 4 5 6 7 8 9 10 11 12	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC. A. It's a pretty long document. Is there a specific page? Q. It's ECO-8HC. It was the one that we looked at earlier. A. Yes. Q. And I believe you answered questions on this exhibit? A. Correct.
2 3 4 5 6 7 8 9 10 11 12 13	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: <b>Q. Are you aware of where Kitchener utilities is?</b> A. I am not. I'm not aware of where they are located. <b>Q. So do I deduce from this, then, that in</b> <b>developing its lease program, PSE did not look to other</b> <b>models for lease programs?</b> A. I think as we stated in response to this Data Request, PSE, and in my testimony, used our existing rental service as a baseline for developing this service as well as surveys from our customers that talked about	2 3 4 5 6 7 8 9 10 11 12 13	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC. A. It's a pretty long document. Is there a specific page? Q. It's ECO-8HC. It was the one that we looked at earlier. A. Yes. Q. And I believe you answered questions on this exhibit? A. Correct. Q. So on Page 1, again, this is highly confidential
2 3 4 5 6 7 8 9 10 11 12 13 14	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: Q. Are you aware of where Kitchener utilities is? A. I am not. I'm not aware of where they are located. Q. So do I deduce from this, then, that in developing its lease program, PSE did not look to other models for lease programs? A. I think as we stated in response to this Data Request, PSE, and in my testimony, used our existing rental service as a baseline for developing this service as well as surveys from our customers that talked about the interest they have in the comprehensive service. We	2 3 4 5 6 7 8 9 10 11 12 13 14	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC. A. It's a pretty long document. Is there a specific page? Q. It's ECO-8HC. It was the one that we looked at earlier. A. Yes. Q. And I believe you answered questions on this exhibit? A. Correct. Q. So on Page 1, again, this is highly confidential so we'll try to avoid that highly confidential
2 3 4 5 6 7 8 9 10 11 12 13 14 15	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: <b>Q. Are you aware of where Kitchener utilities is?</b> A. I am not. I'm not aware of where they are located. <b>Q. So do I deduce from this, then, that in</b> <b>developing its lease program, PSE did not look to other</b> <b>models for lease programs?</b> A. I think as we stated in response to this Data Request, PSE, and in my testimony, used our existing rental service as a baseline for developing this service as well as surveys from our customers that talked about the interest they have in the comprehensive service. We did not look and parity our service based on any other	2 3 4 5 6 7 8 9 10 11 12 13 14 15	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC. A. It's a pretty long document. Is there a specific page? Q. It's ECO-8HC. It was the one that we looked at earlier. A. Yes. Q. And I believe you answered questions on this exhibit? A. Correct. Q. So on Page 1, again, this is highly confidential so we'll try to avoid that highly confidential information. But this is the results from your RFQs to
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: <b>Q. Are you aware of where Kitchener utilities is?</b> A. I am not. I'm not aware of where they are located. <b>Q. So do I deduce from this, then, that in developing its lease program, PSE did not look to other models for lease programs?</b> A. I think as we stated in response to this Data Request, PSE, and in my testimony, used our existing rental service as a baseline for developing this service as well as surveys from our customers that talked about the interest they have in the comprehensive service. We did not look and parity our service based on any other offer in the market today.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC. A. It's a pretty long document. Is there a specific page? Q. It's ECO-8HC. It was the one that we looked at earlier. A. Yes. Q. And I believe you answered questions on this exhibit? A. Correct. Q. So on Page 1, again, this is highly confidential so we'll try to avoid that highly confidential information. But this is the results from your RFQs to a number of contractors; correct?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: Q. Are you aware of where Kitchener utilities is? A. I am not. I'm not aware of where they are located. Q. So do I deduce from this, then, that in developing its lease program, PSE did not look to other models for lease programs? A. I think as we stated in response to this Data Request, PSE, and in my testimony, used our existing rental service as a baseline for developing this service as well as surveys from our customers that talked about the interest they have in the comprehensive service. We did not look and parity our service based on any other offer in the market today. Q. I'm sorry, parity?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC. A. It's a pretty long document. Is there a specific page? Q. It's ECO-8HC. It was the one that we looked at earlier. A. Yes. Q. And I believe you answered questions on this exhibit? A. Correct. Q. So on Page 1, again, this is highly confidential so we'll try to avoid that highly confidential information. But this is the results from your RFQs to a number of contractors; correct? A. Yes. These are resultant from the RFQs we
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: Q. Are you aware of where Kitchener utilities is? A. I am not. I'm not aware of where they are located. Q. So do I deduce from this, then, that in developing its lease program, PSE did not look to other models for lease programs? A. I think as we stated in response to this Data Request, PSE, and in my testimony, used our existing rental service as a baseline for developing this service as well as surveys from our customers that talked about the interest they have in the comprehensive service. We did not look and parity our service based on any other offer in the market today. Q. I'm sorry, parity? A. We did not use it in the development of our	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC. A. It's a pretty long document. Is there a specific page? Q. It's ECO-8HC. It was the one that we looked at earlier. A. Yes. Q. And I believe you answered questions on this exhibit? A. Correct. Q. So on Page 1, again, this is highly confidential so we'll try to avoid that highly confidential information. But this is the results from your RFQs to a number of contractors; correct? A. Yes. These are resultant from the RFQs we received
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: Q. Are you aware of where Kitchener utilities is? A. I am not. I'm not aware of where they are located. Q. So do I deduce from this, then, that in developing its lease program, PSE did not look to other models for lease programs? A. I think as we stated in response to this Data Request, PSE, and in my testimony, used our existing rental service as a baseline for developing this service as well as surveys from our customers that talked about the interest they have in the comprehensive service. We did not look and parity our service based on any other offer in the market today. Q. I'm sorry, parity? A. We did not use it in the development of our service that we propose today.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC. A. It's a pretty long document. Is there a specific page? Q. It's ECO-8HC. It was the one that we looked at earlier. A. Yes. Q. And I believe you answered questions on this exhibit? A. Correct. Q. So on Page 1, again, this is highly confidential so we'll try to avoid that highly confidential information. But this is the results from your RFQs to a number of contractors; correct? A. Yes. These are resultant from the RFQs we received Q. And I think you said how many contractors
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: Q. Are you aware of where Kitchener utilities is? A. I am not. I'm not aware of where they are located. Q. So do I deduce from this, then, that in developing its lease program, PSE did not look to other models for lease programs? A. I think as we stated in response to this Data Request, PSE, and in my testimony, used our existing rental service as a baseline for developing this service as well as surveys from our customers that talked about the interest they have in the comprehensive service. We did not look and parity our service based on any other offer in the market today. Q. I'm sorry, parity? A. We did not use it in the development of our service that we propose today. Q. Okay. So turning to a different topic here, to	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC. A. It's a pretty long document. Is there a specific page? Q. It's ECO-8HC. It was the one that we looked at earlier. A. Yes. Q. And I believe you answered questions on this exhibit? A. Correct. Q. So on Page 1, again, this is highly confidential so we'll try to avoid that highly confidential information. But this is the results from your RFQs to a number of contractors; correct? A. Yes. These are resultant from the RFQs we received Q. And I think you said how many contractors responded to this piece of equipment?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: Q. Are you aware of where Kitchener utilities is? A. I am not. I'm not aware of where they are located. Q. So do I deduce from this, then, that in developing its lease program, PSE did not look to other models for lease programs? A. I think as we stated in response to this Data Request, PSE, and in my testimony, used our existing rental service as a baseline for developing this service as well as surveys from our customers that talked about the interest they have in the comprehensive service. We did not look and parity our service based on any other offer in the market today. Q. I'm sorry, parity? A. We did not use it in the development of our service that we propose today. Q. Okay. So turning to a different topic here, to MBM-52. Preliminary question.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC. A. It's a pretty long document. Is there a specific page? Q. It's ECO-8HC. It was the one that we looked at earlier. A. Yes. Q. And I believe you answered questions on this exhibit? A. Correct. Q. So on Page 1, again, this is highly confidential so we'll try to avoid that highly confidential information. But this is the results from your RFQs to a number of contractors; correct? A. Yes. These are resultant from the RFQs we received Q. And I think you said how many contractors responded to this piece of equipment? A. I don't have that information in front of me. I
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: <b>Q. Are you aware of where Kitchener utilities is?</b> A. I am not. I'm not aware of where they are located. <b>Q. So do I deduce from this, then, that in developing its lease program, PSE did not look to other models for lease programs?</b> A. I think as we stated in response to this Data Request, PSE, and in my testimony, used our existing rental service as a baseline for developing this service as well as surveys from our customers that talked about the interest they have in the comprehensive service. We did not look and parity our service based on any other offer in the market today. <b>Q. I'm sorry, parity?</b> A. We did not use it in the development of our service that we propose today. <b>Q. Okay. So turning to a different topic here, to MBM-52. Preliminary question.</b> <b>So you have on your tariff a finite number of</b>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC. A. It's a pretty long document. Is there a specific page? Q. It's ECO-8HC. It was the one that we looked at earlier. A. Yes. Q. And I believe you answered questions on this exhibit? A. Correct. Q. So on Page 1, again, this is highly confidential so we'll try to avoid that highly confidential information. But this is the results from your RFQs to a number of contractors; correct? A. Yes. These are resultant from the RFQs we received Q. And I think you said how many contractors responded to this piece of equipment? A. I don't have that information in front of me. I believe that we received I know that we received 15
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: Q. Are you aware of where Kitchener utilities is? A. I am not. I'm not aware of where they are located. Q. So do I deduce from this, then, that in developing its lease program, PSE did not look to other models for lease programs? A. I think as we stated in response to this Data Request, PSE, and in my testimony, used our existing rental service as a baseline for developing this service as well as surveys from our customers that talked about the interest they have in the comprehensive service. We did not look and parity our service based on any other offer in the market today. Q. I'm sorry, parity? A. We did not use it in the development of our service that we propose today. Q. Okay. So turning to a different topic here, to MBM-52. Preliminary question. So you have on your tariff a finite number of appliances that would be offered; correct?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC. A. It's a pretty long document. Is there a specific page? Q. It's ECO-8HC. It was the one that we looked at earlier. A. Yes. Q. And I believe you answered questions on this exhibit? A. Correct. Q. So on Page 1, again, this is highly confidential so we'll try to avoid that highly confidential information. But this is the results from your RFQs to a number of contractors; correct? A. Yes. These are resultant from the RFQs we received Q. And I think you said how many contractors responded to this piece of equipment? A. I don't have that information in front of me. I believe that we received I know that we received 15 responses in total on our RFQ to inform this
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	GOLTZ / McCULLOCH MR. GOLTZ: I'm fine with that on this exhibit. BY MR. GOLTZ: Q. Are you aware of where Kitchener utilities is? A. I am not. I'm not aware of where they are located. Q. So do I deduce from this, then, that in developing its lease program, PSE did not look to other models for lease programs? A. I think as we stated in response to this Data Request, PSE, and in my testimony, used our existing rental service as a baseline for developing this service as well as surveys from our customers that talked about the interest they have in the comprehensive service. We did not look and parity our service based on any other offer in the market today. Q. I'm sorry, parity? A. We did not use it in the development of our service that we propose today. Q. Okay. So turning to a different topic here, to MBM-52. Preliminary question. So you have on your tariff a finite number of appliances that would be offered; correct? A. I believe there are 12 prices listed in our	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GOLTZ / McCULLOCH Q. They're cost-based rates, not market-based rates? A. I would say that that's correct, yes. Q. And if I can have you turn to ECO-8HC. A. It's a pretty long document. Is there a specific page? Q. It's ECO-8HC. It was the one that we looked at earlier. A. Yes. Q. And I believe you answered questions on this exhibit? A. Correct. Q. So on Page 1, again, this is highly confidential so we'll try to avoid that highly confidential information. But this is the results from your RFQs to a number of contractors; correct? A. Yes. These are resultant from the RFQs we received Q. And I think you said how many contractors responded to this piece of equipment? A. I don't have that information in front of me. I believe that we received I know that we received 15 responses in total on our RFQ to inform this

	Page 275		Page 277
	GOLTZ / McCULLOCH		GOLTZ / McCULLOCH
1	the types of equipment, perhaps, but they didn't all	1	BY MR. GOLTZ:
2	respond for every piece of equipment?	2	Q. If you look at the fifth one up from the bottom
3	A. I would say that's accurate. They responded	3	and you compare it with the average, okay?
4	based on the services that they can provide and the	4	A. Yes.
5	interest they have in working with PSE on those profits.	5	Q. What I was trying not to get at, what that ratio
6	Q. Right. And so looking at the bottom of the next	6	is, but I won't.
7	to the last column is a number that's labeled highly	7	A. I understand.
8	confidential, and that's an average of the RFQ responses	8	Q. But obviously that lineup is different from the
9	for this piece of equipment; correct?	9	average, and that was a bid that was made by one of your
10	A. I believe I've confirmed that already.	10	contractors. And why wouldn't you pick that number as
11	Q. Right. And then you've also said that there's a	11	the price because it is different than the average?
12	variation among the respondents, and you took the	12	A. I'm not sure I'm following your question. Why
13	average.	13	would we not contract to that specific rate? Is that
14	Why wouldn't you have taken the lowest one as	14	what you're asking?
15		15	Q. Yes. The contractor basically said, this is
16	25th percentile?	16	what it costs me, and it's less than the average, and
17	A. Well, I think it was important for us to	17	yet you put in your tariff rates the average as opposed
18		18	to the lower.
19	in the service, and we capture an average cost	19	Why wouldn't you say, wow, that's a bargain,
20	throughout those paths.	20	let's put that in our rates because that will help our
21	Q. So maybe I don't understand. So the costs for	21	customers more, and the lease rates will go down because
22		22	we can get equipment for that lower rate?
23	the equipment will vary depending on who your partner	23	A. Well, I think that there are quite a few things,
24	contractor is?	24	as you alluded to earlier, that go into selecting
25	A. I don't believe our costs will vary based on the	25	partners aside from just price. And we've stated in my
	-		
	Page 276		Page 278
	-		
1	Page 276 GOLTZ / McCULLOCH	1	Page 278 GOLTZ / McCULLOCH
	Page 276 GOLTZ / McCULLOCH contract partner we have.	1 2	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities,
1	Page 276 GOLTZ / McCULLOCH contract partner we have. Q. So they're ultimately going into assuming		Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider.
1 2	Page 276 GOLTZ / McCULLOCH contract partner we have. Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if	2	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an
1 2 3	Page 276 GOLTZ / McCULLOCH contract partner we have. Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if that happens, there will be a number that may or may not	2	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an assessment specifically on price. And I think that the
1 2 3	Page 276 GOLTZ / McCULLOCH Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if that happens, there will be a number that may or may not be a number on this document, the average number, there	2 3 4	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an assessment specifically on price. And I think that the weighting that we've done and the average is
1 2 3 4 5	Page 276 GOLTZ / McCULLOCH contract partner we have. Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if that happens, there will be a number that may or may not	2 3 4 5	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an assessment specifically on price. And I think that the
1 2 3 4 5 6	Page 276 GOLTZ / McCULLOCH contract partner we have. Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if that happens, there will be a number that may or may not be a number on this document, the average number, there will be a number that will be going to the cost and will go ultimately into the tariff price?	2 3 4 5	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an assessment specifically on price. And I think that the weighting that we've done and the average is appropriate. And, again, the Company has said that we believe that the rates that are filed are appropriate
1 2 3 4 5 6 7	Page 276 GOLTZ / McCULLOCH Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if that happens, there will be a number that may or may not be a number on this document, the average number, there will be a number that will be going to the cost and will	2 3 4 5 6 7	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an assessment specifically on price. And I think that the weighting that we've done and the average is appropriate. And, again, the Company has said that we
1 2 3 4 5 6 7 8	Page 276 GOLTZ / McCULLOCH contract partner we have. Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if that happens, there will be a number that may or may not be a number on this document, the average number, there will be a number that will be going to the cost and will go ultimately into the tariff price? A. As I stated, the costs that we presented, we	2 3 4 5 6 7 8	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an assessment specifically on price. And I think that the weighting that we've done and the average is appropriate. And, again, the Company has said that we believe that the rates that are filed are appropriate and that we will stand behind them. If the Commission feels that it's appropriate to
1 2 3 4 5 6 7 8 9	Page 276 GOLTZ / McCULLOCH contract partner we have. Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if that happens, there will be a number that may or may not be a number on this document, the average number, there will be a number that will be going to the cost and will go ultimately into the tariff price? A. As I stated, the costs that we presented, we feel confident in. If we're asked by the Commission, we	2 3 4 5 6 7 8 9	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an assessment specifically on price. And I think that the weighting that we've done and the average is appropriate. And, again, the Company has said that we believe that the rates that are filed are appropriate and that we will stand behind them.
1 2 3 4 5 6 7 8 9 10	Page 276 GOLTZ / McCULLOCH contract partner we have. Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if that happens, there will be a number that may or may not be a number on this document, the average number, there will be a number that will be going to the cost and will go ultimately into the tariff price? A. As I stated, the costs that we presented, we feel confident in. If we're asked by the Commission, we would be happy to comply with a Compliance Filing. Q. I understand that.	2 3 4 5 6 7 8 9 10	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an assessment specifically on price. And I think that the weighting that we've done and the average is appropriate. And, again, the Company has said that we believe that the rates that are filed are appropriate and that we will stand behind them. If the Commission feels that it's appropriate to do a Compliance Filing, we certainly will go down that path. We don't think it's necessary.
1 2 3 4 5 6 7 8 9 10 11	Page 276 GOLTZ / McCULLOCH contract partner we have. Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if that happens, there will be a number that may or may not be a number on this document, the average number, there will be a number that will be going to the cost and will go ultimately into the tariff price? A. As I stated, the costs that we presented, we feel confident in. If we're asked by the Commission, we would be happy to comply with a Compliance Filing.	2 3 4 5 6 7 8 9 10 11	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an assessment specifically on price. And I think that the weighting that we've done and the average is appropriate. And, again, the Company has said that we believe that the rates that are filed are appropriate and that we will stand behind them. If the Commission feels that it's appropriate to do a Compliance Filing, we certainly will go down that path. We don't think it's necessary. Q. So let's say you go down that if you were to
1 2 3 4 5 6 7 8 9 10 11 12	Page 276 GOLTZ / McCULLOCH contract partner we have. Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if that happens, there will be a number that may or may not be a number on this document, the average number, there will be a number that will be going to the cost and will go ultimately into the tariff price? A. As I stated, the costs that we presented, we feel confident in. If we're asked by the Commission, we would be happy to comply with a Compliance Filing. Q. I understand that. A. But ultimately, yes, there is a cost, and I	2 3 4 5 6 7 8 9 10 11 12	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an assessment specifically on price. And I think that the weighting that we've done and the average is appropriate. And, again, the Company has said that we believe that the rates that are filed are appropriate and that we will stand behind them. If the Commission feels that it's appropriate to do a Compliance Filing, we certainly will go down that path. We don't think it's necessary.
1 2 3 4 5 6 7 8 9 10 11 12 13	Page 276 GOLTZ / McCULLOCH contract partner we have. Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if that happens, there will be a number that may or may not be a number on this document, the average number, there will be a number that will be going to the cost and will go ultimately into the tariff price? A. As I stated, the costs that we presented, we feel confident in. If we're asked by the Commission, we would be happy to comply with a Compliance Filing. Q. I understand that. A. But ultimately, yes, there is a cost, and I think what we've presented within the RFQ is indicative	2 3 4 5 6 7 8 9 10 11 12 13	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an assessment specifically on price. And I think that the weighting that we've done and the average is appropriate. And, again, the Company has said that we believe that the rates that are filed are appropriate and that we will stand behind them. If the Commission feels that it's appropriate to do a Compliance Filing, we certainly will go down that path. We don't think it's necessary. Q. So let's say you go down that if you were to refresh well, let's say you aren't going to refresh
1 2 3 4 5 6 7 8 9 10 11 12 13 14	Page 276 GOLTZ / McCULLOCH contract partner we have. Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if that happens, there will be a number that may or may not be a number on this document, the average number, there will be a number that will be going to the cost and will go ultimately into the tariff price? A. As I stated, the costs that we presented, we feel confident in. If we're asked by the Commission, we would be happy to comply with a Compliance Filing. Q. I understand that. A. But ultimately, yes, there is a cost, and I think what we've presented within the RFQ is indicative of what those costs are going to be. Q. Can we just go up to the fifth one up from,	2 3 4 5 6 7 8 9 10 11 12 13 14	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an assessment specifically on price. And I think that the weighting that we've done and the average is appropriate. And, again, the Company has said that we believe that the rates that are filed are appropriate and that we will stand behind them. If the Commission feels that it's appropriate to do a Compliance Filing, we certainly will go down that path. We don't think it's necessary. Q. So let's say you go down that if you were to refresh well, let's say you aren't going to refresh your rates, okay, that these rates are just approved as
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 276 GOLTZ / McCULLOCH contract partner we have. Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if that happens, there will be a number that may or may not be a number on this document, the average number, there will be a number that will be going to the cost and will go ultimately into the tariff price? A. As I stated, the costs that we presented, we feel confident in. If we're asked by the Commission, we would be happy to comply with a Compliance Filing. Q. I understand that. A. But ultimately, yes, there is a cost, and I think what we've presented within the RFQ is indicative of what those costs are going to be. Q. Can we just go up to the fifth one up from,	2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an assessment specifically on price. And I think that the weighting that we've done and the average is appropriate. And, again, the Company has said that we believe that the rates that are filed are appropriate and that we will stand behind them. If the Commission feels that it's appropriate to do a Compliance Filing, we certainly will go down that path. We don't think it's necessary. Q. So let's say you go down that if you were to refresh well, let's say you aren't going to refresh your rates, okay, that these rates are just approved as they are.
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 276 GOLTZ / McCULLOCH contract partner we have. Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if that happens, there will be a number that may or may not be a number on this document, the average number, there will be a number that will be going to the cost and will go ultimately into the tariff price? A. As I stated, the costs that we presented, we feel confident in. If we're asked by the Commission, we would be happy to comply with a Compliance Filing. Q. I understand that. A. But ultimately, yes, there is a cost, and I think what we've presented within the RFQ is indicative of what those costs are going to be. Q. Can we just go up to the fifth one up from, fifth heat pump row up. Do you see that?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an assessment specifically on price. And I think that the weighting that we've done and the average is appropriate. And, again, the Company has said that we believe that the rates that are filed are appropriate and that we will stand behind them. If the Commission feels that it's appropriate to do a Compliance Filing, we certainly will go down that path. We don't think it's necessary. Q. So let's say you go down that if you were to refresh well, let's say you aren't going to refresh your rates, okay, that these rates are just approved as they are. You still don't know what products you're
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 276 GOLTZ / McCULLOCH contract partner we have. Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if that happens, there will be a number that may or may not be a number on this document, the average number, there will be a number that will be going to the cost and will go ultimately into the tariff price? A. As I stated, the costs that we presented, we feel confident in. If we're asked by the Commission, we would be happy to comply with a Compliance Filing. Q. I understand that. A. But ultimately, yes, there is a cost, and I think what we've presented within the RFQ is indicative of what those costs are going to be. Q. Can we just go up to the fifth one up from, fifth heat pump row up. Do you see that? A. Fifth from the bottom?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an assessment specifically on price. And I think that the weighting that we've done and the average is appropriate. And, again, the Company has said that we believe that the rates that are filed are appropriate and that we will stand behind them. If the Commission feels that it's appropriate to do a Compliance Filing, we certainly will go down that path. We don't think it's necessary. Q. So let's say you go down that if you were to refresh well, let's say you aren't going to refresh your rates, okay, that these rates are just approved as they are. You still don't know what products you're getting, right, at this point? You would take some time
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 276 GOLTZ / McCULLOCH contract partner we have. Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if that happens, there will be a number that may or may not be a number on this document, the average number, there will be a number that will be going to the cost and will go ultimately into the tariff price? A. As I stated, the costs that we presented, we feel confident in. If we're asked by the Commission, we would be happy to comply with a Compliance Filing. Q. I understand that. A. But ultimately, yes, there is a cost, and I think what we've presented within the RFQ is indicative of what those costs are going to be. Q. Can we just go up to the fifth one up from, fifth heat pump row up. Do you see that? A. Fifth from the bottom? Q. Fifth from the bottom. I'm excluding the line	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an assessment specifically on price. And I think that the weighting that we've done and the average is appropriate. And, again, the Company has said that we believe that the rates that are filed are appropriate and that we will stand behind them. If the Commission feels that it's appropriate to do a Compliance Filing, we certainly will go down that path. We don't think it's necessary. Q. So let's say you go down that if you were to refresh well, let's say you aren't going to refresh your rates, okay, that these rates are just approved as they are. You still don't know what products you're getting, right, at this point? You would take some time after the approval to enter into contracts with the
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 276 GOLTZ / McCULLOCH contract partner we have. Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if that happens, there will be a number that may or may not be a number on this document, the average number, there will be a number that will be going to the cost and will go ultimately into the tariff price? A. As I stated, the costs that we presented, we feel confident in. If we're asked by the Commission, we would be happy to comply with a Compliance Filing. Q. I understand that. A. But ultimately, yes, there is a cost, and I think what we've presented within the RFQ is indicative of what those costs are going to be. Q. Can we just go up to the fifth one up from, fifth heat pump row up. Do you see that? A. Fifth from the bottom? Q. Fifth from the bottom. I'm excluding the line that has the average on it.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an assessment specifically on price. And I think that the weighting that we've done and the average is appropriate. And, again, the Company has said that we believe that the rates that are filed are appropriate and that we will stand behind them. If the Commission feels that it's appropriate to do a Compliance Filing, we certainly will go down that path. We don't think it's necessary. Q. So let's say you go down that if you were to refresh well, let's say you aren't going to refresh your rates, okay, that these rates are just approved as they are. You still don't know what products you're getting, right, at this point? You would take some time after the approval to enter into contracts with the partners?
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 276 GOLTZ / McCULLOCH contract partner we have. Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if that happens, there will be a number that may or may not be a number on this document, the average number, there will be a number that will be going to the cost and will go ultimately into the tariff price? A. As I stated, the costs that we presented, we feel confident in. If we're asked by the Commission, we would be happy to comply with a Compliance Filing. Q. I understand that. A. But ultimately, yes, there is a cost, and I think what we've presented within the RFQ is indicative of what those costs are going to be. Q. Can we just go up to the fifth one up from, fifth heat pump row up. Do you see that? A. Fifth from the bottom? Q. Fifth from the bottom. I'm excluding the line that has the average on it. A. I see that.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an assessment specifically on price. And I think that the weighting that we've done and the average is appropriate. And, again, the Company has said that we believe that the rates that are filed are appropriate and that we will stand behind them. If the Commission feels that it's appropriate to do a Compliance Filing, we certainly will go down that path. We don't think it's necessary. Q. So let's say you go down that if you were to refresh well, let's say you aren't going to refresh your rates, okay, that these rates are just approved as they are. You still don't know what products you're getting, right, at this point? You would take some time after the approval to enter into contracts with the partners? A. So I want to answer that we will enter into
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 276 GOLTZ / McCULLOCH contract partner we have. Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if that happens, there will be a number that may or may not be a number on this document, the average number, there will be a number that will be going to the cost and will go ultimately into the tariff price? A. As I stated, the costs that we presented, we feel confident in. If we're asked by the Commission, we would be happy to comply with a Compliance Filing. Q. I understand that. A. But ultimately, yes, there is a cost, and I think what we've presented within the RFQ is indicative of what those costs are going to be. Q. Can we just go up to the fifth one up from, fifth heat pump row up. Do you see that? A. Fifth from the bottom? Q. Fifth from the bottom. I'm excluding the line that has the average on it. A. I see that. Q. Just checking with your counsel.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an assessment specifically on price. And I think that the weighting that we've done and the average is appropriate. And, again, the Company has said that we believe that the rates that are filed are appropriate and that we will stand behind them. If the Commission feels that it's appropriate to do a Compliance Filing, we certainly will go down that path. We don't think it's necessary. Q. So let's say you go down that if you were to refresh well, let's say you aren't going to refresh your rates, okay, that these rates are just approved as they are. You still don't know what products you're getting, right, at this point? You would take some time after the approval to enter into contracts with the partners? A. So I want to answer that we will enter into contracts. As I answered to Mr. Casey earlier, we do
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 276 GOLTZ / McCULLOCH contract partner we have. Q. So they're ultimately going into assuming your rates are refreshed in 60 days after approval, if that happens, there will be a number that may or may not be a number on this document, the average number, there will be a number that will be going to the cost and will go ultimately into the tariff price? A. As I stated, the costs that we presented, we feel confident in. If we're asked by the Commission, we would be happy to comply with a Compliance Filing. Q. I understand that. A. But ultimately, yes, there is a cost, and I think what we've presented within the RFQ is indicative of what those costs are going to be. Q. Can we just go up to the fifth one up from, fifth heat pump row up. Do you see that? A. Fifth from the bottom? Q. Fifth from the bottom. I'm excluding the line that has the average on it. A. I see that. Q. Just checking with your counsel. MS. CARSON: We would object to that because	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 278 GOLTZ / McCULLOCH testimony that service territory, quality, capabilities, are also something we need to consider. So it would be speculative of me to make an assessment specifically on price. And I think that the weighting that we've done and the average is appropriate. And, again, the Company has said that we believe that the rates that are filed are appropriate and that we will stand behind them. If the Commission feels that it's appropriate to do a Compliance Filing, we certainly will go down that path. We don't think it's necessary. Q. So let's say you go down that if you were to refresh well, let's say you aren't going to refresh your rates, okay, that these rates are just approved as they are. You still don't know what products you're getting, right, at this point? You would take some time after the approval to enter into contracts with the partners? A. So I want to answer that we will enter into contracts. As I answered to Mr. Casey earlier, we do have an understanding of the equipment that will be

	Page 279		Page 281
	GOLTZ / McCULLOCH		GOLTZ / McCULLOCH
1	Q. Right. But what I'm saying is that you'll enter	1	him finish his answer before you start.
2	into contracts, and the price, the cost to you of the	2	BY MR. GOLTZ:
3	appliances, will be set in the contracts with the	3	Q. Let's assume it's that number that you see in
4	partners?	4	the bottom next to the right column.
