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BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the)
Petition of:)
King County, Washington;)
BNSF Railway; Frontier) Docket UE-141335
Communications Northwest,)
Inc.; Verizon Wireless; and)
New Cingular Wireless PCS,)
LLC)
For a Declaratory Order)

EVIDENTIARY HEARING - VOLUME II

Pages 12 - 99

ADMINISTRATIVE LAW JUDGE GREGORY J. KOPTA

9:29 A.M.
MAY 27, 2015

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A P P E A R A N C E S (Continued)

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GREGORY L. BRITZ, GEORGE BAKER
THOMPSON, JR., MICHAEL MATHISEN,
JENNIFER FIRESTONE,

4

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JOT-2 -- 24 Seattle Times article:
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OLYMPIA, WASHINGTON; MAY 27, 2015

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9:29 A.M.

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JUDGE KOPTA: Let's be on the record in

6

Docket UE-141335 captioned "In the Matter of the

7

Petition of King County Washington; BNSF Railway;

8

Frontier Communications Northwest, Inc.; Verizon

9

Wireless; and New Cingular Wireless PCS, LLC, For a

10

Declaratory Order." We are here today for the

11

evidentiary hearing in this proceeding. I am Gregory

12

Kopta, the administrative law judge who will be

13

presiding.

14

Let's begin by taking appearances, starting

15

with petitioners.

16

MR. STOKES: Good morning, Your Honor.

17

Chad Stokes for the petitioners, from the Cable Huston

18

law firm, representing King County BNSF Railway,

19

Frontier Communications, Verizon Wireless. And with

20

me is Tommy Brooks, from the same law firm.

21

MS. MANHEIM: Hi, Cindy Manheim with

22

AT&T.

23

JUDGE KOPTA: Thank you.

24

And for the Company?

25

MS. BARNETT: Donna Barnett with Perkins

0023

1 Coie representing Puget Sound Energy.

2 JUDGE KOPTA: And for Staff?

3 MR. OSHIE: Patrick Oshie representing
4 Commission Staff.

5 JUDGE KOPTA: And does anyone else wish
6 to make an appearance?

7 Hearing none, we will proceed. In an
8 off-the-record --

9 MS. BROWN-BARRETT: -- Barrett, BNSF
10 Railway.

11 JUDGE KOPTA: Oh, okay. I'm sorry.
12 Would you repeat that, please?

13 MS. BROWN-BARRETT: LaRhonda
14 Brown-Barrett, BNSF Railway.

15 MR. MATHISEN: Mike Mathisen, Pacific
16 Northwest Real Estate Manager, Verizon Wireless.

17 JUDGE KOPTA: Okay. We are having a
18 little trouble hearing you over the phone. Can you
19 give those appearances one more time and get real
20 close to the mike and speak loudly and as clearly as
21 you can.

22 MS. BROWN-BARRETT: Sure. LaRhonda,
23 L-A-R-H-O-N-D-A, Brown-Barrett, B-A-R-R-E-T-T, for
24 BNSF Railway in Fort Worth, Texas.

25 JUDGE KOPTA: Okay. Mr. Mathisen?

0024

1 MR. MATHISEN: Mike Mathisen,
2 M-A-T-H-I-S-E-N. I'm the Pacific Northwest Real
3 Estate Manager for Verizon Wireless.

4 JUDGE KOPTA: All right. Thank you.

5 All right. While we were off the record this
6 morning, we discussed exhibits. The parties have
7 stipulated to the admission of all prefiled testimony
8 and exhibits, as well as the designated
9 cross-examination exhibits, so they will be admitted.
10 I will list them now. They are Exhibit JOT-1T, JOT-2,
11 MPG-1T through MPG-6T, JMS-1T through JMS-9, LFL-1T
12 through LFL-15, KJB-1T through KJB-3, JAB-1T through
13 JAB-11, JLB-1T through JLB-4, and DN-1T through DN-4T.
14 So all of those exhibits are admitted into the record.

15 I understand that Puget Sound Energy has no
16 cross-examination for petitioners' witnesses, so they
17 have been excused from participating in the hearing.
18 We will move, then, to cross-examination of Puget
19 Sound Energy witnesses. I believe Mr. Logen is first
20 up; is that correct, Ms. Barrett?

21 MS. BARNETT: That's correct.

22 Barnett.

23 JUDGE KOPTA: Barnett. I'm sorry.

24 MS. BARNETT: Your Honor, would you like
25 to issue the oath?

0025

1 JUDGE KOPTA: Yes, I will.

2 Will you stand and raise your right hand,
3 please.

4

5 LYNN F. LOGEN, witness herein, having been
6 first duly sworn on oath, was
7 examined and testified as follows:

8

9 JUDGE KOPTA: Ms. Barnett.

10 MS. BARNETT: Thank you.

11

12 D I R E C T E X A M I N A T I O N

13 BY MS. BARNETT:

14 Q Mr. Logen, please state your name and spell it
15 for the court reporter, please.

16 A Lynn F. Logen. That's L-Y-N-N, F., last name
17 is Logen, L-O-G-E-N.

18 Q And you heard that the testimony and exhibits
19 were already admitted. Do you have any corrections or
20 changes to those exhibits?

21 A Yes, I do. Those would be to Exhibit LFL-9T,
22 the footer on all pages should be changed from Exhibit
23 LFL-8T to Exhibit LFL-9T. Exhibit LFL-9T on Page 7,
24 Line 3 should be changed from 8.1 million to 5.3
25 million.

0026

1 MR. MATHISEN: I'm sorry, is the
2 witness's microphone on? We are having trouble
3 hearing him over the phone.

4 JUDGE KOPTA: I'm sorry.

5 THE WITNESS: Now it is.

6 JUDGE KOPTA: Okay. Good.

7 THE WITNESS: Should I repeat any of
8 those corrections?

9 JUDGE KOPTA: I think just the last one.

10 A Exhibit LFL-9T, Page 7, Line 3 should be
11 changed from 8.1 million to 5.3 million. And then
12 Exhibit LFL-9T, Page 7, Line 10 should be changed from
13 8.12 million to 5.3 million. And in the same exhibit,
14 the same page, Line 14 should also be changed from 8.1
15 million to 5.3 million. Exhibit LFL-10 should be
16 based on 5.3 million rather than 8.1 million. And
17 Exhibit LFL-11 should also be based on 5.3 million
18 rather than 8.1 million.

