

**Exhibit No. \_\_\_ (SW-8)**  
**Docket U-110808**  
**Witness: Sharon Wallace**

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**V.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**DOCKET U-110808**

**EXHIBIT TO  
REBUTTAL TESTIMONY OF**

**Sharon Wallace**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Excerpt from Attachment A to PSE's response to  
Public Counsel Data Request No. 016,  
dated May 18, 2011*

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**From:** Hobbs, Michael G  
**Sent:** Wednesday, May 18, 2011 5:32 PM  
**To:** Archuleta, Gilbert; DeBoer, Tom  
**Cc:** Barard, Agnes; Jackson, Aundrea; Dieterle, Randy  
**Subject:** RE: 26 Account Review  
**Importance:** High

Gilbert:

Just for my clarification, I have a question.

On all the accounts where we inserted into the "Action Required" column, the following statement; "Statement tickled and customer to be contacted," does this mean we have not done anything to date with these 26 accounts with regards to reversing the Prior Obligation charges?

If my assumption is correct, it seems to me that we should have cleared up these accounts based upon the UTC Investigation determination results and subsequent fine for not applying the prior obligation rule correctly. In many of these 26 accounts, we make the statement; "If new process would have been followed, the disconnect in ... would not have happened. I am not sure it matters that "if new process would have been followed" as the Prior Obligation Rule clearly states what action we should have taken. However, we didn't take the proper action at the time, so it's a violation.

Other Items.

On ID Q, in the Action Required column, we state that "2 pledges redirected to to new product assignment and customer payments directed to prior obligation balance." Once we have established a disconnect and a prior obligation, any and all payments received after establishment of the prior obligation must be directed toward future product. It's not clear to me that we are in this ID that any action we have taken or will take, directs post prior obligation payments towards future product payment. This "Action Required" statement of directing payments towards prior obligations appears in several ID's.

I think the main question to be addressed and stated to the UTC is what have we done or what will we do to correct the improper action we took with the appropriate accounts.

Tom, any thoughts on this??

Michael Hobbs  
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Puget Sound Energy  
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