5	A. Yes. For us to offer the service, we have to	5	A. Yes.
6	have contracted rates or providers.	6	Q. Would you offer that number, that price, to
7	Q. This number at the bottom here is not the price	7	every one of your partners who supplies this piece of
8	that you're offering to pay for the equipment to all of	8	equipment?
9	the contractors that offered to be partners?	9	A. I think for the
10	A. As I stated, we have not contracted. So I	10	MS. CARSON: Objection; asked and answered.
11	cannot answer that question.	11	It seems like this is the same question over and over
12	Q. It's a simple question. This is not the price.	12	being asked in different ways.
13	When you ultimately enter into contracts with the	13	JUDGE KOPTA: I don't think you're going to
14	various providers, if this gets approved as filed, you	14	get anything more, Mr. Goltz, than what you've gotten.
15	are not offering that to purchase equipment at that	15	BY MR. GOLTZ:
16	price per unit, or are you? Or is this some other	16	Q. So let's assume it is that number, okay? And
17	number?	17	then the one the contractor who made in the RFQ
18	A. Again, I believe that the contracting process	18	responded, five up from the bottom, you would pay that
19	will help us understand that more clearly	19	contractor more than what it cost him or what they
20	Q. But as you know now	20	earlier said?
21	A. As I know now	21	A. You just asked whether if I assumed the cost is
22	Q. Just the number.	22	what is there that is contracted. And that would be the
23	A. This is the number that we have filed and that	23	cost that is contracted. You gave me a hypothetical
24	we stand behind as far as what we will offer from our	24	that doesn't make sense, I'm sorry.
25	providers.	25	Q. Yeah. That's what you would pay, even though
	providere:	-	
	Page 280		Page 282
	Page 280		
	•		Page 282
1	GOLTZ / McCULLOCH	1	Page 282
1	Page 280		Page 282 GOLTZ / McCULLOCH
	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question?	1	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average
2	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do.	1 2	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them
2 3	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do. Q. When you enter into a contract with and we'll	1 2 3	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them less. And so if you do provide each of them with an
2 3 4	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do. Q. When you enter into a contract with and we'll use a hypothetical.	1 2 3 4	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them less. And so if you do provide each of them with an average number, then you're paying way more than you
2 3 4 5	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do. Q. When you enter into a contract with and we'll use a hypothetical. A. Sure.	1 2 3 4 5	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them less. And so if you do provide each of them with an average number, then you're paying way more than you need to, wouldn't you?
2 3 4 5 6	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do. Q. When you enter into a contract with and we'll use a hypothetical. A. Sure. Q. XYZ Appliance Company, okay, and they're going	1 2 3 4 5 6	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them less. And so if you do provide each of them with an average number, then you're paying way more than you need to, wouldn't you? A. I think that's a mathematical equation that
2 3 4 5 6 7	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do. Q. When you enter into a contract with and we'll use a hypothetical. A. Sure. Q. XYZ Appliance Company, okay, and they're going to do this piece of equipment.	1 2 3 4 5 6 7	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them less. And so if you do provide each of them with an average number, then you're paying way more than you need to, wouldn't you? A. I think that's a mathematical equation that makes sense. If you pay more and they give you less,
2 3 4 5 6 7 8	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do. Q. When you enter into a contract with and we'll use a hypothetical. A. Sure. Q. XYZ Appliance Company, okay, and they're going to do this piece of equipment. A. They're going to provide	1 2 3 4 5 6 7 8	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them less. And so if you do provide each of them with an average number, then you're paying way more than you need to, wouldn't you? A. I think that's a mathematical equation that makes sense. If you pay more and they give you less, than yes, there is more. I don't think that that will
2 3 4 5 6 7 8 9	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do. Q. When you enter into a contract with and we'll use a hypothetical. A. Sure. Q. XYZ Appliance Company, okay, and they're going to do this piece of equipment. A. They're going to provide Q. Will the contract say, we will buy equipment	1 2 3 4 5 6 7 8 9	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them less. And so if you do provide each of them with an average number, then you're paying way more than you need to, wouldn't you? A. I think that's a mathematical equation that makes sense. If you pay more and they give you less, than yes, there is more. I don't think that that will be the case here.
2 3 4 5 6 7 8 9 10	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do. Q. When you enter into a contract with and we'll use a hypothetical. A. Sure. Q. XYZ Appliance Company, okay, and they're going to do this piece of equipment. A. They're going to provide Q. Will the contract say, we will buy equipment from you at that price? It's the bottom of the next to	1 2 3 4 5 6 7 8 9 10	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them less. And so if you do provide each of them with an average number, then you're paying way more than you need to, wouldn't you? A. I think that's a mathematical equation that makes sense. If you pay more and they give you less, than yes, there is more. I don't think that that will be the case here. Q. And if that happens, you would be paying more
2 3 4 5 6 7 8 9 10 11	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do. Q. When you enter into a contract with and we'll use a hypothetical. A. Sure. Q. XYZ Appliance Company, okay, and they're going to do this piece of equipment. A. They're going to provide Q. Will the contract say, we will buy equipment from you at that price? It's the bottom of the next to the right column. And if you don't I don't	1 2 3 4 5 6 7 8 9 10 11	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them less. And so if you do provide each of them with an average number, then you're paying way more than you need to, wouldn't you? A. I think that's a mathematical equation that makes sense. If you pay more and they give you less, than yes, there is more. I don't think that that will be the case here. Q. And if that happens, you would be paying more than you need to?
2 3 4 5 6 7 8 9 10 11 12	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do. Q. When you enter into a contract with and we'll use a hypothetical. A. Sure. Q. XYZ Appliance Company, okay, and they're going to do this piece of equipment. A. They're going to provide Q. Will the contract say, we will buy equipment from you at that price? It's the bottom of the next to the right column. And if you don't I don't understand why	1 2 3 4 5 6 7 8 9 10 11 12	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them less. And so if you do provide each of them with an average number, then you're paying way more than you need to, wouldn't you? A. I think that's a mathematical equation that makes sense. If you pay more and they give you less, than yes, there is more. I don't think that that will be the case here. Q. And if that happens, you would be paying more than you need to? A. PSE is working to operate this service on behalf
2 3 4 5 6 7 8 9 10 11 12 13	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do. Q. When you enter into a contract with and we'll use a hypothetical. A. Sure. Q. XYZ Appliance Company, okay, and they're going to do this piece of equipment. A. They're going to provide Q. Will the contract say, we will buy equipment from you at that price? It's the bottom of the next to the right column. And if you don't I don't understand why A. I have not contracted this is the paradigm	1 2 3 4 5 6 7 8 9 10 11 12 13	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them less. And so if you do provide each of them with an average number, then you're paying way more than you need to, wouldn't you? A. I think that's a mathematical equation that makes sense. If you pay more and they give you less, than yes, there is more. I don't think that that will be the case here. Q. And if that happens, you would be paying more than you need to? A. PSE is working to operate this service on behalf of our customers at the interests of our customers. We
2 3 4 5 6 7 8 9 10 11 12 13 14	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do. Q. When you enter into a contract with and we'll use a hypothetical. A. Sure. Q. XYZ Appliance Company, okay, and they're going to do this piece of equipment. A. They're going to provide Q. Will the contract say, we will buy equipment from you at that price? It's the bottom of the next to the right column. And if you don't I don't understand why A. I have not contracted this is the paradigm that we've been involved in this entire case. You know,	1 2 3 4 5 6 7 8 9 10 11 12 13 14	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them less. And so if you do provide each of them with an average number, then you're paying way more than you need to, wouldn't you? A. I think that's a mathematical equation that makes sense. If you pay more and they give you less, than yes, there is more. I don't think that that will be the case here. Q. And if that happens, you would be paying more than you need to? A. PSE is working to operate this service on behalf of our customers at the interests of our customers. We don't believe that we would be putting forward prices
2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do. Q. When you enter into a contract with and we'll use a hypothetical. A. Sure. Q. XYZ Appliance Company, okay, and they're going to do this piece of equipment. A. They're going to provide Q. Will the contract say, we will buy equipment from you at that price? It's the bottom of the next to the right column. And if you don't I don't understand why A. I have not contracted this is the paradigm that we've been involved in this entire case. You know, the process, and even your association responded that	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them less. And so if you do provide each of them with an average number, then you're paying way more than you need to, wouldn't you? A. I think that's a mathematical equation that makes sense. If you pay more and they give you less, than yes, there is more. I don't think that that will be the case here. Q. And if that happens, you would be paying more than you need to? A. PSE is working to operate this service on behalf of our customers at the interests of our customers. We don't believe that we would be putting forward prices that will overcharge the customers. The Commission is
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do. Q. When you enter into a contract with and we'll use a hypothetical. A. Sure. Q. XYZ Appliance Company, okay, and they're going to do this piece of equipment. A. They're going to provide Q. Will the contract say, we will buy equipment from you at that price? It's the bottom of the next to the right column. And if you don't I don't understand why A. I have not contracted this is the paradigm that we've been involved in this entire case. You know, the process, and even your association responded that the process of contracting prior to approval from the	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them less. And so if you do provide each of them with an average number, then you're paying way more than you need to, wouldn't you? A. I think that's a mathematical equation that makes sense. If you pay more and they give you less, than yes, there is more. I don't think that that will be the case here. Q. And if that happens, you would be paying more than you need to? A. PSE is working to operate this service on behalf of our customers at the interests of our customers. We don't believe that we would be putting forward prices that will overcharge the customers. The Commission is here to help make sure that that is appropriate. So I
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do. Q. When you enter into a contract with and we'll use a hypothetical. A. Sure. Q. XYZ Appliance Company, okay, and they're going to do this piece of equipment. A. They're going to provide Q. Will the contract say, we will buy equipment from you at that price? It's the bottom of the next to the right column. And if you don't I don't understand why A. I have not contracted this is the paradigm that we've been involved in this entire case. You know, the process, and even your association responded that the process of contracting prior to approval from the Commission is premature to consider.	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them less. And so if you do provide each of them with an average number, then you're paying way more than you need to, wouldn't you? A. I think that's a mathematical equation that makes sense. If you pay more and they give you less, than yes, there is more. I don't think that that will be the case here. Q. And if that happens, you would be paying more than you need to? A. PSE is working to operate this service on behalf of our customers at the interests of our customers. We don't believe that we would be putting forward prices that will overcharge the customers. The Commission is here to help make sure that that is appropriate. So I don't like the accusation that we will be overcharging
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do. Q. When you enter into a contract with and we'll use a hypothetical. A. Sure. Q. XYZ Appliance Company, okay, and they're going to do this piece of equipment. A. They're going to provide Q. Will the contract say, we will buy equipment from you at that price? It's the bottom of the next to the right column. And if you don't I don't understand why A. I have not contracted this is the paradigm that we've been involved in this entire case. You know, the process, and even your association responded that the process of contracting prior to approval from the Commission is premature to consider. And so just as you've stated, do I know what	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them less. And so if you do provide each of them with an average number, then you're paying way more than you need to, wouldn't you? A. I think that's a mathematical equation that makes sense. If you pay more and they give you less, than yes, there is more. I don't think that that will be the case here. Q. And if that happens, you would be paying more than you need to? A. PSE is working to operate this service on behalf of our customers at the interests of our customers. We don't believe that we would be putting forward prices that will overcharge the customers. The Commission is here to help make sure that that is appropriate. So I don't like the accusation that we will be overcharging customers.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do. Q. When you enter into a contract with and we'll use a hypothetical. A. Sure. Q. XYZ Appliance Company, okay, and they're going to do this piece of equipment. A. They're going to provide Q. Will the contract say, we will buy equipment from you at that price? It's the bottom of the next to the right column. And if you don't I don't understand why A. I have not contracted this is the paradigm that we've been involved in this entire case. You know, the process, and even your association responded that the process of contracting prior to approval from the Commission is premature to consider. And so just as you've stated, do I know what that cost will be on the contract to date? I feel it	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them less. And so if you do provide each of them with an average number, then you're paying way more than you need to, wouldn't you? A. I think that's a mathematical equation that makes sense. If you pay more and they give you less, than yes, there is more. I don't think that that will be the case here. Q. And if that happens, you would be paying more than you need to? A. PSE is working to operate this service on behalf of our customers at the interests of our customers. We don't believe that we would be putting forward prices that will overcharge the customers. The Commission is here to help make sure that that is appropriate. So I don't like the accusation that we will be overcharging customers. Q. Okay. So let's in the RFQ process, did you
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do. Q. When you enter into a contract with and we'll use a hypothetical. A. Sure. Q. XYZ Appliance Company, okay, and they're going to do this piece of equipment. A. They're going to provide Q. Will the contract say, we will buy equipment from you at that price? It's the bottom of the next to the right column. And if you don't I don't understand why A. I have not contracted this is the paradigm that we've been involved in this entire case. You know, the process, and even your association responded that the process of contracting prior to approval from the Commission is premature to consider. And so just as you've stated, do I know what that cost will be on the contract to date? I feel it will be representative of the costs that we have	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them less. And so if you do provide each of them with an average number, then you're paying way more than you need to, wouldn't you? A. I think that's a mathematical equation that makes sense. If you pay more and they give you less, than yes, there is more. I don't think that that will be the case here. Q. And if that happens, you would be paying more than you need to? A. PSE is working to operate this service on behalf of our customers at the interests of our customers. We don't believe that we would be putting forward prices that will overcharge the customers. The Commission is here to help make sure that that is appropriate. So I don't like the accusation that we will be overcharging customers. Q. Okay. So let's in the RFQ process, did you ask the respondents to quote equipment costs based on
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do. Q. When you enter into a contract with and we'll use a hypothetical. A. Sure. Q. XYZ Appliance Company, okay, and they're going to do this piece of equipment. A. They're going to provide Q. Will the contract say, we will buy equipment from you at that price? It's the bottom of the next to the right column. And if you don't I don't understand why A. I have not contracted this is the paradigm that we've been involved in this entire case. You know, the process, and even your association responded that the process of contracting prior to approval from the Commission is premature to consider. And so just as you've stated, do I know what that cost will be on the contract to date? I feel it will be representative of the costs that we have presented in our tariff and in the information to back	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them less. And so if you do provide each of them with an average number, then you're paying way more than you need to, wouldn't you? A. I think that's a mathematical equation that makes sense. If you pay more and they give you less, than yes, there is more. I don't think that that will be the case here. Q. And if that happens, you would be paying more than you need to? A. PSE is working to operate this service on behalf of our customers at the interests of our customers. We don't believe that we would be putting forward prices that will overcharge the customers. The Commission is here to help make sure that that is appropriate. So I don't like the accusation that we will be overcharging customers. Q. Okay. So let's in the RFQ process, did you ask the respondents to quote equipment costs based on what number of pieces of equipment?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 280 GOLTZ / McCULLOCH Q. Do you understand my question? A. I do. Q. When you enter into a contract with and we'll use a hypothetical. A. Sure. Q. XYZ Appliance Company, okay, and they're going to do this piece of equipment. A. They're going to provide Q. Will the contract say, we will buy equipment from you at that price? It's the bottom of the next to the right column. And if you don't I don't understand why A. I have not contracted this is the paradigm that we've been involved in this entire case. You know, the process, and even your association responded that the process of contracting prior to approval from the Commission is premature to consider. And so just as you've stated, do I know what that cost will be on the contract to date? I feel it will be representative of the costs that we have presented in our tariff and in the information to back up that rate, but I don't have that definitive answer.	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 282 GOLTZ / McCULLOCH according to this RFQ some of the responders, on average about half of them probably, said it would cost them less. And so if you do provide each of them with an average number, then you're paying way more than you need to, wouldn't you? A. I think that's a mathematical equation that makes sense. If you pay more and they give you less, than yes, there is more. I don't think that that will be the case here. Q. And if that happens, you would be paying more than you need to? A. PSE is working to operate this service on behalf of our customers at the interests of our customers. We don't believe that we would be putting forward prices that will overcharge the customers. The Commission is here to help make sure that that is appropriate. So I don't like the accusation that we will be overcharging customers. Q. Okay. So let's in the RFQ process, did you ask the respondents to quote equipment costs based on what number of pieces of equipment? A. Are you talking about the amount of customers

	Page 283		Page 285
	GOLTZ / McCULLOCH		GOLTZ / McCULLOCH
1	said, how much does it cost for one of these furnaces,	1	A. Correct.
2	my answer might be one thing, but if they came to me and	2	Q. And you stated under Key Milestones that you
3	said, I want to get a thousand of them, it might be a	3	were then hoping that service partner contracts will be
4	different number.	4	signed November 30th.
5	So my question is, did you ask them for the	5	A. That was an estimate of the time that we
б	price of one, price for a hundred, or price for a	6	believed.
7	thousand, or what?	7	Q. So you thought after approval of this tariff,
8	A. The costs are based on a per unit. However, in	8	which at that time contained no rates, that all of the
9	the information that we presented in the RFQ, we	9	rates and the equipment and brands, if possible, would
10	detailed what the potential projections of the market	10	all be worked out in the next two-and-a-half weeks and
11	would be in the first five years.	11	all the contracts would be signed with the service
12	Q. So in other words, it was a it was more than	12	partners?
13	simply one? It's per unit for a number	13	A. Yes. We had already conducted an RFQ at that
14	A. We asked for per unit cost, but there were	14	point, so we had a lot of information to inform that we
15	parameters that were provided to help inform that	15	could do an expedited contracting process
16	pricing.	16	Q. And there was time within that for a competitive
17	Q. So in the next step of the process, assuming	17	procurement in that time period?
18	this gets approved, will there be a competitive	18	A. From what my Purchasing Department advised me,
19	procurement or will you simply ask for the same	19	that they felt that that was appropriate. Again, this
20	information as you did in the RFQ?	20	was a projection used to inform a large audience
21	A. We will be working with our Purchasing	21	internally working on the project about what the current
22	Department who is responsible for contracting within our	22	status is. It's not a fixed timeline.
23	organization to do the appropriate selection and	23	Q. So, also, the ultimate rate switching topics
24	contracting process, which should include competitive	24	somewhat the ultimate rate includes a return
25	bid process.	25	component; correct?
	Page 284		Page 286
	Page 284 GOLTZ / McCULLOCH		Page 286 GOLTZ / McCULLOCH
	GOLTZ / McCULLOCH		GOLTZ / McCULLOCH
1	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of	1	GOLTZ / McCULLOCH A. Correct.
2	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product?	2	GOLTZ / McCULLOCH A. Correct. Q. And the return on equity, the investment, is the
2 3	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process.	2 3	GOLTZ / McCULLOCH A. Correct. Q. And the return on equity, the investment, is the investment in the equipment?
2 3 4	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64.	2 3 4	GOLTZ / McCULLOCH <ul> <li>A. Correct.</li> <li>Q. And the return on equity, the investment, is the investment in the equipment?</li> <li>A. In the capital, correct.</li> </ul>
2 3 4 5	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64. A. Yes.	2 3 4 5	GOLTZ / McCULLOCH A. Correct. Q. And the return on equity, the investment, is the investment in the equipment? A. In the capital, correct. Q. So that would be the furnace system
2 3 4 5 6	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64. A. Yes. MS. CARSON: This is one of the cross-exam	2 3 4 5 6	GOLTZ / McCULLOCH <ul> <li>A. Correct.</li> <li>Q. And the return on equity, the investment, is the investment in the equipment?</li> <li>A. In the capital, correct.</li> <li>Q. So that would be the furnace system A equipment and the installation, is what I've</li> </ul>
2 3 4 5 6 7	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64. A. Yes. MS. CARSON: This is one of the cross-exam exhibits that we objected to as outside the scope of	2 3 4 5 6 7	GOLTZ / McCULLOCH <ul> <li>A. Correct.</li> <li>Q. And the return on equity, the investment, is the investment in the equipment?</li> <li>A. In the capital, correct.</li> <li>Q. So that would be the furnace system <ul> <li>A equipment and the installation, is what I've detailed in my testimony.</li> </ul> </li> </ul>
2 3 4 5 6 7 8	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64. A. Yes. MS. CARSON: This is one of the cross-exam exhibits that we objected to as outside the scope of SMACNA's intervention in this case.	2 3 4 5 6 7 8	GOLTZ / McCULLOCH <ul> <li>A. Correct.</li> <li>Q. And the return on equity, the investment, is the investment in the equipment?</li> <li>A. In the capital, correct.</li> <li>Q. So that would be the furnace system <ul> <li>A equipment and the installation, is what I've detailed in my testimony.</li> <li>Q. The equipment and the standard installation?</li> </ul> </li> </ul>
2 3 5 6 7 8 9	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64. A. Yes. MS. CARSON: This is one of the cross-exam exhibits that we objected to as outside the scope of SMACNA's intervention in this case. JUDGE KOPTA: Yes, I have that noted, as	2 3 4 5 6 7 8 9	<ul> <li>GOLTZ / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the return on equity, the investment, is the investment in the equipment?</li> <li>A. In the capital, correct.</li> <li>Q. So that would be the furnace system</li> <li>A equipment and the installation, is what I've detailed in my testimony.</li> <li>Q. The equipment and the standard installation?</li> <li>A. The equipment and the standard installation are</li> </ul>
2 3 4 5 6 7 8 9 10	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64. A. Yes. MS. CARSON: This is one of the cross-exam exhibits that we objected to as outside the scope of SMACNA's intervention in this case. JUDGE KOPTA: Yes, I have that noted, as well as the other two exhibits that you have referred	2 3 4 5 6 7 8 9 10	<ul> <li>GOLTZ / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the return on equity, the investment, is the investment in the equipment?</li> <li>A. In the capital, correct.</li> <li>Q. So that would be the furnace system</li> <li>A equipment and the installation, is what I've detailed in my testimony.</li> <li>Q. The equipment and the standard installation?</li> <li>A. The equipment and the standard installation are the services that will be contracted with providers to</li> </ul>
2 3 4 5 6 7 8 9 10 11	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64. A. Yes. MS. CARSON: This is one of the cross-exam exhibits that we objected to as outside the scope of SMACNA's intervention in this case. JUDGE KOPTA: Yes, I have that noted, as well as the other two exhibits that you have referred to.	2 3 4 5 6 7 8 9 10 11	<ul> <li>GOLTZ / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the return on equity, the investment, is the investment in the equipment?</li> <li>A. In the capital, correct.</li> <li>Q. So that would be the furnace system</li> <li>A equipment and the installation, is what I've detailed in my testimony.</li> <li>Q. The equipment and the standard installation?</li> <li>A. The equipment and the standard installation are the services that will be contracted with providers to fulfill this service.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64. A. Yes. MS. CARSON: This is one of the cross-exam exhibits that we objected to as outside the scope of SMACNA's intervention in this case. JUDGE KOPTA: Yes, I have that noted, as well as the other two exhibits that you have referred to. MR. GOLTZ: So I can argue why I think it's	2 3 4 5 6 7 8 9 10 11 12	<ul> <li>GOLTZ / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the return on equity, the investment, is the investment in the equipment?</li> <li>A. In the capital, correct.</li> <li>Q. So that would be the furnace system</li> <li>A equipment and the installation, is what I've detailed in my testimony.</li> <li>Q. The equipment and the standard installation?</li> <li>A. The equipment and the standard installation are the services that will be contracted with providers to fulfill this service.</li> <li>Q. So on Page 18 of your direct testimony at</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64. A. Yes. MS. CARSON: This is one of the cross-exam exhibits that we objected to as outside the scope of SMACNA's intervention in this case. JUDGE KOPTA: Yes, I have that noted, as well as the other two exhibits that you have referred to. MR. GOLTZ: So I can argue why I think it's relevant or I can ask a question.	2 3 4 5 6 7 8 9 10 11 12 13	<ul> <li>GOLTZ / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the return on equity, the investment, is the investment in the equipment?</li> <li>A. In the capital, correct.</li> <li>Q. So that would be the furnace system</li> <li>A equipment and the installation, is what I've detailed in my testimony.</li> <li>Q. The equipment and the standard installation?</li> <li>A. The equipment and the standard installation are the services that will be contracted with providers to fulfill this service.</li> <li>Q. So on Page 18 of your direct testimony at Lines 22 and 23, you said that the weight of cost to</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64. A. Yes. MS. CARSON: This is one of the cross-exam exhibits that we objected to as outside the scope of SMACNA's intervention in this case. JUDGE KOPTA: Yes, I have that noted, as well as the other two exhibits that you have referred to. MR. GOLTZ: So I can argue why I think it's relevant or I can ask a question. JUDGE KOPTA: I would prefer that you just	2 3 4 5 6 7 8 9 10 11 12 13 14	<ul> <li>GOLTZ / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the return on equity, the investment, is the investment in the equipment?</li> <li>A. In the capital, correct.</li> <li>Q. So that would be the furnace system</li> <li>A equipment and the installation, is what I've detailed in my testimony.</li> <li>Q. The equipment and the standard installation?</li> <li>A. The equipment and the standard installation are the services that will be contracted with providers to fulfill this service.</li> <li>Q. So on Page 18 of your direct testimony at Lines 22 and 23, you said that the weight of cost to capital is assessed to the capital costs.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64. A. Yes. MS. CARSON: This is one of the cross-exam exhibits that we objected to as outside the scope of SMACNA's intervention in this case. JUDGE KOPTA: Yes, I have that noted, as well as the other two exhibits that you have referred to. MR. GOLTZ: So I can argue why I think it's relevant or I can ask a question. JUDGE KOPTA: I would prefer that you just ask the questions, and then when you offer it, then	2 3 4 5 6 7 8 9 10 11 12 13 14 15	<ul> <li>GOLTZ / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the return on equity, the investment, is the investment in the equipment?</li> <li>A. In the capital, correct.</li> <li>Q. So that would be the furnace system</li> <li>A equipment and the installation, is what I've detailed in my testimony.</li> <li>Q. The equipment and the standard installation?</li> <li>A. The equipment and the standard installation are the services that will be contracted with providers to fulfill this service.</li> <li>Q. So on Page 18 of your direct testimony at Lines 22 and 23, you said that the weight of cost to capital is assessed to the capital costs. Is that the extent of analysis of the</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64. A. Yes. MS. CARSON: This is one of the cross-exam exhibits that we objected to as outside the scope of SMACNA's intervention in this case. JUDGE KOPTA: Yes, I have that noted, as well as the other two exhibits that you have referred to. MR. GOLTZ: So I can argue why I think it's relevant or I can ask a question. JUDGE KOPTA: I would prefer that you just ask the questions, and then when you offer it, then we'll deal with the objections.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	<ul> <li>GOLTZ / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the return on equity, the investment, is the investment in the equipment?</li> <li>A. In the capital, correct.</li> <li>Q. So that would be the furnace system</li> <li>A equipment and the installation, is what I've detailed in my testimony.</li> <li>Q. The equipment and the standard installation?</li> <li>A. The equipment and the standard installation are the services that will be contracted with providers to fulfill this service.</li> <li>Q. So on Page 18 of your direct testimony at Lines 22 and 23, you said that the weight of cost to capital is assessed to the capital costs. Is that the extent of analysis of the appropriate cost of capital for this project??</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64. A. Yes. MS. CARSON: This is one of the cross-exam exhibits that we objected to as outside the scope of SMACNA's intervention in this case. JUDGE KOPTA: Yes, I have that noted, as well as the other two exhibits that you have referred to. MR. GOLTZ: So I can argue why I think it's relevant or I can ask a question. JUDGE KOPTA: I would prefer that you just ask the questions, and then when you offer it, then we'll deal with the objections. BY MR. GOLTZ:	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	<ul> <li>GOLTZ / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the return on equity, the investment, is the investment in the equipment?</li> <li>A. In the capital, correct.</li> <li>Q. So that would be the furnace system</li> <li>A equipment and the installation, is what I've detailed in my testimony.</li> <li>Q. The equipment and the standard installation?</li> <li>A. The equipment and the standard installation are the services that will be contracted with providers to fulfill this service.</li> <li>Q. So on Page 18 of your direct testimony at Lines 22 and 23, you said that the weight of cost to capital is assessed to the capital costs. Is that the extent of analysis of the appropriate cost of capital for this project?? MS. CARSON: Object to the form of the</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64. A. Yes. MS. CARSON: This is one of the cross-exam exhibits that we objected to as outside the scope of SMACNA's intervention in this case. JUDGE KOPTA: Yes, I have that noted, as well as the other two exhibits that you have referred to. MR. GOLTZ: So I can argue why I think it's relevant or I can ask a question. JUDGE KOPTA: I would prefer that you just ask the questions, and then when you offer it, then we'll deal with the objections. BY MR. GOLTZ: Q. Do you recognize this document as one periodic	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>GOLTZ / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the return on equity, the investment, is the investment in the equipment?</li> <li>A. In the capital, correct.</li> <li>Q. So that would be the furnace system</li> <li>A equipment and the installation, is what I've detailed in my testimony.</li> <li>Q. The equipment and the standard installation?</li> <li>A. The equipment and the standard installation are the services that will be contracted with providers to fulfill this service.</li> <li>Q. So on Page 18 of your direct testimony at Lines 22 and 23, you said that the weight of cost to capital is assessed to the capital costs. Is that the extent of analysis of the appropriate cost of capital for this project?? MS. CARSON: Object to the form of the question.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64. A. Yes. MS. CARSON: This is one of the cross-exam exhibits that we objected to as outside the scope of SMACNA's intervention in this case. JUDGE KOPTA: Yes, I have that noted, as well as the other two exhibits that you have referred to. MR. GOLTZ: So I can argue why I think it's relevant or I can ask a question. JUDGE KOPTA: I would prefer that you just ask the questions, and then when you offer it, then we'll deal with the objections. BY MR. GOLTZ: Q. Do you recognize this document as one periodic Lease Solutions project updates?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	<ul> <li>GOLTZ / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the return on equity, the investment, is the investment in the equipment?</li> <li>A. In the capital, correct.</li> <li>Q. So that would be the furnace system</li> <li>A equipment and the installation, is what I've detailed in my testimony.</li> <li>Q. The equipment and the standard installation?</li> <li>A. The equipment and the standard installation are the services that will be contracted with providers to fulfill this service.</li> <li>Q. So on Page 18 of your direct testimony at Lines 22 and 23, you said that the weight of cost to capital is assessed to the capital costs. Is that the extent of analysis of the appropriate cost of capital for this project?? MS. CARSON: Object to the form of the question.</li> <li>JUDGE KOPTA: I confess I was trying to find</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64. A. Yes. MS. CARSON: This is one of the cross-exam exhibits that we objected to as outside the scope of SMACNA's intervention in this case. JUDGE KOPTA: Yes, I have that noted, as well as the other two exhibits that you have referred to. MR. GOLTZ: So I can argue why I think it's relevant or I can ask a question. JUDGE KOPTA: I would prefer that you just ask the questions, and then when you offer it, then we'll deal with the objections. BY MR. GOLTZ: Q. Do you recognize this document as one periodic Lease Solutions project updates? A. Yes. I created this document.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	<ul> <li>GOLTZ / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the return on equity, the investment, is the investment in the equipment?</li> <li>A. In the capital, correct.</li> <li>Q. So that would be the furnace system</li> <li>A equipment and the installation, is what I've detailed in my testimony.</li> <li>Q. The equipment and the standard installation?</li> <li>A. The equipment and the standard installation are the services that will be contracted with providers to fulfill this service.</li> <li>Q. So on Page 18 of your direct testimony at Lines 22 and 23, you said that the weight of cost to capital is assessed to the capital costs. Is that the extent of analysis of the appropriate cost of capital for this project?? MS. CARSON: Object to the form of the question.</li> <li>JUDGE KOPTA: I confess I was trying to find the citation, so I've lost the question.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64. A. Yes. MS. CARSON: This is one of the cross-exam exhibits that we objected to as outside the scope of SMACNA's intervention in this case. JUDGE KOPTA: Yes, I have that noted, as well as the other two exhibits that you have referred to. MR. GOLTZ: So I can argue why I think it's relevant or I can ask a question. JUDGE KOPTA: I would prefer that you just ask the questions, and then when you offer it, then we'll deal with the objections. BY MR. GOLTZ: Q. Do you recognize this document as one periodic Lease Solutions project updates? A. Yes. I created this document. Q. And this is dated October 21, 2015?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<ul> <li>GOLTZ / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the return on equity, the investment, is the investment in the equipment?</li> <li>A. In the capital, correct.</li> <li>Q. So that would be the furnace system</li> <li>A equipment and the installation, is what I've detailed in my testimony.</li> <li>Q. The equipment and the standard installation?</li> <li>A. The equipment and the standard installation are the services that will be contracted with providers to fulfill this service.</li> <li>Q. So on Page 18 of your direct testimony at Lines 22 and 23, you said that the weight of cost to capital is assessed to the capital costs. Is that the extent of analysis of the appropriate cost of capital for this project?? MS. CARSON: Object to the form of the question.</li> <li>JUDGE KOPTA: I confess I was trying to find the citation, so I've lost the question.</li> <li>COMMISSIONER JONES: Mr. Goltz, is it direct</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64. A. Yes. MS. CARSON: This is one of the cross-exam exhibits that we objected to as outside the scope of SMACNA's intervention in this case. JUDGE KOPTA: Yes, I have that noted, as well as the other two exhibits that you have referred to. MR. GOLTZ: So I can argue why I think it's relevant or I can ask a question. JUDGE KOPTA: I would prefer that you just ask the questions, and then when you offer it, then we'll deal with the objections. BY MR. GOLTZ: Q. Do you recognize this document as one periodic Lease Solutions project updates? A. Yes. I created this document. Q. And this is dated October 21, 2015? A. Correct.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>GOLTZ / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the return on equity, the investment, is the investment in the equipment?</li> <li>A. In the capital, correct.</li> <li>Q. So that would be the furnace system</li> <li>A equipment and the installation, is what I've detailed in my testimony.</li> <li>Q. The equipment and the standard installation?</li> <li>A. The equipment and the standard installation are the services that will be contracted with providers to fulfill this service.</li> <li>Q. So on Page 18 of your direct testimony at Lines 22 and 23, you said that the weight of cost to capital is assessed to the capital costs.</li> <li>Is that the extent of analysis of the appropriate cost of capital for this project??</li> <li>MS. CARSON: Object to the form of the question.</li> <li>JUDGE KOPTA: I confess I was trying to find the citation, so I've lost the question.</li> <li>COMMISSIONER JONES: Mr. Goltz, is it direct MBM-1T? That's his direct testimony? Page 18?</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64. A. Yes. MS. CARSON: This is one of the cross-exam exhibits that we objected to as outside the scope of SMACNA's intervention in this case. JUDGE KOPTA: Yes, I have that noted, as well as the other two exhibits that you have referred to. MR. GOLTZ: So I can argue why I think it's relevant or I can ask a question. JUDGE KOPTA: I would prefer that you just ask the questions, and then when you offer it, then we'll deal with the objections. BY MR. GOLTZ: Q. Do you recognize this document as one periodic Lease Solutions project updates? A. Yes. I created this document. Q. And this is dated October 21, 2015? A. Correct. Q. And at this point in the process, you were	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	<ul> <li>GOLTZ / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the return on equity, the investment, is the investment in the equipment?</li> <li>A. In the capital, correct.</li> <li>Q. So that would be the furnace system</li> <li>A equipment and the installation, is what I've detailed in my testimony.</li> <li>Q. The equipment and the standard installation?</li> <li>A. The equipment and the standard installation are the services that will be contracted with providers to fulfill this service.</li> <li>Q. So on Page 18 of your direct testimony at Lines 22 and 23, you said that the weight of cost to capital is assessed to the capital costs. Is that the extent of analysis of the appropriate cost of capital for this project?? MS. CARSON: Object to the form of the question.</li> <li>JUDGE KOPTA: I confess I was trying to find the citation, so I've lost the question.</li> <li>COMMISSIONER JONES: Mr. Goltz, is it direct</li> <li>MBM-1T? That's his direct testimony? Page 18? MR. GOLTZ: I believe so. That's what I put</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24	GOLTZ / McCULLOCH Q. And it will include picking a specific brand of product and model of product? A. That would be a result of a contracting process. Q. So could you turn to MBM-64. A. Yes. MS. CARSON: This is one of the cross-exam exhibits that we objected to as outside the scope of SMACNA's intervention in this case. JUDGE KOPTA: Yes, I have that noted, as well as the other two exhibits that you have referred to. MR. GOLTZ: So I can argue why I think it's relevant or I can ask a question. JUDGE KOPTA: I would prefer that you just ask the questions, and then when you offer it, then we'll deal with the objections. BY MR. GOLTZ: Q. Do you recognize this document as one periodic Lease Solutions project updates? A. Yes. I created this document. Q. And this is dated October 21, 2015? A. Correct. Q. And at this point in the process, you were	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	<ul> <li>GOLTZ / McCULLOCH</li> <li>A. Correct.</li> <li>Q. And the return on equity, the investment, is the investment in the equipment?</li> <li>A. In the capital, correct.</li> <li>Q. So that would be the furnace system</li> <li>A equipment and the installation, is what I've detailed in my testimony.</li> <li>Q. The equipment and the standard installation?</li> <li>A. The equipment and the standard installation are the services that will be contracted with providers to fulfill this service.</li> <li>Q. So on Page 18 of your direct testimony at Lines 22 and 23, you said that the weight of cost to capital is assessed to the capital costs.</li> <li>Is that the extent of analysis of the appropriate cost of capital for this project??</li> <li>MS. CARSON: Object to the form of the question.</li> <li>JUDGE KOPTA: I confess I was trying to find the citation, so I've lost the question.</li> <li>COMMISSIONER JONES: Mr. Goltz, is it direct MBM-1T? That's his direct testimony? Page 18?</li> </ul>