19 These changes are all due to a correction in
20 the response to Staff Data Request No. 39. My
21 testimony should be read considering these changes.

22 Exhibits LFL-10 and LFL-11 have not been
23 revised, but the change in the amount is not expected
24 to have a significant impact on the findings supported
25 by these exhibits.

0027

1 Q Thank you.

2 MS. BARNETT: Your Honor, PSE offers

3 Mr. Logen for cross-examination at this time.

4 JUDGE KOPTA: All right. Mr. Stokes.

5 MR. STOKES: Thank you.

6

7 C R O S S - E X A M I N A T I O N

8 BY MR. STOKES:

9 Q Good morning, Mr. Logen.

10 A Good morning.

11 Q So in your prefiled testimony, you opined on
12 the meaning of certain service agreements executed by
13 the Maloney Ridge customers after the original
14 agreement with GTE. Is it safe to assume that you
15 have reviewed those agreements?

16 A Yes, it is.

17 Q Were you involved in the negotiations of those
18 agreements?

19 A I handled the administrative end, as I recall,
20 but I didn't negotiate with the customers. That was
21 done by the -- at that time the division manager or
22 branch office manager. I can't remember.

23 Q As far as the drafting goes, you weren't
24 involved in that?

25 A My recollection is that they were drafted by

0028

1 Perkins.

2 Q Okay.

3 A And I handled them, passed them on to the
4 appropriate company people.

5 Q Okay. Is your testimony, then, based on the
6 text of the agreements?

7 A Yes.

8 Q Okay. Did you review any other documents that
9 purport to interpret the meaning of the service
10 agreements?

11 A During this process I have reviewed our tariff
12 and discussed the meaning of the agreements.

13 Q Okay. Can you turn to Exhibit 21, which is
14 LFL-4.

15 A (Complies.)

16 Q Let me know when you get there.

17 A I'm there.

18 Q So what is this that you are looking at?

19 A It's a service agreement. There is --
20 actually, there are four service agreements between
21 the four customers that PSE serves on Maloney Ridge
22 and Sobieski.

23 Q Are they all the same? With exception of the
24 names, the terms are the same?

25 A Yes, and the dates signed.

0029

1 Q Okay. I would like to ask you a question
2 about Paragraph 10 of the service agreement. The way
3 that I understand your testimony is that Schedules 80
4 and 85 are the primary tariffs that cover the Maloney
5 Ridge customers; is that correct, in addition to the
6 service agreement?

7 A In addition to the service agreement,
8 Schedules 80 and 85 are -- Schedule 80 would apply;
9 Schedule 85 applies in certain situations.

10 Q Okay. And Puget or its predecessor entered
11 into these agreements as a way to modify those tariffs
12 to cover the unique circumstances associated with this
13 line?

14 A Yes, that was the reason for entering into the
15 agreements, is the unique situation.

16 Q Okay. And does Paragraph 10 state what was to
17 occur in the event that there is a conflict between
18 the service agreement and the tariffs?

19 A Yes, it states that any conflict between this
20 agreement and Puget's Schedules 80 and 85 shall be
21 resolved in favor of such tariff provisions.

22 Q Okay. So in your testimony, which is
23 Exhibit 18, LFL-1T, you indicate that Puget interprets
24 the service agreements to include replacement costs;
25 is that correct?

0030

1 A That's correct.

2 Q Can you point out where in the service
3 agreements the parties addressed what would happen in
4 the event that the Maloney Ridge line needs to be
5 replaced?

6 A It's inferred in Paragraph 4, operating costs.
7 The last sentence in there says, Operating costs shall
8 include any repair and maintenance costs incurred by
9 Puget pursuant to Section 3 above and costs in
10 connection with securing or maintaining operating
11 rights.

12 Q Does the agreement use the word "replace"
13 anywhere?

14 A Not to my knowledge, in the context that you
15 are describing.

16 Q Okay. Can you point to anything in the
17 agreement that references the useful life of the line?

18 A I don't believe that the useful life is
19 referred to.

20 Q I would like you to turn to Paragraph 8 of the
21 service agreement.

22 A (Complies.)

23 Q Does this paragraph allow Puget to terminate
24 service if the right to access a line terminates or is
25 not renewed?

0031

1 A Yes, it does.

2 Q Can you point to any other provision in the
3 agreement that expressly allows Puget to terminate
4 service under the agreement?

5 A There is no specific provisions in the
6 agreement, however, Schedule 80 is incorporated, which
7 includes provisions on termination of service.

8 Q Okay. We will address that later.

9 Let me ask you a question about Paragraphs 2
10 and 3 of the service agreement. Under Paragraph 2,
11 does Puget own the line?

12 A Yes.

13 Q Under Paragraph 3, does Puget have the
14 responsibility to maintain the line?

15 A Yes.

16 Q Do customers perform any maintenance
17 activities on the line?

18 A No, they do not.

19 Q Referring to your testimony, Exhibit 18,
20 LFL-1T, you state, and I'll summarize, that the
21 customers are in a better position than Puget to
22 figure out when preventive maintenance is appropriate
23 and necessary.

24 That's at Page 6, Lines 17 through 20.

25 A I stated at that point that because the

0032

1 customers on Maloney Ridge are responsible for the
2 costs of operation, that PSE believes that the
3 decision regarding preventive maintenance should best
4 fall with those customers.

5 Q Are they in a better position than Puget to
6 determine when the maintenance is necessary and
7 appropriate?

8 A I don't think I know enough about the
9 customers to respond to that, whether they're in a
10 better position or not. They are the one receiving
11 service, so they are the ones that experience the
12 outages. It would depend on a customer's toleration
13 of those outages. They all have generation in place,
14 so they are prepared for outages.

15 Q But between Puget, who is an electric
16 provider, electric service provider, and these
17 customers, who have facilities up there, who is in the
18 better position to determine when maintenance is
19 appropriate on that line?

20 A If we are speaking just preventive
21 maintenance, I believe that the customers are in the
22 best position.

23 Q Can you tell me anywhere in the service
24 agreement where customers agreed to take on that
25 responsibility?

0033

1 A I don't believe it was -- it's stated in the
2 service agreement. It was done from a customer
3 service standpoint rather than PSE starting a program
4 of replacement of the line at the customers' expense.
5 They chose to approach those customers and started
6 that process several years ago.

