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BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of  
PUGET SOUND ENERGY, INC.

No. UE - 011170

PETITION TO INTERVENE AND  
PROTEST OF CITY OF TUKWILA

**1. Names and addresses of petitioners:**

City of Tukwila  
James F. Morrow  
6200 Southcenter Boulevard  
Tukwila, WA 98188-2599  
Business: (206) 433-1827  
Fax: (206) 433-1833

**2. Name and address of attorney representing petitioners:**

Carol S. Arnold  
Preston Gates & Ellis LLP  
701 Fifth Avenue, Suite 5000  
Seattle, WA 98104-7078  
Business: (206) 623-7580  
Fax: (206) 623-7022

**3. Identity of petitioners:**

The City of Tukwila is a political subdivision of the State of Washington.

PETITION TO INTERVENE AND PROTEST  
OF CITY OF TUKWILA - 1

1 **4. Petitioner’s interest in this proceeding:**

2 Petitioner is a customer of Puget Sound Energy (“PSE”). The City of Tukwila is in PSE’s  
3 service territory, and the homes and business of Tukwila citizens are also customers of PSE.

4 **5. Issues To Be Raised and Protest:**

5 The City of Tukwila objects to PSE’s accounting petition and to proposed Schedule 395.  
6 PSE is responsible for the prudent management of its resources, and the ratepayers should not bear  
7 the risk of PSE’s failure to do so. During the first half of 2001, PSE “maximized wholesale sales of  
8 surplus generation from its combustion turbines, leveraging the advantages of the differentials in gas  
9 and electric wholesale prices.” Direct Testimony of William A. Gaines, at 5:16-19. PSE chose to  
10 maximize its “market-based revenues” too offset poor hydro conditions. *Id.* at 6: 1-3. Now that the  
11 PSE’s resource management strategy has failed, PSE’s shareholders – not its ratepayers – should  
12 bear the financial responsibility of the failure of that strategy.  
13

14 PSE assured the Commission in February 1997 that a five year rate stability plan would  
15 provide a balance between “rate certainty” for customers and the “opportunity for the company to  
16 manage its resource cost pressures.” Fourteenth Supplemental Order, Docket Nos. UE-951270, UE-  
17 060195 (February 5, 1997). Within the five year rate plan, “PSE’s financial results will be a  
18 function of management’s ability to achieve savings in order to provide shareholders with an  
19 opportunity to earn a reasonable return on investment.” *Id.* Now – less than five years later – PSE’s  
20 shareholders rather than its ratepayers must bear responsibility for PSE’s failure to achieve those  
21 savings and earnings for its shareholders.  
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**6. Testimony and Witnesses**

The City has not decided at this time whether to submit written testimony or exhibits or call witnesses, but reserve the right to do so. The City intends to cross-examine the witnesses called by other parties and to submit written argument.

7. The undersigned submit this Petition to Intervene and Protest and request authorization to participate in this proceeding.

DATED this 7<sup>th</sup> day of September, 2001.

PRESTON GATES & ELLIS LLP

By \_\_\_\_\_  
Carol S. Arnold, WSBA # 18474  
Attorneys for Petitioner City of Tukwila

CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the Petition to Intervene and Protest of City of Tukwila upon all parties of record in this proceeding, as follows:

Puget Sound Energy, Inc. (via facsimile followed by U.S. mail)  
P.O. Box 97034, 411-108<sup>th</sup> Avenue N.E.  
Bellevue, WA 98004

Markham A. Quehrn (via facsimile followed by U.S. mail)  
Perkins Coie  
1800 One Bellevue Center  
411-108<sup>th</sup> Avenue N.E.  
Bellevue, WA 98004

Simon ffitch (via facsimile followed by U.S. mail)  
Office of the Attorney General  
900 Fourth Avenue, Suite 2000  
Seattle, WA 98164-1012

Shannon E. Smith (via facsimile followed by U.S. mail)  
Office of the Attorney General  
1400 South Evergreen Park Drive S.W.  
P. O. Box 40128  
Olympia, WA 98504-0128

Robert D. Cedarbaum, Senior Counsel (via facsimile followed by U.S. mail)  
Office of the Attorney General  
1400 South Evergreen Park Drive S.W.  
P. O. Box 40128  
Olympia, WA 98504-0128

C. Robert Wallis, Administrative Law Judge  
Washington Utilities & Transportation Commission  
1300 South Evergreen Park Drive SW  
P.O. Box 47250  
Olympia, WA 98504-7250

DATED: September 4, 2001.

\_\_\_\_\_  
Jo Ann Sunderlage  
Secretary to Carol S. Arnold

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