	Page 287		Page 289
	GOLTZ / McCULLOCH		GOLTZ / McCULLOCH
1	for me, please?	1	That makes a difference. I think there's also my
2	BY MR. GOLTZ:	2	next line of questioning is going to be, well, they
3	Q. My question is, referring to Lines 22 and 23 on	3	aren't going to get the equipment until after it is
4	Page 18 of MBM-1T, is that the extent of the analysis of	4	already ordered, so the risk of investment is low.
5	what is the appropriate cost of capital to be determined	5	So that's why I asked the witness, is this
6	to be used in the development of the prices?	6	the analysis, the extent of your analysis of your cost
7	A. To the extent the way the cost of capital was	7	of capital issues, which is, basically, we're going to
	• •		take what we have now.
8	applied to both the capital cost as well as the	8	
9	treatment of the net present value, yes, that was the	9	And what I'm trying to show now is that what
10	extent of the treatment.	10	this program is is highly different from the same sort
11	Q. And so you're basically picking what is	11	of risk profile in all their other investments and,
12	Company's most recently approved cost of capital?	12	therefore, the return component of these rates is very
13	A. That's the only cost of capital we're allowed to	13	high and, therefore, the rates that fall out of those
14		14	are extremely high.
15	Q. And that overall rate of return that you're	15	That, I think, when they're asking the
16	referencing is a blending of the cost of debt and the	16	Commission to bless those as fair, just, and reasonable,
17	cost of equity; is that your understanding?	17	that is a market aberration, because they're coming into
18	A. Yes, that's my understanding.	18	this market in a poorly competitive basis, and they're
19	Q. Can you turn to Cross-Exhibit 62HC.	19	getting this imprimatur on something that's not fair,
20	A. Yes.	20	just, and reasonable.
21	Q. And this contains highly confidential	21	JUDGE KOPTA: The Commission finds this as a
22	information, but I'm only referring to Page 2 which has	22	useful inquiry and believes that it is related to the
23	nonconfidential.	23	market concerns that the Intervenors have and were
24	MS. CARSON: Your Honor, if I could again	24	allowed to intervene in this proceeding to pursue and,
25	object. I think the issue is not just whether or not	25	therefore, we will allow it.
	Page 288		Page 290
		10	
	Page 288 GOLTZ / McCULLOCH		Page 290 GOLTZ / McCULLOCH
1	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this	1	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue
1 2	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor	1 2	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit
1 2 3	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited.	1 2 3	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue
1 2 3 4	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're	1 2 3 4	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time.
1 2 3 4 5	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition	1 2 3 4 5	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get
1 2 3 4 5 6	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition in a market that's competitive, and they're seeking to	1 2 3 4 5 6	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get the same ruling. If you do, you're welcome to make the
1 2 3 4 5 6 7	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition in a market that's competitive, and they're seeking to obtain a governmental imprimatur on its rates as fair,	1 2 3 4 5 6 7	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get the same ruling. If you do, you're welcome to make the objection and to therefore preserve it. But I think
1 2 3 4 5 6 7 8	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition in a market that's competitive, and they're seeking to obtain a governmental imprimatur on its rates as fair, just, and reasonable.	1 2 3 4 5 6 7 8	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get the same ruling. If you do, you're welcome to make the objection and to therefore preserve it. But I think that's where the Commission is coming from, from what
1 2 3 4 5 6 7 8 9	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition in a market that's competitive, and they're seeking to obtain a governmental imprimatur on its rates as fair, just, and reasonable. And doing a calculation to come out with a	1 2 3 4 5 6 7 8 9	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get the same ruling. If you do, you're welcome to make the objection and to therefore preserve it. But I think that's where the Commission is coming from, from what we've seen so far.
1 2 3 4 5 6 7 8	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition in a market that's competitive, and they're seeking to obtain a governmental imprimatur on its rates as fair, just, and reasonable. And doing a calculation to come out with a leased rate that they're going to be selling as a fair,	1 2 3 4 5 6 7 8	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get the same ruling. If you do, you're welcome to make the objection and to therefore preserve it. But I think that's where the Commission is coming from, from what we've seen so far. MR. STEELE: Thank you.
1 2 3 4 5 6 7 8 9	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition in a market that's competitive, and they're seeking to obtain a governmental imprimatur on its rates as fair, just, and reasonable. And doing a calculation to come out with a leased rate that they're going to be selling as a fair, just, and reasonable rate, that is I think that opens	1 2 3 4 5 6 7 8 9	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get the same ruling. If you do, you're welcome to make the objection and to therefore preserve it. But I think that's where the Commission is coming from, from what we've seen so far. MR. STEELE: Thank you. BY MR. GOLTZ:
1 2 3 4 5 6 7 8 9 10	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition in a market that's competitive, and they're seeking to obtain a governmental imprimatur on its rates as fair, just, and reasonable. And doing a calculation to come out with a leased rate that they're going to be selling as a fair, just, and reasonable rate, that is I think that opens up some questions about how those rates are calculated	1 2 3 4 5 6 7 8 9 10	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get the same ruling. If you do, you're welcome to make the objection and to therefore preserve it. But I think that's where the Commission is coming from, from what we've seen so far. MR. STEELE: Thank you.
1 2 3 4 5 6 7 8 9 10 11	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition in a market that's competitive, and they're seeking to obtain a governmental imprimatur on its rates as fair, just, and reasonable. And doing a calculation to come out with a leased rate that they're going to be selling as a fair, just, and reasonable rate, that is I think that opens	1 2 3 4 5 6 7 8 9 10 11	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get the same ruling. If you do, you're welcome to make the objection and to therefore preserve it. But I think that's where the Commission is coming from, from what we've seen so far. MR. STEELE: Thank you. BY MR. GOLTZ:
1 2 3 4 5 6 7 8 9 10 11 12	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition in a market that's competitive, and they're seeking to obtain a governmental imprimatur on its rates as fair, just, and reasonable. And doing a calculation to come out with a leased rate that they're going to be selling as a fair, just, and reasonable rate, that is I think that opens up some questions about how those rates are calculated	1 2 3 4 5 6 7 8 9 10 11 12	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get the same ruling. If you do, you're welcome to make the objection and to therefore preserve it. But I think that's where the Commission is coming from, from what we've seen so far. MR. STEELE: Thank you. BY MR. GOLTZ: Q. So returning to MBM-62, on Page 2.
1 2 3 4 5 6 7 8 9 10 11 12 13	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition in a market that's competitive, and they're seeking to obtain a governmental imprimatur on its rates as fair, just, and reasonable. And doing a calculation to come out with a leased rate that they're going to be selling as a fair, just, and reasonable rate, that is I think that opens up some questions about how those rates are calculated and if, in fact, they are fair, just, and reasonable. There is an investment component of that rate that includes purchasing of some price that's a	1 2 3 4 5 6 7 8 9 10 11 12 13	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get the same ruling. If you do, you're welcome to make the objection and to therefore preserve it. But I think that's where the Commission is coming from, from what we've seen so far. MR. STEELE: Thank you. BY MR. GOLTZ: <b>Q. So returning to MBM-62, on Page 2.</b> A. Yes. <b>Q. Under Recommendation, and subheading Cap X should be additional or current capital plan, and the</b>
1 2 3 4 5 6 7 8 9 10 11 12 13 14	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition in a market that's competitive, and they're seeking to obtain a governmental imprimatur on its rates as fair, just, and reasonable. And doing a calculation to come out with a leased rate that they're going to be selling as a fair, just, and reasonable rate, that is I think that opens up some questions about how those rates are calculated and if, in fact, they are fair, just, and reasonable. There is an investment component of that	1 2 3 4 5 6 7 8 9 10 11 12 13 14	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get the same ruling. If you do, you're welcome to make the objection and to therefore preserve it. But I think that's where the Commission is coming from, from what we've seen so far. MR. STEELE: Thank you. BY MR. GOLTZ: Q. So returning to MBM-62, on Page 2. A. Yes. Q. Under Recommendation, and subheading Cap X
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition in a market that's competitive, and they're seeking to obtain a governmental imprimatur on its rates as fair, just, and reasonable. And doing a calculation to come out with a leased rate that they're going to be selling as a fair, just, and reasonable rate, that is I think that opens up some questions about how those rates are calculated and if, in fact, they are fair, just, and reasonable. There is an investment component of that rate that includes purchasing of some price that's a	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get the same ruling. If you do, you're welcome to make the objection and to therefore preserve it. But I think that's where the Commission is coming from, from what we've seen so far. MR. STEELE: Thank you. BY MR. GOLTZ: <b>Q. So returning to MBM-62, on Page 2.</b> A. Yes. <b>Q. Under Recommendation, and subheading Cap X should be additional or current capital plan, and the</b>
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition in a market that's competitive, and they're seeking to obtain a governmental imprimatur on its rates as fair, just, and reasonable. And doing a calculation to come out with a leased rate that they're going to be selling as a fair, just, and reasonable rate, that is I think that opens up some questions about how those rates are calculated and if, in fact, they are fair, just, and reasonable. There is an investment component of that rate that includes purchasing of some price that's a little bit unclear to me, but purchasing of equipment	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get the same ruling. If you do, you're welcome to make the objection and to therefore preserve it. But I think that's where the Commission is coming from, from what we've seen so far. MR. STEELE: Thank you. BY MR. GOLTZ: Q. So returning to MBM-62, on Page 2. A. Yes. Q. Under Recommendation, and subheading Cap X should be additional or current capital plan, and the last bullet point says, expected cap X can be funded
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition in a market that's competitive, and they're seeking to obtain a governmental imprimatur on its rates as fair, just, and reasonable. And doing a calculation to come out with a leased rate that they're going to be selling as a fair, just, and reasonable rate, that is I think that opens up some questions about how those rates are calculated and if, in fact, they are fair, just, and reasonable. There is an investment component of that rate that includes purchasing of some price that's a little bit unclear to me, but purchasing of equipment from a number of providers, and that will be rate-based.	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get the same ruling. If you do, you're welcome to make the objection and to therefore preserve it. But I think that's where the Commission is coming from, from what we've seen so far. MR. STEELE: Thank you. BY MR. GOLTZ: Q. So returning to MBM-62, on Page 2. A. Yes. Q. Under Recommendation, and subheading Cap X should be additional or current capital plan, and the last bullet point says, expected cap X can be funded with existing
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition in a market that's competitive, and they're seeking to obtain a governmental imprimatur on its rates as fair, just, and reasonable. And doing a calculation to come out with a leased rate that they're going to be selling as a fair, just, and reasonable rate, that is I think that opens up some questions about how those rates are calculated and if, in fact, they are fair, just, and reasonable. There is an investment component of that rate that includes purchasing of some price that's a little bit unclear to me, but purchasing of equipment from a number of providers, and that will be rate-based. The question becomes they also earn a	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get the same ruling. If you do, you're welcome to make the objection and to therefore preserve it. But I think that's where the Commission is coming from, from what we've seen so far. MR. STEELE: Thank you. BY MR. GOLTZ: Q. So returning to MBM-62, on Page 2. A. Yes. Q. Under Recommendation, and subheading Cap X should be additional or current capital plan, and the last bullet point says, expected cap X can be funded with existing MS. CARSON: Isn't this highly confidential?
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition in a market that's competitive, and they're seeking to obtain a governmental imprimatur on its rates as fair, just, and reasonable. And doing a calculation to come out with a leased rate that they're going to be selling as a fair, just, and reasonable rate, that is I think that opens up some questions about how those rates are calculated and if, in fact, they are fair, just, and reasonable. There is an investment component of that rate that includes purchasing of some price that's a little bit unclear to me, but purchasing of equipment from a number of providers, and that will be rate-based. The question becomes they also earn a return on that number. And the question is whether the return that they earn on that number should be the same	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get the same ruling. If you do, you're welcome to make the objection and to therefore preserve it. But I think that's where the Commission is coming from, from what we've seen so far. MR. STEELE: Thank you. BY MR. GOLTZ: Q. So returning to MBM-62, on Page 2. A. Yes. Q. Under Recommendation, and subheading Cap X should be additional or current capital plan, and the last bullet point says, expected cap X can be funded with existing MS. CARSON: Isn't this highly confidential? MR. STEELE: It's not. What page are you on?
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition in a market that's competitive, and they're seeking to obtain a governmental imprimatur on its rates as fair, just, and reasonable. And doing a calculation to come out with a leased rate that they're going to be selling as a fair, just, and reasonable rate, that is I think that opens up some questions about how those rates are calculated and if, in fact, they are fair, just, and reasonable. There is an investment component of that rate that includes purchasing of some price that's a little bit unclear to me, but purchasing of equipment from a number of providers, and that will be rate-based. The question becomes they also earn a return on that number. And the question is whether the return that they earn on that number should be the same return as they would get on every other investment in	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get the same ruling. If you do, you're welcome to make the objection and to therefore preserve it. But I think that's where the Commission is coming from, from what we've seen so far. MR. STEELE: Thank you. BY MR. GOLTZ: <b>Q. So returning to MBM-62, on Page 2.</b> A. Yes. <b>Q. Under Recommendation, and subheading Cap X</b> should be additional or current capital plan, and the last bullet point says, expected cap X can be funded with existing MS. CARSON: Isn't this highly confidential? MR. STEELE: It's not. What page are you
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition in a market that's competitive, and they're seeking to obtain a governmental imprimatur on its rates as fair, just, and reasonable. And doing a calculation to come out with a leased rate that they're going to be selling as a fair, just, and reasonable rate, that is I think that opens up some questions about how those rates are calculated and if, in fact, they are fair, just, and reasonable. There is an investment component of that rate that includes purchasing of some price that's a little bit unclear to me, but purchasing of equipment from a number of providers, and that will be rate-based. The question becomes they also earn a return on that number. And the question is whether the return that they earn on that number should be the same return as they would get on every other investment in their capital, their investments.	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get the same ruling. If you do, you're welcome to make the objection and to therefore preserve it. But I think that's where the Commission is coming from, from what we've seen so far. MR. STEELE: Thank you. BY MR. GOLTZ: Q. So returning to MBM-62, on Page 2. A. Yes. Q. Under Recommendation, and subheading Cap X should be additional or current capital plan, and the last bullet point says, expected cap X can be funded with existing MS. CARSON: Isn't this highly confidential? MR. STEELE: It's not. What page are you on? MR. GOLTZ: Page 2. BY MR. GOLTZ:
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition in a market that's competitive, and they're seeking to obtain a governmental imprimatur on its rates as fair, just, and reasonable. And doing a calculation to come out with a leased rate that they're going to be selling as a fair, just, and reasonable rate, that is I think that opens up some questions about how those rates are calculated and if, in fact, they are fair, just, and reasonable. There is an investment component of that rate that includes purchasing of some price that's a little bit unclear to me, but purchasing of equipment from a number of providers, and that will be rate-based. The question becomes they also earn a return on that number. And the question is whether the return that they earn on that number should be the same return as they would get on every other investment in their capital, their investments. The reason I ask this is because I think the	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get the same ruling. If you do, you're welcome to make the objection and to therefore preserve it. But I think that's where the Commission is coming from, from what we've seen so far. MR. STEELE: Thank you. BY MR. GOLTZ: Q. So returning to MBM-62, on Page 2. A. Yes. Q. Under Recommendation, and subheading Cap X should be additional or current capital plan, and the last bullet point says, expected cap X can be funded with existing MS. CARSON: Isn't this highly confidential? MR. STEELE: It's not. What page are you on? MR. GOLTZ: Page 2. BY MR. GOLTZ: Q. Expected cap X can be funded with existing
1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Page 288 GOLTZ / McCULLOCH these exhibits should be admitted, it's whether this line of questioning should be allowed by an intervenor whose role in the case is limited. MR. GOLTZ: As we said earlier, we're talking about a company that's entering into competition in a market that's competitive, and they're seeking to obtain a governmental imprimatur on its rates as fair, just, and reasonable. And doing a calculation to come out with a leased rate that they're going to be selling as a fair, just, and reasonable rate, that is I think that opens up some questions about how those rates are calculated and if, in fact, they are fair, just, and reasonable. There is an investment component of that rate that includes purchasing of some price that's a little bit unclear to me, but purchasing of equipment from a number of providers, and that will be rate-based. The question becomes they also earn a return on that number. And the question is whether the return that they earn on that number should be the same return as they would get on every other investment in their capital, their investments. The reason I ask this is because I think the answer, but this exhibit seems to show, is that they're	1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	Page 290 GOLTZ / McCULLOCH MR. STEELE: Your Honor, should we continue to raise this objection each time, then, when an exhibit like this is raised? Because I feel like this issue will probably keep coming up each time. JUDGE KOPTA: I think you're going to get the same ruling. If you do, you're welcome to make the objection and to therefore preserve it. But I think that's where the Commission is coming from, from what we've seen so far. MR. STEELE: Thank you. BY MR. GOLTZ: Q. So returning to MBM-62, on Page 2. A. Yes. Q. Under Recommendation, and subheading Cap X should be additional or current capital plan, and the last bullet point says, expected cap X can be funded with existing MS. CARSON: Isn't this highly confidential? MR. STEELE: It's not. What page are you on? MR. GOLTZ: Page 2. BY MR. GOLTZ:

	Page 291		Page 293
	GOLTZ / McCULLOCH		GOLTZ / McCULLOCH
1	Q. Is that your understanding of how this proposal	1	provider, and then compared your lease program to the
2		2	hypothetical one, and determined that yours was in the
3	······································	3	ballpark?
4	provided in the early phase of design. I'm not a rate-	4	A. That's correct, as a proof of concept we did
5	making expert or financial expert within the Company to	5	that exercise.
6	determine exactly how the cap X will be funded. Would you like me to repeat that? My apologies.	6	<ul> <li>Q. So let me ask you this about you mentioned or</li> <li>Ms. Norton mentioned that over time new products will</li> </ul>
7 8	Q. So can you turn to your rebuttal testimony,	7	might come into the program?
。 9	Page 22.	9	A. Yes. The benefit of this proposal is that it
10	JUDGE KOPTA: Exhibit MBM-7HCT? That's	10	provides a platform where as technology or customer
11		11	interests change, this will provide an opportunity for
12	MR. GOLTZ: Right.	12	the Company to bring new products to bear.
13		13	Q. Is it also true that if the existing products in
14	Q. I'm just confirming on Line 17, there isn't a	14	your tariff is proposed, there will be, from time to
15		15	time, they need to change the prices?
16		16	A. Yes. I think we've stated that there would be
17	A. That is accurate.	17	an opportunity to update rates. However, in operating
18	Q. So to MBM-62, this time it's the confidential	18	the business, I don't anticipate that will happen for
19	part of the document.	19	six months to a year at least to understand how this is
20	A. Sure.	20	operating.
21	Q. This is 62 MBM-62, and it's a PSE Leasing	21	Q. I understand, but if you're in this business for
22	Design Phase Executive Update.	22	the long haul
23	COMMISSIONER JONES: Well, there's a number	23	A. Yes.
24	in the bottom left-hand, 27, and one in the upper, 3 of	24	Q periodically, I mean, just like the SMACNA
25	10. I have two numbers on this page.	25	members who are contractors, their rates, their prices
	Page 292		Page 294
	Page 292 GOLTZ / McCULLOCH		Page 294 GOLTZ / McCULLOCH
1	GOLTZ / McCULLOCH	1	GOLTZ / McCULLOCH
1	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on	1	GOLTZ / McCULLOCH change periodically. Labor costs change, costs of
2	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right.	2	GOLTZ / McCULLOCH change periodically. Labor costs change, costs of equipment changes, so there will be a need to change
	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another		GOLTZ / McCULLOCH change periodically. Labor costs change, costs of equipment changes, so there will be a need to change your prices? That's all I'm saying.
2 3	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another number down in the lower left.	2 3	GOLTZ / McCULLOCH change periodically. Labor costs change, costs of equipment changes, so there will be a need to change
2 3 4	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another	2 3 4	GOLTZ / McCULLOCH change periodically. Labor costs change, costs of equipment changes, so there will be a need to change your prices? That's all I'm saying. A. Correct, we believe that there will be an
2 3 4 5	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another number down in the lower left. JUDGE KOPTA: Yes, the lower left is a	2 3 4 5	GOLTZ / McCULLOCH change periodically. Labor costs change, costs of equipment changes, so there will be a need to change your prices? That's all I'm saying. A. Correct, we believe that there will be an opportunity to do that.
2 3 4 5 6	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another number down in the lower left. JUDGE KOPTA: Yes, the lower left is a number.	2 3 4 5 6	GOLTZ / McCULLOCH change periodically. Labor costs change, costs of equipment changes, so there will be a need to change your prices? That's all I'm saying. A. Correct, we believe that there will be an opportunity to do that. Q. And then so you might update the prices once
2 3 4 5 6 7	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another number down in the lower left. JUDGE KOPTA: Yes, the lower left is a number. COMMISSIONER JONES: Is that the same	2 3 4 5 6 7	GOLTZ / McCULLOCH change periodically. Labor costs change, costs of equipment changes, so there will be a need to change your prices? That's all I'm saying. A. Correct, we believe that there will be an opportunity to do that. Q. And then so you might update the prices once every six months, once a year?
2 3 4 5 6 7 8	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another number down in the lower left. JUDGE KOPTA: Yes, the lower left is a number. COMMISSIONER JONES: Is that the same exhibit as Mr. Goltz's or another one?	2 3 4 5 6 7 8	GOLTZ / McCULLOCH change periodically. Labor costs change, costs of equipment changes, so there will be a need to change your prices? That's all I'm saying. A. Correct, we believe that there will be an opportunity to do that. Q. And then so you might update the prices once every six months, once a year? A. I don't know. The business performance will
2 3 4 5 6 7 8 9	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another number down in the lower left. JUDGE KOPTA: Yes, the lower left is a number. COMMISSIONER JONES: Is that the same exhibit as Mr. Goltz's or another one? MR. GOLTZ: I'm sorry, I apologize. When we	2 3 4 5 6 7 8 9	GOLTZ / McCULLOCH change periodically. Labor costs change, costs of equipment changes, so there will be a need to change your prices? That's all I'm saying. A. Correct, we believe that there will be an opportunity to do that. Q. And then so you might update the prices once every six months, once a year? A. I don't know. The business performance will tell me when we need to update those rates.
