

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKET UE-161123

ORDER 02

PREHEARING CONFERENCE  
ORDER; NOTICE OF HEARING  
(Set for May 3-5, 2017)

- 1 **NATURE OF PROCEEDING.** On October 7, 2016, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-0160, Schedule 451 – Large Customer Retail Wheeling. PSE proposes an optional schedule for customers who have maintained a minimum of an average of 10 average megawatts (aMW) at one or more customer sites served under Schedule 40 – Large General Service Greater Than 3 aMW over the entire test year of the most recent general rate case. The Company also seeks approval of the signed Service Agreement between the Company and Microsoft Corporation, including the Service Agreement’s \$23.685 million Power Supply Stranded Cost Charge.
- 2 **CONFERENCE.** The Commission convened a prehearing conference in this docket at Olympia, Washington, on November 7, 2016, before Administrative Law Judge Marguerite E. Friedlander.
- 3 **APPEARANCES.** Jason Kuzma, Perkins Coie LLP, Bellevue, Washington, represents PSE. Lisa W. Gafken, Assistant Attorney General, Seattle, Washington, represents the Public Counsel Unit of the Washington Office of the Attorney General (Public Counsel). Christopher M. Casey and Jeff Roberson, Assistant Attorneys General, Olympia, Washington, represent the Commission’s regulatory staff (Staff).<sup>1</sup> Liz Thomas and Benjamin A. Mayer, K&L Gates, Seattle, Washington, represent Microsoft Corporation. Tyler C. Pepple, Davison Van Cleve, P.C., Portland, Oregon, represents the Industrial

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<sup>1</sup> In formal proceedings, such as this, the Commission’s regulatory staff participates like any other party, while the Commissioners make the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners’ policy and accounting advisors do not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. *See*, RCW 34.05.455.

Customers of Northwest Utilities (ICNU). Simon J. ffitch, Attorney at Law, Bainbridge Island, Washington, represents The Energy Project. Joni Bosh, Seattle, Washington, represents the NW Energy Coalition (NVEC). Kurt J. Boehm and Jody Kyler Cohn, Boehm, Kurtz & Lowry, Cincinnati, Ohio, represent The Kroger Co. Vicki M. Baldwin, Parsons Behle & Latimer, Salt Lake City, Utah, presents Wal-Mart Stores, Inc and Sam's West, Inc. (Wal-Mart). Irion Sanger and Sidney Villanueva, Sanger Law, P.C., Portland, Oregon, represent Northwest and Intermountain Power Producers Coalition (NIPPC). Contact information for the parties' representatives is attached as Appendix A to this order.

4 **PETITIONS FOR INTERVENTION.** The following organizations filed petitions to intervene:

Microsoft Corporation  
ICNU  
The Energy Project  
NVEC  
The Kroger Co.  
Wal-Mart  
NIPPC

5 No party objected to the petitions for intervention from Microsoft Corporation, ICNU, The Energy Project, NVEC, The Kroger Co., and Wal-Mart. The Commission finds each of these petitioners has established a substantial interest in this proceeding and that their participation will be in the public interest.

6 PSE opposes the intervention of NIPPC. The association's petition for intervention will be addressed shortly in a subsequent order.

7 **AGREEMENT TO ELECTRONIC SERVICE.** All parties have agreed to receive service electronically from the Commission. The Commission will serve only electronic copies of documents in this docket.

8 **PROTECTIVE ORDER.** The parties ask that the Commission enter a highly confidential protective order in this docket under RCW 34.05.446, RCW 80.04.095, WAC 480-07-420 and WAC 480-07-423 to protect the confidentiality of proprietary information. The Commission granted the request and will enter a protective order in this docket.

9 The parties are strongly encouraged to limit the amount of data they designate as confidential or highly confidential, and the Commission may look closely at any documents that are designated in their entirety either confidential or highly confidential. Confidential information should be limited to that defined in WAC 480-07-423(3)(a) as “information that might compromise a company’s ability to compete fairly or that otherwise might impose a business risk if disseminated without the protections provided in the commission’s protective order,” or highly confidential as defined in WAC 480-07-423(3)(b) as “information the dissemination of which, for example, imposes a highly significant risk of competitive harm to the disclosing party without enhanced protections provided in the commission’s protective order.”

10 **DISCOVERY.** Discovery will be conducted pursuant to the Commission’s discovery rules, WAC 480-07-400 – 425. The Commission urges the parties to work cooperatively together to avoid having to bring discovery matters forward for formal resolution.

11 **PROCEDURAL SCHEDULE.** The parties agreed on a procedural schedule during the conference. The Commission adopts this procedural schedule, which is attached to this Order as Appendix B. Various parties have indicated that a settlement conference would be helpful, and the Commission encourages all parties to accommodate at least one settlement conference into the procedural schedule for this matter.

