

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKETS UE-190529 and
UG-190530 (*Consolidated*)

ORDER 03

PREHEARING CONFERENCE
ORDER; NOTICE OF HEARING
**(Evidentiary Hearing set for
February 6-7, 2020, at 9:00 a.m.)**

1 On June 20, 2019, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-60, Tariff G, Electric Service. The effect of this filing is to increase rates and charges for electric service provided to customers in the state of Washington. PSE requests an increase in its annual electric revenue requirement of approximately \$140 million (6.9 percent).

2 Also on June 20, 2019, PSE filed revisions to its currently effective Tariff WN U-2, Natural Gas. The effect of this filing is to increase rates and charges for natural gas service provided to customers in the state of Washington. PSE requests an increase to its annual natural gas revenue requirement of approximately \$65 million (7.9 percent).

3 **CONFERENCE.** The Commission convened a prehearing conference at Lacey, Washington on July 18, 2019, before Administrative Law Judges Rayne Pearson and Nelli Doroshkin.

4 **APPEARANCES.** Sheree Carson, David Steele, Jason Kuzma, and Donna Barnett, of Perkins Coie LLP, Seattle, Washington, represent PSE. Jennifer Cameron-Rulkowski, Sally Brown, Jeff Roberson, Harry Fukano, Joe Dallas, and Daniel Teimouri, Assistant Attorneys General, Lacey, Washington, represent Commission staff (Staff).¹ Lisa W.

¹ In formal proceedings such as this, the Commission's regulatory staff participates like any other party, while the Commissioners make the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners' policy and accounting advisors do not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. *See* RCW 34.05.455.

Gafken and Nina Suetake, Assistant Attorneys General, Seattle, Washington, represent the Public Counsel Unit of the Attorney General's Office (Public Counsel). Brent Coleman, Tyler Pepple, and Riley Peck, of Davison Van Cleve, P.C., Portland, Oregon, represent the Alliance of Western Energy Consumers (AWEC). Simon J. ffitich represents The Energy Project. Damon Xenopoulos and Shaun Mohler, of Stone Mattheis Xenopoulos & Brew, PC, Washington, DC, represent Nucor Steel Seattle, Inc. (Nucor Steel). Kurt Boehm and Jody Kyler Cohn, of Boehm, Kurtz & Lowry, represent The Kroger Co. (Kroger). Joni Bosch represents the NW Energy Coalition (NWEC). Rita Liotta, of the United States Navy, represents the Federal Executive Agencies. Contact information for the representatives of those granted party status is attached as Appendix A to this Order.

5 **PETITIONS FOR INTERVENTION.** AWEC, The Energy Project, Nucor Steel, Kroger, NWEC, and the Federal Executive Agencies timely filed petitions to intervene.

6 Absent objections to the petitions to intervene, the Commission finds that these petitioners have established a substantial interest in this proceeding and that their participation will be in the public interest. Accordingly, the Commission grants those petitions.

7 **PROTECTIVE ORDER.** The Commission entered a protective order as Order 02 in this docket on July 3, 2019.

8 **DISCOVERY.** Order 01 provides that discovery will be conducted under the Commission's discovery rules, WAC 480-07-400 – 425. The Commission urges the parties to work cooperatively together to avoid having to bring discovery matters forward for formal resolution. Response times to data requests will be adjusted as set forth in Appendix B.

9 The Commission believes it will aid discovery in this case if all responses to data requests are shared with all parties. No party objects to the Commission making the exchange of data request responses with all parties a requirement for discovery in this case. Accordingly, the Commission requires the parties to share every data request response with all parties, subject to any confidentiality limitations contained in Commission rule or the protective order issued in this docket.

10 **PROCEDURAL SCHEDULE.** The parties presented an agreed procedural schedule at the prehearing conference, which was supplemented by joint agreement of the parties on July 22, 2019, by email to the presiding administrative law judges. Under WAC 480-07-460(1)(b), a deadline for filing errata sheets to exhibits may be established in the

prehearing conference order. In the prehearing conference, no party objected to setting the errata filing deadline for one week prior to the evidentiary hearing. Incorporating the deadlines for errata filings and notice of the public comment hearings,² the Commission adopts the parties' proposed procedural schedule, which is attached to this Order as Appendix B.

