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April 1, 2013

SENT VIA E-MAIL AND ABC/LMI

Steven V. King
Acting Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P.O. Box 47250
Olympia, WA 98504-7250

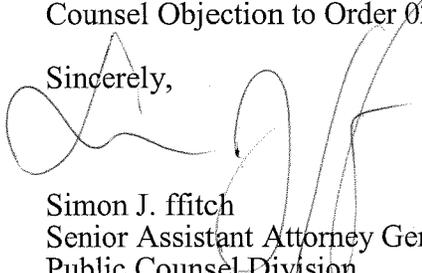
RE: *In the Matter of the Petition of PUGET SOUND ENERGY, INC. and NW ENERGY COALITION, For an Order Authorizing PSE to Implement Electric and Natural Gas Decoupling Mechanisms and to Record Accounting Entries Associated with the Mechanisms*
Dockets UE-121697 and UG-121705

In the Matter of Puget Sound Energy, Inc., WN U-60, Tariff G, Electric Service, Advice No. 2013-01 and WN U-2 Natural Gas Service, Advice No. 2013-02
Dockets UE-130137 and UG-130138

Dear Mr. King:

Enclosed for filing in the above-referenced dockets is the original and 16 copies of Public Counsel Objection to Order 02 Schedule and Certificate of Service.

Sincerely,



Simon J. Ffitch
Senior Assistant Attorney General
Public Counsel Division
(206) 389-2055

SJf:cjb

cc: ALJ Dennis Moss (E-mail)
Service List (E-mail & U. S. Mail)

CERTIFICATE OF SERVICE
Dockets UE-121697 & UG-121705, PSE Decoupling
Dockets UE-130137 & UG-130138 PSE ERF

I hereby certify that a true and correct copy of the Public Counsel Objection to Order 02 Schedule was sent to each of the parties of record shown below in sealed envelopes, via: First class mail, postage prepaid and E-Mail .

SERVICE LIST

**** = Receive Highly Confidential; * = Receive Confidential; NC = Receive Non-Confidential**

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DATED: April 1, 2013.


Carol Baker
Legal Assistant

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PUGET SOUND ENERGY, INC.,
and NW ENERGY COALITION

For an Order Authorizing PSE To
Implement Electric and Natural Gas
Decoupling Mechanisms and To
Record Accounting Entries
Associated With the Mechanisms

.....
WASHINGTON UTILITIES AND
TRANSPORTATION
COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKETS UE-121697 and
UG-121705

DOCKETS UE-130137 and
UG-130138

PUBLIC COUNSEL OBJECTION TO
ORDER 02 SCHEDULE

I. INTRODUCTION

1. Public Counsel files this objection to the Consolidation Order, Prehearing Conference Order, and Notice of Hearing in this Proceeding (Order 02), with respect to the schedule adopted for the PSE ERF and Decoupling dockets. Public Counsel appreciates and supports the

Commission's decision to set these matters for adjudication. However, for the reasons stated below, Public Counsel believes the schedule does not afford parties a fair opportunity to evaluate the proposals in this case and prepare recommendations for the Commission, with the result that the adjudicative proceeding initiated has limited value. Public Counsel respectfully requests that the Commission reconsider adoption of a schedule that is consistent with that recommended by NWIGU and Public Counsel in their joint letter filing on March 12, 2013. As a practical matter, this would involve additional time of approximately 60 days in the schedule, with the case completed by September.¹

2. Public Counsel has been authorized to state that the following parties support this objection: Federal Executive Agencies, Northwest Industrial Gas Users, and Nucor Steel Seattle, Inc.

II. OBJECTION TO ORDER 02

A. Objection to Schedule.

3. The PSE ERF and Decoupling cases contain significant new policy and procedural proposals that warrant more careful review than the Order 02 schedule permits. In addition, the financial impact of the proposals is substantial. By year-end 2015, PSE rates will increase by approximately \$200 million (combining the ERF, and gas and electric decoupling rate changes).² While Public Counsel is very actively pursuing discovery and issue analysis, Public Counsel's expert witness has advised the office that the Order 02 schedule will not allow him sufficient

¹ During the preparation of this pleading, some discussion has occurred regarding rescheduling of the settlement conference. This pleading does not affect Public Counsel's agreement to participate in the rescheduled settlement conference.