2 3 4 5 6 7 8 9	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another number down in the lower left. JUDGE KOPTA: Yes, the lower left is a number. COMMISSIONER JONES: Is that the same exhibit as Mr. Goltz's or another one? MR. GOLTZ: I'm sorry, I apologize. When we filed these with the parties, we neglected to put them	2 3 4 5 6 7 8 9 10	GOLTZ / McCULLOCH change periodically. Labor costs change, costs of equipment changes, so there will be a need to change your prices? That's all I'm saying. A. Correct, we believe that there will be an opportunity to do that. Q. And then so you might update the prices once every six months, once a year? A. I don't know. The business performance will tell me when we need to update those rates. Q. Or if the rates seem too high, Public Counsel
2 3 4 5 6 7 8 9 10	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another number down in the lower left. JUDGE KOPTA: Yes, the lower left is a number. COMMISSIONER JONES: Is that the same exhibit as Mr. Goltz's or another one? MR. GOLTZ: I'm sorry, I apologize. When we filed these with the parties, we neglected to put them on blue paper, but I have copies on blue paper here. We did file with the Commission blue paper. Mine says June 10, 2014 PSE Leasing Design Phase	2 3 4 5 6 7 8 9 10 11	GOLTZ / McCULLOCH change periodically. Labor costs change, costs of equipment changes, so there will be a need to change your prices? That's all I'm saying. A. Correct, we believe that there will be an opportunity to do that. Q. And then so you might update the prices once every six months, once a year? A. I don't know. The business performance will tell me when we need to update those rates. Q. Or if the rates seem too high, Public Counsel could bring a complaint and address the rates? A. The Commission could bring a complaint, the Public Counsel, absolutely. That's the benefit of this
2 3 4 5 6 7 8 9 10 11 12	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another number down in the lower left. JUDGE KOPTA: Yes, the lower left is a number. COMMISSIONER JONES: Is that the same exhibit as Mr. Goltz's or another one? MR. GOLTZ: I'm sorry, I apologize. When we filed these with the parties, we neglected to put them on blue paper, but I have copies on blue paper here. We did file with the Commission blue paper. Mine says June 10, 2014 PSE Leasing Design Phase Executive Update. Right?	2 3 4 5 6 7 8 9 10 11 12	GOLTZ / McCULLOCH change periodically. Labor costs change, costs of equipment changes, so there will be a need to change your prices? That's all I'm saying. A. Correct, we believe that there will be an opportunity to do that. Q. And then so you might update the prices once every six months, once a year? A. I don't know. The business performance will tell me when we need to update those rates. Q. Or if the rates seem too high, Public Counsel could bring a complaint and address the rates? A. The Commission could bring a complaint, the Public Counsel, absolutely. That's the benefit of this being a regulated service.
2 3 4 5 6 7 8 9 10 11 12 13	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another number down in the lower left. JUDGE KOPTA: Yes, the lower left is a number. COMMISSIONER JONES: Is that the same exhibit as Mr. Goltz's or another one? MR. GOLTZ: I'm sorry, I apologize. When we filed these with the parties, we neglected to put them on blue paper, but I have copies on blue paper here. We did file with the Commission blue paper. Mine says June 10, 2014 PSE Leasing Design Phase Executive Update. Right? COMMISSIONER JONES: Mine does too.	2 3 4 5 6 7 8 9 10 11 12 13 14 15	GOLTZ / McCULLOCH change periodically. Labor costs change, costs of equipment changes, so there will be a need to change your prices? That's all I'm saying. A. Correct, we believe that there will be an opportunity to do that. Q. And then so you might update the prices once every six months, once a year? A. I don't know. The business performance will tell me when we need to update those rates. Q. Or if the rates seem too high, Public Counsel could bring a complaint and address the rates? A. The Commission could bring a complaint, the Public Counsel, absolutely. That's the benefit of this being a regulated service. Q. That's the benefit. That's my question. So
2 3 4 5 6 7 8 9 10 11 12 13 14	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another number down in the lower left. JUDGE KOPTA: Yes, the lower left is a number. COMMISSIONER JONES: Is that the same exhibit as Mr. Goltz's or another one? MR. GOLTZ: I'm sorry, I apologize. When we filed these with the parties, we neglected to put them on blue paper, but I have copies on blue paper here. We did file with the Commission blue paper. Mine says June 10, 2014 PSE Leasing Design Phase Executive Update. Right? COMMISSIONER JONES: Mine does too. MR. GOLTZ: And, again, what I'm asking	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	<ul> <li>GOLTZ / McCULLOCH</li> <li>change periodically. Labor costs change, costs of equipment changes, so there will be a need to change your prices? That's all I'm saying.</li> <li>A. Correct, we believe that there will be an opportunity to do that.</li> <li>Q. And then so you might update the prices once every six months, once a year?</li> <li>A. I don't know. The business performance will tell me when we need to update those rates.</li> <li>Q. Or if the rates seem too high, Public Counsel could bring a complaint and address the rates?</li> <li>A. The Commission could bring a complaint, the Public Counsel, absolutely. That's the benefit of this being a regulated service.</li> <li>Q. That's the benefit. That's my question. So when you update the rates, you'll file a new tariff and</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another number down in the lower left. JUDGE KOPTA: Yes, the lower left is a number. COMMISSIONER JONES: Is that the same exhibit as Mr. Goltz's or another one? MR. GOLTZ: I'm sorry, I apologize. When we filed these with the parties, we neglected to put them on blue paper, but I have copies on blue paper here. We did file with the Commission blue paper. Mine says June 10, 2014 PSE Leasing Design Phase Executive Update. Right? COMMISSIONER JONES: Mine does too. MR. GOLTZ: And, again, what I'm asking about is back on Page 7 of 10, as an example.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	GOLTZ / McCULLOCH change periodically. Labor costs change, costs of equipment changes, so there will be a need to change your prices? That's all I'm saying. A. Correct, we believe that there will be an opportunity to do that. Q. And then so you might update the prices once every six months, once a year? A. I don't know. The business performance will tell me when we need to update those rates. Q. Or if the rates seem too high, Public Counsel could bring a complaint and address the rates? A. The Commission could bring a complaint, the Public Counsel, absolutely. That's the benefit of this being a regulated service. Q. That's the benefit. That's my question. So when you update the rates, you'll file a new tariff and this Commission Staff will review it. I assume you'll
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another number down in the lower left. JUDGE KOPTA: Yes, the lower left is a number. COMMISSIONER JONES: Is that the same exhibit as Mr. Goltz's or another one? MR. GOLTZ: I'm sorry, I apologize. When we filed these with the parties, we neglected to put them on blue paper, but I have copies on blue paper here. We did file with the Commission blue paper. Mine says June 10, 2014 PSE Leasing Design Phase Executive Update. Right? COMMISSIONER JONES: Mine does too. MR. GOLTZ: And, again, what I'm asking about is back on Page 7 of 10, as an example. COMMISSIONER JONES: I have that.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	GOLTZ / McCULLOCH change periodically. Labor costs change, costs of equipment changes, so there will be a need to change your prices? That's all I'm saying. A. Correct, we believe that there will be an opportunity to do that. Q. And then so you might update the prices once every six months, once a year? A. I don't know. The business performance will tell me when we need to update those rates. Q. Or if the rates seem too high, Public Counsel could bring a complaint and address the rates? A. The Commission could bring a complaint, the Public Counsel, absolutely. That's the benefit of this being a regulated service. Q. That's the benefit. That's my question. So when you update the rates, you'll file a new tariff and this Commission Staff will review it. I assume you'll check with the stakeholders, won't you?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another number down in the lower left. JUDGE KOPTA: Yes, the lower left is a number. COMMISSIONER JONES: Is that the same exhibit as Mr. Goltz's or another one? MR. GOLTZ: I'm sorry, I apologize. When we filed these with the parties, we neglected to put them on blue paper, but I have copies on blue paper here. We did file with the Commission blue paper. Mine says June 10, 2014 PSE Leasing Design Phase Executive Update. Right? COMMISSIONER JONES: Mine does too. MR. GOLTZ: And, again, what I'm asking about is back on Page 7 of 10, as an example. COMMISSIONER JONES: I have that. BY MR. GOLTZ:	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	GOLTZ / McCULLOCH change periodically. Labor costs change, costs of equipment changes, so there will be a need to change your prices? That's all I'm saying. A. Correct, we believe that there will be an opportunity to do that. Q. And then so you might update the prices once every six months, once a year? A. I don't know. The business performance will tell me when we need to update those rates. Q. Or if the rates seem too high, Public Counsel could bring a complaint and address the rates? A. The Commission could bring a complaint, the Public Counsel, absolutely. That's the benefit of this being a regulated service. Q. That's the benefit. That's my question. So when you update the rates, you'll file a new tariff and this Commission Staff will review it. I assume you'll check with the stakeholders, won't you? A. We will take on the normal filing process of
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another number down in the lower left. JUDGE KOPTA: Yes, the lower left is a number. COMMISSIONER JONES: Is that the same exhibit as Mr. Goltz's or another one? MR. GOLTZ: I'm sorry, I apologize. When we filed these with the parties, we neglected to put them on blue paper, but I have copies on blue paper here. We did file with the Commission blue paper. Mine says June 10, 2014 PSE Leasing Design Phase Executive Update. Right? COMMISSIONER JONES: Mine does too. MR. GOLTZ: And, again, what I'm asking about is back on Page 7 of 10, as an example. COMMISSIONER JONES: I have that. BY MR. GOLTZ: Q. And my question is, Mr. McCulloch, did you	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	<ul> <li>GOLTZ / McCULLOCH</li> <li>change periodically. Labor costs change, costs of equipment changes, so there will be a need to change your prices? That's all I'm saying.</li> <li>A. Correct, we believe that there will be an opportunity to do that.</li> <li>Q. And then so you might update the prices once every six months, once a year?</li> <li>A. I don't know. The business performance will tell me when we need to update those rates.</li> <li>Q. Or if the rates seem too high, Public Counsel could bring a complaint and address the rates?</li> <li>A. The Commission could bring a complaint, the Public Counsel, absolutely. That's the benefit of this being a regulated service.</li> <li>Q. That's the benefit. That's my question. So when you update the rates, you'll file a new tariff and this Commission Staff will review it. I assume you'll check with the stakeholders, won't you?</li> <li>A. We will take on the normal filing process of establishing those updated rates.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another number down in the lower left. JUDGE KOPTA: Yes, the lower left is a number. COMMISSIONER JONES: Is that the same exhibit as Mr. Goltz's or another one? MR. GOLTZ: I'm sorry, I apologize. When we filed these with the parties, we neglected to put them on blue paper, but I have copies on blue paper here. We did file with the Commission blue paper. Mine says June 10, 2014 PSE Leasing Design Phase Executive Update. Right? COMMISSIONER JONES: Mine does too. MR. GOLTZ: And, again, what I'm asking about is back on Page 7 of 10, as an example. COMMISSIONER JONES: I have that. BY MR. GOLTZ: Q. And my question is, Mr. McCulloch, did you attempt to make comparisons of your lease program with	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<ul> <li>GOLTZ / McCULLOCH</li> <li>change periodically. Labor costs change, costs of equipment changes, so there will be a need to change your prices? That's all I'm saying.</li> <li>A. Correct, we believe that there will be an opportunity to do that.</li> <li>Q. And then so you might update the prices once every six months, once a year?</li> <li>A. I don't know. The business performance will tell me when we need to update those rates.</li> <li>Q. Or if the rates seem too high, Public Counsel could bring a complaint and address the rates?</li> <li>A. The Commission could bring a complaint, the Public Counsel, absolutely. That's the benefit of this being a regulated service.</li> <li>Q. That's the benefit. That's my question. So when you update the rates, you'll file a new tariff and this Commission Staff will review it. I assume you'll check with the stakeholders, won't you?</li> <li>A. We will take on the normal filing process of establishing those updated rates.</li> <li>Q. And that would include Commission Staff?</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another number down in the lower left. JUDGE KOPTA: Yes, the lower left is a number. COMMISSIONER JONES: Is that the same exhibit as Mr. Goltz's or another one? MR. GOLTZ: I'm sorry, I apologize. When we filed these with the parties, we neglected to put them on blue paper, but I have copies on blue paper here. We did file with the Commission blue paper. Mine says June 10, 2014 PSE Leasing Design Phase Executive Update. Right? COMMISSIONER JONES: Mine does too. MR. GOLTZ: And, again, what I'm asking about is back on Page 7 of 10, as an example. COMMISSIONER JONES: I have that. BY MR. GOLTZ: Q. And my question is, Mr. McCulloch, did you attempt to make comparisons of your lease program with hypothetical lease programs of other providers?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GOLTZ / McCULLOCH change periodically. Labor costs change, costs of equipment changes, so there will be a need to change your prices? That's all I'm saying. A. Correct, we believe that there will be an opportunity to do that. Q. And then so you might update the prices once every six months, once a year? A. I don't know. The business performance will tell me when we need to update those rates. Q. Or if the rates seem too high, Public Counsel could bring a complaint and address the rates? A. The Commission could bring a complaint, the Public Counsel, absolutely. That's the benefit of this being a regulated service. Q. That's the benefit. That's my question. So when you update the rates, you'll file a new tariff and this Commission Staff will review it. I assume you'll check with the stakeholders, won't you? A. We will take on the normal filing process of establishing those updated rates. Q. And that would include Commission Staff? A. That would include Commission, Commission Staff,
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another number down in the lower left. JUDGE KOPTA: Yes, the lower left is a number. COMMISSIONER JONES: Is that the same exhibit as Mr. Goltz's or another one? MR. GOLTZ: I'm sorry, I apologize. When we filed these with the parties, we neglected to put them on blue paper, but I have copies on blue paper here. We did file with the Commission blue paper. Mine says June 10, 2014 PSE Leasing Design Phase Executive Update. Right? COMMISSIONER JONES: Mine does too. MR. GOLTZ: And, again, what I'm asking about is back on Page 7 of 10, as an example. COMMISSIONER JONES: I have that. BY MR. GOLTZ: Q. And my question is, Mr. McCulloch, did you attempt to make comparisons of your lease program with hypothetical lease programs of other providers? A. Yes, hypothetical options were presented as a	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	<ul> <li>GOLTZ / McCULLOCH</li> <li>change periodically. Labor costs change, costs of equipment changes, so there will be a need to change your prices? That's all I'm saying.</li> <li>A. Correct, we believe that there will be an opportunity to do that.</li> <li>Q. And then so you might update the prices once every six months, once a year?</li> <li>A. I don't know. The business performance will tell me when we need to update those rates.</li> <li>Q. Or if the rates seem too high, Public Counsel could bring a complaint and address the rates?</li> <li>A. The Commission could bring a complaint, the Public Counsel, absolutely. That's the benefit of this being a regulated service.</li> <li>Q. That's the benefit. That's my question. So when you update the rates, you'll file a new tariff and this Commission Staff will review it. I assume you'll check with the stakeholders, won't you?</li> <li>A. We will take on the normal filing process of establishing those updated rates.</li> <li>Q. And that would include Commission Staff?</li> <li>A. That would include Commission Staff?</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GOLTZ / McCULLOCH JUDGE KOPTA: Yeah, the exhibit number is on the upper right. COMMISSIONER JONES: But there's another number down in the lower left. JUDGE KOPTA: Yes, the lower left is a number. COMMISSIONER JONES: Is that the same exhibit as Mr. Goltz's or another one? MR. GOLTZ: I'm sorry, I apologize. When we filed these with the parties, we neglected to put them on blue paper, but I have copies on blue paper here. We did file with the Commission blue paper. Mine says June 10, 2014 PSE Leasing Design Phase Executive Update. Right? COMMISSIONER JONES: Mine does too. MR. GOLTZ: And, again, what I'm asking about is back on Page 7 of 10, as an example. COMMISSIONER JONES: I have that. BY MR. GOLTZ: Q. And my question is, Mr. McCulloch, did you attempt to make comparisons of your lease program with hypothetical lease programs of other providers? A. Yes, hypothetical options were presented as a proof of concept in the design process.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GOLTZ / McCULLOCH change periodically. Labor costs change, costs of equipment changes, so there will be a need to change your prices? That's all I'm saying. A. Correct, we believe that there will be an opportunity to do that. Q. And then so you might update the prices once every six months, once a year? A. I don't know. The business performance will tell me when we need to update those rates. Q. Or if the rates seem too high, Public Counsel could bring a complaint and address the rates? A. The Commission could bring a complaint, the Public Counsel, absolutely. That's the benefit of this being a regulated service. Q. That's the benefit. That's my question. So when you update the rates, you'll file a new tariff and this Commission Staff will review it. I assume you'll check with the stakeholders, won't you? A. We will take on the normal filing process of establishing those updated rates. Q. And that would include Commission Staff? A. That would include Commission, Commission Staff,

	Page 295		Page 297
	GOLTZ / McCULLOCH		GOLTZ / McCULLOCH
1	heat pump, for example, as one of your options, or maybe	1	will go through this process that we've been going
2	more specifically ten ductless heat pumps of different	2	through. Granted, we hope we don't have a long,
3	sizes, you would then file a tariff with these ten	3	drawn-out hearing on everything. Add to that EV
4	models of ductless heat pumps and ask the Commission	4	charging systems, solar panels, everything else.
5	Staff to review the rates for those, the fairness,	5	I'm suggesting that this is a workload that
6	justness, and reasonableness for the price of those	6	is substantial for a proposal that could be done as an
7	ductless heat pumps?	7	unregulated service, and Mr. McCulloch wouldn't have to
8	A. I have not done any analysis on future products,	8	go through all these hoops to set his prices.
9	and the way those rates would be established, so it	9	MS. CARSON: Again, I must object to the
10	would be speculative for me to answer how we would do	10	Intervenor being concerned about the Commission's
11	that. However, I do believe, as we've stated in my	11	workload. I think that's outside the scope of this
12	testimony, that if a new product or technology is deemed	12	intervention. And when SMACNA and WSHVACCA were allowed
13	appropriate, we would file the appropriate rates with	13	to intervene, it was that they would not burden the
14	the Commission for review.	14	proceeding, and this has been dominated by Mr. Goltz and
15	Q. Okay. And the but before you do that, you've	15	his questioning.
16	got to figure out what the rates would be?	16	So I think they've had ample time, and that
17	A. Correct. We would utilize the methodology we	17	if we are going to finish today, we need to move on.
18	have today.	18	JUDGE KOPTA: Well, I would agree, and I'm
19	Q. The same methodology we've been talking the	19	not I understand Mr. Goltz's position at this point.
20	same methodology that we talked about today for setting	20	I see benefit in exploring exactly what the process is.
21	the prices that are at issue in this tariff?	21	And Mr. McCulloch did acknowledge that there would be
22	A. I believe we will have an approved service which	22	changes in costs and potentially additional types of
23	will allow us to be more fluid in the contracting	23	equipment. And to establish what process the Company
24	process. So will the methodology change? Potentially,	24	intends to have in place I think is valuable for the
25	but it should reflect the same pricing worksheet	25	Commission to know. But
	Page 296		Page 298
	Page 296 GOLTZ / McCULLOCH		Page 298 GOLTZ / McCULLOCH
	Page 296 GOLTZ / McCULLOCH		Page 298 GOLTZ / McCULLOCH
1	GOLTZ / McCULLOCH	1	-
1		1	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that.
	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed.		GOLTZ / McCULLOCH
2	GOLTZ / McCULLOCH methodology that we have presented today and all parties	2	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then
2 3	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed. Q. But you still do go through an RFQ process?	2 3	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then let's move on.
2 3	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed. <b>Q. But you still do go through an RFQ process?</b> A. Absolutely, we would do the normal competitive	2 3	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then let's move on. BY MR. GOLTZ:
2 3 4 5	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed. <b>Q. But you still do go through an RFQ process?</b> A. Absolutely, we would do the normal competitive bid process.	2 3 4 5	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then let's move on. BY MR. GOLTZ: Q. So let me ask you this then. If this gets
2 3 4 5 6	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed. <b>Q. But you still do go through an RFQ process?</b> A. Absolutely, we would do the normal competitive bid process. <b>Q. The RFQ process was not a competitive bid</b>	2 3 4 5 6	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then let's move on. BY MR. GOLTZ: Q. So let me ask you this then. If this gets approved, can you say with 100 percent certainty that
2 3 4 5 6 7	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed. <b>Q. But you still do go through an RFQ process?</b> A. Absolutely, we would do the normal competitive bid process. <b>Q. The RFQ process was not a competitive bid</b> process. You would do an RFQ process and then you would	2 3 4 5 6 7	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then let's move on. BY MR. GOLTZ: Q. So let me ask you this then. If this gets approved, can you say with 100 percent certainty that the service will be available in Olympia?
2 3 4 5 6 7 8	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed. <b>Q. But you still do go through an RFQ process?</b> A. Absolutely, we would do the normal competitive bid process. <b>Q. The RFQ process was not a competitive bid</b> process. You would do an RFQ process and then you would do a competitive bid process?	2 3 4 5 6 7 8	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then let's move on. BY MR. GOLTZ: Q. So let me ask you this then. If this gets approved, can you say with 100 percent certainty that the service will be available in Olympia? A. I believe that based on the responses we've
2 3 4 5 6 7 8 9	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed. <b>Q. But you still do go through an RFQ process?</b> A. Absolutely, we would do the normal competitive bid process. <b>Q. The RFQ process was not a competitive bid</b> process. You would do an RFQ process and then you would do a competitive bid process? MS. CARSON: Objection; calls for	2 3 4 5 7 8 9	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then let's move on. BY MR. GOLTZ: Q. So let me ask you this then. If this gets approved, can you say with 100 percent certainty that the service will be available in Olympia? A. I believe that based on the responses we've received from the RFQ that covered our entire service
2 3 4 5 6 7 8 9	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed. <b>Q. But you still do go through an RFQ process?</b> A. Absolutely, we would do the normal competitive bid process. <b>Q. The RFQ process was not a competitive bid</b> process. You would do an RFQ process and then you would do a competitive bid process? MS. CARSON: Objection; calls for speculation. This is in the future with potentially new	2 3 4 5 7 8 9 10	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then let's move on. BY MR. GOLTZ: Q. So let me ask you this then. If this gets approved, can you say with 100 percent certainty that the service will be available in Olympia? A. I believe that based on the responses we've received from the RFQ that covered our entire service territory, that we will be able to offer service
2 3 4 5 6 7 8 9 10 11	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed. <b>Q. But you still do go through an RFQ process?</b> A. Absolutely, we would do the normal competitive bid process. <b>Q. The RFQ process was not a competitive bid</b> process. You would do an RFQ process and then you would do a competitive bid process? MS. CARSON: Objection; calls for speculation. This is in the future with potentially new products, and I think this witness has answered to the	2 3 4 5 6 7 8 9 10 11	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then let's move on. BY MR. GOLTZ: Q. So let me ask you this then. If this gets approved, can you say with 100 percent certainty that the service will be available in Olympia? A. I believe that based on the responses we've received from the RFQ that covered our entire service territory, that we will be able to offer service throughout our territory.
2 3 4 5 6 7 8 9 10 11 12	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed. <b>Q. But you still do go through an RFQ process?</b> A. Absolutely, we would do the normal competitive bid process. <b>Q. The RFQ process was not a competitive bid</b> <b>process. You would do an RFQ process and then you would do a competitive bid process?</b> MS. CARSON: Objection; calls for speculation. This is in the future with potentially new products, and I think this witness has answered to the best of his abilities. But I think we're kind of	2 3 4 5 6 7 8 9 10 11 12	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then let's move on. BY MR. GOLTZ: Q. So let me ask you this then. If this gets approved, can you say with 100 percent certainty that the service will be available in Olympia? A. I believe that based on the responses we've received from the RFQ that covered our entire service territory, that we will be able to offer service throughout our territory. Q. So is that but you believe that, but you
2 3 4 5 6 7 8 9 10 11 12 13	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed. <b>Q. But you still do go through an RFQ process?</b> A. Absolutely, we would do the normal competitive bid process. <b>Q. The RFQ process was not a competitive bid</b> <b>process. You would do an RFQ process and then you would do a competitive bid process?</b> MS. CARSON: Objection; calls for speculation. This is in the future with potentially new products, and I think this witness has answered to the best of his abilities. But I think we're kind of retreading on the same territory.	2 3 4 5 6 7 8 9 10 11 12 13	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then let's move on. BY MR. GOLTZ: Q. So let me ask you this then. If this gets approved, can you say with 100 percent certainty that the service will be available in Olympia? A. I believe that based on the responses we've received from the RFQ that covered our entire service territory, that we will be able to offer service throughout our territory. Q. So is that but you believe that, but you don't know for sure because you have to wait for the
2 3 4 5 6 7 8 9 10 11 12 13 14	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed. <b>Q. But you still do go through an RFQ process?</b> A. Absolutely, we would do the normal competitive bid process. <b>Q. The RFQ process was not a competitive bid</b> <b>process. You would do an RFQ process and then you would</b> <b>do a competitive bid process?</b> MS. CARSON: Objection; calls for speculation. This is in the future with potentially new products, and I think this witness has answered to the best of his abilities. But I think we're kind of retreading on the same territory. MR. GOLTZ: The witness testified that's one	2 3 4 5 6 7 8 9 10 11 12 13 14	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then let's move on. BY MR. GOLTZ: Q. So let me ask you this then. If this gets approved, can you say with 100 percent certainty that the service will be available in Olympia? A. I believe that based on the responses we've received from the RFQ that covered our entire service territory, that we will be able to offer service throughout our territory. Q. So is that but you believe that, but you don't know for sure because you have to wait for the service partners?
2 3 4 5 6 7 8 9 10 11 12 13 14 15	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed. <b>Q. But you still do go through an RFQ process?</b> A. Absolutely, we would do the normal competitive bid process. <b>Q. The RFQ process was not a competitive bid</b> <b>process. You would do an RFQ process and then you would</b> <b>do a competitive bid process?</b> MS. CARSON: Objection; calls for speculation. This is in the future with potentially new products, and I think this witness has answered to the best of his abilities. But I think we're kind of retreading on the same territory. MR. GOLTZ: The witness testified that's one of the advantages of this, it's a regulated service.	2 3 4 5 6 7 8 9 10 11 12 13 14 15	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then let's move on. BY MR. GOLTZ: Q. So let me ask you this then. If this gets approved, can you say with 100 percent certainty that the service will be available in Olympia? A. I believe that based on the responses we've received from the RFQ that covered our entire service territory, that we will be able to offer service throughout our territory. Q. So is that but you believe that, but you don't know for sure because you have to wait for the service partners? A. Correct. We have not entered into contracts,
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed. Q. But you still do go through an RFQ process? A. Absolutely, we would do the normal competitive bid process. Q. The RFQ process was not a competitive bid process. You would do an RFQ process and then you would do a competitive bid process? MS. CARSON: Objection; calls for speculation. This is in the future with potentially new products, and I think this witness has answered to the best of his abilities. But I think we're kind of retreading on the same territory. MR. GOLTZ: The witness testified that's one of the advantages of this, it's a regulated service. I'm positing this is one of the disadvantages of this;	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then let's move on. BY MR. GOLTZ: Q. So let me ask you this then. If this gets approved, can you say with 100 percent certainty that the service will be available in Olympia? A. I believe that based on the responses we've received from the RFQ that covered our entire service territory, that we will be able to offer service throughout our territory. Q. So is that but you believe that, but you don't know for sure because you have to wait for the service partners? A. Correct. We have not entered into contracts, but that does not take away from my belief that we will
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed. <b>Q. But you still do go through an RFQ process?</b> A. Absolutely, we would do the normal competitive bid process. <b>Q. The RFQ process was not a competitive bid</b> <b>process. You would do an RFQ process and then you would</b> <b>do a competitive bid process?</b> MS. CARSON: Objection; calls for speculation. This is in the future with potentially new products, and I think this witness has answered to the best of his abilities. But I think we're kind of retreading on the same territory. MR. GOLTZ: The witness testified that's one of the advantages of this, it's a regulated service. I'm positing this is one of the disadvantages of this; that every year, every six months, every product is	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then let's move on. BY MR. GOLTZ: Q. So let me ask you this then. If this gets approved, can you say with 100 percent certainty that the service will be available in Olympia? A. I believe that based on the responses we've received from the RFQ that covered our entire service territory, that we will be able to offer service throughout our territory. Q. So is that but you believe that, but you don't know for sure because you have to wait for the service partners? A. Correct. We have not entered into contracts, but that does not take away from my belief that we will be able to offer the service to our customers throughout
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed. <b>Q. But you still do go through an RFQ process?</b> A. Absolutely, we would do the normal competitive bid process. <b>Q. The RFQ process was not a competitive bid</b> <b>process. You would do an RFQ process and then you would do a competitive bid process?</b> MS. CARSON: Objection; calls for speculation. This is in the future with potentially new products, and I think this witness has answered to the best of his abilities. But I think we're kind of retreading on the same territory. MR. GOLTZ: The witness testified that's one of the advantages of this, it's a regulated service. I'm positing this is one of the disadvantages of this; that every year, every six months, every product is going to be brought before the Commission and the	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then let's move on. BY MR. GOLTZ: Q. So let me ask you this then. If this gets approved, can you say with 100 percent certainty that the service will be available in Olympia? A. I believe that based on the responses we've received from the RFQ that covered our entire service territory, that we will be able to offer service throughout our territory. Q. So is that but you believe that, but you don't know for sure because you have to wait for the service partners? A. Correct. We have not entered into contracts, but that does not take away from my belief that we will be able to offer the service to our customers throughout our territory.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed. <b>Q. But you still do go through an RFQ process?</b> A. Absolutely, we would do the normal competitive bid process. <b>Q. The RFQ process was not a competitive bid</b> <b>process. You would do an RFQ process and then you would</b> <b>do a competitive bid process?</b> MS. CARSON: Objection; calls for speculation. This is in the future with potentially new products, and I think this witness has answered to the best of his abilities. But I think we're kind of retreading on the same territory. MR. GOLTZ: The witness testified that's one of the advantages of this, it's a regulated service. I'm positing this is one of the disadvantages of this; that every year, every six months, every product is going to be brought before the Commission and the Commission Staff to review this for fairness, justness, reasonableness. Every year, I assume they've talked about	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then let's move on. BY MR. GOLTZ: Q. So let me ask you this then. If this gets approved, can you say with 100 percent certainty that the service will be available in Olympia? A. I believe that based on the responses we've received from the RFQ that covered our entire service territory, that we will be able to offer service throughout our territory. Q. So is that but you believe that, but you don't know for sure because you have to wait for the service partners? A. Correct. We have not entered into contracts, but that does not take away from my belief that we will be able to offer the service to our customers throughout our territory. Q. If it's available, let's pick a small, let's say
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed. <b>Q. But you still do go through an RFQ process?</b> A. Absolutely, we would do the normal competitive bid process. <b>Q. The RFQ process was not a competitive bid</b> <b>process. You would do an RFQ process and then you would</b> <b>do a competitive bid process?</b> MS. CARSON: Objection; calls for speculation. This is in the future with potentially new products, and I think this witness has answered to the best of his abilities. But I think we're kind of retreading on the same territory. MR. GOLTZ: The witness testified that's one of the advantages of this, it's a regulated service. I'm positing this is one of the disadvantages of this; that every year, every six months, every product is going to be brought before the Commission and the Commission Staff to review this for fairness, justness, reasonableness.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then let's move on. BY MR. GOLTZ: Q. So let me ask you this then. If this gets approved, can you say with 100 percent certainty that the service will be available in Olympia? A. I believe that based on the responses we've received from the RFQ that covered our entire service territory, that we will be able to offer service throughout our territory. Q. So is that but you believe that, but you don't know for sure because you have to wait for the service partners? A. Correct. We have not entered into contracts, but that does not take away from my belief that we will be able to offer the service to our customers throughout our territory. Q. If it's available, let's pick a small, let's say Yelm, Washington, a smaller town, and you have a partner
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed. <b>Q. But you still do go through an RFQ process?</b> A. Absolutely, we would do the normal competitive bid process. <b>Q. The RFQ process was not a competitive bid</b> <b>process. You would do an RFQ process and then you would</b> <b>do a competitive bid process?</b> MS. CARSON: Objection; calls for speculation. This is in the future with potentially new products, and I think this witness has answered to the best of his abilities. But I think we're kind of retreading on the same territory. MR. GOLTZ: The witness testified that's one of the advantages of this, it's a regulated service. I'm positing this is one of the disadvantages of this; that every year, every six months, every product is going to be brought before the Commission and the Commission Staff to review this for fairness, justness, reasonableness. Every year, I assume they've talked about	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then let's move on. BY MR. GOLTZ: <b>Q.</b> So let me ask you this then. If this gets approved, can you say with 100 percent certainty that the service will be available in Olympia? A. I believe that based on the responses we've received from the RFQ that covered our entire service territory, that we will be able to offer service throughout our territory. <b>Q.</b> So is that but you believe that, but you don't know for sure because you have to wait for the service partners? A. Correct. We have not entered into contracts, but that does not take away from my belief that we will be able to offer the service to our customers throughout our territory. <b>Q.</b> If it's available, let's pick a small, let's say Yelm, Washington, a smaller town, and you have a partner out there that's doing work, and in ten years someone
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GOLTZ / McCULLOCH methodology that we have presented today and all parties have reviewed. Q. But you still do go through an RFQ process? A. Absolutely, we would do the normal competitive bid process. Q. The RFQ process was not a competitive bid process. You would do an RFQ process and then you would do a competitive bid process? MS. CARSON: Objection; calls for speculation. This is in the future with potentially new products, and I think this witness has answered to the best of his abilities. But I think we're kind of retreading on the same territory. MR. GOLTZ: The witness testified that's one of the advantages of this, it's a regulated service. I'm positing this is one of the disadvantages of this; that every year, every six months, every product is going to be brought before the Commission and the Commission Staff to review this for fairness, justness, reasonableness. Every year, I assume they've talked about more products, because they've said, well, we only have	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GOLTZ / McCULLOCH MR. GOLTZ: I'm done with that. JUDGE KOPTA: If you're done with that, then let's move on. BY MR. GOLTZ: Q. So let me ask you this then. If this gets approved, can you say with 100 percent certainty that the service will be available in Olympia? A. I believe that based on the responses we've received from the RFQ that covered our entire service territory, that we will be able to offer service throughout our territory. Q. So is that but you believe that, but you don't know for sure because you have to wait for the service partners? A. Correct. We have not entered into contracts, but that does not take away from my belief that we will be able to offer the service to our customers throughout our territory. Q. If it's available, let's pick a small, let's say Yelm, Washington, a smaller town, and you have a partner out there that's doing work, and in ten years someone enters into a lease for 18 years. Ten years from now

	Page 299		Page 301
	GOLTZ / McCULLOCH		GOLTZ / McCULLOCH
1	A. I detailed that in my testimony in the fact that	1	Did you testify earlier today that you will not
2	we would utilize another service provider within the	2	be providing the customers with information on brands
3	Lease Solutions service to provide that continuity to	3	before they make a decision to participate?
4	the customer.	4	A. I don't believe I said that in my testimony.
