

**Exhibit Joint-5T**

**Dockets: UE-072300/UG-072301**

**Witnesses: Susan McLain  
Greg J. Zeller  
Douglas E. Kilpatrick**

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent**

**DOCKET UE-072300  
DOCKET UG-072301  
(consolidated)**

**JOINT TESTIMONY OF SUSAN MCLAIN, GREG J. ZELLER AND  
DOUGLAS E. KILPATRICK**

**SUPPORTING MULTIPARTY SETTLEMENT ON**

**EMERGENCY RESPONSE AND STORM PREPAREDNESS**

**AUGUST 19, 2008**

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**I. INTRODUCTION AND PURPOSE OF JOINT TESTIMONY**

**Qualifications of Sue McLain**

- Q. Please state your name and the party for whom you are appearing.**
- A. My name is Susan McLain, and I am appearing on behalf of Puget Sound Energy, Inc. ("PSE" or the "Company"). My qualifications are presented in Exhibit SML-2.

**Qualifications of Greg J. Zeller**

- Q. Please state your name and the party for whom you are appearing.**
- A. My name is Greg Zeller, and I am appearing on behalf of PSE. My qualifications are presented in Exhibit GJZ-2.

**Qualifications of Douglas E. Kilpatrick**

- Q. Please state your name and the party for whom you are appearing.**
- A. My name is Douglas Kilpatrick, and I am appearing on behalf of Commission Staff. My qualifications are presented in Exhibit DEK-1TC, which is part of my individual testimony on the Company's response to recommendations made by KEMA in its report entitled Storm Restoration and Readiness Review (the "KEMA Report") and contained in Exhibit GJZ-8.

1 **Q. What is the purpose of this Joint Testimony?**

2 A. The purpose of this Joint Testimony is to present the common recommendation of  
3 PSE and Commission Staff (collectively referred to hereinafter as the "Parties")  
4 regarding PSE's emergency response and storm preparedness. This Joint  
5 Testimony supports revisions to the Company's existing emergency response and  
6 storm preparedness policies and procedures that the Parties agree should be  
7 approved by the Commission in its final order in these dockets. The Parties'  
8 recommendations are contained in the Multiparty Settlement filed with the  
9 Commission in this proceeding on August 19, 2008 (the "Multiparty Settlement").  
10

11 **II. JOINT TESTIMONY SUPPORTING THE MULTIPARTY**  
12 **SETTLEMENT**  
13  
14

15 **Q. Please briefly describe the background to the Parties' Multiparty Settlement.**

16 A. Following the Hanukkah Eve Storm in December 2006, the Company employed  
17 KEMA to evaluate PSE's storm restoration and customer communications efforts.  
18 KEMA documented its evaluation in the KEMA Report that the Company filed  
19 with the Commission on September 20, 2007. Exhibit GJZ-8. PSE then  
20 responded to the KEMA Report in its own After Action Report, which it filed  
21 with the Commission on November 30, 2007. Exhibit GJZ-9.

22 For example, regarding KEMA's Recommendation 10.4.1 for creation of  
23 an outage management system ("OMS"), the Company stated that it had hired  
24 KEMA to conduct a cost/benefit analysis for an OMS and a geographic

1 information system (“GIS”) needed to support the OMS. PSE then engaged a  
2 consultant to evaluate what kinds of other systems and processes would benefit  
3 from development of an enterprise-wide GIS. Such other systems or departments  
4 include maps and records, power production, transmission and distribution design,  
5 system planning, contract management, and real estate services.

6 The Multiparty Settlement formalizes the Company and Staff agreement  
7 for reporting PSE’s progress in implementing the KEMA recommendations,  
8 including deployment of an OMS, and other recommendations made by  
9 Commission Staff regarding emergency response and storm preparedness.

10  
11 **Q. How does the Multiparty Settlement treat the issues surrounding emergency**  
12 **response and storm preparedness?**

13 A. The Parties agree that the Company will file with the Commission an annual  
14 report addressing PSE's progress in considering and/or implementing the  
15 recommendations in the KEMA Report. The report will be filed on or about  
16 September 1 of each year and will continue until PSE implements or decides not  
17 to implement each KEMA recommendation. If PSE decides not to implement a  
18 KEMA recommendation, the report will explain the rationale for that decision.

