

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET NO. UE-031725

STAFF RESPONSE  
SUPPORTING JOINT MOTION  
FOR CONTINUANCE  
(BIFURCATION ALTERNATIVE)

1           On December 12, 2003, the Industrial Customers of Northwest Utilities and  
Microsoft Corporation (collectively the “Joint Parties”) requested a continuance  
until February 9, 2004 for Staff, Public Counsel, and intervenors to file responsive  
testimony in this docket. Such testimony must now be filed on January 9, 2004.

2           In the alternative, the Joint Parties propose that the due date for testimony on  
issues related to the Frederickson acquisition remain at January 9, 2004, but that the  
due date for testimony related to all other issues be moved to February 9, 2004.

**STAFF POSITION ON MOTION**

3           Staff supports the requested continuance with a preference for the alternative  
proposal that would bifurcate this proceeding between Frederickson-related issues

and non-Frederickson-related issues (“Bifurcation Alternative”). The Joint Parties have sufficiently described timing difficulties regarding the acquisition of highly confidential information that is critical to their analysis of the Company’s direct case. A one-month continuance will allow the Joint Parties to overcome those difficulties in a manner that fairly protects their interests.

4           Staff also sees no legal barrier to the Joint Parties’ request. Even if this case is continued for approximately one month, it will still be completed well within the statutory suspension period that did not begin to run until early December 2003.

5           The Settlement Stipulation from Docket Nos. UE-011570 and UG-011571 does contain provisions concerning a 4-month review period in a Power Cost Only Rate Case such as this proceeding. However, the Settlement Stipulation states that the parties “*contemplated* that this review would be completed within four months.” (Emphasis added.) *Washington Utilities and Transportation Commission v. Puget Sound Energy*, Docket Nos. UE-011570 and UG-011571, Twelfth Suppl. Order, Attachment A, Exhibit A at Item 11. The Settlement Stipulation also states that “one objective of a new resource proceeding is to have the new Power Cost Rate in effect by the time the new resource would go into service.” *Id.*

6           Thus, the 4-month review period was not a hard and fast rule that could never be broken. It is a “best efforts” goal (to which Staff remains committed) that would take into account the facts, circumstances, and needs of the parties in each Power Cost Only Rate Case.

7           The Bifurcation Alternative also does no apparent harm to the Company.  
The Company will still achieve certainty on the Frederickson acquisition and will  
do so under the current schedule. Resolution of all remaining issues will be  
delayed only one month.

8           Finally, there are issues in this case that relate to the cost of the Company's  
contract with Tenaska and the cost of fuel related to the Company's contract with  
Encogen. These same issues are pending in Docket No. UE-031389 (PCA Annual  
Report Audit). In a prehearing conference held today in the latter case, Staff, Public  
Counsel and the Company advised the Commission that they have agreed to  
litigate the Tenaska/Encogen issues exclusively in the instant proceeding. All  
parties, therefore, would benefit from additional time to prepare relevant testimony  
on those issues and other issues that would also benefit from a short continuance.

9           For these reasons, Staff supports the Joint Parties' Bifurcation Alternative. In  
the alternative, Staff supports the Joint Parties' proposal to continue all issues in the  
case, if bifurcation is unacceptable to the Commission.

DATED this 18th day of December 2003.

Respectfully submitted,

CHRISTINE O. GREGOIRE  
Attorney General

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