5	Q. So it depends on another Lease Solutions	5	Q. Turn to MBM-60, then.
6	contractor being at the ready?	6	A. Yes, I'm looking at that.
7	A. Again, you're asking me to look 18 years ahead.	7	Q. That's a Data Request from Staff.
8	Q. No, ten.	8	A. Yes.
9	A. Ten, okay. I'll probably be done paying for	9	Q. And the first paragraph said that PSE, the
10	college by then. So yes, I believe we'll be able to	10	response, it said that it's not at this time determined
11	provide that service for the customer. That's what	11	whether it would provide the information regarding all
12	we've intended for the tariff and that's what we	12	the brands and specific models that PSE offers in each
13	obligated our company to do for the customer should they	13	of the categories.
14	sign up for the service.	14	Is that still uncertain, you don't know if
15	Q. I'd like you to turn to MBM-49, which has not	15	you're going to provide the brands? And there's a lot
16	been stipulated for admission.	16	of different brands out there.
17	A. Yes.	17	A. Today in our existing lease rental business, we
18	Q. And in that	18	do not publish in our rates the brand and model of the
19	MS. CARSON: And we'll renew our objection	19	product that's established. We do not provide that to
20	to this line of questioning.	20	the customer prior to arriving at the home. We answer
21	BY MR. GOLTZ:	21	that question in consistency with that practice today,
22	Q. In that we simply asked we have options for	22	which is based on our approved service that we provide.
23	a if someone wants to purchase the equipment after a	23	Q. Turning to MBM-63.
24	period of time, and then Part B of that Data Request, we	24	MR. STEELE: We do object to this as well,
25	set forth a hypothetical as to how much what would be	25	Your Honor.
_			
	Page 300		Page 302
	Page 300 GOLTZ / McCULLOCH		Page 302 GOLTZ / McCULLOCH
	GOLTZ / McCULLOCH		GOLTZ / McCULLOCH
1	GOLTZ / McCULLOCH the result, what would be the purchase price or the	1	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry?
2	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was	2	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection.
2 3	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome.	2 3	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so
2	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it	2 3 4	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to.
2 3 4 5	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it simple, tried to these customers might want to know	2 3 4 5	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to. BY MR. GOLTZ:
2 3 4 5 6	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it simple, tried to these customers might want to know when they sign up for this service, well, what happens	2 3 4 5 6	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to. BY MR. GOLTZ: Q. We touched on this before. Under existing
2 3 4 5 6 7	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it simple, tried to these customers might want to know when they sign up for this service, well, what happens if I want to buy it in ten years or five years? What	2 3 4 5 6 7	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to. BY MR. GOLTZ: Q. We touched on this before. Under existing Commission regulations, you are prohibited from
2 3 4 5 6 7 8	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it simple, tried to these customers might want to know when they sign up for this service, well, what happens if I want to buy it in ten years or five years? What would be the price? And my question is, why can't there	2 3 4 5 6 7 8	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to. BY MR. GOLTZ: Q. We touched on this before. Under existing Commission regulations, you are prohibited from disclosing certain customer information to third parties
2 3 4 5 6 7 8 9	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it simple, tried to these customers might want to know when they sign up for this service, well, what happens if I want to buy it in ten years or five years? What would be the price? And my question is, why can't there be a simple answer to that customer about what the sales	2 3 4 5 6 7 8 9	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to. BY MR. GOLTZ: Q. We touched on this before. Under existing Commission regulations, you are prohibited from disclosing certain customer information to third parties or subsidiaries. Do you understand that?
2 3 4 5 6 7 8 9	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it simple, tried to these customers might want to know when they sign up for this service, well, what happens if I want to buy it in ten years or five years? What would be the price? And my question is, why can't there be a simple answer to that customer about what the sales price would be?	2 3 4 5 6 7 8 9 10	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to. BY MR. GOLTZ: Q. We touched on this before. Under existing Commission regulations, you are prohibited from disclosing certain customer information to third parties or subsidiaries. Do you understand that? A. I do.
2 3 4 5 7 8 9 10 11	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it simple, tried to these customers might want to know when they sign up for this service, well, what happens if I want to buy it in ten years or five years? What would be the price? And my question is, why can't there be a simple answer to that customer about what the sales price would be? A. I don't believe we are keeping that information	2 3 4 5 6 7 8 9 10 11	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to. BY MR. GOLTZ: Q. We touched on this before. Under existing Commission regulations, you are prohibited from disclosing certain customer information to third parties or subsidiaries. Do you understand that? A. I do. Q. However, if you run this as a regulated service,
2 3 4 5 6 7 8 9 10 11 12	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it simple, tried to these customers might want to know when they sign up for this service, well, what happens if I want to buy it in ten years or five years? What would be the price? And my question is, why can't there be a simple answer to that customer about what the sales price would be? A. I don't believe we are keeping that information from a customer. We have in our tariff the option for a	2 3 4 5 6 7 8 9 10 11 12	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to. BY MR. GOLTZ: Q. We touched on this before. Under existing Commission regulations, you are prohibited from disclosing certain customer information to third parties or subsidiaries. Do you understand that? A. I do. Q. However, if you run this as a regulated service, one of the advantages of this would be for your
2 3 4 5 6 7 8 9 10 11 12 13	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it simple, tried to these customers might want to know when they sign up for this service, well, what happens if I want to buy it in ten years or five years? What would be the price? And my question is, why can't there be a simple answer to that customer about what the sales price would be? A. I don't believe we are keeping that information from a customer. We have in our tariff the option for a customer to contact us to acquire the option to purchase	2 3 4 5 6 7 8 9 10 11 12 13	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to. BY MR. GOLTZ: Q. We touched on this before. Under existing Commission regulations, you are prohibited from disclosing certain customer information to third parties or subsidiaries. Do you understand that? A. I do. Q. However, if you run this as a regulated service, one of the advantages of this would be for your participation in this market, you could use that
2 3 4 5 6 7 8 9 10 11 12 13 14	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it simple, tried to these customers might want to know when they sign up for this service, well, what happens if I want to buy it in ten years or five years? What would be the price? And my question is, why can't there be a simple answer to that customer about what the sales price would be? A. I don't believe we are keeping that information from a customer. We have in our tariff the option for a customer to contact us to acquire the option to purchase price at any time through the lease.	2 3 4 5 6 7 8 9 10 11 12 13 14	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to. BY MR. GOLTZ: Q. We touched on this before. Under existing Commission regulations, you are prohibited from disclosing certain customer information to third parties or subsidiaries. Do you understand that? A. I do. Q. However, if you run this as a regulated service, one of the advantages of this would be for your participation in this market, you could use that information; is that true?
2 3 4 5 6 7 8 9 10 11 12 13 14 15	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it simple, tried to these customers might want to know when they sign up for this service, well, what happens if I want to buy it in ten years or five years? What would be the price? And my question is, why can't there be a simple answer to that customer about what the sales price would be? A. I don't believe we are keeping that information from a customer. We have in our tariff the option for a customer to contact us to acquire the option to purchase price at any time through the lease. Q. But with a I tried to make a simple	2 3 4 5 6 7 8 9 10 11 12 13 14 15	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to. BY MR. GOLTZ: Q. We touched on this before. Under existing Commission regulations, you are prohibited from disclosing certain customer information to third parties or subsidiaries. Do you understand that? A. I do. Q. However, if you run this as a regulated service, one of the advantages of this would be for your participation in this market, you could use that information; is that true? A. Are you asking whether we could engage with our
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it simple, tried to these customers might want to know when they sign up for this service, well, what happens if I want to buy it in ten years or five years? What would be the price? And my question is, why can't there be a simple answer to that customer about what the sales price would be? A. I don't believe we are keeping that information from a customer. We have in our tariff the option for a customer to contact us to acquire the option to purchase price at any time through the lease. Q. But with a I tried to make a simple hypothetical that would allow you to exercise that, and	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to. BY MR. GOLTZ: Q. We touched on this before. Under existing Commission regulations, you are prohibited from disclosing certain customer information to third parties or subsidiaries. Do you understand that? A. I do. Q. However, if you run this as a regulated service, one of the advantages of this would be for your participation in this market, you could use that information; is that true? A. Are you asking whether we could engage with our customers based on the information they provided us?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it simple, tried to these customers might want to know when they sign up for this service, well, what happens if I want to buy it in ten years or five years? What would be the price? And my question is, why can't there be a simple answer to that customer about what the sales price would be? A. I don't believe we are keeping that information from a customer. We have in our tariff the option for a customer to contact us to acquire the option to purchase price at any time through the lease. Q. But with a I tried to make a simple hypothetical that would allow you to exercise that, and you refuse as being too burdensome. That's my question.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to. BY MR. GOLTZ: Q. We touched on this before. Under existing Commission regulations, you are prohibited from disclosing certain customer information to third parties or subsidiaries. Do you understand that? A. I do. Q. However, if you run this as a regulated service, one of the advantages of this would be for your participation in this market, you could use that information; is that true? A. Are you asking whether we could engage with our customers based on the information they provided us? Q. Yes.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it simple, tried to these customers might want to know when they sign up for this service, well, what happens if I want to buy it in ten years or five years? What would be the price? And my question is, why can't there be a simple answer to that customer about what the sales price would be? A. I don't believe we are keeping that information from a customer. We have in our tariff the option for a customer to contact us to acquire the option to purchase price at any time through the lease. Q. But with a I tried to make a simple hypothetical that would allow you to exercise that, and you refuse as being too burdensome. That's my question. Why is it so burdensome?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to. BY MR. GOLTZ: Q. We touched on this before. Under existing Commission regulations, you are prohibited from disclosing certain customer information to third parties or subsidiaries. Do you understand that? A. I do. Q. However, if you run this as a regulated service, one of the advantages of this would be for your participation in this market, you could use that information; is that true? A. Are you asking whether we could engage with our customers based on the information they provided us? Q. Yes. A. Yes. We are allowed by law to communicate to
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it simple, tried to these customers might want to know when they sign up for this service, well, what happens if I want to buy it in ten years or five years? What would be the price? And my question is, why can't there be a simple answer to that customer about what the sales price would be? A. I don't believe we are keeping that information from a customer. We have in our tariff the option for a customer to contact us to acquire the option to purchase price at any time through the lease. Q. But with a I tried to make a simple hypothetical that would allow you to exercise that, and you refuse as being too burdensome. That's my question. Why is it so burdensome? A. I believe the result of that was, that you, as	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to. BY MR. GOLTZ: Q. We touched on this before. Under existing Commission regulations, you are prohibited from disclosing certain customer information to third parties or subsidiaries. Do you understand that? A. I do. Q. However, if you run this as a regulated service, one of the advantages of this would be for your participation in this market, you could use that information; is that true? A. Are you asking whether we could engage with our customers based on the information they provided us? Q. Yes. A. Yes. We are allowed by law to communicate to our customers about tariffs and services available, so
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it simple, tried to these customers might want to know when they sign up for this service, well, what happens if I want to buy it in ten years or five years? What would be the price? And my question is, why can't there be a simple answer to that customer about what the sales price would be? A. I don't believe we are keeping that information from a customer. We have in our tariff the option for a customer to contact us to acquire the option to purchase price at any time through the lease. Q. But with a I tried to make a simple hypothetical that would allow you to exercise that, and you refuse as being too burdensome. That's my question. Why is it so burdensome? A. I believe the result of that was, that you, as representative of SMACNA, had access to our highly	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to. BY MR. GOLTZ: Q. We touched on this before. Under existing Commission regulations, you are prohibited from disclosing certain customer information to third parties or subsidiaries. Do you understand that? A. I do. Q. However, if you run this as a regulated service, one of the advantages of this would be for your participation in this market, you could use that information; is that true? A. Are you asking whether we could engage with our customers based on the information they provided us? Q. Yes. A. Yes. We are allowed by law to communicate to our customers about tariffs and services available, so we would avail ourselves and comport with those
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it simple, tried to these customers might want to know when they sign up for this service, well, what happens if I want to buy it in ten years or five years? What would be the price? And my question is, why can't there be a simple answer to that customer about what the sales price would be? A. I don't believe we are keeping that information from a customer. We have in our tariff the option for a customer to contact us to acquire the option to purchase price at any time through the lease. Q. But with a I tried to make a simple hypothetical that would allow you to exercise that, and you refuse as being too burdensome. That's my question. Why is it so burdensome? A. I believe the result of that was, that you, as representative of SMACNA, had access to our highly confidential model, and I couldn't provide you with that	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to. BY MR. GOLTZ: Q. We touched on this before. Under existing Commission regulations, you are prohibited from disclosing certain customer information to third parties or subsidiaries. Do you understand that? A. I do. Q. However, if you run this as a regulated service, one of the advantages of this would be for your participation in this market, you could use that information; is that true? A. Are you asking whether we could engage with our customers based on the information they provided us? Q. Yes. A. Yes. We are allowed by law to communicate to our customers about tariffs and services available, so we would avail ourselves and comport with those requirements.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it simple, tried to these customers might want to know when they sign up for this service, well, what happens if I want to buy it in ten years or five years? What would be the price? And my question is, why can't there be a simple answer to that customer about what the sales price would be? A. I don't believe we are keeping that information from a customer. We have in our tariff the option for a customer to contact us to acquire the option to purchase price at any time through the lease. Q. But with a I tried to make a simple hypothetical that would allow you to exercise that, and you refuse as being too burdensome. That's my question. Why is it so burdensome? A. I believe the result of that was, that you, as representative of SMACNA, had access to our highly confidential model, and I couldn't provide you with that type of hypothetical analysis. So that's why we	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to. BY MR. GOLTZ: Q. We touched on this before. Under existing Commission regulations, you are prohibited from disclosing certain customer information to third parties or subsidiaries. Do you understand that? A. I do. Q. However, if you run this as a regulated service, one of the advantages of this would be for your participation in this market, you could use that information; is that true? A. Are you asking whether we could engage with our customers based on the information they provided us? Q. Yes. A. Yes. We are allowed by law to communicate to our customers about tariffs and services available, so we would avail ourselves and comport with those requirements. Q. On Page 5 of 17 of this Exhibit 62, highly
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it simple, tried to these customers might want to know when they sign up for this service, well, what happens if I want to buy it in ten years or five years? What would be the price? And my question is, why can't there be a simple answer to that customer about what the sales price would be? A. I don't believe we are keeping that information from a customer. We have in our tariff the option for a customer to contact us to acquire the option to purchase price at any time through the lease. Q. But with a I tried to make a simple hypothetical that would allow you to exercise that, and you refuse as being too burdensome. That's my question. Why is it so burdensome? A. I believe the result of that was, that you, as representative of SMACNA, had access to our highly confidential model, and I couldn't provide you with that type of hypothetical analysis. So that's why we objected to your question.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to. BY MR. GOLTZ: Q. We touched on this before. Under existing Commission regulations, you are prohibited from disclosing certain customer information to third parties or subsidiaries. Do you understand that? A. I do. Q. However, if you run this as a regulated service, one of the advantages of this would be for your participation in this market, you could use that information; is that true? A. Are you asking whether we could engage with our customers based on the information they provided us? Q. Yes. A. Yes. We are allowed by law to communicate to our customers about tariffs and services available, so we would avail ourselves and comport with those requirements. Q. On Page 5 of 17 of this Exhibit 62, highly confidential, HC, Page 5 of the exhibit, Page 4 of the
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GOLTZ / McCULLOCH the result, what would be the purchase price or the sales price. And you objected because it was speculative and unduly burdensome. I guess my question is I tried to make it simple, tried to these customers might want to know when they sign up for this service, well, what happens if I want to buy it in ten years or five years? What would be the price? And my question is, why can't there be a simple answer to that customer about what the sales price would be? A. I don't believe we are keeping that information from a customer. We have in our tariff the option for a customer to contact us to acquire the option to purchase price at any time through the lease. Q. But with a I tried to make a simple hypothetical that would allow you to exercise that, and you refuse as being too burdensome. That's my question. Why is it so burdensome? A. I believe the result of that was, that you, as representative of SMACNA, had access to our highly confidential model, and I couldn't provide you with that type of hypothetical analysis. So that's why we	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GOLTZ / McCULLOCH MR. GOLTZ: I'm sorry? MR. STEELE: Just renewing our objection. MR. GOLTZ: This is highly confidential, so I'll try not to. BY MR. GOLTZ: Q. We touched on this before. Under existing Commission regulations, you are prohibited from disclosing certain customer information to third parties or subsidiaries. Do you understand that? A. I do. Q. However, if you run this as a regulated service, one of the advantages of this would be for your participation in this market, you could use that information; is that true? A. Are you asking whether we could engage with our customers based on the information they provided us? Q. Yes. A. Yes. We are allowed by law to communicate to our customers about tariffs and services available, so we would avail ourselves and comport with those requirements. Q. On Page 5 of 17 of this Exhibit 62, highly

	Page 303		Page 305
	GOLTZ / McCULLOCH		GOLTZ / McCULLOCH
1	Q. Under the heading of Activities, the second	1	Q. One last question on surveys. The Cocker
2	paragraph down indicates just that, that this is	2	Fennessy Survey was an online survey, was it not?
3	something that you would be using such information.	3	A. To my understanding, they were conducted online,
4	I'm trying not to read it because it has	4	yes.
5	specific types in there, but that's an accurate	5	Q. Are you familiar with the shortcomings of online
6	statement of the intent at the time this document was	6	surveys as opposed to other types of surveys?
7	prepared?	7	A. I'm not an expert in survey taking, so I can't
8	A. Again, we would comport with any regulations in	8	respond to that answer.
9	place today in engaging with our customers regarding the	9	MR. GOLTZ: Thank you, Your Honor. I would
10	service.	10	like to offer MBM-49 through 52; 54 and 55 we've
11	Q. Right, but this expresses an intent of the types	11	withdrawn because they're duplicates; 57 through 59 and
12	of information that PSE may use?	12	61 through 66.
13	A. That is some of the information that we have	13	JUDGE KOPTA: And I take it that PSE objects
14	available to us.	14	to admission of all of those exhibits based on your
15	Q. That's not quite I'll let it go.	15	prior our prior discussion on objections?
16	You've included in a number of your offerings	16	MR. STEELE: Yes, Your Honor.
17	wi-fi-capable equipment?	17	JUDGE KOPTA: I'm going to overrule the
18	A. Correct. Some of the equipment does have wi-fi	18	objection and admit those exhibits. These are all
19	capability.	19	related to topics that I think are part of this
20	Q. And looking at MBM-58	20	proceeding.
21	MR. STEELE: We renew our objection, Your	21	Certainly they were addressed, some of the
22	Honor.	22	questions that I personally had, and I think the concern
23	BY MR. GOLTZ:	23	with limiting SMACNA's and WSHVACCA's intervention was
24	Q. That basically describes the current progress of	24	to keep them from straying from what the Commission
25	PSE toward DR-capable equipment; is that correct?	25	needs to focus on in this proceeding, and I don't
-			
	Page 304		Page 306
	GOLTZ / McCULLOCH		Page 306 KING / McCULLOCH
1	GOLTZ / McCULLOCH	1	-
1	C C	1	KING / McCULLOCH
	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question		KING / McCULLOCH believe that any of these exhibits do that. In fact, I
2	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of	2	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that
2 3	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of wi-fi capabilities.	2 3	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that the Commission needs to consider in determining the
2 3	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of wi-fi capabilities. Q. And but in the second paragraph of the response,	2 3 4	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that the Commission needs to consider in determining the issues before us.
2 3 4 5	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of wi-fi capabilities. Q. And but in the second paragraph of the response, it says you've not evaluated remote monitoring	2 3 4 5	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that the Commission needs to consider in determining the issues before us. So those exhibits that Mr. Goltz just
2 3 4 5 6	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of wi-fi capabilities. Q. And but in the second paragraph of the response, it says you've not evaluated remote monitoring capabilities of the equipment.	2 3 4 5 6	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that the Commission needs to consider in determining the issues before us. So those exhibits that Mr. Goltz just identified are all admitted.
2 3 4 5 6 7	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of wi-fi capabilities. Q. And but in the second paragraph of the response, it says you've not evaluated remote monitoring capabilities of the equipment. A. That is correct. Remote monitoring, to my	2 3 4 5 6 7	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that the Commission needs to consider in determining the issues before us. So those exhibits that Mr. Goltz just identified are all admitted. JUDGE KOPTA: Mr. King, do you have
2 3 4 5 6 7 8	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of wi-fi capabilities. Q. And but in the second paragraph of the response, it says you've not evaluated remote monitoring capabilities of the equipment. A. That is correct. Remote monitoring, to my understanding in responding to this, was monitoring the	2 3 4 5 6 7 8	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that the Commission needs to consider in determining the issues before us. So those exhibits that Mr. Goltz just identified are all admitted. JUDGE KOPTA: Mr. King, do you have questions?
