

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket Nos. UE-111048 and UG-111049
Puget Sound Energy, Inc.'s
2011 General Rate Case**

WUTC STAFF DATA REQUEST NO. 209

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RE: Claim by PSE concerning direct defiance of Commission Orders. Refer to the Rebuttal Testimony of Matthew Marcellia at page 45, line 6.

- 1) Please identify each and every position that PSE has taken in the current rate case that is in direct defiance of a prior Commission order.
- 2) Please admit that the Commission's subsequent Order 6 in PacifiCorp, Docket UE-100749 specifically rejected the argument upon which PSE is relying, i.e., that no adjustment could be made to rate base until after an IRS audit was completed.
- 3) If your answer to part b is anything other than an unqualified admission, please explain fully and provide all documents relied upon.
- 4) Please admit that PSE's position in the current case concerning the ratemaking treatment of the income tax impacts of repairs deductions is in direct defiance of Commission Order 6 in PacifiCorp, Docket UE-100749.
- 5) If your answer to part d is anything other than an unqualified admission, please explain fully and provide all documents relied upon.

Response:

1. Puget Sound Energy, Inc. ("PSE") objects to WUTC Staff Data Request No. 209 as calling for a legal conclusion. Without waiving such objection, and subject thereto, PSE responds as follows:

PSE has not knowingly or intentionally defied a prior Commission order, and has not done so in this case. That being said, PSE always pursues new or better ways of doing things. To the extent that something in this proceeding was filed in a manner that may have been inconsistent with PSE's prior filing, those issues have been noted in PSE's initial testimony. Note that filing something in a

manner that is inconsistent with prior filings does not automatically mean that such filing is in "direct defiance" of a Commission order. A good example of this would be PSE's proposed change to normalize the income tax treatment of (a) capitalized property taxes, (b) the reserve of bad debts, and (c) the reserve for injuries and damages. See Exhibit No. ____ (MRM-1T), pages 6-17. Normalizing these items is an improvement over the flow through method.

2. Please see PSE's Response to WUTC Staff Data Request No. 206(2).
3. Please see PSE's Response to WUTC Staff Data Request No. 206(2).
4. Please see Exhibit No. ____ (MRM-14T), pages 45 – 48. PSE's filing is in compliance with Order 6 in PacifiCorp's Docket UE-100749 and Order 11 in PSE Docket UE-090704.
5. Please see Exhibit No. ____ (MRM-14T), pages 45 – 48, as well as Exhibit No. ____ (MRM-1T), pages 17 – 20.