² Customers would also be exposed to additional increases under PCORC filings and other requests that are permitted outside the ERF/Decoupling framework.

time to complete discovery or to perform more than a preliminary analysis. The schedule is not consistent with the level of review contemplated for an expedited rate filing proposed by Staff in the PSE GRC,³ or for the review of decoupling as part of a general rate filing which the Commission has previously indicated is Commission policy.⁴

4. Arguments that the issues are not new and that parties have already had an ample opportunity to analyze the proposals are not well founded. The ERF proposal filed February 1, is different than that briefly discussed last fall between PSE and stakeholders. It has now become linked to a new decoupling/rate plan just filed March 1, with new supporting testimony, that is substantially different in rate impact and structure than earlier decoupling proposals of PSE in the docket.

5. Both the ERF and Decoupling dockets have been subject to procedural uncertainty. No discovery rules or protective orders were in place and the process and schedule for consideration of the dockets was unclear. Much of the material to which parties must respond, including testimony, exhibits, and a Staff/PSE/NWEC settlement agreement, has only been filed within the last 30 days. No party has made a showing of any need for the extremely expedited schedule in this case nor does Order 02 find that any exigent conditions exist.

³ *WUTC v. Puget Sound Energy, Inc.*, Dockets UE-111048/UG-111049, Order 08, ¶ 496. *See also*, Testimony of Ken Elgin, Exhibit No. KLE-1T, p. 80 *et seq.*

⁴ Docket U-100522, *In the Matter of the Washington Utilities and Transportation Commission's Investigation into Energy Conservation Incentives*, Report and Policy Statement on Regulatory Mechanisms, Including Decoupling, To Encourage Utilities to Meet or Exceed Their Conservation Targets, November 4, 2010. Public Counsel is not recommending a 10 month GRC schedule. However, the Commission's rationale for preferring decoupling review to take place in a GRC context underscores the importance and complexity of the issues to be considered and is equally applicable to the pending proposal given its substantial impact.

B. Objection to Discovery Cut-Off.

6. In addition to the short time for review allowed under this schedule, the discovery cut-off date of April 10 is prejudicial to Public Counsel. Under the order, the Commission's discovery rule will have only been available for 19 days (March 22 through April 10). While some informal discovery has been conducted in the PSE Decoupling docket, much of that discovery related to earlier proposals, not the new proposal filed March 1. In addition, the discovery cut-off expressly precludes the parties from conducting discovery on the rebuttal filings of PSE, Staff, and NWECA, from pursuing necessary follow up to earlier discovery, and from preparing adequately for cross-examination at hearing.⁵ Public Counsel requests that the discovery cut-off be reset for a date following the last round of testimony, with a reasonable period for review of the testimony, issuance of data requests and receipt of responses.

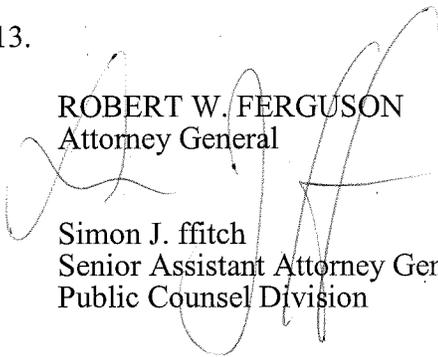
III. CONCLUSION

7. As Public Counsel has previously stated in these proceedings, it does not object to a reasonably expedited process, along the lines of that proposed by Commission Staff and viewed with approval by the Commission in the 2012 PSE GRC. The schedule in this docket however, is not reasonably calculated to provide a fair opportunity for Public Counsel and other customer representatives to respond to PSE's significant new proposals. Public Counsel, therefore, respectfully requests that the Commission reconsider the schedule in this docket and adopt an

⁵ While there was an informal indication during the prehearing conference that parties could request permission to conduct discovery after the cut-off if necessary, this places an unnecessary and inefficient burden on parties to file motions or negotiate over discovery requests that would ordinarily be routinely allowed.

expedited but reasonable schedule comparable to that proposed by Public Counsel and NWIGU in their March 12 letter filing.

8. DATED this 1st day of April, 2013.



ROBERT W. FERGUSON
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Public Counsel Division