2 3 4 5 6 7 8 9	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of wi-fi capabilities. Q. And but in the second paragraph of the response, it says you've not evaluated remote monitoring capabilities of the equipment. A. That is correct. Remote monitoring, to my understanding in responding to this, was monitoring the equipment for operation and/or other equipment-related	2 3 4 5 6 7 8 9	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that the Commission needs to consider in determining the issues before us. So those exhibits that Mr. Goltz just identified are all admitted. JUDGE KOPTA: Mr. King, do you have questions? MR. KING: Yes, I do, Your Honor. I'll try
2 3 4 5 6 7 8 9	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of wi-fi capabilities. Q. And but in the second paragraph of the response, it says you've not evaluated remote monitoring capabilities of the equipment. A. That is correct. Remote monitoring, to my understanding in responding to this, was monitoring the equipment for operation and/or other equipment-related issues.	2 3 4 5 6 7 8 9 10	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that the Commission needs to consider in determining the issues before us. So those exhibits that Mr. Goltz just identified are all admitted. JUDGE KOPTA: Mr. King, do you have questions? MR. KING: Yes, I do, Your Honor. I'll try
2 3 4 5 7 8 9 10 11	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of wi-fi capabilities. Q. And but in the second paragraph of the response, it says you've not evaluated remote monitoring capabilities of the equipment. A. That is correct. Remote monitoring, to my understanding in responding to this, was monitoring the equipment for operation and/or other equipment-related issues. Q. In MBM-65 MR. STEELE: Same objection. BY MR. GOLTZ:	2 3 4 5 6 7 8 9 10 11	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that the Commission needs to consider in determining the issues before us. So those exhibits that Mr. Goltz just identified are all admitted. JUDGE KOPTA: Mr. King, do you have questions? MR. KING: Yes, I do, Your Honor. I'll try to be as quick as possible. CROSS-EXAMINATION BY MR. KING:
2 3 4 5 7 8 9 10 11 12	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of wi-fi capabilities. Q. And but in the second paragraph of the response, it says you've not evaluated remote monitoring capabilities of the equipment. A. That is correct. Remote monitoring, to my understanding in responding to this, was monitoring the equipment for operation and/or other equipment-related issues. Q. In MBM-65 MR. STEELE: Same objection. BY MR. GOLTZ: Q. This was a document dated November 10, 2015,	2 3 4 5 6 7 8 9 10 11 12	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that the Commission needs to consider in determining the issues before us. So those exhibits that Mr. Goltz just identified are all admitted. JUDGE KOPTA: Mr. King, do you have questions? MR. KING: Yes, I do, Your Honor. I'll try to be as quick as possible. CROSS-EXAMINATION BY MR. KING: <b>Q. Mr. McCulloch, I'd like to clarify, you had two</b>
2 3 4 5 6 7 8 9 10 11 12 13	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of wi-fi capabilities. Q. And but in the second paragraph of the response, it says you've not evaluated remote monitoring capabilities of the equipment. A. That is correct. Remote monitoring, to my understanding in responding to this, was monitoring the equipment for operation and/or other equipment-related issues. Q. In MBM-65 MR. STEELE: Same objection. BY MR. GOLTZ: Q. This was a document dated November 10, 2015, another Lease Solutions Project Update. Is that your	2 3 4 5 6 7 8 9 10 11 12 13	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that the Commission needs to consider in determining the issues before us. So those exhibits that Mr. Goltz just identified are all admitted. JUDGE KOPTA: Mr. King, do you have questions? MR. KING: Yes, I do, Your Honor. I'll try to be as quick as possible. CROSS-EXAMINATION BY MR. KING: Q. Mr. McCulloch, I'd like to clarify, you had two RFQs, one in 2015 and one in 2016. If this is approved,
2 3 4 5 6 7 8 9 10 11 12 13 14	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of wi-fi capabilities. Q. And but in the second paragraph of the response, it says you've not evaluated remote monitoring capabilities of the equipment. A. That is correct. Remote monitoring, to my understanding in responding to this, was monitoring the equipment for operation and/or other equipment-related issues. Q. In MBM-65 MR. STEELE: Same objection. BY MR. GOLTZ: Q. This was a document dated November 10, 2015, another Lease Solutions Project Update. Is that your document and prepared by you?	2 3 4 5 6 7 8 9 10 11 12 13 14	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that the Commission needs to consider in determining the issues before us. So those exhibits that Mr. Goltz just identified are all admitted. JUDGE KOPTA: Mr. King, do you have questions? MR. KING: Yes, I do, Your Honor. I'll try to be as quick as possible. CROSS-EXAMINATION BY MR. KING: Q. Mr. McCulloch, I'd like to clarify, you had two RFQs, one in 2015 and one in 2016. If this is approved, though, there will be a competitive process to avoid the
2 3 4 5 6 7 8 9 10 11 12 13 14 15	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of wi-fi capabilities. Q. And but in the second paragraph of the response, it says you've not evaluated remote monitoring capabilities of the equipment. A. That is correct. Remote monitoring, to my understanding in responding to this, was monitoring the equipment for operation and/or other equipment-related issues. Q. In MBM-65 MR. STEELE: Same objection. BY MR. GOLTZ: Q. This was a document dated November 10, 2015, another Lease Solutions Project Update. Is that your document and prepared by you? A. Yes.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that the Commission needs to consider in determining the issues before us. So those exhibits that Mr. Goltz just identified are all admitted. JUDGE KOPTA: Mr. King, do you have questions? MR. KING: Yes, I do, Your Honor. I'll try to be as quick as possible. CROSS-EXAMINATION BY MR. KING: Q. Mr. McCulloch, I'd like to clarify, you had two RFQs, one in 2015 and one in 2016. If this is approved, though, there will be a competitive process to avoid the actual work?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of wi-fi capabilities. Q. And but in the second paragraph of the response, it says you've not evaluated remote monitoring capabilities of the equipment. A. That is correct. Remote monitoring, to my understanding in responding to this, was monitoring the equipment for operation and/or other equipment-related issues. Q. In MBM-65 MR. STEELE: Same objection. BY MR. GOLTZ: Q. This was a document dated November 10, 2015, another Lease Solutions Project Update. Is that your document and prepared by you? A. Yes. Q. The second paragraph in this document basically	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that the Commission needs to consider in determining the issues before us. So those exhibits that Mr. Goltz just identified are all admitted. JUDGE KOPTA: Mr. King, do you have questions? MR. KING: Yes, I do, Your Honor. I'll try to be as quick as possible. CROSS-EXAMINATION BY MR. KING: Q. Mr. McCulloch, I'd like to clarify, you had two RFQs, one in 2015 and one in 2016. If this is approved, though, there will be a competitive process to avoid the actual work? A. We have done an RFQ in 2015 and 2016, I affirm
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of wi-fi capabilities. Q. And but in the second paragraph of the response, it says you've not evaluated remote monitoring capabilities of the equipment. A. That is correct. Remote monitoring, to my understanding in responding to this, was monitoring the equipment for operation and/or other equipment-related issues. Q. In MBM-65 MR. STEELE: Same objection. BY MR. GOLTZ: Q. This was a document dated November 10, 2015, another Lease Solutions Project Update. Is that your document and prepared by you? A. Yes. Q. The second paragraph in this document basically gives a report on the fact that at the open meeting on	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that the Commission needs to consider in determining the issues before us. So those exhibits that Mr. Goltz just identified are all admitted. JUDGE KOPTA: Mr. King, do you have questions? MR. KING: Yes, I do, Your Honor. I'll try to be as quick as possible. CROSS-EXAMINATION BY MR. KING: Q. Mr. McCulloch, I'd like to clarify, you had two RFQs, one in 2015 and one in 2016. If this is approved, though, there will be a competitive process to avoid the actual work? A. We have done an RFQ in 2015 and 2016, I affirm to that. And I will be working with our Purchasing
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of wi-fi capabilities. Q. And but in the second paragraph of the response, it says you've not evaluated remote monitoring capabilities of the equipment. A. That is correct. Remote monitoring, to my understanding in responding to this, was monitoring the equipment for operation and/or other equipment-related issues. Q. In MBM-65 MR. STEELE: Same objection. BY MR. GOLTZ: Q. This was a document dated November 10, 2015, another Lease Solutions Project Update. Is that your document and prepared by you? A. Yes. Q. The second paragraph in this document basically gives a report on the fact that at the open meeting on November 13th, you expected the tariff to be suspended?	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that the Commission needs to consider in determining the issues before us. So those exhibits that Mr. Goltz just identified are all admitted. JUDGE KOPTA: Mr. King, do you have questions? MR. KING: Yes, I do, Your Honor. I'll try to be as quick as possible. CROSS-EXAMINATION BY MR. KING: Q. Mr. McCulloch, I'd like to clarify, you had two RFQs, one in 2015 and one in 2016. If this is approved, though, there will be a competitive process to avoid the actual work? A. We have done an RFQ in 2015 and 2016, I affirm to that. And I will be working with our Purchasing Department to determine the course of contracting which
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<ul> <li>GOLTZ / McCULLOCH</li> <li>A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of wi-fi capabilities.</li> <li>Q. And but in the second paragraph of the response, it says you've not evaluated remote monitoring capabilities of the equipment.</li> <li>A. That is correct. Remote monitoring, to my understanding in responding to this, was monitoring the equipment for operation and/or other equipment-related issues.</li> <li>Q. In MBM-65 MR. STEELE: Same objection.</li> <li>BY MR. GOLTZ:</li> <li>Q. This was a document dated November 10, 2015, another Lease Solutions Project Update. Is that your document and prepared by you?</li> <li>A. Yes.</li> <li>Q. The second paragraph in this document basically gives a report on the fact that at the open meeting on November 13th, you expected the tariff to be suspended?</li> <li>A. Correct. That's what it states.</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that the Commission needs to consider in determining the issues before us. So those exhibits that Mr. Goltz just identified are all admitted. JUDGE KOPTA: Mr. King, do you have questions? MR. KING: Yes, I do, Your Honor. I'll try to be as quick as possible. CROSS-EXAMINATION BY MR. KING: <b>Q. Mr. McCulloch, I'd like to clarify, you had two RFQs, one in 2015 and one in 2016. If this is approved, though, there will be a competitive process to avoid the actual work? A. We have done an RFQ in 2015 and 2016, I affirm to that. And I will be working with our Purchasing Department to determine the course of contracting which may include a competitive process.</b>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of wi-fi capabilities. Q. And but in the second paragraph of the response, it says you've not evaluated remote monitoring capabilities of the equipment. A. That is correct. Remote monitoring, to my understanding in responding to this, was monitoring the equipment for operation and/or other equipment-related issues. Q. In MBM-65 MR. STEELE: Same objection. BY MR. GOLTZ: Q. This was a document dated November 10, 2015, another Lease Solutions Project Update. Is that your document and prepared by you? A. Yes. Q. The second paragraph in this document basically gives a report on the fact that at the open meeting on November 13th, you expected the tariff to be suspended? A. Correct. That's what it states. Q. Right. And then the second paragraph, without	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that the Commission needs to consider in determining the issues before us. So those exhibits that Mr. Goltz just identified are all admitted. JUDGE KOPTA: Mr. King, do you have questions? MR. KING: Yes, I do, Your Honor. I'll try to be as quick as possible. CROSS-EXAMINATION BY MR. KING: <b>Q. Mr. McCulloch, I'd like to clarify, you had two RFQs, one in 2015 and one in 2016. If this is approved, though, there will be a competitive process to avoid the actual work? A. We have done an RFQ in 2015 and 2016, I affirm to that. And I will be working with our Purchasing Department to determine the course of contracting which may include a competitive process. <b>Q. Second question would be, is there any work to</b></b>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of wi-fi capabilities. Q. And but in the second paragraph of the response, it says you've not evaluated remote monitoring capabilities of the equipment. A. That is correct. Remote monitoring, to my understanding in responding to this, was monitoring the equipment for operation and/or other equipment-related issues. Q. In MBM-65 MR. STEELE: Same objection. BY MR. GOLTZ: Q. This was a document dated November 10, 2015, another Lease Solutions Project Update. Is that your document and prepared by you? A. Yes. Q. The second paragraph in this document basically gives a report on the fact that at the open meeting on November 13th, you expected the tariff to be suspended? A. Correct. That's what it states. Q. Right. And then the second paragraph, without reading it, talks about a strategic pivot, as it says,	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that the Commission needs to consider in determining the issues before us. So those exhibits that Mr. Goltz just identified are all admitted. JUDGE KOPTA: Mr. King, do you have questions? MR. KING: Yes, I do, Your Honor. I'll try to be as quick as possible. CROSS-EXAMINATION BY MR. KING: Q. Mr. McCulloch, I'd like to clarify, you had two RFQs, one in 2015 and one in 2016. If this is approved, though, there will be a competitive process to avoid the actual work? A. We have done an RFQ in 2015 and 2016, I affirm to that. And I will be working with our Purchasing Department to determine the course of contracting which may include a competitive process. Q. Second question would be, is there any work to be awarded attached to those first two RFQs?
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	GOLTZ / McCULLOCH A. No. This responds to a hypothetical question that was presented by WUTC Staff regarding PSE's use of wi-fi capabilities. Q. And but in the second paragraph of the response, it says you've not evaluated remote monitoring capabilities of the equipment. A. That is correct. Remote monitoring, to my understanding in responding to this, was monitoring the equipment for operation and/or other equipment-related issues. Q. In MBM-65 MR. STEELE: Same objection. BY MR. GOLTZ: Q. This was a document dated November 10, 2015, another Lease Solutions Project Update. Is that your document and prepared by you? A. Yes. Q. The second paragraph in this document basically gives a report on the fact that at the open meeting on November 13th, you expected the tariff to be suspended? A. Correct. That's what it states. Q. Right. And then the second paragraph, without	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	KING / McCULLOCH believe that any of these exhibits do that. In fact, I think they're squarely within the types of issues that the Commission needs to consider in determining the issues before us. So those exhibits that Mr. Goltz just identified are all admitted. JUDGE KOPTA: Mr. King, do you have questions? MR. KING: Yes, I do, Your Honor. I'll try to be as quick as possible. CROSS-EXAMINATION BY MR. KING: <b>Q. Mr. McCulloch, I'd like to clarify, you had two RFQs, one in 2015 and one in 2016. If this is approved, though, there will be a competitive process to avoid the actual work? A. We have done an RFQ in 2015 and 2016, I affirm to that. And I will be working with our Purchasing Department to determine the course of contracting which may include a competitive process. <b>Q. Second question would be, is there any work to</b></b>

	Page 307		Page 309
	KING / McCULLOCH		KING / McCULLOCH
1	resources to respond to your RFQs. Are they going to be	1	The purpose of providing a venue for
2	awarded any work based upon those RFQs?	2	providers to bid into work is to have options to do that
3	A. They certainly have expressed interest in	3	work. We wouldn't go through that exercise without an
4	participating in the service and provided bids. I have	4	end mean.
5	not done a competitive analysis to determine who will be	5	BY MR. KING:
6	offered that contracting service, so it would be unfair	6	Q. So you are offering work to those who respond to
7	for me to answer that question at this time.	7	the RFQ?
8	Q. If we could turn to your rebuttal testimony, 7T,	8	A. Upon approval of this service, I believe that we
9	on Page 8, Lines 7 and 8. You assert that your response	9	will be contracting potentially with some of those that
10	rates would have been higher if not for repeated	10	responded to the RFQ.
11	communication from my association regarding your RFQs.	11	Q. Based upon their RFQ, or were you simply
12	Your exhibit referenced lists one includes	12	gathering information to determine pricing for the
13	one intercepted email, which was also on the front page	13	purposes of developing your rates for this tariff
14	of our website since January. But repeated? Do you	14	filing?
15	have any evidence that we made any other communication	15	A. Those RFQs inform the prices, and so we will be
16	0 07	16	able to utilize those providers to offer the service.
17	A. My understanding, based on review of the website	17	Q. On Page 13 of your rebuttal testimony
18	of your association, was that there was a communication	18	A. Yes.
19	that went out as well as what was posted on the website	19	Q excuse me, Page 10, Lines 18 and 19, you
20	that is entered in the record in my testimony. So to me	20	state you have been fully transparent regarding the
21	that is multiple	21	inputs and methodology used to develop the proposed
22	Q. So having reviewed	22	rates, and yet neither the public nor the members of the
23	JUDGE KOPTA: One at a time, please.	23	industry have been able to review, the people that would
24	BY MR. KING:	24	know most about whether or not the inputs are accurate,
25	Q. So having reviewed the alert that went by email	25	have been allowed to review any of that material;
	Page 308		Page 310
	Page 308 KING / McCULLOCH		Page 310 KING / McCULLOCH
1	KING / McCULLOCH	1	
1	KING / McCULLOCH and what was on the website, you didn't notice it was	1	KING / McCULLOCH
2	KING / McCULLOCH and what was on the website, you didn't notice it was the same thing?	2	KING / McCULLOCH correct? A. That's based on a Protective Order.
2 3	KING / McCULLOCH and what was on the website, you didn't notice it was the same thing? A. They're two different forms of communication, so	2 3	KING / McCULLOCH correct? A. That's based on a Protective Order. Q. To allow the access
2	KING / McCULLOCH and what was on the website, you didn't notice it was the same thing? A. They're two different forms of communication, so it's appropriate for me to detail that it's multiple	2 3 4	KING / McCULLOCH correct? A. That's based on a Protective Order. Q. To allow the access MS. CARSON: Objection; argumentative.
2 3 4 5	KING / McCULLOCH and what was on the website, you didn't notice it was the same thing? A. They're two different forms of communication, so it's appropriate for me to detail that it's multiple communications.	2 3 4 5	KING / McCULLOCH correct? A. That's based on a Protective Order. Q. To allow the access MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained.
2 3 4 5 6	KING / McCULLOCH and what was on the website, you didn't notice it was the same thing? A. They're two different forms of communication, so it's appropriate for me to detail that it's multiple communications. Q. Was there anything in the alert of the email	2 3 4 5 6	KING / McCULLOCH correct? A. That's based on a Protective Order. Q. To allow the access MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. KING:
2 3 4 5 6 7	KING / McCULLOCH and what was on the website, you didn't notice it was the same thing? A. They're two different forms of communication, so it's appropriate for me to detail that it's multiple communications. Q. Was there anything in the alert of the email that was inaccurate?	2 3 4 5 6 7	KING / McCULLOCH correct? A. That's based on a Protective Order. Q. To allow the access MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. KING: Q. Based on the Protective Order and PSE's
2 3 4 5 6 7 8	KING / McCULLOCH and what was on the website, you didn't notice it was the same thing? A. They're two different forms of communication, so it's appropriate for me to detail that it's multiple communications. Q. Was there anything in the alert of the email that was inaccurate? A. Could you point me to that reference in my	2 3 4 5 6 7 8	KING / McCULLOCH correct? A. That's based on a Protective Order. Q. To allow the access MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. KING: Q. Based on the Protective Order and PSE's unwillingness to allow the word has escaped me for a
2 3 4 5 6 7	KING / McCULLOCH and what was on the website, you didn't notice it was the same thing? A. They're two different forms of communication, so it's appropriate for me to detail that it's multiple communications. Q. Was there anything in the alert of the email that was inaccurate? A. Could you point me to that reference in my testimony?	2 3 4 5 6 7	KING / McCULLOCH correct? A. That's based on a Protective Order. Q. To allow the access MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. KING: Q. Based on the Protective Order and PSE's unwillingness to allow the word has escaped me for a moment, Your Honor to permit access by parties from
2 3 4 5 6 7 8 9	<ul> <li>KING / McCULLOCH</li> <li>and what was on the website, you didn't notice it was the same thing?</li> <li>A. They're two different forms of communication, so it's appropriate for me to detail that it's multiple communications.</li> <li>Q. Was there anything in the alert of the email that was inaccurate?</li> <li>A. Could you point me to that reference in my testimony?</li> <li>Q. The exhibit is your your rebuttal exhibit</li> </ul>	2 3 4 5 6 7 8 9	KING / McCULLOCH correct? A. That's based on a Protective Order. Q. To allow the access MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. KING: Q. Based on the Protective Order and PSE's unwillingness to allow the word has escaped me for a moment, Your Honor to permit access by parties from the industry and others, we have not been allowed to
2 3 4 5 6 7 8 9	KING / McCULLOCH and what was on the website, you didn't notice it was the same thing? A. They're two different forms of communication, so it's appropriate for me to detail that it's multiple communications. Q. Was there anything in the alert of the email that was inaccurate? A. Could you point me to that reference in my testimony?	2 3 4 5 6 7 8 9 10	KING / McCULLOCH correct? A. That's based on a Protective Order. Q. To allow the access MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. KING: Q. Based on the Protective Order and PSE's unwillingness to allow the word has escaped me for a moment, Your Honor to permit access by parties from the industry and others, we have not been allowed to review the details of your methodology; correct?
2 3 4 5 7 8 9 10 11	<ul> <li>KING / McCULLOCH</li> <li>and what was on the website, you didn't notice it was the same thing?</li> <li>A. They're two different forms of communication, so it's appropriate for me to detail that it's multiple communications.</li> <li>Q. Was there anything in the alert of the email that was inaccurate?</li> <li>A. Could you point me to that reference in my testimony?</li> <li>Q. The exhibit is your your rebuttal exhibit JUDGE KOPTA: MBM-7HCT. MR. KING: It's Exhibit 11.</li> </ul>	2 3 4 5 6 7 8 9 10 11	KING / McCULLOCH correct? A. That's based on a Protective Order. Q. To allow the access MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. KING: Q. Based on the Protective Order and PSE's unwillingness to allow the word has escaped me for a moment, Your Honor to permit access by parties from the industry and others, we have not been allowed to review the details of your methodology; correct? A. My understanding is your association was not
2 3 4 5 7 8 9 10 11 12	<ul> <li>KING / McCULLOCH</li> <li>and what was on the website, you didn't notice it was the same thing?</li> <li>A. They're two different forms of communication, so it's appropriate for me to detail that it's multiple communications.</li> <li>Q. Was there anything in the alert of the email that was inaccurate?</li> <li>A. Could you point me to that reference in my testimony?</li> <li>Q. The exhibit is your your rebuttal exhibit JUDGE KOPTA: MBM-7HCT. MR. KING: It's Exhibit 11. MS. CARSON: Are we referring to the</li> </ul>	2 3 4 5 6 7 8 9 10 11 12	KING / McCULLOCH correct? A. That's based on a Protective Order. Q. To allow the access MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. KING: Q. Based on the Protective Order and PSE's unwillingness to allow the word has escaped me for a moment, Your Honor to permit access by parties from the industry and others, we have not been allowed to review the details of your methodology; correct? A. My understanding is your association was not granted access to protective information.
2 3 4 5 6 7 8 9 10 11 12 13	<ul> <li>KING / McCULLOCH</li> <li>and what was on the website, you didn't notice it was the same thing?</li> <li>A. They're two different forms of communication, so it's appropriate for me to detail that it's multiple communications.</li> <li>Q. Was there anything in the alert of the email that was inaccurate?</li> <li>A. Could you point me to that reference in my testimony?</li> <li>Q. The exhibit is your your rebuttal exhibit JUDGE KOPTA: MBM-7HCT. MR. KING: It's Exhibit 11. MS. CARSON: Are we referring to the rebuttal testimony or another exhibit?</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13	<ul> <li>KING / McCULLOCH</li> <li>correct?</li> <li>A. That's based on a Protective Order.</li> <li>Q. To allow the access MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained.</li> <li>BY MR. KING:</li> <li>Q. Based on the Protective Order and PSE's unwillingness to allow the word has escaped me for a moment, Your Honor to permit access by parties from the industry and others, we have not been allowed to review the details of your methodology; correct?</li> <li>A. My understanding is your association was not granted access to protective information.</li> <li>Q. And you would consider that being fully</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14	<ul> <li>KING / McCULLOCH</li> <li>and what was on the website, you didn't notice it was the same thing?</li> <li>A. They're two different forms of communication, so it's appropriate for me to detail that it's multiple communications.</li> <li>Q. Was there anything in the alert of the email that was inaccurate?</li> <li>A. Could you point me to that reference in my testimony?</li> <li>Q. The exhibit is your your rebuttal exhibit JUDGE KOPTA: MBM-7HCT. MR. KING: It's Exhibit 11. MS. CARSON: Are we referring to the rebuttal testimony or another exhibit? MR. KING: I asked if there was anything in</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14	<ul> <li>KING / McCULLOCH</li> <li>correct?</li> <li>A. That's based on a Protective Order.</li> <li>Q. To allow the access MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained.</li> <li>BY MR. KING:</li> <li>Q. Based on the Protective Order and PSE's unwillingness to allow the word has escaped me for a moment, Your Honor to permit access by parties from the industry and others, we have not been allowed to review the details of your methodology; correct?</li> <li>A. My understanding is your association was not granted access to protective information.</li> <li>Q. And you would consider that being fully transparent?</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15	KING / McCULLOCH and what was on the website, you didn't notice it was the same thing? A. They're two different forms of communication, so it's appropriate for me to detail that it's multiple communications. Q. Was there anything in the alert of the email that was inaccurate? A. Could you point me to that reference in my testimony? Q. The exhibit is your your rebuttal exhibit JUDGE KOPTA: MBM-7HCT. MR. KING: It's Exhibit 11. MS. CARSON: Are we referring to the rebuttal testimony or another exhibit? MR. KING: I asked if there was anything in	2 3 4 5 6 7 8 9 10 11 12 13 14 15	<ul> <li>KING / McCULLOCH</li> <li>correct?</li> <li>A. That's based on a Protective Order.</li> <li>Q. To allow the access MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained.</li> <li>BY MR. KING:</li> <li>Q. Based on the Protective Order and PSE's unwillingness to allow the word has escaped me for a moment, Your Honor to permit access by parties from the industry and others, we have not been allowed to review the details of your methodology; correct?</li> <li>A. My understanding is your association was not granted access to protective information.</li> <li>Q. And you would consider that being fully</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	KING / McCULLOCH and what was on the website, you didn't notice it was the same thing? A. They're two different forms of communication, so it's appropriate for me to detail that it's multiple communications. Q. Was there anything in the alert of the email that was inaccurate? A. Could you point me to that reference in my testimony? Q. The exhibit is your your rebuttal exhibit JUDGE KOPTA: MBM-7HCT. MR. KING: It's Exhibit 11. MS. CARSON: Are we referring to the rebuttal testimony or another exhibit? MR. KING: I asked if there was anything in the exhibit or in our alerts, which the content of was	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	KING / McCULLOCH correct? A. That's based on a Protective Order. Q. To allow the access MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. KING: Q. Based on the Protective Order and PSE's unwillingness to allow the word has escaped me for a moment, Your Honor to permit access by parties from the industry and others, we have not been allowed to review the details of your methodology; correct? A. My understanding is your association was not granted access to protective information. Q. And you would consider that being fully transparent? MS. CARSON: Your Honor, I object to this
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	<ul> <li>KING / McCULLOCH</li> <li>and what was on the website, you didn't notice it was the same thing?</li> <li>A. They're two different forms of communication, so it's appropriate for me to detail that it's multiple communications.</li> <li>Q. Was there anything in the alert of the email that was inaccurate?</li> <li>A. Could you point me to that reference in my testimony?</li> <li>Q. The exhibit is your your rebuttal exhibit JUDGE KOPTA: MBM-7HCT. MR. KING: It's Exhibit 11. MS. CARSON: Are we referring to the rebuttal testimony or another exhibit? MR. KING: I asked if there was anything in the exhibit or in our alerts, which the content of was in the exhibit, was inaccurate.</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	<ul> <li>KING / McCULLOCH</li> <li>correct?</li> <li>A. That's based on a Protective Order.</li> <li>Q. To allow the access MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained.</li> <li>BY MR. KING:</li> <li>Q. Based on the Protective Order and PSE's unwillingness to allow the word has escaped me for a moment, Your Honor to permit access by parties from the industry and others, we have not been allowed to review the details of your methodology; correct?</li> <li>A. My understanding is your association was not granted access to protective information.</li> <li>Q. And you would consider that being fully transparent?</li> <li>MS. CARSON: Your Honor, I object to this argumentative line of questioning. There's a Protective</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	KING / McCULLOCH and what was on the website, you didn't notice it was the same thing? A. They're two different forms of communication, so it's appropriate for me to detail that it's multiple communications. Q. Was there anything in the alert of the email that was inaccurate? A. Could you point me to that reference in my testimony? Q. The exhibit is your your rebuttal exhibit JUDGE KOPTA: MBM-7HCT. MR. KING: It's Exhibit 11. MS. CARSON: Are we referring to the rebuttal testimony or another exhibit? MR. KING: I asked if there was anything in the exhibit or in our alerts, which the content of was in the exhibit, was inaccurate. MS. CARSON: What exhibit is that, Your	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>KING / McCULLOCH</li> <li>correct?</li> <li>A. That's based on a Protective Order.</li> <li>Q. To allow the access MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained.</li> <li>BY MR. KING:</li> <li>Q. Based on the Protective Order and PSE's unwillingness to allow the word has escaped me for a moment, Your Honor to permit access by parties from the industry and others, we have not been allowed to review the details of your methodology; correct?</li> <li>A. My understanding is your association was not granted access to protective information.</li> <li>Q. And you would consider that being fully transparent?</li> <li>MS. CARSON: Your Honor, I object to this argumentative line of questioning. There's a Protective Order in place, and we were allowed to use the</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	<ul> <li>KING / McCULLOCH</li> <li>and what was on the website, you didn't notice it was the same thing?</li> <li>A. They're two different forms of communication, so it's appropriate for me to detail that it's multiple communications.</li> <li>Q. Was there anything in the alert of the email that was inaccurate?</li> <li>A. Could you point me to that reference in my testimony?</li> <li>Q. The exhibit is your your rebuttal exhibit JUDGE KOPTA: MBM-7HCT. MR. KING: It's Exhibit 11. MS. CARSON: Are we referring to the rebuttal testimony or another exhibit?</li> <li>MR. KING: I asked if there was anything in the exhibit or in our alerts, which the content of was in the exhibit, was inaccurate. MS. CARSON: What exhibit is that, Your Honor?</li> </ul>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	<ul> <li>KING / McCULLOCH</li> <li>correct?</li> <li>A. That's based on a Protective Order.</li> <li>Q. To allow the access MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained.</li> <li>BY MR. KING:</li> <li>Q. Based on the Protective Order and PSE's unwillingness to allow the word has escaped me for a moment, Your Honor to permit access by parties from the industry and others, we have not been allowed to review the details of your methodology; correct?</li> <li>A. My understanding is your association was not granted access to protective information.</li> <li>Q. And you would consider that being fully transparent?</li> <li>MS. CARSON: Your Honor, I object to this argumentative line of questioning. There's a Protective Order in place, and we were allowed to use the Protective Order.</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	KING / McCULLOCH and what was on the website, you didn't notice it was the same thing? A. They're two different forms of communication, so it's appropriate for me to detail that it's multiple communications. Q. Was there anything in the alert of the email that was inaccurate? A. Could you point me to that reference in my testimony? Q. The exhibit is your your rebuttal exhibit JUDGE KOPTA: MBM-7HCT. MR. KING: It's Exhibit 11. MS. CARSON: Are we referring to the rebuttal testimony or another exhibit? MR. KING: I asked if there was anything in the exhibit or in our alerts, which the content of was in the exhibit, was inaccurate. MS. CARSON: What exhibit is that, Your Honor? JUDGE KOPTA: It's MBM-11.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	<ul> <li>KING / McCULLOCH</li> <li>correct?</li> <li>A. That's based on a Protective Order.</li> <li>Q. To allow the access MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained.</li> <li>BY MR. KING:</li> <li>Q. Based on the Protective Order and PSE's unwillingness to allow the word has escaped me for a moment, Your Honor to permit access by parties from the industry and others, we have not been allowed to review the details of your methodology; correct?</li> <li>A. My understanding is your association was not granted access to protective information.</li> <li>Q. And you would consider that being fully transparent?</li> <li>MS. CARSON: Your Honor, I object to this argumentative line of questioning. There's a Protective Order in place, and we were allowed to use the Protective Order.</li> <li>It's competitive information that could have</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	KING / McCULLOCH and what was on the website, you didn't notice it was the same thing? A. They're two different forms of communication, so it's appropriate for me to detail that it's multiple communications. Q. Was there anything in the alert of the email that was inaccurate? A. Could you point me to that reference in my testimony? Q. The exhibit is your your rebuttal exhibit JUDGE KOPTA: MBM-7HCT. MR. KING: It's Exhibit 11. MS. CARSON: Are we referring to the rebuttal testimony or another exhibit? MR. KING: I asked if there was anything in the exhibit or in our alerts, which the content of was in the exhibit, was inaccurate. MS. CARSON: What exhibit is that, Your Honor? JUDGE KOPTA: It's MBM-11. THE WITNESS: Thank you. I'm sifting	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	<ul> <li>KING / McCULLOCH</li> <li>correct?</li> <li>A. That's based on a Protective Order.</li> <li>Q. To allow the access MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained.</li> <li>BY MR. KING:</li> <li>Q. Based on the Protective Order and PSE's unwillingness to allow the word has escaped me for a moment, Your Honor to permit access by parties from the industry and others, we have not been allowed to review the details of your methodology; correct?</li> <li>A. My understanding is your association was not granted access to protective information.</li> <li>Q. And you would consider that being fully transparent?</li> <li>MS. CARSON: Your Honor, I object to this argumentative line of questioning. There's a Protective Order in place, and we were allowed to use the Protective Order.</li> <li>It's competitive information that could have an effect on customer rates, and this is not the type of</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	KING / McCULLOCH and what was on the website, you didn't notice it was the same thing? A. They're two different forms of communication, so it's appropriate for me to detail that it's multiple communications. Q. Was there anything in the alert of the email that was inaccurate? A. Could you point me to that reference in my testimony? Q. The exhibit is your your rebuttal exhibit JUDGE KOPTA: MBM-7HCT. MR. KING: It's Exhibit 11. MS. CARSON: Are we referring to the rebuttal testimony or another exhibit? MR. KING: I asked if there was anything in the exhibit or in our alerts, which the content of was in the exhibit, was inaccurate. MS. CARSON: What exhibit is that, Your Honor? JUDGE KOPTA: It's MBM-11. THE WITNESS: Thank you. I'm sifting through here, bear with me.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	KING / McCULLOCH correct? A. That's based on a Protective Order. Q. To allow the access MS. CARSON: Objection; argumentative. JUDGE KOPTA: Sustained. BY MR. KING: Q. Based on the Protective Order and PSE's unwillingness to allow the word has escaped me for a moment, Your Honor to permit access by parties from the industry and others, we have not been allowed to review the details of your methodology; correct? A. My understanding is your association was not granted access to protective information. Q. And you would consider that being fully transparent? MS. CARSON: Your Honor, I object to this argumentative line of questioning. There's a Protective Order in place, and we were allowed to use the Protective Order. It's competitive information that could have an effect on customer rates, and this is not the type of information that is generally made public. So I don't

	Page 311		Page 313
	KING / McCULLOCH		KING / McCULLOCH
1	BY MR. KING:	1	examined the details of the proposal because he was not
2	Q. You testified here a few minutes ago lease	2	allowed to for whatever reason? I just want to be
3	options is not in competition with sales; correct?	3	clear. Not that he didn't read it; it's true that he
4	A. A lease is inherently a long-term service where	4	couldn't read it?
5	one party is acquiring use of a service or product.	5	MS. CARSON: Object to the form of the
6	That individual is not purchasing the equipment	6	question.
7	outright, so I don't believe that they are	7	JUDGE KOPTA: I think the witness
8	apple-to-apple comparative services or products.	8	understands what he's saying. It's the terminology.
9	Q. As you say, you were not in competition with	9	Are you willing to accept Mr. King's modification to
10	you would be the only lease provider out there, you	10	your statement?
