

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION
COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKETS UE-151871 and UG-151872

PUBLIC COUNSEL AND
COMMISSION STAFF'S JOINT
OBJECTION TO PUGET SOUND
ENERGY'S RESPONSE TO BENCH
REQUEST NO. 1 AND MOTION TO
STRIKE

1. Public Counsel and Commission Staff object to Puget Sound Energy's (PSE) response to Bench Request No. 1. The response, with the exception of portions of the first paragraph on the second page, is beyond the Bench Request's scope and is thus unresponsive and unauthorized. Bench Request No. 1 asked PSE to provide its customer financial eligibility metrics and the number of customers eligible to participate in the proposed lease program using those metrics.
2. In its response, PSE states that it recently revised its customer eligibility metrics and criteria, but does not identify when it revised its metrics or criteria. However, discovery responses, PSE's pre-filed testimony, and PSE's testimony at the hearing suggest that the new metric and criteria were not developed until after the evidentiary hearing in this case concluded.
3. In response to discovery (Public Counsel Data Request No. 5 and Staff Data Request No. 38), PSE identifies using its internal designation of "good" as the measure of creditworthiness along with the criteria used to measure eligibility for participating in the

proposed leasing program. Neither discovery response was updated after being answered on March 25, 2016, and May 3, 2016, respectively.

4. PSE witness Dr. Ahmad Faruqui quantified the percentage of eligible customers using the internal designation of “good” and the criteria for eligibility used by PSE. Dr. Faruqui identified 65 percent of customers as eligible to participate in the proposed program.¹ No PSE witness testified during the hearing that the utility was using a new customer financial eligibility metric. Indeed, PSE witness Mr. Malcolm McCullough stated at the hearing that the credit criteria have been detailed in testimony without indicating that PSE intended to revise its metrics and criteria.²
5. Despite this, PSE’s response to Bench Request No. 1 identifies its internal designations of “good” and “satisfactory” as the new measure of creditworthiness and states that new eligibility criteria apply. PSE states further that, based on its new eligibility metrics and criteria, 83.3 percent of its residential customers and 87.4 percent of its commercial customers are eligible for the proposed leasing program. PSE offers to update in a compliance filing its proposed monthly rates based on its new market share assumptions.
6. Implicit in the Bench Request is a request for the customer financial eligibility metric and number of customers eligible to participate that were used in developing PSE’s case. The Bench Request should not be viewed as an invitation, after the evidentiary hearing has concluded, to offer a new customer financial eligibility metric or criteria on which to measure the number of eligible customers. Applying a new eligibility metric and criteria materially changes market share assumptions. If PSE wished to update its eligibility metric, criteria, or its market share assumptions, the time to do that was in its rebuttal testimony. PSE did not do this, but rather

¹ Pre-filed Direct Testimony of Dr. Ahmad Faruqui, Exhibit No. AF-1T at 17:7-9.

² McCullough, TR. 224:10-18.

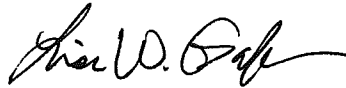
presented the new information in response to Bench Request No. 1 after the evidentiary hearing concluded. The Commission should not allow PSE's untimely introduction of its new customer financial eligibility metric and criteria.

7. For these reasons, the Commission should grant Public Counsel and Commission Staff's joint motion and strike PSE's response to Bench Request No. 1, with the exception of the following paragraph, which has been edited to reflect the evidence provided by PSE during the evidentiary phase of the case:

The ~~previous~~ metrics PSE used to calculate customer eligibility for its proposed leasing service were based on customers having an internal "good" credit worthiness designation ~~that was measured by a different set of criteria~~. As explained on page 17, lines 7-9, of the Prefiled Direct Testimony of Ahmad Faruqui (AF-1T), at the time PSE filed rates for this proposal, under PSE's ~~prior~~ credit worthiness system, 65 percent of PSE's customer population had a credit worthiness score that made them eligible for PSE's proposed leasing service.

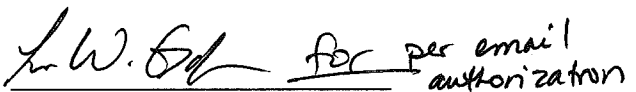
8. DATED this 15th day of August, 2016.

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