7 Q But Puget has a responsibility to maintain
8 that line, correct?

9 A That's correct.

10 Q Okay.

11 A And Puget will continue maintaining the line.

12 Q Okay. Let's turn to Schedule 80 for a second.
13 So according to your testimony, Schedule 80 allows
14 Puget to refuse service if doing so is not
15 economically feasible, correct?

16 A You are referring to the version of Schedule
17 80 that was in effect in '94 and '95 or the present
18 version?

19 Q No, the present version. And right now I am
20 just referring to your testimony. In general, you
21 state that Schedule 80 allows Puget to refuse service
22 if not economically feasible, correct?

23 A That's correct.

24 Q Okay. And is it your testimony that Puget can
25 unilaterally make that decision?

0034

1 A At one time that was the case. However, now
2 there is -- the WAC rules provide that the customers
3 have the right to discuss that with the Commission.

4 Q Okay. And that provision of Schedule 80 is
5 why Puget, in your view, can refuse to replace the
6 line?

7 A Well, first off, Puget isn't refusing to
8 replace the line. We are discussing when it will be
9 done and -- and that type of thing, rather than just
10 replacing it without discussing it with customers. If
11 we were to -- we will continue -- as I stated earlier,
12 we will continue to maintain that line and service
13 will continue for the foreseeable future. Now, the
14 cost of that maintenance may dramatically increase at
15 some point, we just don't know.

16 Q But this is a cost-driven issue, correct? You
17 either replace the line or not. In other words, it's
18 not because of a safety issue, correct?

19 A There's -- there's no safety considerations,
20 that is correct.

21 Q And there's no issue regarding the lack of
22 right-of-way, correct?

23 A To do any work there, we would have to get a
24 new permit from the Forest Service. The customers
25 there would also have to have permits. Without those

0035

1 permits, I would think Puget wouldn't want to replace
2 the line --

3 Q At least some of the customers --

4 A -- because we wouldn't be assured of having a
5 customer there.

6 Q But at least some of the customers have rights
7 to be there through 2031, correct?

8 A Not to my knowledge.

9 Q I believe that you have attached to your
10 testimony...

11 (Pause in the proceedings.)

12 A That would be my Exhibit LFL-8, I believe you
13 are looking for.

14 Q Correct.

15 A And this was a data request to the
16 petitioners. The response is that King County is in
17 the process of renewing its permit and that Frontier
18 has -- the permit has not expired, but Frontier
19 anticipates a permit renewal by the end of 2014. The
20 other two customers in this response are silent as to
21 their permit status.

22 Q Well, the Maloney Ridge Users Association has
23 rights through 2031, correct?

24 A It does not state that in this response.

25 Q If you look at the bottom of the response.

0036

1 A It says that Verizon, through the Maloney
2 Ridge Users Association, has a lease for its
3 facilities on Maloney Ridge. My understanding of that
4 is that Verizon has an agreement with the Maloney
5 Ridge Electronic Users Association to have their
6 facilities on their tower and they are leasing space
7 there. It has nothing to do with the permit.

8 Q Okay. Moving on. You are not refusing
9 service because a customer has a legally procured
10 service, correct? Meaning -- so back to my question
11 about whether or not this is economically-driven. So
12 Puget is not taking the position that they won't serve
13 these customers because they illegally procured
14 service, correct?

15 A That is correct.

16 Q Okay. Can you turn to Exhibit 29, which is
17 LFL-12? Let me know when you get there.

18 A Yes, I'm there.

19 Q Okay. So here you have identified Washington
20 Code Section 480-100-056 as a rule-based authority for
21 refusing service when it is economically unfeasible;
22 is that correct?

23 A That is correct. That rule is in effect until
24 January 3rd, 2002.

25 Q Okay. So is it your testimony that the rule

0037

1 you cite here authorizes Puget to refuse service
2 today?

3 A 480-100-056 is not in effect today. There is
4 a replacement rule that I didn't cite in this
5 response.

6 Q So turning back to your testimony, LFL-1T,
7 Page 10, you cite 480-100-123. Is that the rule that
8 you refer to?

9 A I don't have the rules in front of me, but I
10 believe that's about the right number.

11 Q Okay. Let's turn to your testimony, LFL, Page
12 10 at Line 18. Let me know when you get there. Does
13 that look like the rule that you are referring to?

14 A Yes.

15 Q Does that give you the authority to refuse
16 service today?

17 A Yes, it does.

18 Q Okay. I would like to talk to you about the
19 economic feasibility analysis that you guys performed.
20 Is it correct that Puget has performed an analysis to
21 determine if replacement of the line is economically
22 feasible?

23 A Yes.

24 Q Okay. Did your analysis include any public
25 interest component in having 911 and other emergency

0038

1 services provided by petitioners and available to
2 Puget customers and Washington public in general?

3 A It does not, and we haven't taken anything
4 like that into account on service to --

5 Q Okay.

6 A -- hospitals or any other customer.

7 Q Did that analysis include an assessment of the
8 impacts on other ratepayers?

9 A It did not.

10 Q Let's turn to LFL-9T, which is Exhibit -- it's
11 your cross-answering testimony. On Page 9 and Page
12 10, you talk about Mr. Gorman's analysis and you
13 didn't agree with his calculation of the impact to
14 Schedule 24 customers; is that correct?

15 A That's correct.

16 Q Okay. And so Mr. Gorman, using the
17 \$8.1 million number came up with a .4 percent rate
18 impact for Schedule 24 customers, correct?

19 A That's correct.

20 Q And you came up with 1.2 percent rate impact?

21 A That's correct as well.

22 Q Okay. Let's turn to LFL-10, which is your
23 exhibit, on Page 4.

24 A Yes.

25 Q Okay. Is it correct to assume -- is it

0039

1 correct that your analysis begins by identifying the
2 revenue requirement for an \$8 million capital
3 investment and that you calculated the revenue
4 requirement for such investment to be 1.8 million
5 annually?

6 A The model is a model that I have used for a
7 number of years, but I did not build. It was built by
8 one of our experts in modeling. In 2013, it does show
9 regulated revenues of 1.8 million.

10 Q Okay.

11 A Those regulated revenues declined over time as
12 the assets depreciate. This is just a tool to
13 determine the revenue needed to cover an investment.

