

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.

Respondent.

DOCKET NO. U-110808

ANSWER

INTRODUCTION

1. Puget Sound Energy, Inc. ("PSE" or "the Company") address for purposes of this proceeding is:

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ANSWER

07771-0220/LEGAL22075812.1

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PSE's representatives for purposes of this proceeding are:

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2. PSE answers the Complaint of the Washington Utilities and Transportation Commission (the "Commission") dated March 21, 2011 (the "Complaint") as stated below.

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3. Because paragraph 1 contains no legal or factual allegations, PSE neither admits nor denies this paragraph.

I. BACKGROUND

4. Answering paragraph 2, PSE admits that on October 12, 2010, in Docket U-100182, the Commission issued a \$104,300 penalty assessment against the Company for alleged violations of Commission rules primarily related to the proper handling of prior obligations.

5. Answering paragraph 3, PSE admits the Commission issued a final order in Docket U-100182, which speaks for itself. PSE denies that the order stated that PSE was to submit its first quarterly report by April 29, 2011; rather, Order 01 was silent with regard to such date and Attachment B to the Joint Motion stated that PSE would provide a quarterly report "beginning April 2011".

6. Answering paragraph 4, due to the current unavailability of a knowledgeable person, PSE has insufficient information to admit or deny the allegation that Staff had not

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received any information regarding PSE's completion of its investigation into the 26 accounts as of April 29, 2011 and therefore denies the allegation. In December 2010 Staff and PSE engaged in discussions regarding PSE's investigations into the 26 accounts, and it was PSE's understanding that PSE would initially investigate a sample of the 26 accounts. PSE had performed the investigation into a sample of five accounts by January 27, 2011, and PSE had reviewed each of the 26 accounts by that same time. Regarding the first quarterly report, PSE admits the allegation that it made arrangements to submit its first quarterly report on May 3, 2011. PSE had previously made arrangements to provide the report to Staff at a meeting in April, but Staff and PSE agreed to reschedule the April meeting until May 3, 2011. PSE inquired as to whether it should provide the report before the meeting on May 3 or at that meeting, and Staff advised PSE to provide the report at the meeting on May 3. PSE brought the report to the meeting on May 3, 2011 but did not distribute it to Staff. PSE denies the allegation that it made no arrangements with Staff to extend the deadline for completing its investigations into the 26 accounts. As stated above, PSE understands that it had made arrangements with Staff to provide results of investigations into a sample of five accounts. PSE provided results of that investigation on the meeting on May 3, 2011. At that time, PSE learned that Staff sought more information. PSE had performed a review of the entire 26 accounts, and PSE stated that it would provide Staff results of that review.

7. Answering paragraph 5, PSE admits the allegation that Staff inquired on May 3 as to when the investigations would be completed. As stated above, until this time PSE understood this inquiry was about the sample of five accounts. When, at the May 3 meeting, PSE learned that Staff sought results of the investigation into the 26 accounts, PSE agreed to furnish those results as soon as possible. PSE denies the allegation that it told Staff that the investigations into the accounts would be completed by May 4, 2011. PSE admits the

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allegation that it did not provide Staff complete results of the investigation into the 26 accounts by May 4, 2011. PSE denies the allegation that it told Staff that the investigations would be submitted by May 11, 2011 but admits the allegation that it did not provide complete investigation results by May 11, 2011. PSE informed Staff that it would be developing the report materials and would provide them as soon as possible, which PSE did.

8. Answering paragraph 6, PSE admits the allegation that on May 20, 2011, PSE submitted its first quarterly report regarding the continued implementation of the plan described in Attachment B to the Joint Motion in Docket U-100182. PSE's report provided what the resolution would be if PSE were to correct each account. Based on the investigation into the 26 accounts, PSE found that these corrections would be primarily internal accounting actions only, and such corrections would not materially impact the customer. Accordingly, PSE did not intend to take those actions. In response to a request by Staff, however, and with the exceptions of three customers who had left the service area, PSE took all such actions after May 20, 2011.

9. Answering paragraph 7, PSE admits the allegation that on May 26, 2011, Staff requested additional detail on the investigation of the 26 accounts. PSE denies the allegation that the document provided on May 20, 2011 did not contain enough information for Staff to determine whether the resolutions were sufficient to remedy the violations related to the accounts. PSE admits the allegation that it provided additional detail to Staff as it was completed.

10. Answering paragraph 8, PSE has insufficient information to admit or deny the allegations in the first sentence of paragraph 8. Whether actions or omissions of PSE are a violation of Order 01 is a legal opinion or conclusion for which an answer is inappropriate and is therefore denied. PSE denies the remaining allegations of paragraph 8.

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II. PARTIES

11. Answering paragraph 9, PSE admits the allegations in paragraph 9.
12. Answering paragraph 10, PSE admits the allegations in paragraph 10.

III. JURISDICTION

13. Answering paragraph 11, PSE admits that the Commission generally has jurisdiction over this matter pursuant to the provisions of RCW 80.01, RCW 80.04, RCW 80.28, WAC 480-90 and WAC 480-100.

IV. CLAIMS

14. PSE neither admits nor denies paragraph 12, which describes aspects of the structural format of the Complaint and does not contain any factual or legal allegations that require an answer. PSE realleges its responses to paragraphs 1-13 above as if fully set forth herein.