11 **DOCUMENT FILING AND SERVICE REQUIREMENTS.** Parties must file and serve all pleadings, motions, briefs, and other pre-filed materials in compliance with all of the following requirements:

- (a) Parties must submit electronic copies of all documents by 5 p.m. on the filing deadline established in the procedural schedule (or other deadline as applicable) unless the Commission orders otherwise. Parties must comply with WAC 480-07-140(6) in formatting, organizing, and identifying electronic files.
- (b) The Commission accepts only electronic versions of documents for formal filing. Parties must submit documents electronically through the Commission's web portal (www.utc.wa.gov/e-filing). If a party is unable to use the web portal to submit documents for filing, the Commission will accept a submission via email to records@utc.wa.gov, provided that the email:
 - (1) explains the reason the documents are not being submitted via the web portal, and
 - (2) complies with the requirements in WAC 480-07-140(5)(b).
- (c) Parties must also file **an original and five (5)** paper copies (with original signatures, if applicable) of the documents with the Commission by 5 p.m. on the next business day following the filing deadline established in the procedural schedule (or other deadline as applicable), unless the Commission orders otherwise. If any of the exhibits contain information designated as confidential, parties must file an electronic copy of the redacted version in searchable PDF (Adobe Acrobat or comparable software) of each such exhibit. All hard copy filings must be mailed or otherwise delivered to the Executive Director and Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, Olympia, Washington 98504-7250.
- (d) Documents filed with the Commission must conform to the formatting and other requirements in WAC 480-07-395 and WAC 480-07-460, and must comply with the requirements in WAC 480-07-160 and the Protective Order

² WAC 480-90-197 provides that the amount of notice to the public or to customers of public comment hearings will be addressed in the prehearing conference order.

in this docket for documents that include information designated as confidential.

- (e) Parties must electronically serve the other parties and provide courtesy electronic copies of filings to the presiding administrative law judges (rayne.pearson@utc.wa.gov and nelli.doroshkin@utc.wa.gov) by 5 p.m. on the filing deadline unless the Commission orders otherwise. If parties are unable to email copies, they may furnish electronic copies by delivering them on a flash drive only.

- 12 **EXHIBITS FOR CROSS-EXAMINATION.** Parties are required to file with the Commission and serve all proposed cross-examination exhibits by **5 p.m. on January 31, 2020.** The Commission requires electronic copies in searchable PDF (Adobe Acrobat or comparable software), the original paper copy, and five (5) paper copies of the exhibits. If any of the exhibits contain information designated as confidential, parties must file an electronic copy, the original, and five paper copies of the redacted version in searchable PDF (Adobe Acrobat or comparable software) of each such exhibit. The exhibits must be grouped according to the witness the party intends to cross examine with the exhibits. The paper copies of the exhibits also must be organized into sets that are tabbed and labeled.
- 13 **EXHIBIT LISTS.** With each submission of pre-filed testimony and exhibits, the party making the submission must include a preliminary exhibit list that identifies each submitted exhibit in the format the Commission uses for exhibit lists it prepares for evidentiary hearings. The Company will prepare and file its preliminary exhibit list for its initial filing in this docket. Each party must file and serve a final list of all exhibits the party intends to introduce into the evidentiary record, including all pre-filed testimony and exhibits, as well as cross-examination exhibits by **5 p.m., January 31, 2020.**
- 14 **CROSS-EXAMINATION TIME ESTIMATES.** Each party must provide a list of witnesses the party intends to cross-examine at the evidentiary hearing and an estimate of the time that party anticipates the cross-examination of that witness will take. Parties should not file witness lists or cross-examination time estimates but must provide them to the administrative law judges (rayne.pearson@utc.wa.gov and nelli.doroshkin@utc.wa.gov) and the other parties by **5 p.m., January 31, 2020.**
- 15 **PUBLIC COMMENT HEARING.** Per agreement of the parties, the Commission will hold two public comment hearings in this docket prior to the hearing on the final

disposition of this case. One public comment hearing will be held in Lacey³ and one public comment hearing will be held in Bellevue. PSE customers will receive notice of the date, time, and address of each public comment hearing, as well as other information required under WAC 480-90-197 and WAC 480-100-197, at least 30 days prior to the date of the relevant public comment hearing.