14 Q Okay. So does that \$1.8 million number -- so
15 starting off, is the \$1.8 million number the number
16 that you used for your modeling, and not the 1.6
17 million or 1.5 million that shows up later on?

18 A The 1.8 million is a calculation performed by
19 the model based on the inputs, which the inputs
20 were -- the 1.8 million are allowed rate of return,
21 taxes --

22 Q Right.

23 A -- things like that.

24 Q But you used the \$1.8 million number in your
25 other spreadsheet to determine the impact on

0040

1 Schedule 24 customers and not --

2 A If you are referring to my Exhibit --

3 Q 11.

4 A -- LFL-11 --

5 Q Yes.

6 A -- that was prepared at my direction to find
7 the impacts, to see if Mr. Gorman was correct or not
8 in his .4 percent. That was prepared by both our
9 revenue requirements group and our cost of service
10 group, and they prepared that independently, based on
11 the 8.1 million investment.

12 Q But the -- okay. So looking at --

13 A In other words --

14 Q -- LFL-11, would you agree with me, if you
15 look at Page 2, that -- and in the grade-out column is
16 your corrected revenue requirement, right here. You
17 used the \$1.8 million number, and that's the same
18 number that shows up in 2013?

19 A Yes.

20 Q Which would assume that you filed a rate case
21 that year and that those rates -- you are assuming by
22 this that that \$1.8 million stays constant over the
23 life of this line?

24 A Yes.

25 Q And then Mr. Gorman used an average over the

0041

1 life of the line, correct?

2 A I don't recall.

3 Q Okay. Subject to check, would you agree that
4 that maybe could account for part of the disparity
5 between your calculation and his?

6 A I would like to defer that question to
7 Ms. Barnard.

8 Q Okay. Well, is the \$1.8 million number the
9 highest point? It goes down from there, correct?

10 A That's correct.

11 Q So if you use any other number on here, the
12 rate impact would go down to the other Schedule 24
13 customers, correct?

14 A Right.

15 Q Okay.

16 A But when rates are set, it's the investment at
17 the time and --

18 Q But that changes over time?

19 A Right, we would have subsequent rate cases.
20 Rates would change, yes.

21 Q So you looked at it at the absolute highest
22 point and that's how you calculated this number?

23 A Yes.

24 Q Okay. Let's move on. So let's turn to LFL-11
25 on Page 2 again. So in order to come up with the rate

0042

1 impact to Schedule 24 customers, using your number,
2 the \$1.8 million number, if I'm correct here, you
3 first subtract the O&M from the revenue requirement to
4 get the 1.25 million; is that correct?

5 A That's correct.

6 Q And then you divide by the next line, which is
7 \$104 million?

8 A That's correct.

9 Q Now, what does that \$104 million represent?

10 A It's labeled as Schedule 24 revenue
11 requirements. I believe that's the revenue
12 requirement for all Schedule 24 customers.

13 Q Okay. So let's turn to Page 4, the next page,
14 Page 4 of 8 on the same exhibit.

15 A (Complies.)

16 Q So if you look down at Line 33, the rate
17 scheduled revenue requirement, okay? LFL-11, Page 4
18 of 8.

19 A Yes.

20 Q Okay. So you used 104 million, do you see
21 that, in the fourth column, correct?

22 A Yes.

23 Q So does that -- is that number representative
24 of the Schedule 24 revenue requirement, or is that
25 only a component of the Schedule 24 revenue

0043

1 requirement? In other words --

2 A That's --

3 Q I'm sorry.

4 A That's the total revenue retirement.

5 Q The 104- or the 245-? I believe the
6 245,829,144 would be the total revenue requirement for
7 Schedule 24.

8 A This is a -- excuse me. It's in Column 4, so
9 it's a distribution revenue requirement.

10 Q So you looked at the impact to only one
11 component of Schedule 24 rates, not the total rate.
12 If I asked you to compute the impact on the total 24
13 rates, would you divide it by the 104 million or the
14 245 million?

15 A The 245-.

16 Q And that's what Mr. Gorman did, correct?

17 A I don't know.

18 Q Well, you have it here in Exhibit 2. So
19 Exhibit 2 --

20 A Yes, he did use the 245-.

21 Q And he came up with the .4 percent?

22 A Yes.

23 Q Okay. And if you take -- and this was based
24 on the \$8.1 million figure, correct?

25 A Yes.

0044

1 Q So if I asked you to calculate this based on
2 the revised 5.1 number, what would the rate impact for
3 Schedule 24 customers be?

4 A It would be somewhat less, but still higher
5 than Mr. Gorman's.

6 Q It would be somewhat less? Oh, I see. Okay.
7 So assuming --

8 A Somewhat less than the 1.2.

9 Q Okay. Right.

10 So it would be five-eighths of your 1.2 -- I'm
11 sorry, no, it would be -- if we took your number, the
12 \$1.8 million, and you subtract out the O&M, you get
13 the 1.252 number. You divide that by -- it would be
14 the 245 million, right?

15 A Yes.

16 Q And that would be approximately .75 percent,
17 does that sound about right, using your calculation?

18 A That seems within the range of what it would
19 be, yes.

20 Q Okay. And if you used Mr. Gorman's analysis,
21 his .4 percent would go to about a .23 percent,
22 correct, subject to check?

23 A Yes.

24 Q Okay. The other provision that you cite is --
25 it's Schedule 80, where a party requests a change to

0045

1 electric facilities. You cite that as authority for
2 charging the Maloney Ridge customers the cost of the
3 line; is that correct?

4 A I cite that as one of the options if the
5 Commission decides the service agreements do not
6 apply.

7 Q And are the customers moving the location of
8 their facilities?

9 A No, they are not.

10 Q Okay. Would the customer load be the same
11 before and after the replacement of the line?

12 A To the best of my knowledge, yes.

13 Q Okay. And would the voltage be the same?

14 A Yes.

15 Q Okay. Can you turn to LFL-13.

16 A (Complies.)

17 Q So this response indicates that the Maloney
18 Ridge line was originally constructed as a line
19 extension; is that correct?

20 A That's correct.

21 Q So ignoring this proceeding, in general is
22 replacement of a distribution line on Puget's system
23 governed by your line extension policies?

