BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Air Liquide America Corporation, Air	
Products and Chemicals, Inc., The)
Boeing Company, CNC Containers,)
Equilon Enterprises, LLC, Georgia-)
Pacific West, Inc., Tesoro Northwest)
Company, The City of Anacortes,)
Washington, and Intel Corporation)
	,)
Complainants,) DOCKET NO. UE-001952
1	(consolidated)
V.) (************************************
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Puget Sound Energy, Inc.)
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Respondent.)
respondence)
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In my Datition of Dugat Cound Energy) DOCKET NO. UE-001959
In re: Petition of Puget Sound Energy,	,
Inc. for an Order Reallocating Lost) (consolidated)
Revenues Related to any Reduction in) NINTH CURRIEMENTAL ORDER.
the Schedule 48 or G-P Special) NINTH SUPPLEMENTAL ORDER:
Contract Rates) GRANTING PETITION TO
) INTERVENE OUT OF TIME
)
)
)

- PROCEEDINGS: Air Liquide, *et al.* filed their original Formal Complaint Requesting Emergency Adjudicative Proceeding in Docket No. UE-001952 on December 12, 2000. Complainants filed an Amended Complaint on December 18, 2000, and a Second Amended Complaint on December 28, 2000. PSE filed its Petition in Docket No. UE-001959 on December 13, 2000. PSE filed its Answer to the first Amended Complaint on January 2, 2001.
- The Commission, after hearing, found and concluded that Schedule 48 and the Special Contract, which include retail rates that are pegged via Mid-Columbia index pricing to Western wholesale power markets that are volatile and exceedingly high, are not fair, just, and reasonable because, under current conditions, customers do not have effective options to achieve price stability and reasonable rates under the

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Optional Price Stability provisions of Schedule 48 and the Special Contract. *Sixth Supplemental Order at* ¶¶ 99 and 103 (January 22, 2001) (citing RCW 80.28.010 and RCW 80.28.020). The Commission ordered immediate proceedings in Phase Two of this docket to establish temporary terms under the Optional Price Stability provisions of Schedule 48 and the Georgia-Pacific/PSE Special Contract that will provide customers effective options to achieve price stability and reasonable rates, consistent with the Commission's discussion in the body of its Sixth Supplemental Order. *Id. at* ¶ 106. By Notice issued and served simultaneously with its Sixth Supplemental Order, the Commission set January 29, 2001, as the date on which to commence the Phase Two hearings to finalize and implement the relief ordered. During proceedings held on January 29, 2001, the Commission heard additional testimony regarding remedies and considered Staff's oral motion for a continuance. Following argument by the parties, the Commission granted a brief continuance until February 5, 2001.

On February 5, 2001, the parties stated they had resumed settlement discussions and requested a recess to determine whether a further continuance would facilitate their efforts. During their discussions, the parties agreed it would be worthwhile to continue settlement negotiations with the assistance of Administrative Law Judge C. Robert Wallis in the role of mediator. The Commission granted the parties' request for a continuance until February 8, 2001, to permit the parties an opportunity to pursue settlement. The continuance to February 8, 2001, was granted with the understanding that the parties could request additional time informally if the progress of their discussions warranted a further continuance. The parties did request additional time; they reported via an agreed statement on February 9, 2001, that they had achieved a settlement in principle. The parties have reported informally from time to time that they continue to work to produce a final settlement agreement for the Commission's consideration.

PARTIES: Melinda Davison, Davison Van Cleve, P.C., Portland, Oregon, represents Air Liquide America Corporation, Air Products and Chemicals, Inc., The Boeing Company, CNC Containers, Equilon Enterprises, LLC, Georgia-Pacific West, Inc., and Tesoro Northwest Company. Stan Berman, Heller Ehrman White & McAuliffe, LLP, Seattle, Washington, and James M. Van Nostrand, Stoel Rives, Seattle, Washington, represent Puget Sound Energy, Inc. (PSE). Jim Pemberton appeared *pro* se to represent the interests of the City of Anacortes and its water utility. John A. Cameron and Traci Grundon, Davis Wright Tremaine LLP, Portland, Oregon, represent Bellingham Cold Storage Company (BCS). Public Utility District No. 1 of Whatcom County (Whatcom PUD), by prior arrangement, did not appear at prehearing and will designate its legal counsel or permanent representative later; Whatcom PUD did appear via its written Petition To Intervene, signed by Tom Anderson, *pro se*. Frank Prochaska appeared *pro* se to represent the AWPPW. Simon ffitch and Robert Cromwell, Assistant Attorneys General, Seattle, Washington, represent the Public Counsel Section, Office of Attorney General (Public Counsel).

Robert D. Cedarbaum and Donald Trotter, Assistant Attorneys General, Olympia, Washington, represent the Commission's regulatory staff (Staff).

- LATE-FILED PETITION TO INTERVENE: On February 15, 2001, King County Washington petitioned for leave to intervene out of time. King County certified service of its Petition on February 20, 2001. The County is a customer of PSE under Schedule 48, which is central to the subject matter of this proceeding. King County's petition states that its interest in participating in this proceeding matured in light of ongoing settlement discussions among the parties. The County states that it will consider becoming a signatory to a settlement agreement, and states that it does not intend to broaden the issues. Staff and Public Counsel filed letters on February 23, 2001, stating that they do not oppose late intervention by King County. No party filed to oppose King County's petition.
- **DISPOSITION:** The Commission determines that King County has demonstrated an interest in this proceeding, has established good cause for its late filing, and that its participation would be in the public interest. In short, King County's petition is well-taken under the circumstances and should be granted.

ORDER

- 7 THE COMMISSION ORDERS That the Petition To Intervene Out of Time of King County is granted.
- 8 THE COMMISSION ORDERS FURTHER That King County will take the record as it is found on this date and will not be permitted to broaden the issues in this proceeding.

DATED at Olympia, Washington, and effective this 6th day of March, 2001.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DENNIS J. MOSS Administrative Law Judge