

**BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	DOCKETS UE-090704
TRANSPORTATION COMMISSION,	)	and UG-090705 ( <i>consolidated</i> )
Complainant,	)	
	)	
v.	)	ORDER 09
	)	
PUGET SOUND ENERGY, INC.,	)	
	)	GRANTING LEAVE TO FILE
Respondent.	)	SUPPLEMENTAL AND REVISED
	)	TESTIMONY AND EXHIBITS
.....	)	

**MEMORANDUM**

- 1 On May 8, 2009, Puget Sound Energy, Inc. (PSE), filed with the Washington Utilities and Transportation Commission (Commission) to increase its rates for electric service (Docket UE-090704) and gas service (Docket UG-090705) to customers in Washington. The Commission suspended operation of the tariffs by Order 01 entered in these dockets following the May 28, 2009, open meeting. The Commission consolidated these dockets by Order 02, entered on June 8, 2009, and convened a prehearing conference at Olympia, Washington on June 22, 2009.
- 2 PSE included its direct testimony and exhibits as part of its initial filing on May 8, 2009, as required by the Commission’s procedural rules.
- 3 On August 3, 2009, PSE filed a Motion for Leave to File Supplemental Testimony to correct errors related to the treatment of revenues associated with the lease for the Everett Delta Project and alter certain pro forma and restating adjustments. On August 12, 2009, the Commission granted PSE’s motion. *Order 06*.
- 4 On August 25, 2009, PSE filed a second Motion for Leave to File Supplemental Testimony to explain the correction of errors in the portfolio screening model (PSM)

supporting resource acquisition analysis and to provide updated analysis results. On September 10, 2009, the Commission granted PSE's motion. *Order 07*.

- 5 On September 28, 2009, PSE filed a third Motion for Leave to File Supplemental Testimony to updated the Company's power cost projections for the rate year, update the Company's load forecast, and make various other revisions with more recent data than previously available to PSE when it made its original filing. On October 20, 2009, the Commission granted PSE's motion. *Order 08*.
- 6 On November 17, 2009, Commission Staff filed its response testimony and exhibits. On December 11, 2009, Commission Staff filed its Motion for Leave to File Revised Testimony and Exhibits, and Explanatory Supplemental Response Testimony. Staff's motion states that:

The purpose of the supplemental response testimony is to explain a revision to the Staff presentation of investor-supplied working capital. That revised presentation requires revisions to the exhibits of Mr. Kermode, and the response testimony and exhibits of Mr. Roland C. Martin, all of which are also submitted with this motion.

- 7 Staff states further:

Staff's presentation included in Adjustments 9.13G and 10.19E the impact on investor-supplied working capital of Mr. Martin's recommendation to treat electric and gas customer deposits as direct offsets to rate base. Discovery requests regarding this recommendation led Staff to conclude that it is more appropriate to reflect the investor-supplied working capital impacts of Mr. Martin's recommendation in the Company's unadjusted Actual Results of Operations, along with all other recommendations proposed by Mr. Kermode on investor-supplied working capital. Combining the impacts of all Staff investor-supplied working capital recommendation corrects minor calculation errors. It also makes the Staff presentation consistent with the presentation of the Company on investor-supplied working capital.

- 8 Staff argues in support of its motion that the proposed supplemental response testimony and revisions have a minor impact on Staff's overall revenue requirement recommendations in the general rate case. Staff also asserts that the evidence will align the Staff presentation on investor-supplied working capital with the Company's presentation on that same topic, benefiting the Commission in its review and analysis of investor-supplied working capital issues. Finally, Staff notes that it has already advised PSE of its intent to propose its revisions so as to prevent any hampering of the Company's preparation of its rebuttal testimony.
- 9 PSE responded to Staff's motion on December 14, 2009, stating that it does not object to Staff's motion, subject to the Company's reservation of rights to contest the admissibility of the supplemental testimony and exhibits when they are offered at hearing, and to contest the merits of the supplemental testimony and exhibits through a supplement to its rebuttal case.
- 10 No other party filed a response to Staff's motion.
- 11 PSE's measured response to Staff's motion is consistent with sound practice under the circumstances present here. Staff provided PSE with advance notice of its intentions to avoid prejudicing the Company's preparation of its rebuttal testimony. As PSE's response states, the Company will have the right to object to the admission of any of the supplemental or revised testimony and exhibits and, if absolutely necessary, make yet another motion for leave to file supplemental rebuttal testimony.
- 12 The Commission's and the parties' best interests are served in this instance by granting Staff leave to file its supplemental testimony and exhibits, subject to the caveat that the Company may object to the evidence at hearing. Accordingly, Staff's motion should be granted.

**ORDER**

- 13 THE COMMISSION ORDERS That Staff's Motion for Leave to File Supplemental and Revised Testimony and Exhibits is granted.

Dated at Olympia, Washington, and effective December 28, 2009.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

DENNIS J. MOSS  
Administrative Law Judge