24 A Yes, it is, absent any kind of an agreement
25 such as we have in this case.

0046

1 Q I'm sorry, maybe I misunderstood you. So
2 ignoring this case, in general, if you have to replace
3 a distribution line that's been in service, that
4 serves customers, is replacement of that line governed
5 by your line extension policy?

6 A Yes. To some extent it is, yes.

7 Q "To some extent it is." What does that mean?

8 A The timing and whether it is replaced or there
9 is some other action taken, it is not dictated in the
10 tariff. The Schedule 85 simply says we will maintain
11 lines that are installed under Schedule 85.

12 Q So if you've got a group of residential
13 customers that have been served for 25 years and the
14 distribution lines need to be replaced, that's going
15 to be covered under your line extension policy, or is
16 that done just as a matter of replacing
17 infrastructure, which you do as a matter of course
18 under a capital improvement plan?

19 A There's the general obligation under our line
20 extension policy, but the timing and everything else
21 of those replacements and whether or not they are
22 replaced is decided by our engineering group, which
23 tracks outages, frequency and duration of outages, and
24 evaluates all distribution circuits on the system.

25 Q So your line extension policy applies to the

0047

1 whole system at all times?

2 A Yes, except when there is a special agreement.

3 Q Okay. So is replacement of the Maloney Ridge
4 line governed by Schedule 85?

5 A It's governed by the special agreement.

6 MR. STOKES: I have nothing further,
7 Your Honor.

8 JUDGE KOPTA: Thank you, Mr. Stokes.

9 Mr. Oshie, do you have any questions?

10 MR. OSHIE: No, Your Honor.

11 JUDGE KOPTA: I have a couple.

12

13 E X A M I N A T I O N

14 BY JUDGE KOPTA:

15 Q Mr. Logen, would you turn to Exhibit LFL-10?

16 A (Complies.)

17 Q As I understand it, this is the model that you
18 used, or output of the model that you used to
19 determine how much of a revenue requirement you would
20 need to recover a particular investment?

21 A That's correct.

22 Q And you use this model by feeding into it, for
23 lack of a better term, the amount of the investment,
24 and the output is the calculation of the revenue
25 requirement?

0048

1 A That's correct.

2 Q Did you use the \$8.1 million input in this
3 exhibit or the 5.3?

4 A I used the 8.1.

5 Q So if you fed in 5.3, it would be different?

6 A That's correct.

7 Q Can you calculate -- can you use 5.3 as an
8 input?

9 A Yes.

10 Q Okay. As a bench request, I am asking you to
11 rerun this model using the \$5.3 million figure that
12 you gave us this morning, as the actual investment
13 amount.

14 A All right.

15 Q Okay. And the other set of questions I have
16 are in your opening testimony, LFL-1T, Page 11,
17 specifically beginning with the text on Line 15, where
18 you are discussing a margin allowance. Would you
19 explain to me what a margin allowance is?

20 A A margin allowance is the amount under our
21 line extension policy. It is based on the estimated
22 kilowatt hours to be used by the customer to be
23 connected, or customers, and we subtract that amount
24 from the cost of the job. This is so that customers
25 in effect don't double-pay for their distribution

0049

1 services.

2 Q And the petitioners in this case, if you were
3 to reconstruct the line, would they be entitled to
4 this margin allowance?

5 A If the Commission found that the service
6 agreements don't apply, and if Schedule 85 does apply
7 specifically as a line extension, then, yes, it would
8 be eligible for the margin allowance.

9 Q And how is the margin allowance calculated?

10 A There is -- based on Schedule 24, in Schedule
11 85 there is a table. It says Schedule 24, so many
12 cents per kilowatt hour, based on your estimated
13 kilowatt hours for a year.

14 Q So this is not a calculation specific to this
15 particular line extension, but is one based on what
16 you have in the tariff?

17 A That's correct.

18 Q Have you done any calculation on what the cost
19 would be for this to be an economic project?

20 A I have not.

21 Q Is that something that could be done?

22 A Yes, I would think it could be.

23 Q I'm just interested in the delta between how
24 much it would cost and still be an economic project
25 versus what the actual cost is.

0050

1 A Uh-huh.

2 Q So as Bench Request No. 2, I would ask you to
3 calculate that amount.

4 A All right.

5 JUDGE KOPTA: Those are all my
6 questions.

7 Ms. Barnett, do you have any redirect?

8 MS. BARNETT: Yes, just a couple.

9

10 R E D I R E C T E X A M I N A T I O N

11 BY MS. BARNETT:

12 Q Mr. Logen, has PSE refused service to
13 petitioners?

14 A No.

15 Q And regarding Mr. Gorman's economic analysis,
16 if PSE and all the parties in this case accepted
17 Mr. Gorman's analysis without any corrections, would
18 replacement of the -- would that make replacement of
19 the Maloney Ridge line economically feasible?

20 A No, it would not.

21 Q And regarding Mr. Stokes' questions on
22 Schedule 85, how, in your understanding, would
23 Schedule 85 apply to the petitioners if this line is
24 not a new line or a line extension per se, but a
25 replacement line? Why would Schedule 85 apply?

0051

1 A Schedule 85 also applies to modifications to
2 an existing line.

3 MS. BARNETT: No further questions, Your
4 Honor.

5 JUDGE KOPTA: All right. Thank you,
6 Mr. Logen. You are excused. We appreciate your
7 testimony.

8 Who is next?

9 MR. BROOKS: I believe it will be
10 Mr. Sanders.

11 JUDGE KOPTA: All right.

12 You might as well stay standing. Raise your
13 right hand.

14

15 JASON M. SANDERS, witness herein, having been
16 first duly sworn on oath, was
17 examined and testified as follows:

18

19 JUDGE KOPTA: Thanks. You may be
20 seated.

21 Ms. Barnett.

22 D I R E C T E X A M I N A T I O N

23 BY MS. BARNETT:

24 Q Good morning, Mr. Sanders.

25 A Good morning.

0052

1 Q Would you please state your name and spell
2 your name for the court reporter, please?

3 A Jason M. Sanders, J-A-S-O-N, M.,
4 S-A-N-D-E-R-S.

5 Q And you heard your testimony and exhibits were
6 admitted. Do you have any changes or corrections to
7 those?

8 A I do. I have a correction to JMS-1T, Page 4,
9 Line 4, in reference to \$8.1 million for the estimate.
10 The correct value is \$5.3 million.

