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March 13, 2013

Via Electronic and U.S. Mail

Steve King, Acting Secretary and Executive Director
Washington Utilities and Transportation Commission
PO Box 47250
1300 S Evergreen Park Drive SW
Olympia, WA 98504-7250

Re: ICNU's Response to Supplement the Record Regarding Potential Procedures for
the Expedited Rate Filing
Docket No. UE-130137

Re: In the Matter of PUGET SOUND ENERGY and NW ENERGY COALITION'S
Petition for an Order Authorizing PSE to Implement Electric and Natural Gas
Decoupling Mechanisms and to Record Accounting Entries Associated with the
Mechanisms
Docket Nos. UE-121697

Dear Mr. King:

The Industrial Customers of Northwest Utilities ("ICNU") feels compelled to reply to the March 12, 2013, letter submitted by Puget Sound Energy, Inc. ("PSE"), given the distortion of facts and process that the letter contains. Specifically, the letter vilifies PSE's customers, accusing them of using a "strategy of delay" and of failing to participate meaningfully in conferences held during the summer and early fall of 2012. ICNU wishes to clarify that it has implemented no improper strategy of delay; rather, it asks only that it be afforded due process. PSE's apparent strategy of holding meetings for the sake of holding meetings after a settlement has been reached with Staff, while ignoring the input and the rights of its customers, only wastes time and resources that are better spent on meaningful review of PSE's proposals.

ICNU was a willing participant in PSE's 2012 meetings, which were highly conceptual, and, as indicated in the e-mails attached to PSE's letter, considered a completely different proposal than the Expedited Rate Filing ("ERF") that PSE filed on February 1, 2013. ICNU went to great expense to hire an expert and counsel to attend and provide constructive feedback, including specific suggestions regarding the ERF, a proposal that was first discussed on September 27, 2012. After a second meeting, 14 days later, PSE ceased communicating with customers regarding the ERF until it made its Expedited Rate Filing on February 1, 2013. To claim that two high-level conferences, spanning 14 days, somehow provided the parties due process and now eliminates the need for deliberative investigation of the proposal is simply untrue. ICNU's initial review of the ERF filing indicates that any and all customer feedback was

completely ignored, and the proposal is drastically different from that originally proposed by Staff.

ICNU petitioned to intervene in the ERF docket immediately after it was opened and was surprised that it did not appear for suspension on an open meeting agenda. Subsequently, ICNU sent the Commission a letter on February 25 asking that the ERF be suspended to allow for proper consideration. This was a “strategy” driven by due process, not delay. On February 26, PSE suggested a settlement conference on March 1, offering only *three days’ notice*, another on March 4, which offered only five days’ notice (four business days), and alternate dates on March 6 and March 8. Crucially, PSE did not provide even an overview of the settlement agreement that it had already reached with Staff, and which was to be the topic of discussion at those meetings, until March 4. Even if counsel for ICNU had been able to abandon other duties to attend a conference on PSE’s proposed dates, it is unclear how such meetings could have served any constructive purpose, given that customers would have had little or no opportunity to review the topics to be discussed. In fact, PSE has repeatedly refused to respond to ICNU’s data requests regarding the bilateral settlement of the ERF docket, and Staff has requested that the related deposition of its witness be postponed – for scheduling purposes. While PSE stonewalls every attempt for meaningful customer review in these dockets and ignores customer input, ICNU can only appeal to the Commission for a fair process.

ICNU has dropped everything possible to devote maximal attention to the ERF proposal. With other customer groups, it has proposed workable dates to begin discussing the many issues raised by the filing, even though PSE’s recent letter indicates an intent to file its settlement on March 19—16 days *before* the first date that all parties have agreed to meet for settlement discussions. Immediately after the Commission determined that informal discovery should be pursued, ICNU began using all discovery methods available. ICNU’s discovery has included data requests to PSE regarding the ERF, data requests to PSE and Staff regarding the “Proposal to Resolve Five Dockets” settlement proposal, and data requests to Staff regarding its recent testimony in support of PSE’s decoupling mechanism. In fact, PSE has been so uncooperative that ICNU was forced to file a motion to compel discovery. ICNU anticipates it may also need to issue data requests to PSE regarding its Amended Petition for Decoupling Mechanism, including the newly proposed “rate plan,” which is now included in that proposal. ICNU has been an active participant in the decoupling docket and understood that the Commission desired further open meeting or workshops for consideration of the unresolved issues in that case. Until last week ICNU assumed that the decoupling process would involve future open meetings and technical discussions as Commissioner Goltz described at the January 15, 2013 meeting.

The Commission asked the parties to submit letters on March 12 regarding potential processes or procedure going forward. ICNU, Staff, and other parties were responsive to that question, while PSE submitted what essentially reads as a brief presenting a distorted, one-sided treatise on the history of these dockets. ICNU submits this letter to rebut on the record the most glaring mischaracterizations made by PSE, but we would be happy to supply a detailed response, if such historical information is useful to the Commission at this point.

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Thank you for your consideration of ICNU's comments.

Sincerely yours,

A handwritten signature in black ink, appearing to read "Melinda J. Davison". The signature is fluid and cursive, with a small mark above the "i" in "Davison".

Melinda J. Davison

cc: Service List
Chair Danner
Commissioner Goltz
Commissioner Jones
Judge Moss