15. Answering paragraph 13, PSE admits that on December 28, 2010 the Commission issued Order 01 in Docket U-100182, which speaks for itself. PSE denies the allegation that the Order expressed that PSE's first quarterly report was due on April 29, 2011 or that all 26 accounts were to be investigated by January 27, 2011.

16. Answering paragraph 14, the last sentence of paragraph 14 states a legal opinion or conclusion for which an answer is inappropriate and is therefore denied. Further answering paragraph 14, PSE denies the remaining allegations in paragraph 14.

17. Answering paragraph 15, paragraph 15 states legal opinions or conclusions for which an answer is inappropriate and is therefore denied. Further answering paragraph 15, PSE denies that it represented that its May 20, 2011 submission was a complete resolution of the 26 accounts. PSE denies that it failed to take action on 21

accounts until sometime after May 20, 2011. PSE denies that it did not complete its investigation into all the 26 accounts until sometime after May 20, 2011. Specifically:

- **Customer B:** PSE denies the allegation that it failed to take action on the account until May 31, 2011. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.
- **Customer C:** PSE denies the allegation that it failed to take action on the account until June 1, 2011. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.
- **Customer D:** PSE denies the allegation that it failed to take action on the account until June 1, 2011. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.
- **Customer E:** PSE denies the allegation that it failed to take action on the account until June 2, 2011. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.
- **Customer G:** PSE denies the allegation that it failed to take action on the account until June 3, 2011. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.
- **Customer H:** PSE denies the allegation that it failed to take action on the account until May 27, 2011. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.
- **Customer J:** PSE admits that no action was taken on Customer J's account. Customer J's account was closed on October 29, 2009 and Customer J left PSE's service territory. Therefore, no action was, or is, necessary. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.

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- **Customer K:** PSE denies the allegation that it failed to take action on the account until June 3, 2011. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.
- **Customer L:** PSE admits that no action was taken on Customer L's account. Customer L's account was closed and customer moved out on January 21, 2010. Customer is no longer in PSE service area. Therefore, no action was, or is, necessary. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.
- **Customer N:** PSE denies the allegation that it failed to take action on the account until June 4, 2011. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.
- **Customer O:** PSE denies the allegation that it failed to take action on the account until June 8, 2011. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.
- **Customer P:** PSE denies the allegation that it failed to take action on the account until June 4, 2011. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.
- **Customer Q:** PSE denies the allegation that it failed to take action on the account until June 7, 2011. While PSE denies that it took no action prior to June 7, 2011, PSE admits that had additional actions been taken in January, they may have impacted the customer prior to the customer leaving PSE's service territory in February 2011. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.
- **Customer R:** PSE denies the allegation that it failed to take action on the account until June 7, 2011. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.
- **Customer S:** PSE denies the allegation that it failed to take action on the account until June 7, 2011. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.

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- **Customer T:** PSE denies the allegation that it failed to take action on the account until June 7, 2011. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.
- **Customer V:** PSE denies the allegation that it failed to take action on the account until June 7, 2011. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.
- **Customer W:** PSE denies the allegation that it failed to take action on the account until June 8, 2011. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.
- **Customer X:** PSE denies the allegation that it failed to take action on the account until June 8, 2011. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.
- **Customer Y:** PSE denies the allegation that it failed to take action on the account until June 8, 2011. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.
- **Customer Z:** PSE denies the allegation that it failed to take action on the account as of June 30, 2011; PSE also notes that corrections would not have impacted customer. Customer paid balance and kept payment arrangements through May 2011. In May 2011, customer was disconnected and opted for a prior obligation at that time. The remainder of this allegation states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.

18. Answering paragraph 16, PSE admits that it made no corrections to Customer J, Customer L or Customer Z's accounts. As stated above, no corrections to these accounts were required. Had PSE made any corrections between the time period of December 28, 2010 and January 27, 2011, the customers would not have been affected.

19. Paragraph 17 states legal opinions or conclusions for which an answer is inappropriate and is therefore denied.

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V. APPLICABLE LAW

20. Answering paragraph 18, PSE admits that the Commission has authority to issue penalties pursuant to RCW 80.04.380, which speaks for itself.

VI. REQUEST FOR RELIEF

21. Answering paragraph 19, PSE neither admits nor denies paragraph 19, which does not contain any factual or legal allegations that require an answer.

22. Answering paragraph 20, PSE neither admits nor denies paragraph 20, which does not contain any factual or legal allegations that require an answer.

23. Answering paragraph 21, PSE neither admits nor denies paragraph 21, which does not contain any factual or legal allegations that require an answer.

24. Answering paragraph 22, PSE neither admits nor denies paragraph 22, which does not contain any factual or legal allegations that require an answer.

DEFENSES AND AFFIRMATIVE DEFENSES

25. The doctrines of waiver and/or estoppel preclude the imposition of penalties for the alleged violations.

26. PSE believes it has at all times acted in good faith with regard to its obligations under Order 01 and the Settlement Agreement.

DATED: November 15, 2011.

PERKINS COIE LLP

By  _____

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Attorneys for Respondent Puget Sound Energy, Inc.

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