11 Q Thank you.

12 Anything else?

13 A No.

14 MS. BARNETT: With that, Your Honor, PSE
15 offers Mr. Sanders for cross-examination.

16 JUDGE KOPTA: Mr. Brooks.

17

18 C R O S S - E X A M I N A T I O N

19 BY MR. BROOKS:

20 Q Good morning, Mr. Sanders.

21 A Good morning.

22 Q Your correction probably took care of a couple
23 of questions I had, just to establish that, so
24 thank you for making those.

25 Since you have that part of your testimony

0053

1 open, on Page 4, where you had Line 4, you just
2 indicated that, since the drafting of this testimony,
3 the estimated cost of replacement went from 8.1 to
4 5.3 million, correct?

5 A Correct.

6 Q What change reduced that estimated cost by
7 more than 35 percent?

8 A There are several factors that resulted in the
9 correction. As we stated with the customers earlier
10 on, through all of our conversations, these are
11 conceptual estimates. We haven't had any
12 opportunities to actually go out and do what would --
13 in most cases we would have an engineering service
14 agreement, where we would actually get out into the
15 area and walk the site and do a number of studies.
16 These were all conceptual estimates.

17 There was -- there have been several folks who
18 were involved in the estimating over the two years
19 that we been meeting with the customers. We did find
20 that in the original estimate that there were some
21 errors in which -- rounding errors, they rounded up in
22 a number of occasions. They also, in the original
23 estimate, only took the high values for the
24 calculations. And also in the original estimate, we
25 used an overhead percentage of 20 percent, so when we

0054

1 did the revised calculations, the overhead percent was
2 reduced from 20 percent to 16 percent to reflect more
3 accurately our overheads. Also in the revised
4 estimates, we had both a high and a low cost and we
5 took the average of those costs. That reflects for
6 the majority of the errors.

7 Q Thank you.

8 Do you have Exhibit JMS-9 in front of you?

9 A I do.

10 Q And this appears to be Puget's revised
11 estimates of those costs you just discussed; is that
12 correct?

13 A That's correct.

14 Q And are these numbers still accurate?

15 A Yes, they are.

16 Q Thank you.

17 Turning back to your testimony. Still on
18 Page 4, actually. Here you have indicated that Puget
19 has performed an economic feasibility study; is that
20 correct?

21 A That's correct.

22 Q What time period did you use to conduct that
23 analysis?

24 A So if I understand your question right, the
25 feasibility study was done in August 2013, as I

0055

1 stated, and then on Line 19, that we base that on the
2 2011 power consumption revenue.

3 Q And what was the horizon for the analysis, how
4 far out did you look at the economic impacts?

5 A My understanding -- as a sponsor of this
6 study, my understanding is they went out 28 years.

7 Q And has that number changed at all in other
8 analyses that Puget has done?

9 A My understanding of that, these are the
10 numbers. That's the depreciable plant life that we --
11 we typically use.

12 Q Do you know how long the Maloney Ridge line
13 has been in service?

14 A Since 1971.

15 Q And would the materials used to replace the
16 existing line be expected to last longer than the
17 materials that were used in 1971?

18 A I'm really not an expert to be able to say how
19 long the cables would last for.

20 Q So the 28 years, then, was based purely just
21 on the depreciable life of those assets?

22 A For the study the 28 years was, yes.

23 Q Does your economic feasibility analysis
24 include any consideration of the importance of the
25 services that are provided by the petitioners, both to

0056

1 Puget's customers and to the Washington public in
2 general?

3 A No, it does not.

4 Q I want to turn to a different topic. Does the
5 continued maintenance of the Maloney Ridge line pose
6 safety concerns for Puget?

7 A The safety -- I'm sorry. The safety concerns
8 for both Puget and for our service provider, Potelco,
9 are related to access of the mountainous terrain
10 during the wintertime. Those kinds of things are the
11 only -- are the only times that we have said that
12 there were safety concerns.

13 Q Could you turn to what has been labeled as
14 Exhibit JMS-7?

15 A Okay.

16 Q And this is a pretty long exhibit, so if I
17 could get you to turn to Page 38 of 73.

18 A Okay. I have that.

19 Q Is this an e-mail from you to the Maloney
20 Ridge customers that explains the concerns that you
21 just described here?

22 A Yes, it is.

23 Q Is it also Puget's position that, without
24 replacement of this line, that the cables will
25 ultimately fail and service will not be provided?

0057

1 A Our position is -- as we talked to the
2 customer as well, I don't think we have any way of --
3 of saying for sure when that system will fail, that
4 the number of faults on the system over time -- that
5 we do believe that -- that there is a life expectancy
6 on that, that we anticipate that it will probably
7 continue to have more outages, more splices, and at
8 that point will -- I think it would effectively fail.

9 Q Could you -- in this same Exhibit, JMS-7,
10 could you turn to Page 64 of 73?

11 A Okay.

12 Q Can you describe what this document is?

13 A These are the meeting minutes from the
14 October 30th customer meeting.

15 Q And this is a meeting you were in attendance?

16 A Yes, this was. And I'm not -- I believe it's
17 2013.

18 Q I see that it doesn't have the year on it.

19 A Yeah.

20 Q Does this document reflect the concern that
21 you just acknowledged regarding the Maloney Ridge line
22 needing to be replaced and its ultimate failure?

23 A Yes, it does.

24 MR. BROOKS: Thank you. That's all the
25 questions we have for you.

0058

1 JUDGE KOPTA: Mr. Oshie?

2 MS. BARNETT: No questions, Your Honor.

3 JUDGE KOPTA: I have none.

4 Ms. Barnett, any redirect?

5 MS. BARNETT: Just one, Your Honor.

6

7 R E D I R E C T E X A M I N A T I O N

8 BY MS. BARNETT:

9 Q Mr. Sanders, you said that the economic
10 analysis PSE performed did not consider the importance
11 of the service. Why didn't the economic analysis
12 consider the source -- or I mean the use of the power?

13 A My understanding, when we do any of the
14 feasibility studies and we are taking considerations
15 for all our customers, we don't look at what the use
16 of the system will be for them. I think to
17 Mr. Logen's point earlier, whether -- we are working
18 with everything from hospitals to refineries to any
19 number of customers and -- and that piece of the risk
20 does not play into a feasibility study.