12 **DOCUMENT FILING REQUIREMENTS.** Parties must file all pleadings, motions, briefs, and other prefiled materials in compliance with all of the following requirements:

- (a) Parties must submit electronic copies in native Microsoft format (Word, Excel, etc.) and searchable Adobe Acrobat (.pdf) of all documents by 5:00 p.m. on the filing deadline established in the procedural schedule (or other deadline as applicable) unless the Commission orders otherwise. If any of the documents contain information that is designated as confidential or highly confidential, the party must also file an electronic copy (in Adobe Acrobat (.pdf) of the redacted version of each such document. Parties must follow WAC 480-07-140(5) in organizing and identifying electronic files. Parties may submit documents electronically through the Commission’s Web Portal ([www.utc.wa.gov/e-filing](http://www.utc.wa.gov/e-filing)) or by email to [records@utc.wa.gov](mailto:records@utc.wa.gov).
- (b) Parties must file **five** paper copies (with original signatures, if applicable) of the documents with the Commission by 5:00 p.m. on the first business day following the filing deadline as provided in WAC 480-07-145(6). The documents must conform to the format and publication guidelines in WAC

480-07-395 and WAC 480-07-460. All hard copy filings must be mailed or delivered to the Executive Director and Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, 1300 S. Evergreen Park Drive S.W., Olympia, Washington 98504-7250.

(c) Parties must electronically serve the other parties and provide courtesy electronic copies of filings to the presiding administrative law judge ([mfriedla@utc.wa.gov](mailto:mfriedla@utc.wa.gov)) by 5:00 p.m. on the filing deadline unless the Commission orders otherwise. If parties are unable to email copies, they may furnish electronic copies by delivering them on a flash drive only.

- 13 **EXHIBITS FOR CROSS-EXAMINATION.** Parties are required to file with the Commission and serve all proposed cross-examination exhibits by **noon on April 27, 2017**. The Commission requires electronic copies in native format, if available, and searchable Adobe Acrobat (.pdf) and five paper copies of the exhibits. If any of the exhibits contain information that is designated as confidential or highly confidential, the party must also file one electronic copy (in Adobe Acrobat (.pdf)) and one paper copy of the redacted version of each such exhibit. The exhibits must be grouped according to the witness the party intends to cross examine with the exhibits. The paper copies of the exhibits also must be organized into sets that are tabbed and labeled.
- 14 **EXHIBIT LISTS.** Each party must file a list of all exhibits the party intends to introduce into the evidentiary record, including all prefiled testimony and exhibits, as well as cross-examination exhibits. The parties must file and serve their exhibit lists by **noon on April 27, 2017**.
- 15 **CROSS-EXAMINATION TIME ESTIMATES.** Each party must provide a list of witnesses the party intends to cross-examine at the evidentiary hearing and an estimate of the time that party anticipates the cross-examination of that witness will take. Parties should not file witness lists or cross-examination time estimates but must provide them to the administrative law judge and the other parties by **noon on April 27, 2017**.
- 16 **NOTICE OF HEARING.** The Commission will hold an evidentiary hearing in this matter on **May 3, 2017, at 9:30 a.m.**, in the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington. The hearing is scheduled to continue through May 5, 2017, as necessary.
- 17 **ALTERNATE DISPUTE RESOLUTION.** The Commission supports the informal settlement of matters before it. Parties are encouraged to consider means of resolving

disputes informally. The Commission has limited ability to provide dispute resolution services. If you wish to explore those services, please contact Gregory J. Kopta, Director, Administrative Law Division ([gkopta@utc.wa.gov](mailto:gkopta@utc.wa.gov) or 360-664-1355).

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**NOTICE TO PARTIES: A party who objects to any portion of this Order must file a written objection within ten (10) calendar days after the service date of this Order, pursuant to WAC 480-07-430 and WAC 480-07-810. The service date appears on the first page of the order in the upper right-hand corner. Absent such objection, this Order will control further proceedings in this matter, subject to Commission review.**

Dated at Olympia, Washington, and effective November 14, 2016.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARGUERITE E. FRIEDLANDER  
Administrative Law Judge

**APPENDIX A**

**PARTIES' REPRESENTATIVES  
DOCKET UE-161123**

<b>PARTY</b>	<b>REPRESENTATIVE</b>	<b>PHONE</b>	<b>E-MAIL</b>
PSE	Jason Kuzma Perkins Coie LLP 10885 NE 4 <sup>th</sup> Street, Suite 700 Bellevue, WA 98004	425-635-1416	<a href="mailto:jkuzma@perkinscoie.com">jkuzma@perkinscoie.com</a>
	Puget Sound Energy Ken Johnson, Director – Rates & Regulatory Affairs P.O. Box 97034, PSE-08N Bellevue, WA 98009-9734		<a href="mailto:Ken.s.johnson@pse.com">Ken.s.johnson@pse.com</a>
	PSE Data Requests		<a href="mailto:psedrs@perkinscoie.com">psedrs@perkinscoie.com</a>
	Will Einstein		<a href="mailto:Will.einstein@pse.com">Will.einstein@pse.com</a>
Staff	Christopher M. Casey Assistant Attorney General Office of the Attorney General Utilities and Transportation Division 1400 S. Evergreen Park Drive SW P.O. Box 40128 Olympia, WA 98504-0128	360-664-1189	<a href="mailto:ccasey@utc.wa.gov">ccasey@utc.wa.gov</a>
	Jennifer Snyder Regulatory Analyst Washington Utilities and Transportation Commission 1300 S. Evergreen Park Drive SW P.O. Box 47250 Olympia, WA 98504-7250		<a href="mailto:jsnyder@utc.wa.gov">jsnyder@utc.wa.gov</a>
	Jeff Roberson Assistant Attorney General		<a href="mailto:jroberso@utc.wa.gov">jroberso@utc.wa.gov</a>
	Sally Brown Senior Assistant Attorney General and Division Chief		<a href="mailto:sbrown@utc.wa.gov">sbrown@utc.wa.gov</a>
	Krista Gross Legal Assistant		<a href="mailto:kgross@utc.wa.gov">kgross@utc.wa.gov</a>
	Betsy DeMarco Legal Assistant		<a href="mailto:bdemarco@utc.wa.gov">bdemarco@utc.wa.gov</a>
Public Counsel	Lisa W. Gafken	206-464-6595	<a href="mailto:Lisa.gafken@atg.wa.gov">Lisa.gafken@atg.wa.gov</a>