- 16 **NOTICE OF EVIDENTIARY HEARING.** The Commission will hold an evidentiary hearing in this docket on **February 6-7, 2020, at 9 a.m.**, in the Commission's Hearing Room at 621 Woodland Square Loop SE, Lacey, Washington.
- 17 **ALTERNATE DISPUTE RESOLUTION.** The Commission supports the informal settlement of matters before it. Parties are encouraged to consider means of resolving disputes informally. The Commission has limited ability to provide dispute resolution services. If you wish to explore those services, please contact Rayne Pearson, Director, Administrative Law Division (360-664-1136).
- 18 **NOTICE TO PARTIES: A party who objects to any portion of this Order must file a written objection within ten (10) calendar days after the service date of this Order, pursuant to WAC 480-07-430 and WAC 480-07-810. The service date appears on the first page of this Order, in the upper right-hand corner. Absent such objection, this Order will control further proceedings in this docket, subject to Commission review.**

Dated at Lacey, Washington, and effective July 22, 2019.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

/s/ Nelli Doroshkin
NELLI DOROSHKIN
Administrative Law Judge

³ Telephonic participation in the public comment hearing held in Lacey will be available. This order corrects the reference made in the prehearing conference to holding a public comment hearing in Olympia; that public comment hearing will be held in the Commission's headquarters in Lacey.

**APPENDIX A
PARTIES' REPRESENTATIVES
DOCKETS UE-190529 and UG-190530 (Consolidated)**

PARTY	REPRESENTATIVE	PHONE	E-MAIL
Puget Sound Energy	Sheree Carson Perkins Coie LLP 10885 NE Fourth Street, Suite 700 Bellevue, WA 98004	(425) 635-5579	scarson@perkinscoie.com
	David Steele		dsteale@perkinscoie.com
	Jason Kuzma		jkuzma@perkinscoie.com
	Donna Barnett		dbarnett@perkinscoie.com
	Service email		psedrs@perkinscoie.com
	Jon Piliaris P.O. Box 97304 EST-07W Bellevue, WA 98009	(425) 456-2142	jon.piliaris@pse.com
Commission Staff	Jennifer Cameron-Rulkowski Assistant Attorney General Office of the Attorney General P.O. Box 40128 Olympia, WA 98504	(360) 664-1186	jennifer.cameron-rulkowski@utc.wa.gov
	Sally Brown		sally.brown@utc.wa.gov
	Jeff Roberson		jeff.roberson@utc.wa.gov
	Harry Fukano		harry.fukano@utc.wa.gov
	Joe Dallas		joe.dallas@utc.wa.gov
	Daniel Teimouri		daniel.teimouri@utc.wa.gov
	Krista Gross		krista.gross@utc.wa.gov
	Betsy DeMarco		betsy.demarco@utc.wa.gov
	Jing Liu		jing.liu@utc.wa.gov
	Chris McGuire		chris.mcguire@utc.wa.gov
Public Counsel	Lisa Gafken Assistant Attorney General Washington Attorney General's Office Public Counsel Unit 800 Fifth Avenue, Suite 2000 Seattle, WA 98104-3188	(206) 464-6595	lisa.gafken@atg.wa.gov
	Nina Suetake	(206) 389-2055	nina.suetake@atg.wa.gov
	Carla Colamonici		carla.colamonici@atg.wa.gov
	Chanda Mak		chanda.mak@atg.wa.gov
	Kevin Burdet		kevin.burdet@atg.wa.gov
The Energy Project	Simon J. ffitich Attorney at Law 321 High School Rd. NE, Suite D3, Box No. 383 Bainbridge Island, WA 98110	(206) 669-8197	simon@ffitchlaw.com
	Carol Baker		carol@ffitchlaw.com