21 MS. BARNETT: Thank you. No further
22 questions, Your Honor.

23 JUDGE KOPTA: Thank you, Mr. Sanders.
24 You are excused. We appreciate your testimony this
25 morning.

0059

1 Who would you like to talk to next?

2 MR. BROOKS: Ms. Barnard, please.

3 JUDGE KOPTA: Before you sit down -- too
4 late.

5

6 KATHERINE J. BARNARD, witness herein, having been
7 first duly sworn on oath, was
8 examined and testified as
9 follows:

10

11 JUDGE KOPTA: Thank you.

12

13 D I R E C T E X A M I N A T I O N

14 BY MS. BARNETT:

15 Q Good morning, Ms. Barnard. Could you please
16 state your name and spell it for the court reporter?

17 A Yes. My name is Katherine, K-A-T-H-E-R-I-N-E,
18 Barnard, B-A-R-N-A-R-D.

19 Q Do you have any corrections to your already
20 accepted/admitted testimony or exhibits?

21 A There are no direct corrections, however, I do
22 have a reference on Page 2, Lines 11 through 13,
23 referencing Mr. Logen's. To the extent the costs were
24 reduced from 8.1 million to 5.3, there would be an
25 impact on that as well.

0060

1 Q Thanks.

2 Anything else?

3 A No.

4 MS. BARNETT: Your Honor, with that, PSE
5 offers Ms. Barnett -- Ms. Barnard for
6 cross-examination.

7 JUDGE KOPTA: I'm glad I'm not the only
8 one.

9 MS. BARNETT: To make that clear,
10 Barnard.

11 JUDGE KOPTA: Mr. Brooks.

12

13 C R O S S - E X A M I N A T I O N

14 BY MR. BROOKS:

15 Q Good morning, Ms. Barnard.

16 A Good morning.

17 Q I would like to start with some questions
18 based on your prefiled cross-answering testimony,
19 which is Exhibit KJB-1T. Do you have that in front of
20 you?

21 A Yes, I do.

22 Q I would like to point you to Page 2 of that
23 testimony. It's the same page you just made the
24 correction on.

25 A Yes.

0061

1 Q On Line 8 you make a statement that the
2 Maloney Ridge line is not part of PSE's distribution
3 system; is that correct?

4 A I do.

5 Q Does Puget own the facilities that make up the
6 Maloney Ridge line?

7 A I believe, according to Mr. Logen's testimony,
8 they do.

9 Q To your knowledge, has Puget agreed to deliver
10 electric service over those facilities?

11 A Via the service agreement, yes.

12 Q And is Puget responsible for the maintenance
13 of those facilities?

14 A We do provide the maintenance operation and
15 maintenance cost, however, that is fully reimbursed by
16 the customers on that line.

17 Q Are you familiar with Puget's Schedule 85
18 governing line extensions?

19 A Not really.

20 Q Are you familiar with the service agreements?

21 A I have not reviewed them in detail.

22 Q So your testimony on this page that speaks to
23 the customers' obligations under the service
24 agreements, what is that based on?

25 A It's based on a high level understanding of

0062

1 the testimony of both Mr. Sanders and Mr. Logen.

2 Q Based on the response of your earlier
3 questions about the ownership and the operation of the
4 line, what is the basis of your testimony that the
5 line is not part of Puget's system?

6 A The Schedule 24 customers -- the line
7 extension for the Maloney Ridge is the eight and a
8 half miles beyond our base system. The way that we
9 look at this particular issue is that up to the -- the
10 basic distribution charge, or basic distribution
11 system is covering their Schedule 24. Anything beyond
12 that is -- that eight and a half mile line is beyond
13 our base system.

14 Q All right. So is it fair to say that the
15 basis of your conclusion that it is not part of your
16 system is that there is a service agreement and that
17 this was constructed by -- through the line extension
18 policy instead of something else?

19 A Yes.

20 Q Are you aware of any agreement by the
21 customers that would have acknowledged that fact, that
22 the line is not part of Puget's system?

23 A I believe that the line being built in the
24 first place and the customers fully reimbursing for
25 that, as discussed in Mr. Logen and Mr. Sanders'

0063

1 testimony, was what supported that statement.

2 Q Are you aware of any other lines that Puget
3 serves that it considers not part of its system?

4 A That would be a question better answered by
5 one of the other witnesses. I'm not aware.

6 Q I want to move to a different part of your
7 testimony, and specifically on Page 3. In response to
8 Mr. Gorman's testimony, the witness for the
9 petitioners, you conclude on Line 7, and this is just
10 your conclusion, that there has not been a reduction
11 in Puget's net plant investment; is that correct?

12 A That is correct.

13 Q And is it correct that you base that
14 conclusion on the fact that some of the company's
15 investment, identified in its earlier rate cases, was
16 reclassified from distribution plant to transmission
17 plant?

18 A Could you repeat your question?

19 Q Your conclusion that there has not been a
20 reduction in Puget's net plant investment, is that
21 based on your assertion that some of the company's
22 investment and distribution, or plant investment and
23 distribution was reclassified as transmission?

24 A Correct. Mr. Gorman, his -- his exhibit only
25 looked at the distribution classification. That

0064

1 amount had dropped significantly. However, it was
2 because of that reclassification.

3 Q Your testimony is based on an overall
4 investment that adds both distribution and
5 transmission together in a lump sum?

6 A Correct.

7 Q Can I get you to turn to Exhibit KJB-3?

8 A Yes, I'm there.

9 Q Am I correct that this is the table that you
10 used to illustrate those points that we just
11 discussed?

12 A Yes.

13 Q And just so I can follow along, the column
14 that is third from the right shows the net plant from
15 the years 2010 through 2013?

16 A Yes.

17 Q And if you are looking at just the
18 distribution amounts, it shows a reduction from
19 approximately 2.2 billion to 2.05 billion during that
20 time period?

21 A Correct.

22 Q But your testimony is that that row labeled
23 Combined has actually increased because of the
24 addition of transmission plant?

25 A Correct.

0065

1 Q Are transmissions costs allocated to
2 Schedule 24 customers on an identical basis that
3 distributions costs are allocated to those customers?

4 A That's really a cost of service question and
5 that is not my area of expertise.

6 Q Would you -- based on the testimony that you
7 provided in this proceeding, would you expect low load
8 customers, like Schedule 24 customers, to be allocated
9 a lower percentage of transmission costs compared to
10 distribution costs?