11	would not be in competition with those doing sales;	11	THE WITNESS: I will accept that
12	correct?	12	Mr. Pinkey the response that I made in my testimony
13	MS. CARSON: Objection; asked and answered.	13	was predicated on Mr. Pinkey making assumptions
14	JUDGE KOPTA: I will allow it. I think I	14	regarding the proposal that reflected on the items he
15	know where Mr. King is going with this.	15	was not able to access given the Protective Order.
16	THE WITNESS: PSE believes that there is an	16	BY MR. KING:
17	unmet need in the market of customers who are not	17	Q. And finally, on the same page, if you jump up to
18	entering the market today because of barriers that they	18	Lines 9 to 13 and the reference to your Exhibit MBM-13,
19	possess. If the lease option is an opportunity for	19	highly confidential.
20	those customers to acquire high-efficient equipment, we	20	A. Yes.
21		21	Q. And you have an email chain stating that what
22	aren't availed of the option to look at other services	22	you're doing on standards, which is non-standards, is
23	in the market.	23	correct. But, again, the source of this information,
24	Whether you compare that as competitive or	24	the credibility, the validity, the qualifications of the
25	optional capabilities, I think that that's a term or a	25	person attesting to this, is not available to those in
	Page 312		Page 314
	Page 312 KING / McCULLOCH		Page 314 KING / McCULLOCH
	KING / McCULLOCH		-
1	KING / McCULLOCH phraseology that needs to be defined.	1	KING / McCULLOCH the industry who may have known who this person is and
1 2	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING:	1 2	KING / McCULLOCH the industry who may have known who this person is and what their level of qualifications are.
	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: Q. We'll accept that and your previous testimony		KING / McCULLOCH the industry who may have known who this person is and what their level of qualifications are. Are you certain that somebody upon the
2	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: Q. We'll accept that and your previous testimony that you were not in competition with us, thus we can't	2 3 4	KING / McCULLOCH the industry who may have known who this person is and what their level of qualifications are. Are you certain that somebody upon the Commission, among Public Counsel, Staff, or Mr. Goltz,
2 3	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: Q. We'll accept that and your previous testimony that you were not in competition with us, thus we can't be your competitors. So why do we need to be excluded	2 3 4 5	KING / McCULLOCH the industry who may have known who this person is and what their level of qualifications are. Are you certain that somebody upon the Commission, among Public Counsel, Staff, or Mr. Goltz, those who have access to highly confidential, know who
2 3 4 5 6	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: Q. We'll accept that and your previous testimony that you were not in competition with us, thus we can't be your competitors. So why do we need to be excluded under confidentiality? Because there's no competitive	2 3 4 5 6	KING / McCULLOCH the industry who may have known who this person is and what their level of qualifications are. Are you certain that somebody upon the Commission, among Public Counsel, Staff, or Mr. Goltz, those who have access to highly confidential, know who this person is and whether or not he is qualified to
2 3 4 5 6 7	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: Q. We'll accept that and your previous testimony that you were not in competition with us, thus we can't be your competitors. So why do we need to be excluded under confidentiality? Because there's no competitive advantage to be given to the HVAC industry if we're not	2 3 4 5 6 7	KING / McCULLOCH the industry who may have known who this person is and what their level of qualifications are. Are you certain that somebody upon the Commission, among Public Counsel, Staff, or Mr. Goltz, those who have access to highly confidential, know who this person is and whether or not he is qualified to give this kind of a response and this kind of
2 3 4 5 6 7 8	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: Q. We'll accept that and your previous testimony that you were not in competition with us, thus we can't be your competitors. So why do we need to be excluded under confidentiality? Because there's no competitive advantage to be given to the HVAC industry if we're not competition. You seem to want it both ways.	2 3 4 5 6 7 8	KING / McCULLOCH the industry who may have known who this person is and what their level of qualifications are. Are you certain that somebody upon the Commission, among Public Counsel, Staff, or Mr. Goltz, those who have access to highly confidential, know who this person is and whether or not he is qualified to give this kind of a response and this kind of information?
2 3 4 5 6 7 8 9	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: Q. We'll accept that and your previous testimony that you were not in competition with us, thus we can't be your competitors. So why do we need to be excluded under confidentiality? Because there's no competitive advantage to be given to the HVAC industry if we're not competition. You seem to want it both ways. MS. CARSON: Objection; argumentative.	2 3 4 5 7 8 9	KING / McCULLOCH the industry who may have known who this person is and what their level of qualifications are. Are you certain that somebody upon the Commission, among Public Counsel, Staff, or Mr. Goltz, those who have access to highly confidential, know who this person is and whether or not he is qualified to give this kind of a response and this kind of information? A. I would be remiss to speak for the Commission,
2 3 6 7 8 9	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: Q. We'll accept that and your previous testimony that you were not in competition with us, thus we can't be your competitors. So why do we need to be excluded under confidentiality? Because there's no competitive advantage to be given to the HVAC industry if we're not competition. You seem to want it both ways. MS. CARSON: Objection; argumentative. We're arguing a Protective Order that's in place.	2 3 4 5 7 8 9 10	KING / McCULLOCH the industry who may have known who this person is and what their level of qualifications are. Are you certain that somebody upon the Commission, among Public Counsel, Staff, or Mr. Goltz, those who have access to highly confidential, know who this person is and whether or not he is qualified to give this kind of a response and this kind of information? A. I would be remiss to speak for the Commission, but I do believe that the individual that provided this
2 3 4 5 6 7 8 9 10 11	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: Q. We'll accept that and your previous testimony that you were not in competition with us, thus we can't be your competitors. So why do we need to be excluded under confidentiality? Because there's no competitive advantage to be given to the HVAC industry if we're not competition. You seem to want it both ways. MS. CARSON: Objection; argumentative. We're arguing a Protective Order that's in place. MR. KING: We're arguing a claim that	2 3 5 6 7 8 9 10 11	KING / McCULLOCH the industry who may have known who this person is and what their level of qualifications are. Are you certain that somebody upon the Commission, among Public Counsel, Staff, or Mr. Goltz, those who have access to highly confidential, know who this person is and whether or not he is qualified to give this kind of a response and this kind of information? A. I would be remiss to speak for the Commission, but I do believe that the individual that provided this service has represented they've been in the business for
2 3 4 5 6 7 8 9 10 11 12	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: Q. We'll accept that and your previous testimony that you were not in competition with us, thus we can't be your competitors. So why do we need to be excluded under confidentiality? Because there's no competitive advantage to be given to the HVAC industry if we're not competition. You seem to want it both ways. MS. CARSON: Objection; argumentative. We're arguing a Protective Order that's in place. MR. KING: We're arguing a claim that they've been fully open and transparent when they could	2 3 4 5 6 7 8 9 10 11 12	KING / McCULLOCH the industry who may have known who this person is and what their level of qualifications are. Are you certain that somebody upon the Commission, among Public Counsel, Staff, or Mr. Goltz, those who have access to highly confidential, know who this person is and whether or not he is qualified to give this kind of a response and this kind of information? A. I would be remiss to speak for the Commission, but I do believe that the individual that provided this service has represented they've been in the business for a significant amount of time and have been a strong
2 3 4 5 6 7 8 9 10 11 12 13	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: Q. We'll accept that and your previous testimony that you were not in competition with us, thus we can't be your competitors. So why do we need to be excluded under confidentiality? Because there's no competitive advantage to be given to the HVAC industry if we're not competition. You seem to want it both ways. MS. CARSON: Objection; argumentative. We're arguing a Protective Order that's in place. MR. KING: We're arguing a claim that they've been fully open and transparent when they could have waived confidentiality and allowed those who	2 3 4 5 6 7 8 9 10 11 12 13	KING / McCULLOCH the industry who may have known who this person is and what their level of qualifications are. Are you certain that somebody upon the Commission, among Public Counsel, Staff, or Mr. Goltz, those who have access to highly confidential, know who this person is and whether or not he is qualified to give this kind of a response and this kind of information? A. I would be remiss to speak for the Commission, but I do believe that the individual that provided this service has represented they've been in the business for a significant amount of time and have been a strong partner of PSE in a lot of activities, and I think that
2 3 4 5 6 7 8 9 10 11 12 13 14	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: Q. We'll accept that and your previous testimony that you were not in competition with us, thus we can't be your competitors. So why do we need to be excluded under confidentiality? Because there's no competitive advantage to be given to the HVAC industry if we're not competition. You seem to want it both ways. MS. CARSON: Objection; argumentative. We're arguing a Protective Order that's in place. MR. KING: We're arguing a claim that they've been fully open and transparent when they could have waived confidentiality and allowed those who understand the data and the inputs, evaluate for the	2 3 4 5 6 7 8 9 10 11 12 13 14	KING / McCULLOCH the industry who may have known who this person is and what their level of qualifications are. Are you certain that somebody upon the Commission, among Public Counsel, Staff, or Mr. Goltz, those who have access to highly confidential, know who this person is and whether or not he is qualified to give this kind of a response and this kind of information? A. I would be remiss to speak for the Commission, but I do believe that the individual that provided this service has represented they've been in the business for a significant amount of time and have been a strong partner of PSE in a lot of activities, and I think that the veracity of their qualifications speak for
2 3 4 5 6 7 8 9 10 11 12 13 14 15	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: Q. We'll accept that and your previous testimony that you were not in competition with us, thus we can't be your competitors. So why do we need to be excluded under confidentiality? Because there's no competitive advantage to be given to the HVAC industry if we're not competition. You seem to want it both ways. MS. CARSON: Objection; argumentative. We're arguing a Protective Order that's in place. MR. KING: We're arguing a claim that they've been fully open and transparent when they could have waived confidentiality and allowed those who understand the data and the inputs, evaluate for the Commission whether they made sense or not.	2 3 4 5 6 7 8 9 10 11 12 13 14 15	KING / McCULLOCH the industry who may have known who this person is and what their level of qualifications are. Are you certain that somebody upon the Commission, among Public Counsel, Staff, or Mr. Goltz, those who have access to highly confidential, know who this person is and whether or not he is qualified to give this kind of a response and this kind of information? A. I would be remiss to speak for the Commission, but I do believe that the individual that provided this service has represented they've been in the business for a significant amount of time and have been a strong partner of PSE in a lot of activities, and I think that the veracity of their qualifications speak for
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: <b>Q. We'll accept that and your previous testimony that you were not in competition with us, thus we can't be your competitors. So why do we need to be excluded under confidentiality? Because there's no competitive advantage to be given to the HVAC industry if we're not competition. You seem to want it both ways. MS. CARSON: Objection; argumentative. We're arguing a Protective Order that's in place. MR. KING: We're arguing a claim that they've been fully open and transparent when they could have waived confidentiality and allowed those who understand the data and the inputs, evaluate for the Commission whether they made sense or not. JUDGE KOPTA: Mr. King, I think you've</b>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16	<ul> <li>KING / McCULLOCH</li> <li>the industry who may have known who this person is and what their level of qualifications are.</li> <li>Are you certain that somebody upon the</li> <li>Commission, among Public Counsel, Staff, or Mr. Goltz, those who have access to highly confidential, know who this person is and whether or not he is qualified to give this kind of a response and this kind of information?</li> <li>A. I would be remiss to speak for the Commission, but I do believe that the individual that provided this service has represented they've been in the business for a significant amount of time and have been a strong partner of PSE in a lot of activities, and I think that the veracity of their qualifications speak for themselves.</li> <li>Q. But, again, by not allowing access, that PSE</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: Q. We'll accept that and your previous testimony that you were not in competition with us, thus we can't be your competitors. So why do we need to be excluded under confidentiality? Because there's no competitive advantage to be given to the HVAC industry if we're not competition. You seem to want it both ways. MS. CARSON: Objection; argumentative. We're arguing a Protective Order that's in place. MR. KING: We're arguing a claim that they've been fully open and transparent when they could have waived confidentiality and allowed those who understand the data and the inputs, evaluate for the Commission whether they made sense or not. JUDGE KOPTA: Mr. King, I think you've raised the point, and we understand it. Thank you.	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17	<ul> <li>KING / McCULLOCH</li> <li>the industry who may have known who this person is and what their level of qualifications are.</li> <li>Are you certain that somebody upon the</li> <li>Commission, among Public Counsel, Staff, or Mr. Goltz, those who have access to highly confidential, know who this person is and whether or not he is qualified to give this kind of a response and this kind of information?</li> <li>A. I would be remiss to speak for the Commission, but I do believe that the individual that provided this service has represented they've been in the business for a significant amount of time and have been a strong partner of PSE in a lot of activities, and I think that the veracity of their qualifications speak for themselves.</li> <li>Q. But, again, by not allowing access, that PSE could have waived confidentiality, the word comes to</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: Q. We'll accept that and your previous testimony that you were not in competition with us, thus we can't be your competitors. So why do we need to be excluded under confidentiality? Because there's no competitive advantage to be given to the HVAC industry if we're not competition. You seem to want it both ways. MS. CARSON: Objection; argumentative. We're arguing a Protective Order that's in place. MR. KING: We're arguing a claim that they've been fully open and transparent when they could have waived confidentiality and allowed those who understand the data and the inputs, evaluate for the Commission whether they made sense or not. JUDGE KOPTA: Mr. King, I think you've raised the point, and we understand it. Thank you. BY MR. KING:	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18	<ul> <li>KING / McCULLOCH</li> <li>the industry who may have known who this person is and what their level of qualifications are. Are you certain that somebody upon the</li> <li>Commission, among Public Counsel, Staff, or Mr. Goltz, those who have access to highly confidential, know who this person is and whether or not he is qualified to give this kind of a response and this kind of information?</li> <li>A. I would be remiss to speak for the Commission, but I do believe that the individual that provided this service has represented they've been in the business for a significant amount of time and have been a strong partner of PSE in a lot of activities, and I think that the veracity of their qualifications speak for themselves.</li> <li>Q. But, again, by not allowing access, that PSE could have waived confidentiality, the word comes to mind. Those who best know the industry, again, were not</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: <b>Q. We'll accept that and your previous testimony that you were not in competition with us, thus we can't be your competitors. So why do we need to be excluded under confidentiality? Because there's no competitive advantage to be given to the HVAC industry if we're not competition. You seem to want it both ways. MS. CARSON: Objection; argumentative. We're arguing a Protective Order that's in place. MR. KING: We're arguing a claim that they've been fully open and transparent when they could have waived confidentiality and allowed those who understand the data and the inputs, evaluate for the Commission whether they made sense or not. JUDGE KOPTA: Mr. King, I think you've raised the point, and we understand it. Thank you. BY MR. KING: <b>Q. Now, turn to Page 13 of your rebuttal testimony.</b></b>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19	<ul> <li>KING / McCULLOCH</li> <li>the industry who may have known who this person is and what their level of qualifications are. Are you certain that somebody upon the</li> <li>Commission, among Public Counsel, Staff, or Mr. Goltz, those who have access to highly confidential, know who this person is and whether or not he is qualified to give this kind of a response and this kind of information?</li> <li>A. I would be remiss to speak for the Commission, but I do believe that the individual that provided this service has represented they've been in the business for a significant amount of time and have been a strong partner of PSE in a lot of activities, and I think that the veracity of their qualifications speak for themselves.</li> <li>Q. But, again, by not allowing access, that PSE could have waived confidentiality, the word comes to mind. Those who best know the industry, again, were not allowed to provide input to the Commission, and yet you</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: <b>Q. We'll accept that and your previous testimony that you were not in competition with us, thus we can't be your competitors. So why do we need to be excluded under confidentiality? Because there's no competitive advantage to be given to the HVAC industry if we're not competition. You seem to want it both ways. MS. CARSON: Objection; argumentative. We're arguing a Protective Order that's in place. MR. KING: We're arguing a claim that they've been fully open and transparent when they could have waived confidentiality and allowed those who understand the data and the inputs, evaluate for the Commission whether they made sense or not. JUDGE KOPTA: Mr. King, I think you've raised the point, and we understand it. Thank you. BY MR. KING: Q. Now, turn to Page 13 of your rebuttal testimony. Page 15, Line 17, in your response to the issue of</b>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20	<ul> <li>KING / McCULLOCH</li> <li>the industry who may have known who this person is and what their level of qualifications are. Are you certain that somebody upon the</li> <li>Commission, among Public Counsel, Staff, or Mr. Goltz, those who have access to highly confidential, know who this person is and whether or not he is qualified to give this kind of a response and this kind of information?</li> <li>A. I would be remiss to speak for the Commission, but I do believe that the individual that provided this service has represented they've been in the business for a significant amount of time and have been a strong partner of PSE in a lot of activities, and I think that the veracity of their qualifications speak for the Comes to mind. Those who best know the industry, again, were not allowed to provide input to the Commission, and yet you claim completely open and transparency; correct?</li> </ul>
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: <b>Q. We'll accept that and your previous testimony that you were not in competition with us, thus we can't be your competitors. So why do we need to be excluded under confidentiality? Because there's no competitive advantage to be given to the HVAC industry if we're not competition. You seem to want it both ways. MS. CARSON: Objection; argumentative. We're arguing a Protective Order that's in place. MR. KING: We're arguing a claim that they've been fully open and transparent when they could have waived confidentiality and allowed those who understand the data and the inputs, evaluate for the Commission whether they made sense or not. JUDGE KOPTA: Mr. King, I think you've raised the point, and we understand it. Thank you. BY MR. KING: <b>Q. Now, turn to Page 13 of your rebuttal testimony.</b> Page 15, Line 17, in your response to the issue of standards, you answered that (as read), No, Mr. Pinkey</b>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	KING / McCULLOCH the industry who may have known who this person is and what their level of qualifications are. Are you certain that somebody upon the Commission, among Public Counsel, Staff, or Mr. Goltz, those who have access to highly confidential, know who this person is and whether or not he is qualified to give this kind of a response and this kind of information? A. I would be remiss to speak for the Commission, but I do believe that the individual that provided this service has represented they've been in the business for a significant amount of time and have been a strong partner of PSE in a lot of activities, and I think that the veracity of their qualifications speak for themselves. Q. But, again, by not allowing access, that PSE could have waived confidentiality, the word comes to mind. Those who best know the industry, again, were not allowed to provide input to the Commission, and yet you claim completely open and transparency; correct? JUDGE KOPTA: Mr. King, we've got your
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: Q. We'll accept that and your previous testimony that you were not in competition with us, thus we can't be your competitors. So why do we need to be excluded under confidentiality? Because there's no competitive advantage to be given to the HVAC industry if we're not competition. You seem to want it both ways. MS. CARSON: Objection; argumentative. We're arguing a Protective Order that's in place. MR. KING: We're arguing a claim that they've been fully open and transparent when they could have waived confidentiality and allowed those who understand the data and the inputs, evaluate for the Commission whether they made sense or not. JUDGE KOPTA: Mr. King, I think you've raised the point, and we understand it. Thank you. BY MR. KING: Q. Now, turn to Page 13 of your rebuttal testimony. Page 15, Line 17, in your response to the issue of standards, you answered that (as read), No, Mr. Pinkey admitted that he had not examined the details of the PSE	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22	KING / McCULLOCH the industry who may have known who this person is and what their level of qualifications are. Are you certain that somebody upon the Commission, among Public Counsel, Staff, or Mr. Goltz, those who have access to highly confidential, know who this person is and whether or not he is qualified to give this kind of a response and this kind of information? A. I would be remiss to speak for the Commission, but I do believe that the individual that provided this service has represented they've been in the business for a significant amount of time and have been a strong partner of PSE in a lot of activities, and I think that the veracity of their qualifications speak for themselves. Q. But, again, by not allowing access, that PSE could have waived confidentiality, the word comes to mind. Those who best know the industry, again, were not allowed to provide input to the Commission, and yet you claim completely open and transparency; correct? JUDGE KOPTA: Mr. King, we've got your point.
2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	KING / McCULLOCH phraseology that needs to be defined. BY MR. KING: <b>Q. We'll accept that and your previous testimony that you were not in competition with us, thus we can't be your competitors. So why do we need to be excluded under confidentiality? Because there's no competitive advantage to be given to the HVAC industry if we're not competition. You seem to want it both ways. MS. CARSON: Objection; argumentative. We're arguing a Protective Order that's in place. MR. KING: We're arguing a claim that they've been fully open and transparent when they could have waived confidentiality and allowed those who understand the data and the inputs, evaluate for the Commission whether they made sense or not. JUDGE KOPTA: Mr. King, I think you've raised the point, and we understand it. Thank you. BY MR. KING: <b>Q. Now, turn to Page 13 of your rebuttal testimony.</b> Page 15, Line 17, in your response to the issue of standards, you answered that (as read), No, Mr. Pinkey</b>	2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21	KING / McCULLOCH the industry who may have known who this person is and what their level of qualifications are. Are you certain that somebody upon the Commission, among Public Counsel, Staff, or Mr. Goltz, those who have access to highly confidential, know who this person is and whether or not he is qualified to give this kind of a response and this kind of information? A. I would be remiss to speak for the Commission, but I do believe that the individual that provided this service has represented they've been in the business for a significant amount of time and have been a strong partner of PSE in a lot of activities, and I think that the veracity of their qualifications speak for themselves. Q. But, again, by not allowing access, that PSE could have waived confidentiality, the word comes to mind. Those who best know the industry, again, were not allowed to provide input to the Commission, and yet you claim completely open and transparency; correct? JUDGE KOPTA: Mr. King, we've got your

KING / McCULLOCH         It's after 5. I'm sure that the         commissioners have questions. Shall we reserve those         for Wednesday? All right. We will pause at this point.         And thank you, Mr. McCullicch, for being         here, and we will see you again Wednesday morning when         we resume hearings at 9:00. I would like to make sure         that we get through it on the second day. I'm beginning         to wonder:         MS. BROWN: Weil, I was just wondering if it         would be possible to finish up with this particular         withess starter than wait another two days.         JUDGE KOPTA: Weil, was just wondering if it         would be possible to finish up with this particular         withess starter than wait another two: Anys.         JUDGE KOPTA: Weil, my concern is that if we         her ver signing to be arteast that long, and         two test starter than wait another hour. Any .         JUDGE KOPTA: I'm not going to ask her to do         that. I understand your concernes, but I think to the         benefit of all, we are better off waiting until         Wednesday morning. So that's what well do. We're off         THS IIS TO CERTIFY that I, Diane Rugh, Certified         Court Reporter on the State of Washington,         residing at Snohomish, reported the within and foregoing         isstimony: said testimony		Page 315
If a after 5. I'm sure that the         commissioners have questions. Shall we reserve those         for Wednesday? All right. We will pause at this point.         And thank you, Mr. McCulloch, for being         here, and we will see you again Wednesday morning when         we resume hearing at 90.0. I would like to make sure         that we get through it on the second day. I'm beginning         to wonder.         Ms. Brown, were you going to say something?         Ms. Brown, were you going to say something?         Ms. Brown. were you going to say something?         would be possible to finish up with this particular         witness rather than wait another two days.         JUDGE KOPTA: Well, my concern is that if we         have 15 to 20 to 30 minutes dross clares on conduct         the trainet and your concerns. but 1 think for the         ber redirect now in advance.         JUDGE KOPTA: The not going to ask her to do         that. Linderstand your concerns. but 1 think for the         beheft of all, we are better off waiting until         Wednesday morning. So that's what well do. We're off         the record.         (Hearing adjourned at 5:10 p.m.)         COUNTY OF SNOHOMISH )         THIS IS TO CERTIFY that I. Diane Rugh, Certified         COUNT YOF SNOHOMISH )         thit, the unkness was first by me du'y		-
2       commissioners have questions. Shall we reserve those         3       for Wednesday? All right. We will pause at this point.         4       And thank you, Mr. McCulloch, for being         5       here, and we will see you again Wednesday morning when         6       we resume hearings at 90.0.1. Iwould like to make sure         7       hat we get through it on the second day. I'm beginning         8       to wonder.         9       Ms. Brown, were you going to say something?         10       wold be possible 6 finish up with this particular         11       wold be possible 6 finish up with this particular         12       wold be possible 6 finish up with this particular         13       JUDGE KOPTA: Well, my concern is that if we         14       have 15 to 20 to 30 minutes of cross, there's going to         15       be redirect that's going to be at least that long, and         16       wer signing to be here for another hour. And I'm not         17       sure that that's the best use of our time at this point.         18       MS. BROWN: Perilengs Ms. Carson can conduct         19       her redirect now in advance.         20       JUDGE KOPTA: 'Im not going to ask her to do         21       JUDGE KOPTA: 'Im not going to ask her to do         22       certift of Call, we ar		· ····································
2       commissioners have questions. Shall we reserve those         3       for Wednesday? All right. We will pause at this point.         4       And thank you, Mr. McCulloch, for being         5       here, and we will see you again Wednesday morning when         6       we resume hearings at 90.0.1. Iwould like to make sure         7       hat we get through it on the second day. I'm beginning         8       to wonder.         9       Ms. Brown, were you going to say something?         10       wold be possible 6 finish up with this particular         11       wold be possible 6 finish up with this particular         12       wold be possible 6 finish up with this particular         13       JUDGE KOPTA: Well, my concern is that if we         14       have 15 to 20 to 30 minutes of cross, there's going to         15       be redirect that's going to be at least that long, and         16       wer signing to be here for another hour. And I'm not         17       sure that that's the best use of our time at this point.         18       MS. BROWN: Perilengs Ms. Carson can conduct         19       her redirect now in advance.         20       JUDGE KOPTA: 'Im not going to ask her to do         21       JUDGE KOPTA: 'Im not going to ask her to do         22       certift of Call, we ar	1	It's after 5. I'm sure that the
3       for Wednesday? All right. We will pause at this point.         4       And thank you, Mr. McCulloch, for being         6       we resume hearings at 9:00. I would like to make sure         7       that we get through it on the second day. I'm beginning         8       to wonder.         9       Ms. Brown, were you going to say something?         11       would be possible to finish up with this particular         12       withess rather than wait another two days.         13       JUDGE KOPTA: Well, I was just wondering if it         14       would be possible to finish up with this particular         14       withess rather than wait another two days.         14       JUDGE KOPTA: Well, I was just wondering if it         15       be redirect that's going to be at least that long, and         16       we're going to be here for another hour. And I'm not         17       sure that that's the best use of our time at this point.         18       ms redirect now in advance.         19       JUDGE KOPTA: I'm not going to ask her to do         11       that understand your concerns, but I think for the         12       benefit of all, we are beter of waiting until         10       Wednesday morning. So that's what well do. We're off         14       the record. <tr< td=""><td></td><td></td></tr<>		
And thank you, Mr. McCulloch, for being         here, and we will see you again Wednesday morning when         we resume hearings at 9:00. 1 would like to make sure         that we get through it on the second day. I'm beginning         would be possible to finish up with this particular         witness rather than wait another two days.         under Korten         would be possible to finish up with this particular         witness rather than wait another two days.         under Korten         we regoing to be here for another hour. And I'm not         use that that's the best use of our time at this point.         Ms. BROWN: Perhaps Ms. Carson can conduct         her redirect now in advance.         up UGE KOPTA: Tim not going to ask her to do         that. Lunderstand your concens, but I think for the         be benefit of all, we are better off waiting until         Wednesday morning. So that's what we'll do. We're off         the record.         CERTIFICATE         STATE OF WASHINGTON )         COUNTY OF SNOHOMISH )         THIS IS TO CERTIFY that I, Diane Rugh, Certified         Court Reporter in and for the State of Washington,         residing at Snohomish, reported the within and foregoing         testimory, said testimony being taken before me as a         Certified Court Reporter on the date herein set for		•
5       here, and we will see you again Wednesday moming when         6       we resume hearings at 9:00. I would like to make sure         1       hat we get through it on the second day. I'm beginning         10       MS. BROWN: Well, I was just wondering if I         11       would be possible to finish up with this particular         12       would be possible to finish up with this particular         13       JUDGE KOPTA: Well, my concern is that if we         14       have 15 to 20 to 30 minutes of cross, three's going to         15       be redirect that's going to be at least that long, and         16       we're going to be here for another hour. And I'm not         17       sure that that's the bestu use of our time at this point.         18       MS. BROWN: Perhaps MS. Carson can conduct         19       her edirect now in advance.         10       JUDGE KOPTA: I'm not going to ask her to do         11       hat we regular off waiting until         24       wednesday moming. So that's what we'll do. We're off         14       the record.         16       C E R T I F I C A T E         17       C E R T I F I C A T E         18       STATE OF WASHINGTON )         10       COUNTY OF SNOHOMISH )         15       TO C E RT I F I C A T E		
6       veresume hearings at 9:00. I would like to make sure         7       hat we get through it on the second day. I'm beginning         9       Ms. Brown, were you going to say something?         11       would be possible to finish up with this particular         11       would be possible to finish up with this particular         12       witness rather than wait another two days.         13       JUDGE KOPTA: Well, my concern is that if we         14       have 15 to 20 to 30 minutes of cross, there's going to         15       be redirect that's going to be at least that long, and         16       we're going to be at least that long, and         17       sure that that's the best use of our time at this point.         18       MS. BROWN: Perhaps Ms. Carson can conduct         19       her redirect now in advance.         20       JUDGE KOPTA: I'm not going to ask her to do         21       that. I understand your concerns, but I think for the         25       (Hearing adjourned at 5:10 p.m.)         7       GOUNTY OF SNOHOMISH )         7       CUNTY OF SNOHOMISH )         7       THS IS TO CERTIFY that I, Diane Rugh, Certified         7       Curr Reporter on the date herien set forth;         14       that twitness as finst by me duly swom; that said		