19 The annual report will also address those items identified by Commission  
20 Staff in this proceeding on pages 19-21 of Exhibit DEK-1TC, and Exhibit DEK-3,  
21 summarized as follows:

- 22 • Evaluation work done by PSE or on its behalf to determine the  
23 overall cost effectiveness and benefits of implementing an outage  
24 management system with an associated enterprise-wide geographic

1 information system. The report must include a detailed description  
2 of the cost/benefit analyses PSE is doing or is having done, what  
3 quantitative and/or qualitative results would convince PSE to move  
4 forward with the OMS/GIS, and what timeline it proposes for  
5 implementation assuming the internal hurdle is met.

- 6
- 7 • PSE's assignment of damage assessors and other resources to the  
8 emergency event, including training and processes,
- 9
- 10 • PSE's expectations and metrics for all parties in storm roles,
- 11
- 12 • PSE communication of restoration information to customers no  
13 later than 72 hours after initial storm impact,
- 14
- 15 • PSE's communication with the Commission during a storm event  
16 through an initial report within 24 hours after initial storm impact  
17 and through regular status reports from PSE's Emergency  
18 Operations Center,
- 19
- 20 • PSE's actions with respect to local area coordination planning,
- 21
- 22 • PSE's emergency response process for its Bothell Emergency  
23 Center,
- 24
- 25 • PSE's actions to address recommendations from the Company's  
26 2006 internal storm debrief sessions, and
- 27
- 28 • PSE involvement on legislative and regulatory solutions to  
29 vegetation management and infrastructure rights-of-way.
- 30

31 Finally, Commission Staff agrees it will not pursue in this case any  
32 disallowances, penalties or other enforcement action related to the Company's  
33 response to the 2006 Hanukkah Eve storm. This agreement does not preclude  
34 Commission Staff in future proceedings from recommending disallowances,  
35 penalties or other enforcement action related either to the Company's storm  
36 response or progress in considering or implementing the recommendations in the  
37 KEMA Report.

1 **Q. Please explain why the Parties believe the Multiparty Settlement is in the**  
2 **public interest.**

3 A. The Multiparty Settlement highlights the importance to the Commission,  
4 Company and its customers of emergency response and storm preparedness,  
5 particularly with regard to recommendations made by KEMA.

6 The Multiparty Settlement sets forth a means of specifically addressing  
7 each recommendation of the KEMA Report while allowing PSE sufficient time to  
8 review and analyze such recommendations. Additionally, it encourages  
9 transparency on the Company's decision-making processes through more detailed  
10 reporting that allows the Commission to monitor this aspect of PSE's service to  
11 customers.

12 **III. INDIVIDUAL STATEMENTS OF SUPPORT FOR THE**  
13 **MULTIPARTY SETTLEMENT**  
14

15 **Q. Please explain why the Multiparty Settlement satisfies the interests of PSE.**

16 A. PSE believes the Multiparty Settlement reflects significant progress on the issue  
17 in this proceeding.

18 The Multiparty Settlement provides PSE an increased level of certainty  
19 surrounding its review, analysis and potential implementation of emergency  
20 response and storm preparedness activities. With respect to all the provisions  
21 agreed upon in the Multiparty Settlement, resolution of contentious issues benefits  
22 PSE and its customers by eliminating the cost, and inconvenience and delay of  
23 continued litigation. At the same time, the Multiparty Settlement provides PSE  
24 with clear expectations and an increased level of certainty on these issues.

1 **Q. Please explain why the Multiparty Settlement satisfies the interests of Staff.**

2 A. Staff believes the Multiparty Settlement provides a mechanism for the  
3 Commission to continue its supervision of PSE's progress in developing and  
4 implementing improvements to its emergency response and storm preparedness  
5 activities. The annual reports will provide the Commission with ongoing updates  
6 of PSE's management of this important aspect of providing reliable service to its  
7 customers.

8

9 **Q. Does this conclude your joint testimony?**

10 A. Yes it does.