

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of

PUGET SOUND ENERGY, INC.

For a Declaratory Order Regarding the
Transfer of Assets to Jefferson County
Public Utility District.

Docket No. _____

PUGET SOUND ENERGY, INC.'S
MOTION FOR PROTECTIVE ORDER

1. Puget Sound Energy, Inc. ("PSE") hereby files this Motion for Protective Order in conjunction with its Petition for Declaratory Order filing dated July 15, 2010. PSE's representatives for purposes of this proceeding are:

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I. RELIEF REQUESTED

2. PSE respectfully requests through this motion that the Commission issue its standard form of protective order in this proceeding. PSE is submitting as Exhibit A to this motion a proposed form of protective order.

II. STATEMENT OF FACTS

3. On July 15, 2010, PSE filed a Petition for Declaratory Order ("Petition") related to the transfer of certain assets from PSE to Public Utility District #1 of Jefferson County ("JPUD"), along with prefiled direct testimony and exhibits in support of its Petition. PSE marked information contained on a number of pages of these testimonies and exhibits "confidential".
4. As explained in the Declaration of Karl Karzmar In Support of PSE's Motion for Protective Order submitted with this motion, the information that PSE has marked "confidential" includes 1) information provided to PSE by JPUD pursuant to a Production and Confidentiality Agreement related to the acquisition of PSE's assets and interests in Jefferson County, Washington, and 2) commercially sensitive information regarding PSE's asset valuation mechanisms and other financial information. Information marked as "confidential" also includes offers to compromise and settle threatened litigation.
5. PSE's Production and Confidentiality Agreement with JPUD requires PSE to seek a protective order to protect such information. Release of such information to the public, potential intervenors, or to potential counterparties of similar transactions would harm PSE and its customers because it would compromise PSE's ability to compete fairly and impose a business risk to PSE, *e.g.*, compromise PSE's subsequent negotiating and litigation positions. Mr. Karzmar's declaration provides further details in support of PSE's concerns.

8. PSE respects the Commission's concern that the confidential designation should not be applied lightly. PSE has been careful in its filing to minimize the amount of information designated confidential. PSE believes that the public can generally understand and other parties can productively participate in proceeding without access to the confidential information.

III. STATEMENT OF ISSUES

9. This Motion for Protective Order presents the following issues:
- Should the Commission enter a protective order that protects commercially sensitive information submitted to PSE by third parties from disclosure or dissemination to the public or potential counterparties to transactions with PSE?
 - Should the Commission enter a protective order that protects PSE's sensitive negotiating strategies and analyses regarding asset valuation from disclosure or dissemination to the public or potential counterparties to transactions with PSE?

IV. EVIDENCE RELIED UPON

10. In support of the relief requested in this motion, PSE relies upon the Declaration of Karl R. Karzmar In Support of PSE's Motion for Protective Order, which has been submitted with this motion. Mr. Karzmar's declaration describes the information that PSE seeks to protect with the confidential designation and the harms that would result from disclosure of such information.
11. PSE further relies on the prefiled direct testimony and exhibits of Karl R. Karzmar in this proceeding. This evidence explicitly shows the content and context of information that PSE seeks to protect with this motion.

V. AUTHORITY AND ARGUMENT


12. Authority for PSE's requested relief is found in WAC 480-07-423, which provides for entry of a protective order to protect information that may compromise a company's ability to compete fairly or that otherwise might impose a business risk if disseminated without the protections provided in the commission's protective order. WAC 480-07-423(3)(a).
13. There is ample Commission precedent for the entry of a protective order, including the protective order the Commission entered in PSE's recent general rate case, *WUTC v. PSE*, Docket No. UE-090704 and UG-090705, Order No. 03 (June 23, 2009); *see also WUTC v. PSE*, Docket No. PG-060215, Order No. 04 (May 27, 2008).
14. The material PSE seeks to protect is precisely the type of information that is intended to be eligible for "confidential" protections in WAC 480-07-423(3)(a). The likely result of release of any of the "confidential" information to potential counterparties of PSE would be increased costs for PSE and, ultimately, its customers. This is because there is a risk that, were the proposed settlement not to close, JPUD (or third parties) could use this information against PSE in condemnation proceedings, thereby prejudicing PSE's future negotiation and litigation positions. Disclosure of offers to compromise is inappropriate and could expose PSE and its customers to increased litigation costs. Finally, PSE is obligated to maintain the confidentiality of information pursuant to its Production and Confidentiality Agreement with JPUD.

VI. CONCLUSION

15. For the reasons set forth above, PSE respectfully requests that the Commission enter its standard form of protective order in this case, provided as Exhibit A to this motion.

Respectfully submitted this 15th day of July, 2010.

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By 
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