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Utilities and Transportation Division

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July 19, 2012

David W. Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P. O. Box 47250
Olympia, Washington 98504-7250

Re: *WUTC v. Puget Sound Energy (General Rate Case)*
Dockets UE-072300 and UG-072301

Dear Mr. Danner:

Enclosed for filing in the above-referenced docket are the original and 16 copies of the Answer of Commission Staff in Support of Petition for Extending SQI SAIDI Temporary Mechanics and Certificate of Service.

Sincerely,

ROBERT D. CEDARBAUM
Senior Counsel

RDC:klg
Enclosures
cc: Parties

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKETS UE-072300 and UG-
072301 (consolidated)

ANSWER OF COMMISSION
STAFF IN SUPPORT OF
PETITION FOR EXTENDING SQI
SAIDI TEMPORARY
MECHANICS

1 On July 13, 2012, Puget Sound Energy, Inc. (“PSE” or the “Company”) filed a petition seeking approval of the Washington Utilities and Transportation Commission (“Commission”) to extend and modify certain elements of Order 17, issued November 29, 2010 in these dockets, related to Service Quality Index (“SQI”) No. 3 – System Average Interruption Duration Index (“SAIDI”). Staff supports the petition and recommends it be granted without hearing.

2 In Order 17, the Company committed both to establish an operational outage management system (“OMS”) by October 1, 2012 and to implement an electric geographic information system (“GIS”) by December 30, 2015. PSE also committed to request, by December 1, 2013, permanent amendments to the SQI SAIDI and other electric reliability measurements for the year 2014 and beyond. Interim benchmarks were established for the reporting periods 2010 through 2013.

3 In its current petition, the Company seeks to extend the effectiveness of the interim
performance mechanics for SQI SAIDI for an additional year through 2014. This request
stems from accelerating the implementation of the electric GIS to coincide with an
operational OMS on July 1, 2013. The commitments outlined in PSE's petition reflect these
schedule changes.

4 Staff supports PSE's petition because it will advance deployment of the electric GIS
by over two years (from December 2015 to July 2013). Moreover, the one-year extension of
the SQI SAIDI temporary mechanics will allow the Company to collect sufficient data from
the new OMS with accuracy supported by the GIS. The extension will also allow PSE to
work with Staff and other interested parties in setting permanent SQI electric service
reliability measures based on industry accepted metrics.

5 Finally, PSE's application requests amendment to Commission Order 17. WAC
480-07-875(1) states that the Commission may alter, amend, or rescind any order that it has
entered,

after notice to the public service company or companies affected and to all
parties in the underlying proceeding, and after allowing an opportunity for
hearing as in the case of complaints.

The rule does not require a hearing. It only requires an opportunity for a hearing.¹

6 In Staff's opinion, the issues raised by the Company's petition can be decided on a
paper record.² Staff, therefore, does not request a hearing. Nor has PSE requested a
hearing.

¹ See also, RCW 80.04.210:

The commission may at any time, upon notice to the public service company affected,
and after opportunity to be heard as provided in the case of complaints rescind, alter or
amend any order or rule made, issued or promulgated by it . . .

² A paper record process was also used by the Commission in issuing prior Order 17. In that process, no other
party commented on the prior petition. Any party that may comment on the current petition and argue that a

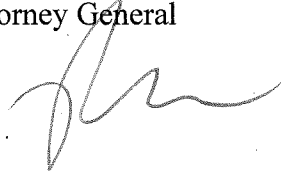
7

For the reasons stated above, the Commission should grant the Company's petition without a hearing.

DATED this 19th day of July 2012.

Respectfully submitted,

ROBERT M. MCKENNA
Attorney General



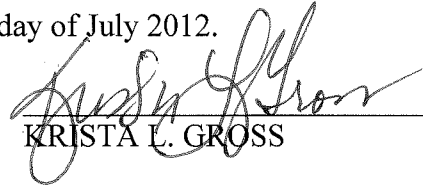
ROBERT D. CEDARBAUM
Assistant Attorney General
Counsel for Washington Utilities and
Transportation Commission Staff

hearing should be convened, should be required to show good cause that a hearing is justified. Absent such a showing, no hearing should be convened.

Dockets UE-072300 and UG-072301
CERTIFICATE OF SERVICE

I hereby certify that I have this day served the Answer of Commission Staff in Support of PSE Petition for Approval of Modifications of Service Quality Index Program upon the persons and entities listed on the Service List below by depositing a copy of said document in the United States mail, addressed as shown on said Service List, with first class postage prepaid.

DATED at Olympia, Washington this 19th day of July 2012.


KRISTA L. GROSS

HC=Highly Confidential

C=Confidential

NC=Non-Confidential

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