PARTY	REPRESENTATIVE	PHONE	E-MAIL
Alliance of Western Energy Consumers	Brent Coleman Davison Van Cleve, P.C. 1750 SW Harbor Way, Suite 450 Portland, OR 97201	(503) 241-7242	blc@dvclaw.com
	Tyler Pepple		tcp@dvclaw.com
	Riley G. Peck		rgp@dvclaw.com
	Jesse Gorsuch		jog@dvclaw.com
	Bradley G. Mullins	(503) 954-2852	brmullins@mwanalytics.com
Nucor Steel Seattle, Inc.	Damon Xenopoulos Stone Mattheis Xenopoulos & Brew, PC 1025 Thomas Jefferson, Street, N.W. Suite 800 West Washington, DC 20007	(202) 342-0800	dex@smxblaw.com
	Shaun Mohler		scm@smxblaw.com
	Anne Guy		amg@smxblaw.com
The Kroger Co.	Kurt Boehm Boehm, Kurtz & Lowry 36 East Seventh Street, Suite 1510 Cincinnati, Ohio 45202	(513) 421-2255	kboehm@BKLlawfirm.com
	Jody Kyler Cohn		jkylercohn@BKLlawfirm.com
	Kevin Higgins Energy Strategies, LLC	(801) 355-4365	khiggins@energystrat.com
NW Energy Coalition	Joni Bosch 811 First Avenue, Suite 305 Seattle, WA 98104	(206) 735-2720	joni@nwenergy.org
	Wendy Gerlitz	(503) 449-0009	wendy@nwenergy.org
Federal Executive Agencies	Rita Liotta United States Navy One Avenue of the Palms, Suite 161 San Francisco, CA 94130	(415) 743-4718	rita.liotta@navy.mil
	Kay Davoodi	(202) 685-3319	khojasteh.davoodi@navy.mil
	Larry Allen	(202) 685-3320	larry.r.allen@navy.mil

**APPENDIX B
PROCEDURAL SCHEDULE
DOCKETS UE-190529 and UG-190530 (Consolidated)**

EVENT	DATE
General Rate Case Filing	June 20, 2019
PSE Supplemental Testimony—to consist exclusively of the status of the planned sale of PSE’s water heater rental service; and the gain on the sale of the Shuffleton property, subject to Commission approval of PSE’s pending transfer of property application in Docket UE-190606.	September 17, 2019
Initial Settlement Conference ¹	October 14, 2019
Staff, Public Counsel and Intervenor Response Testimony and Exhibits ²	November 22, 2019
PSE Circulates First Joint Issues Matrix	December 6, 2019
Second Settlement Conference	December 16, 2019
Notices Issued for Public Comment Hearings	30 days prior to Public Comment Hearings
Public Comment Hearings	TBD (Exact dates and locations to be determined)
PSE Rebuttal Testimony and Exhibits; Staff, Public Counsel and Intervenor Cross-Answering Testimony and Exhibits ³	January 15, 2020

¹ Per WAC 480-07-700(5)(a), parties may reschedule a settlement conference included in the procedural schedule without seeking to modify the schedule if all parties agree, but the parties must provide notice to the presiding officer of the rescheduled date.

² Response time to data requests relating to this testimony will be 7 business days.

³ Response time to data requests relating to this testimony will be 5 business days.

PSE files Power Cost Update—to consist exclusively of updates to (1) forward market data, (2) short-term fixed-price power contracts that are an AURORA input, (3) fixed-price gas for power contracts, (4) index-based power and gas for power contracts, and (5) costs that are themselves dependent on the updated AURORA output (see Exh. PKW-1CT at 68:3-10). ⁴	January 15, 2020
Discovery Deadline	January 22, 2020
PSE Files Joint Issues Matrix	January 27, 2020
Exhibit Lists and Cross-Examination Exhibits, Witness Lists, Time Estimates, and Exhibit Errata	January 31, 2020
Evidentiary Hearing	February 6-7, 2020
Initial Briefs	March 17, 2020
Reply Briefs	March 27, 2020
Suspension Date	May 20, 2020⁵

⁴ The Power Cost Update will incorporate the short-term PPAs to replace Colstrip 1-2 power until longer term contracts are in place (see Exh. PKW-1CT at 52:10-11). The prudence of the costs associated with these short-term PPAs to replace Colstrip 1-2 power will be reviewed as part of the Commission’s review of the annual PSE PCA filing for the year in which the short-term contracts are in effect.

⁵ Based on a 10-month suspension from the stated effective date of July 20, 2019, on the as-filed tariff sheets, per RCW 80.04.130.