	Assistant Attorney General Washington Attorney General's Office Public Counsel Unit 800 5 <sup>th</sup> Avenue, Suite 2000 Seattle, WA 98104-3188		
			<a href="mailto:PCCseaf@atg.wa.gov">PCCseaf@atg.wa.gov</a>
	Carla Colamonici Regulatory Analyst		<a href="mailto:carlac@atg.wa.gov">carlac@atg.wa.gov</a>
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	Chanda Mak Legal Assistant		<a href="mailto:chandam@atg.wa.gov">chandam@atg.wa.gov</a>
Microsoft Corp.	Liz Thomas K&L Gates LLP 925 Fourth Avenue, Suite 2900 Seattle, WA 98104-1158	206-370-7631	<a href="mailto:Liz.thomas@klgates.com">Liz.thomas@klgates.com</a>
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	Irene Plenefisch		<a href="mailto:irenep@microsoft.com">irenep@microsoft.com</a>
ICNU	Tyler C. Pepple Davison Van Cleve, P.C. 333 S.W. Taylor, Suite 400 Portland, OR 97204	503-241-7242	<a href="mailto:tcp@dvclaw.com">tcp@dvclaw.com</a>
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The Energy Project	Simon J. ffitich Attorney at Law 321 High School Rd. NE Suite D3, Box No. 383 Bainbridge Island, WA 98110	206-669-8197	<a href="mailto:simon@ffitichlaw.com">simon@ffitichlaw.com</a>
	Shawn Collins The Energy Project		<a href="mailto:Shawn_collins@oppco.org">Shawn_collins@oppco.org</a>
	Carol Baker Legal Assistant		<a href="mailto:carol@ffitichlaw.com">carol@ffitichlaw.com</a>
NWEC	Joni Bosh	206-735-2720	<a href="mailto:joni@nwenergy.org">joni@nwenergy.org</a>
	Wendy Gerlitz	503-236-6406	<a href="mailto:wendy@nwenergy.org">wendy@nwenergy.org</a>
Wal-Mart	Vicki M. Baldwin Parsons Behle & Latimer 201 South Main Street, Suite 1800 Salt Lake City, UT 84111	801-532-1234	<a href="mailto:vbaldwin@parsonsbehle.com">vbaldwin@parsonsbehle.com</a>
	Steve Chriss		<a href="mailto:Stephen.chriss@walmart.com">Stephen.chriss@walmart.com</a>
The Kroger Co.	Kurt J. Boehm Boehm, Kurtz & Lowry 36 East Seventh Street, Suite 1510	513-421-2255	<a href="mailto:kboehm@bkllawfirm.com">kboehm@bkllawfirm.com</a>

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NIPPC	Kevin C. Higgins Principal Energy Strategies, LLC 215 So. State Street, Suite 200 Salt Lake City, UT 84111		<a href="mailto:khiggins@energystrat.com">khiggins@energystrat.com</a>
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**APPENDIX B  
PROCEDURAL SCHEDULE  
DOCKET UE-161123**

<b>EVENT</b>	<b>DATE</b>
Supplemental Testimony and Exhibits from Puget Sound Energy and/or Microsoft Corporation (if any)	<b>December 15, 2016</b>
Staff and Intervenor Response Testimony and Exhibits <sup>2</sup>	<b>March 6, 2017</b>
Settlement Conference(s)	<b>TBD</b>
PSE and Microsoft Rebuttal Testimony and Exhibits; Staff and Intervenor Cross-Answering Testimony and Exhibits <sup>3</sup>	<b>April 7, 2017</b>
Discovery Deadline	<b>April 18, 2017</b>
Cross-Examination Exhibits, Witness Lists, and Time Estimates	<b>April 27, 2017 (by noon)</b>
Evidentiary Hearing	<b>May 3-5, 2017</b>
Initial Post-Hearing Briefs	<b>June 7, 2017</b>
Reply Briefs	<b>July 10, 2017</b>
Suspension Date	<b>September 7, 2017</b>

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<sup>2</sup> Response time to data requests after this date will be 7 business days.

<sup>3</sup> Response time to data requests after this date will be 5 business days.