

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES &
TRANSPORTATION
COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.

Respondent.

DOCKET NO. UE-072300

DOCKET NO. UG-072301

PUBLIC COUNSEL RESPONSE TO
PSE AND STAFF MOTIONS TO
STRIKE

1. Public Counsel files this response to the Puget Sound Energy (PSE) and Staff Motions to Strike portions of Public Counsel's Power Cost Only Rate Case (PCORC) brief.
2. By including the recommendations complained of in ¶¶ 40-44 of its brief, Public Counsel did not intend to improperly supplement the record in this case or prejudice other parties. Public Counsel believes these recommendations to be well within the ambit of and directly arising from the PCORC issues already discussed in record. They were offered in the nature of alternative proposals, in the event that the Commission chose not to eliminate the PCORC entirely.
3. The recommendations are logical outgrowths of the issues raised in the case. The recommendations address issues that are not new, but have already been raised beginning in the last general rate case, in the PCORC collaborative, and now in this proceeding. PSE and Staff are well aware that the timing of rate cases, the resetting of the baseline, and the type of resources to be included in a PCORC have been in dispute. In this case, for example, Public Counsel witness Lee Smith testified that the general justification for the PCORC was for the

addition of new resources.¹ This suggests that one modification would be to narrow the use of PCORCs to the addition of new resources only. Ms. Smith describes the frequent rate changes caused by PCORC filings and the single issue ratemaking problem.² Addressing this is Public Counsel’s twelve-month “moratorium” idea, a simple procedural mechanism designed to increase rate stability by preventing PCORC filings immediately after a general rate case, or encouraging PSE to use the preferable vehicle of a general rate case if it needs to address revenue requirement during that twelve-month period.

4. It is also the case that the Commission has the independent ability to reach conclusions about the PCORC and order any modification that it believes is justified by the record. The Commission is not limited to adopting the specific recommendations of one or the other of the parties. The record is adequate as it stands for the Commission to consider a range of approaches to the PCORC problem.

5. Public Counsel understands the concerns raised by PSE and Staff, however, the remedy is not to strike reasonable and relevant alternative remedies from consideration. To address the procedural concerns raised by PSE and Staff, the Commission could allow all parties the opportunity to file reply briefs. Public Counsel also has no objection to reopening of the record.

6. PSE and Staff argued in their motions that the imminence of the suspension deadline and the effective date of new rates under the settlement left no time for additional process. That argument is now moot in light of the Commission’s issuance yesterday of Order No. 12 in this

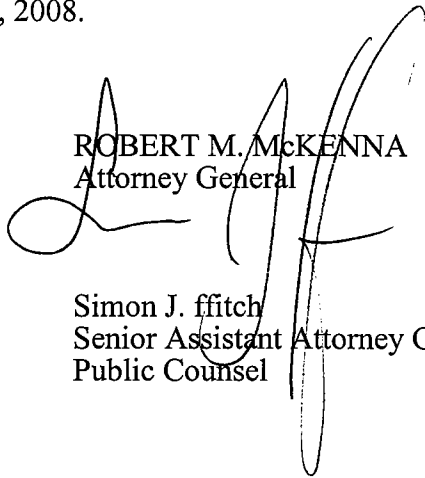
¹ Exh. No. LS-1TC, p. 7:7-10 (Smith Direct)

² Exh. No. LS-1TC, p. 3:9-16, 21:7-15, pp. 22-25 (Smith Direct)

docket. Given the importance of the PCORC issue, it would not be unreasonable to extend the process and there is adequate time to do so.

7. In conclusion, Public Counsel respectfully requests that the PSE and Staff motions to strike be denied. To address the procedural concerns raised, Public Counsel has no objection to the Commission allowing for reply briefs and supplementation of the record, or other appropriate procedural relief.

8. DATED this 9th day of October, 2008.



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CERTIFICATE OF SERVICE
Docket Nos. UE-072300/UG-072301

I hereby certify that a true and correct copy of Public Counsel Response to PSE and Staff Motions to Strike was sent to each of the parties of record shown on the attached Service List in sealed envelopes, via:

- First Class Mail
 Electronic Mail
 Facsimile transmission
 UPS Two-Day Air
 Federal Express

DATED: October 9, 2008.



KATHRYN ZSOKA