1       that we get through it on the second day. I'm beginning         0       Ms. Brown, were you going to say something?         10       MS. BROWN: Well, I was just wondering if it         11       wold be possible to finish up with this particular         12       witness rather than wait another two days.         13       JUDGE KOPTA: Well, my concern is that if we         14       have 16 to 20 ho3 minutes of cross, there's going to         15       be redirect that's going to be at least that long, and         16       we're going to be there for another hour. And I'm not         17       sure that that's the bestu cue of our time at this point.         18       MS. RROWN: Perhaps Ms. Carson can conduct         19       her redirect now in advance.         20       JUDGE KOPTA: I'm not going to ask her to do         14       that. Lunderstand your concerns, but I think for the         20       Benefit of all, we are better off waiting until         21       Wednesday morning. So that's what well do. We're off         21       the record.         25       (Hearing adjourned at 5:10 p.m.)         26       CUNTY OF SNOHOMISH )         37       COUNTY OF SNOHOMISH )         36       Certified Court Reporter on the date herein set forth;         31		
a       to wonder.         Ms. Brown, were you going to say something?         Ms. BROWN: Well, I was just wondering if it         would be possible to finish up with this particular         witness rather than wait another two days.         JUDGE KOPTA: Well, my concern is that if we         have 15 to 20 to 30 minutes of cross, there's going to         be redirect that's going to be at teast that long, and         we're going to be here for another hour. And I'm not         usure that that's the best use of our time at this point.         Image: Mark another hour and this point.         JUDGE KOPTA: I'm not going to ask her to do         that. I understand your concerns, but I think for the         be benefit of all, we are better off waiting until         Wednesday morning. So that's what we'll do. We're off         the record.         (Hearing algourned at 5:10 p.m.)         Page 316         C E R T I F I C A T E         STATE OF WASHINGTON )         COUNTY OF SNOHOMISH )         State of the within and foregoing         testing at Snohomish, reported the within and foregoing         testing at Snohomish, reported the within and foregoing         testing at Snohomish, reported the within and thereafter         under my supervision transcribed, and that same is a         10       Certified Court R		-
Ms. Brown, were you going to say something?         Ms. BROWN: Well, I was just wondering if it         would be possible to finish up with this particular         withress rather than wait another two days.         JUDGE KOPTA: Well, my concern is that if we         have 15 to 20 to 30 minutes of cross, there's going to         be redirect that's going to be at teast that long, and         we're going to be here for another hour. And I'm not         sure that that's the best use of our time at this point.         MS. BROWN: Perhaps Ms. Carson can conduct         her redirect now in advance.         JUDGE KOPTA: I'm not going to ask her to do         that. Lunderstand your concerns, but I think for the         benefit of all, we are better off waiting until         Wednesday moming. So that's what we'll do. We're off         the record.         (Hearing adjourned at 5:10 p.m.)         Page 316         C E RT I F I C A T E         STATE OF WASHINGTON )         COUNTY OF <sup>2</sup> SNOHOMISH )         THIS IS TO CERTIFY that I, Diane Rugh, Certified         Court Reporter in and for the State of Washington,         residing at Snohomish, reported the within and foregoing         testimony said testimony being taken before me as a         Certified Court Reporter on the date herein set forth;         It hat the witness was first		
10       MS. BROWN: Well, I was just wondering if it         11       would be possible to finish up with this particular         12       witness rather than wait another two days.         13       JUDGE KOPTA: Well, my concern is that if we         14       have 15 to 20 to 30 minutes of cross, there's going to         15       be redirect that's going to be at least that long, and         16       we're going to be here for another hour. And I'm not         17       sure that that's the best use of our time at this point.         18       MS. BROWN: Perhaps MS. Carson can conduct         19       her redirect now in advance.         20       JUDGE KOPTA: I'm not going to ask her to do         21       that. Lunderstand your concerns, but I think for the         22       benefit of all, we are better off waiting until         23       Wdenesday morning. So that's what we'll do. We're off         24       the record.         25       (Hearing adjourned at 5:10 p.m.)         26       CERTIFICATE         27       STATE OF WASHINGTON )         28       COUNTY OF SNOHOMISH )         29       THIS IS TO CERTIFY that I, Diane Rugh, Certified         20       Court Reporter in and for the State of Washington,         28       resting at Snohomish, reported		
11       would be possible to finish up with this particular         12       witness rather than wait another two days.         13       JUDGE KOPTA: Well, my concern is that if we         14       have 15 to 20 to 30 minutes of cross, there's going to         15       be redirect that's going to be at least that long, and         16       we're going to be here for another hour. And I'm not         17       sure that that's the best use of our time at this point.         18       MS. BROWN: Perhaps MS. Carson can conduct         19       her redirect now in advance.         20       JUDGE KOPTA: I'm not going to ask her to do         21       that. I understand your concerns, but I think for the         22       benefit of all, we are better off waiting until         23       Wednesday morning. So that's what well do. We're off         24       that. I understand your concerns, but I think for the         25       (Hearing adjourned at 5:10 p.m.)         26       COUNTY OF SNOHOMISH )         3       STATE OF WASHINGTON )         4       COUNTY OF SNOHOMISH )         5       THIS IS TO CERTIFY that I, Diane Rugh, Certified         7       Court Reporter in and for the State of Washington,         8       residing at Snohomish, reported the within and foregoing		
12       witness rather than wait another two days.         13       JUDGE KOPTA: Well, my concern is that if we         14       have 15 to 20 to 30 minutes of cross, there's going to         15       be redirect that's going to be at least that long, and         16       we're going to be here for another hour. And 1'm not         17       sure that that's the best use of our time at this point.         18       MS. BROWN: Perhaps Ms. Carson can conduct         19       her redirect now in advance.         20       JUDGE KOPTA: 1'm not going to ask her to do         11       that. I understand your concerns, but I think for the         20       benefit of all, we are better off waiting until         30       Wednesday morning. So that's what we'll do. We're off         4       the record.         (Hearing adjourned at 5:10 p.m.)         Page 316       C E R T I F I C A T E         2       STATE OF WASHINGTON )         4       COUNTY OF SNOHOMISH )         5       THIS IS TO CERTIFY that I, Diane Rugh, Certified         7       Court Reporter in and for the State of Washington,         7       residing at Snohomish, reported the within and foregoing         9       testimony, said testimony being taken before me as a         10       Cettfiled Court Reporter		
13       JUDGE KOPTA: Well, my concern is that if we         14       have 15 to 20 to 30 minutes of cross, there's going to         15       be redirect that's going to be at least that long, and         16       we're going to be here for another hour. And I'm not         17       sure that that's the best use of our time at this point.         18       MS. BROWN: Perhaps MS. Carson can conduct         19       her redirect now in advance.         20       JUDGE KOPTA: I'm not going to ask her to do         21       that. I understand your concerns, but I think for the         22       benefit of all, we are better off waiting until         23       Wednesday morning. So that's what well do. We're off         24       the record.         25       (Hearing adjourned at 5:10 p.m.)         26       CUUNTY OF SNOHOMISH )         3       STATE OF WASHINGTON )         4       COUNTY OF SNOHOMISH )         5       THIS IS TO CERTIFY that I, Diane Rugh, Certified         7       Court Reporter in and for the State of Washington,         8       residing at Snohomish, reported the within and foregoing         19       testimony: said testimony being taken before me as a         10       Certified Court Reporter on the date herein set forth;         11		
14       have 15 to 20 to 30 minutes of cross, there's going to         15       be redirect that's going to be at least that long, and         16       we're going to be here for another hour. And I'm not         17       sure that that's the best use of our time at this point.         18       MS. BROWN: Perhaps Ms. Carson can conduct         19       her redirect now in advance.         20       JUDGE KOPTA: I'm not going to ask her to do         21       that. I understand your concerns, but I think for the         22       benefit of all, we are better off waiting until         23       Wednesday moming. So that's what we'll do. We're off         24       the record.         25       (Hearing adjourned at 5:10 p.m.)         26       CUNTY OF SNOHOMISH )         3       STATE OF WASHINGTON )         4       COUNTY OF SNOHOMISH )         5       THIS IS TO CERTIFY that I, Diane Rugh, Certified         7       Court Reporter in and for the State of Washington,         8       residing at Snohomish, reported the within and foregoing         19       testimony: said testimony being taken before me as a         10       Certified Court Reporter on the date herin set forth;         11       that the witness was first by me duly swom; that said         2		-
15       be redirect that's going to be at least that long, and         16       we're going to be here for another hour. And I'm not         17       sure that that's the best use of our time at this point.         18       MS. BROWN: Perhaps Ms. Carson can conduct         19       her redirect now in advance.         20       JUDGE KOPTA: I'm not going to ask her to do         21       Huderstand your concerns, but I think for the         22       benefit of all, we are better off waiting until         23       Wednesday morning. So that's what we'll do. We're off         24       the record.         25       (Hearing adjourned at 5:10 p.m.)         26       CERTIFICATE         27       STATE OF WASHINGTON )         28       COUNTY OF SNOHOMISH )         3       THIS IS TO CERTIFY that I, Diane Rugh, Certified         Court Reporter in and for the State of Washington,         residing at Snohomish, reported the within and foregoing         19       testimony; said testimony being taken before me as a         10       Certified Court Reporter on the date herein set forth;         11       that the witness was first by me duly sworn; that said         19       witness, including all questions, answers and         10       objecitons, if any, of counsel, to the best of		-
16       we're going to be here for another hour. And I'm not         17       sure that that's the best use of our time at this point.         18       MS. BROWN: Perhaps Ms. Carson can conduct         19       her redirect now in advance.         20       JUDGE KOPTA: I'm not going to ask her to do         21       that. I understand your concerns, but I think for the         25       benefit of all, we are better off waiting until         24       Wednesday morning. So that's what we'll do. We're off         25       (Hearing adjourned at 5:10 p.m.)         26       (Hearing adjourned at 5:10 p.m.)         27       Reg 316         2       COUNTY OF SNOHOMISH )         3       STATE OF WASHINGTON )         4       COUNTY OF SNOHOMISH )         5       THIS IS TO CERTIFY that I, Diane Rugh, Certified         6       Court Reporter in and for the State of Washington,         7       residing at Snohomish, reported the within and foregoing         9       testimony, said testimony being taken before me as a         10       Certified Court Reporter on the date herein set forth;         11       that the witness was first by me duly swom; that said         15       under my supervision transcribed, and that same is a         16       tupiceting all ques		
17       sure that that's the best use of our time at this point.         18       MS. BROWN: Perhaps Ms. Carson can conduct         19       her redirect now in advance.         20       JUDGE KOPTA: I'm not going to ask her to do         21       that. I understand your concerns, but I think for the         22       benefit of all, we are better off waiting until         23       Wednesday morning. So that's what we'll do. We're off         24       the record.         25       (Hearing adjourned at 5:10 p.m.)         26       (Hearing adjourned at 5:10 p.m.)         27       Page 316         3       STATE OF WASHINGTON )         4       COUNTY OF SNOHOMISH )         5       THIS IS TO CERTIFY that I, Diane Rugh, Certified         7       Court Reporter in and for the State of Washington,         8       residing at Snohomish, reported the within and foregoing         9       testimony, said testimony being taken before me as a         10       Certified Court Reporter on the date herein set forth;         11       that the witness was first by me duly sworn; that said         12       examination was taken by me in shorthand and threafter         13       under my supervision transcribed, and that same is a         14       full, true and correct r		
18       MS. BROWN: Perhaps Ms. Carson can conduct         19       her redirect now in advance.         20       JUDGE KOPTA: I'm not going to ask her to do         21       that. I understand your concerns, but I think for the         22       benefit of all, we are better off waiting until         23       Wednesday moming. So that's what we'll do. We're off         24       the record.         25       (Hearing adjourned at 5:10 p.m.)         Page 316         2       CERTIFICATE         2       STATE OF WASHINGTON )         4       COUNTY OF SNOHOMISH )         5       THIS IS TO CERTIFY that I, Diane Rugh, Certified         Court Reporter in and for the State of Washington,         residing at Snohomish, reported the within and foregoing         9       testimony said testimony being taken before me as a         10       Certified Court Reporter on the date herein set forth;         11       that the witness was first by me duly swom; that said         12       witness, including all questions, answers and         13       witness, including all questions, answers and         14       full, true and correct record of the parties; nor         14       full, we certify that I am not a relative,         employee, attomey, counsel of any o		
19       her redirect now in advance.         20       JUDGE KOPTA: I'm not going to ask her to do         21       that. I understand your concerns, but I think for the         22       benefit of all, we are better off waiting until         23       Wednesday moming. So that's what we'll do. We're off         24       the record.         25       (Hearing adjourned at 5:10 p.m.)         Page 316         1       CERTIFICATE         23       STATE OF WASHINGTON )         COUNTY OF SNOHOMISH )       *         3       STATE OF WASHINGTON )         COUNTY OF SNOHOMISH )       *         4       the withesway being taken before me as a         5       THIS IS TO CERTIFY that I, Diane Rugh, Certified         6       Court Reporter in and for the State of Washington,         7       residing at Snohomish, reported the within and foregoing         8       testimony; said testimony being taken before me as a         10       Certfield Court Reporter on the date herein set forth;         11       that the witness was first by me duly sworr; that said         12       examination was taken by me in shorthand and thereafter         13       under my supervision transcribed, and that same is a         14       full, true and c		
20       JUDGE KOPTA: I'm not going to ask her to do         21       that. I understand your concerns, but I think for the         22       benefit of all, we are better off waiting until         21       Wednesday morning. So that's what we'll do. We're off         24       the record.         25       (Hearing adjourned at 5:10 p.m.)         Page 316         2       CERTIFICATE         2       STATE OF WASHINGTON )         2       COUNTY OF SNOHOMISH )         3       THIS IS TO CERTIFY that I, Diane Rugh, Certified         7       Court Reporter in and for the State of Washington,         8       residing at Snohomish, reported the within and foregoing         9       testimony said testimony being taken before me as a         10       Certified Court Reporter on the date herein set forth;         11       that the witness was first by me duly sworn; that said         12       examination was taken by me in shorthand and thereafter         13       under my supervision transcribed, and that same is a         14       full, true and correct record of the testimony of said         15       witness, including all questions, answers and         16       objections, if any, of counsel, to the best of my         18       intruther certify that I am n		-
1       that. I understand your concerns, but I think for the         2       benefit of all, we are better off waiting until         3       Wednesday morning. So that's what we'll do. We're off         4       the record.         25       (Hearing adjourned at 5:10 p.m.)         Page 316         1       CERTIFICATE         2       STATE OF WASHINGTON )         4       COUNTY OF SNOHOMISH )         5       THIS IS TO CERTIFY that I, Diane Rugh, Certified         7       Court Reporter in and for the State of Washington,         8       residing at Snohomish, reported the within and foregoing         9       testimony; said testimony being taken before me as a         10       Certified Court Reporter on the date herein set forth;         11       that the witness was first by me duly sworn; that said         12       examination was taken by me in shorthand and thereafter         13       under my supervision transcribed, and that same is a         16       objections, if any, of counsel, to the best of my         17       ability.         18       I further certify that I am not a relative,         19       employee, attorney, counsel of any of the parties; nor         11       infiancially interested in the outcome of the cause.		
22       benefit of all, we are better off waiting until         23       Wednesday morning. So that's what we'll do. We're off         24       the record.         25       (Hearing adjourned at 5:10 p.m.)         Page 316         1       C E R T I F I C A T E         2       STATE OF WASHINGTON )         COUNTY OF SNOHOMISH )       5         6       THIS IS TO CERTIFY that I, Diane Rugh, Certified         7       Courd Reporter in and for the State of Washington,         7       residing at Snohomish, reported the within and foregoing         9       testimony said testimony being taken before me as a         10       Cartfied Court Reporter on the date herein set forth;         11       that the witness was first by me duly sworn; that said         12       examination was taken by me in shorthand and thereafter         13       under my supervision transcribed, and that same is a         14       full, true and correct record of the testimony of said         15       witness, including all questions, answers and         0bjections, if any, of counsel, to the best of my         16       objections, if any, of counsel of any of the parties; nor         17       all financially interested in the outcome of the cause.         18       If numcialy interested		
23       Wednesday morning. So that's what we'll do. We're off         24       the record.         25       (Hearing adjourned at 5:10 p.m.)         Page 316       C E R T I F I C A T E         2       STATE OF WASHINGTON )         4       COUNTY OF SNOHOMISH )         5       THIS IS TO CERTIFY that I, Diane Rugh, Certified         7       Court Reporter in and for the State of Washington,         7       residing at Snohomish, reported the within and foregoing         9       testimony; said testimony being taken before me as a         10       Certified Court Reporter on the date herein set forth;         11       that the witness was first by me duly sworn; that said         12       examination was taken by me in shorthand and thereafter         13       under my supervision transcribed, and that same is a         14       full, true and correct record of the testimony of said         15       witness, including all questions, answers and         16       objections, if any, of counsel, to the best of my         17       ability.         18       I funcher certify that I am not a relative,         19       employee, attorney, counsel of any of the parties; nor         10       an I financially interested in the outcome of the cause.         11		-
24       the record.         25       (Hearing adjourned at 5:10 p.m.)         Page 316         1       CERTIFICATE         2       STATE OF WASHINGTON )         COUNTY OF SNOHOMISH )         5         6       THIS IS TO CERTIFY that I, Diane Rugh, Certified         7       Court Reporter in and for the State of Washington,         residing at Snohomish, reported the within and foregoing         9       testimony; said testimony being taken before me as a         10       Certified Court Reporter on the date herein set forth;         11       that the witness was first by me duly sworn; that said         12       examination was taken by me in shorthand and thereafter         13       under my supervision transcribed, and that same is a         16       objections, if any, of counsel, to the best of my         16       objections, if any, of counsel, to the best of my         17       ability.         18       I further certify that 1 am not a relative,         19       employee, attorney, counsel of any of the parties; nor         21       IN WITNESS WHEREOF I have set my hand this		_
25       (Hearing adjourned at 5:10 p.m.)         Page 316         1       C E R T I F I C A T E         2       STATE OF WASHINGTON )         4       COUNTY OF SNOHOMISH )         5       THIS IS TO CERTIFY that I, Diane Rugh, Certified         7       Court Reporter in and for the State of Washington,         residing at Snohomish, reported the within and foregoing         testimony; said testimony being taken before me as a         10       Certified Court Reporter on the date herein set forth;         11       that the witness was first by me duly sworn; that said         texamination was taken by me in shorthand and thereafter         11       under my supervision transcribed, and that same is a         14       full, true and correct record of the testimony of said         witness, including all questions, answers and       objections, if any, of counsel, to the best of my         ability.       I further certify that I am not a relative,         16       employee, attorney, counsel of any of the parties; nor         am I financially interested in the outcome of the cause.         11       IN WITNESS WHEREOF I have set my hand this		
Page 316         1       CERTIFICATE         2       STATE OF WASHINGTON )         4       COUNTY OF SNOHOMISH )         5       THIS IS TO CERTIFY that I, Diane Rugh, Certified         7       Court Reporter in and for the State of Washington,         7       residing at Snohomish, reported the within and foregoing         9       testimony; said testimony being taken before me as a         10       Certified Court Reporter on the date herein set forth;         11       that the witness was first by me duly sworn; that said         12       examination was taken by me in shorthand and thereafter         13       under my supervision transcribed, and that same is a         14       full, true and correct record of the testimony of said         15       witness, including all questions, answers and         16       objections, if any, of counsel, to the best of my         17       ability.         18       I further certify that I am not a relative,         employee, attorney, counsel of any of the parties; nor         am I financially interested in the outcome of the cause.         18       IN WITNESS WHEREOF I have set my hand this         22       day of		
Image: constraint of the state of the s	23	
2       STATE OF WASHINGTON )         4       COUNTY OF SNOHOMISH )         5       THIS IS TO CERTIFY that I, Diane Rugh, Certified         7       Court Reporter in and for the State of Washington,         7       residing at Snohomish, reported the within and foregoing         9       testimony; said testimony being taken before me as a         0       Certified Court Reporter on the date herein set forth;         11       that the witness was first by me duly sworn; that said         12       examination was taken by me in shorthand and thereafter         13       under my supervision transcribed, and that same is a         14       full, true and correct record of the testimony of said         witness, including all questions, answers and       objections, if any, of counsel, to the best of my         16       objections, if any, of counsel of any of the parties; nor         17       ability.         18       I further certify that I am not a relative,         19       employee, attorney, counsel of any of the parties; nor         21       IN WITNESS WHEREOF I have set my hand this		6
3       STATE OF WASHINGTON )         4       COUNTY OF SNOHOMISH )         5       THIS IS TO CERTIFY that I, Diane Rugh, Certified         7       Court Reporter in and for the State of Washington,         7       residing at Snohomish, reported the within and foregoing         9       testimony; said testimony being taken before me as a         10       Certified Court Reporter on the date herein set forth;         11       that the witness was first by me duly sworn; that said         12       examination was taken by me in shorthand and thereafter         13       under my supervision transcribed, and that same is a         14       full, true and correct record of the testimony of said         15       witness, including all questions, answers and         16       objections, if any, of counsel, to the best of my         17       ability.         18       I further certify that I am not a relative,         19       employee, attorney, counsel of any of the parties; nor         20       IN WITNESS WHEREOF I have set my hand this		GERTIFICATE
4       COUNTY OF SNOHOMISH )         5       THIS IS TO CERTIFY that I, Diane Rugh, Certified         7       Court Reporter in and for the State of Washington,         8       residing at Snohomish, reported the within and foregoing         9       testimony; said testimony being taken before me as a         10       Certified Court Reporter on the date herein set forth;         11       that the witness was first by me duly sworn; that said         12       examination was taken by me in shorthand and thereafter         13       under my supervision transcribed, and that same is a         14       full, true and correct record of the testimony of said         15       witness, including all questions, answers and         16       objections, if any, of counsel, to the best of my         17       ability.         18       I further certify that I am not a relative,         19       employee, attorney, counsel of any of the parties; nor         20       am I financially interested in the outcome of the cause.         21       IN WITNESS WHEREOF I have set my hand this		
5       THIS IS TO CERTIFY that I, Diane Rugh, Certified         7       Court Reporter in and for the State of Washington,         8       residing at Snohomish, reported the within and foregoing         9       testimony; said testimony being taken before me as a         10       Certified Court Reporter on the date herein set forth;         11       that the witness was first by me duly sworn; that said         12       examination was taken by me in shorthand and thereafter         13       under my supervision transcribed, and that same is a         14       full, true and correct record of the testimony of said         15       witness, including all questions, answers and         16       objections, if any, of counsel, to the best of my         18       I further certify that I am not a relative,         19       employee, attorney, counsel of any of the parties; nor         20       am I financially interested in the outcome of the cause.         11       IN WITNESS WHEREOF I have set my hand this		
6       THIS IS TO CERTIFY that I, Diane Rugh, Certified         7       Court Reporter in and for the State of Washington,         8       residing at Snohomish, reported the within and foregoing         9       testimony; said testimony being taken before me as a         10       Certified Court Reporter on the date herein set forth;         11       that the witness was first by me duly sworn; that said         12       examination was taken by me in shorthand and thereafter         13       under my supervision transcribed, and that same is a         14       full, true and correct record of the testimony of said         15       witness, including all questions, answers and         16       objections, if any, of counsel, to the best of my         18       I further certify that I am not a relative,         19       employee, attorney, counsel of any of the parties; nor         20       am I financially interested in the outcome of the cause.         21       IN WITNESS WHEREOF I have set my hand this	4	COUNTY OF'SNOHOMISH )
7       Court Reporter in and for the State of Washington,         8       residing at Snohomish, reported the within and foregoing         9       testimony; said testimony being taken before me as a         10       Certified Court Reporter on the date herein set forth;         11       that the witness was first by me duly sworn; that said         12       examination was taken by me in shorthand and thereafter         13       under my supervision transcribed, and that same is a         14       full, true and correct record of the testimony of said         15       witness, including all questions, answers and         16       objections, if any, of counsel, to the best of my         18       I further certify that I am not a relative,         19       employee, attorney, counsel of any of the parties; nor         20       am I financially interested in the outcome of the cause.         21       IN WITNESS WHEREOF I have set my hand this         22       day of, 2016.	5	
<ul> <li>residing at Snohomish, reported the within and foregoing</li> <li>testimony; said testimony being taken before me as a</li> <li>Certified Court Reporter on the date herein set forth;</li> <li>that the witness was first by me duly sworn; that said</li> <li>examination was taken by me in shorthand and thereafter</li> <li>under my supervision transcribed, and that same is a</li> <li>full, true and correct record of the testimony of said</li> <li>witness, including all questions, answers and</li> <li>objections, if any, of counsel, to the best of my</li> <li>ability.</li> <li>I further certify that I am not a relative,</li> <li>employee, attorney, counsel of any of the parties; nor</li> <li>am I financially interested in the outcome of the cause.</li> <li>IN WITNESS WHEREOF I have set my hand this</li> <li>day of, 2016.</li> </ul>	6	THIS IS TO CERTIFY that I, Diane Rugh, Certified
<ul> <li>testimony; said testimony being taken before me as a</li> <li>Certified Court Reporter on the date herein set forth;</li> <li>that the witness was first by me duly sworn; that said</li> <li>examination was taken by me in shorthand and thereafter</li> <li>under my supervision transcribed, and that same is a</li> <li>full, true and correct record of the testimony of said</li> <li>witness, including all questions, answers and</li> <li>objections, if any, of counsel, to the best of my</li> <li>ability.</li> <li>I further certify that I am not a relative,</li> <li>employee, attorney, counsel of any of the parties; nor</li> <li>am I financially interested in the outcome of the cause.</li> <li>IN WITNESS WHEREOF I have set my hand this</li> <li>day of, 2016.</li> </ul>	7	Court Reporter in and for the State of Washington,
<ul> <li>testimony; said testimony being taken before me as a</li> <li>Certified Court Reporter on the date herein set forth;</li> <li>that the witness was first by me duly sworn; that said</li> <li>examination was taken by me in shorthand and thereafter</li> <li>under my supervision transcribed, and that same is a</li> <li>full, true and correct record of the testimony of said</li> <li>witness, including all questions, answers and</li> <li>objections, if any, of counsel, to the best of my</li> <li>ability.</li> <li>I further certify that I am not a relative,</li> <li>employee, attorney, counsel of any of the parties; nor</li> <li>am I financially interested in the outcome of the cause.</li> <li>IN WITNESS WHEREOF I have set my hand this</li> <li>day of, 2016.</li> </ul>	8	residing at Snohomish, reported the within and foregoing
10       Certified Court Reporter on the date herein set forth;         11       that the witness was first by me duly sworn; that said         12       examination was taken by me in shorthand and thereafter         13       under my supervision transcribed, and that same is a         14       full, true and correct record of the testimony of said         15       witness, including all questions, answers and         16       objections, if any, of counsel, to the best of my         17       ability.         18       I further certify that I am not a relative,         19       employee, attorney, counsel of any of the parties; nor         20       am I financially interested in the outcome of the cause.         21       IN WITNESS WHEREOF I have set my hand this         22       day of, 2016.	9	
11       that the witness was first by me duly sworn; that said         12       examination was taken by me in shorthand and thereafter         13       under my supervision transcribed, and that same is a         14       full, true and correct record of the testimony of said         15       witness, including all questions, answers and         16       objections, if any, of counsel, to the best of my         17       ability.         18       I further certify that I am not a relative,         19       employee, attorney, counsel of any of the parties; nor         20       am I financially interested in the outcome of the cause.         21       IN WITNESS WHEREOF I have set my hand this         22       day of, 2016.	10	
<ul> <li>examination was taken by me in shorthand and thereafter</li> <li>under my supervision transcribed, and that same is a</li> <li>full, true and correct record of the testimony of said</li> <li>witness, including all questions, answers and</li> <li>objections, if any, of counsel, to the best of my</li> <li>ability.</li> <li>I further certify that I am not a relative,</li> <li>employee, attorney, counsel of any of the parties; nor</li> <li>am I financially interested in the outcome of the cause.</li> <li>IN WITNESS WHEREOF I have set my hand this</li> <li>day of, 2016.</li> </ul>		•
<ul> <li>under my supervision transcribed, and that same is a</li> <li>full, true and correct record of the testimony of said</li> <li>witness, including all questions, answers and</li> <li>objections, if any, of counsel, to the best of my</li> <li>ability.</li> <li>I further certify that I am not a relative,</li> <li>employee, attorney, counsel of any of the parties; nor</li> <li>am I financially interested in the outcome of the cause.</li> <li>IN WITNESS WHEREOF I have set my hand this</li> <li>day of, 2016.</li> </ul>		
14       full, true and correct record of the testimony of said         15       witness, including all questions, answers and         16       objections, if any, of counsel, to the best of my         17       ability.         18       I further certify that I am not a relative,         19       employee, attorney, counsel of any of the parties; nor         20       am I financially interested in the outcome of the cause.         21       IN WITNESS WHEREOF I have set my hand this         22       day of, 2016.		-
<ul> <li>witness, including all questions, answers and</li> <li>objections, if any, of counsel, to the best of my</li> <li>ability.</li> <li>I further certify that I am not a relative,</li> <li>employee, attorney, counsel of any of the parties; nor</li> <li>am I financially interested in the outcome of the cause.</li> <li>IN WITNESS WHEREOF I have set my hand this</li> <li>day of, 2016.</li> </ul>		• •
<ul> <li>objections, if any, of counsel, to the best of my</li> <li>ability.</li> <li>I further certify that I am not a relative,</li> <li>employee, attorney, counsel of any of the parties; nor</li> <li>am I financially interested in the outcome of the cause.</li> <li>IN WITNESS WHEREOF I have set my hand this</li> <li>day of, 2016.</li> </ul>		
<ul> <li>ability.</li> <li>I further certify that I am not a relative,</li> <li>employee, attorney, counsel of any of the parties; nor</li> <li>am I financially interested in the outcome of the cause.</li> <li>IN WITNESS WHEREOF I have set my hand this</li> <li>day of, 2016.</li> </ul>		
<ul> <li>I further certify that I am not a relative,</li> <li>employee, attorney, counsel of any of the parties; nor</li> <li>am I financially interested in the outcome of the cause.</li> <li>IN WITNESS WHEREOF I have set my hand this</li> <li>day of, 2016.</li> </ul>	16	
<ul> <li>employee, attorney, counsel of any of the parties; nor</li> <li>am I financially interested in the outcome of the cause.</li> <li>IN WITNESS WHEREOF I have set my hand this</li> <li>day of, 2016.</li> </ul>	17	•
<ul> <li>am I financially interested in the outcome of the cause.</li> <li>IN WITNESS WHEREOF I have set my hand this</li> <li>day of, 2016.</li> </ul>	18	I further certify that I am not a relative,
<ul> <li>IN WITNESS WHEREOF I have set my hand this</li> <li>day of, 2016.</li> </ul>	19	employee, attorney, counsel of any of the parties; nor
<ul> <li>IN WITNESS WHEREOF I have set my hand this</li> <li>day of, 2016.</li> </ul>	20	am I financially interested in the outcome of the cause.
22 day of, 2016.	21	-
23		·
24		
DIANE RUGH, RPR, RMR, CRR, CCR		
	24	DIANE RUGH, RPR, RMR, CRR, CCR CCR NO. 2399