11 A Would you repeat your question?

12 Q Sure. Would you expect customers, like those
13 on Schedule 24, who have relatively low loads, would
14 you expect them to have -- to be allocated a lower
15 portion of transmission costs than they are at
16 distributions costs?

17 A That's a cost of service question and that is
18 not my area of expertise.

19 Q So your testimony doesn't contain any analysis
20 of the difference between how those costs are
21 allocated among the customers?

22 A No, my -- my testimony is just looking at the
23 total plant investment and recognizing that
24 Schedule 24 includes more than just distribution or
25 transportation; that is, it includes production, it

0066

1 includes all of the basic service to get to our
2 general distribution system. And I mean that in its
3 entirety, including the generation assets, the A and
4 G, and all of those costs that are included in the
5 revenue requirement.

6 Q And just to clarify, though, your testimony
7 does not take into account how those costs are
8 actually allocated to the customer class -- the
9 customers in that customer class?

10 A That is correct, it does not consider that.

11 Q Were you in the room earlier when Mr. Logen
12 graciously deferred a question to you regarding some
13 of the analysis?

14 A I was in the room, but I don't quite recall.

15 Q I don't know if you will have the exhibit, but
16 it's an exhibit that was attached to Mr. Logen's
17 testimony.

18 A I have grabbed his copy, but it has a lot of
19 writing. It's LFL-11, I believe.

20 Q So we were working with both LFL-10 and
21 LFL-11. If you could turn to LFL-11. The model that
22 Mr. Logen was describing, he used as an -- when he was
23 calculating his 1.2 percent, he indicated he was using
24 the 1.8 as an annual number. Is that your
25 understanding of how that works?

0067

1 A Will you -- where?

2 Q Oh, sorry. LFL-11. If you look in the gray
3 column. It's Page -- sorry, it's Page 2 of 8.

4 A Okay. And which line?

5 Q If you look at Line 1.

6 A Okay.

7 Q My understanding was that 1.8 was the first
8 year cost of the 8.1 million estimated to replace the
9 line. Is that your understanding?

10 A I believe so.

11 Q And if you go back to LFL-10, and Page 4 of
12 that.

13 A Page 4.

14 Q There should be a table. If you look at the
15 second or third column it is labeled 2013. The 1.8,
16 the number appears in that column at the top, that's
17 based on 8.1 million input for the rate base?

18 A Yes.

19 Q All right. Sorry to bounce around. Back to
20 LFL-11, then, on Page 2 of that, in that gray column,
21 did Puget use the 1.8 number for every year during --
22 for the economic analysis, rather than, opposed to say
23 an average of those numbers that appear back on
24 LFL-10?

25 A It appears that LFL-11 is looking at the first

0068

1 year's impact on revenue requirement -- or, yes.

2 Q If you use a different number, say an average
3 of those -- of the regulated revenues that appear in
4 that column on Page 4 of LFL-10, so if you didn't use
5 1.8 every year but you used an average over that
6 entire time period, would that number be lower?

7 A It would be lower, however, it would still be
8 well over \$1 million.

9 Q Could that account for some of the discrepancy
10 between Puget's analysis and Mr. Gorman's analysis?

11 A It may.

12 Q And then one more question on LFL-11. We
13 heard Mr. Logen describe how the calculation in that
14 gray column works, starting with the 1.8, subtracting
15 out the 547,000 that's the O&M expense, and that
16 yields the 1.2 number. And then 1.2 was then divided
17 by the distribution-only number of 104, which yielded
18 the 1.2 percent. Was that your understanding of how
19 this table worked?

20 A State your question again.

21 Q Sure. In order to get the bottom number, the
22 1.2 percent, that number was derived by dividing
23 Line 4, which was the Schedule 24 revenue requirement,
24 by Line 5 of the previous column, the
25 distribution-only amount of 104, and that 1.2 divided

0069

1 by 104 yielded 1.2 percent?

2 A I believe that's correct.

3 Q And on Page 4 of LFL-11, the same exhibit, the
4 104 million number comes from the distribution column,
5 which has a 4 in parentheses under it, down at the
6 bottom?

7 A Yes.

8 Q So this 1.2 percent is based on the revenue
9 requirement of only a component of Schedule 24's rates
10 and not full revenue requirement that appears on
11 Page 4 of LFL-11; is that correct?

12 A It would appear that it is utilizing the
13 information from the distribution column, which is, I
14 believe, a function from the cost of service study.

15 MR. BROOKS: Thank you. No further
16 questions.

17 JUDGE KOPTA: Mr. Oshie?

18 MS. BARNETT: No questions, Your Honor.

19 JUDGE KOPTA: I have none.

20 Ms. Barnett?

21 MS. BARNETT: No, Your Honor.

22 JUDGE KOPTA: Ms. Barnard, you are
23 excused. Thank you for your testimony this morning.

24 It is now 20 minutes to 11:00, so let's take a
25 break and be back at 5 minutes until 11:00, and we

0070

1 will hopefully finish with our last two witnesses.

2 MR. STOKES: Thank you, Your Honor.

3 JUDGE KOPTA: Thank you.

4 (A brief recess.)

5 JUDGE KOPTA: All right. We are back on
6 the record after our morning break. As I understand
7 it, that concludes the cross-examination of Puget
8 Sound Energy's witnesses, which brings us to Staff. I
9 believe the only questions are for Mr. Nightingale, so
10 I would ask you to stand and raise your right hand.

11

12 DAVID NIGHTINGALE, witness herein, having been
13 first duly sworn on oath, was
14 examined and testified as follows:

15

16 JUDGE KOPTA: Thank you.

17 Mr. Oshie?

18 MR. OSHIE: Thank you, Your Honor.

19

20 D I R E C T E X A M I N A T I O N

21 BY MR. OSHIE:

22 Q Mr. Nightingale, would you please spell your
23 name and state -- spell your last name, state your
24 name?

25 A David Nightingale. Nightingale is

0071

1 N-I-G-H-T-I-N-G-A-L-E.

2 Q And you are the same Mr. Nightingale that has
3 testified in prefiled testimony, I believe the
4 exhibits are DN-1T through DN-4; is that correct?

5 A Correct.

6 Q Do you have any changes that you would like to
7 make, or modifications or clarifications that you
8 would like to make in your testimony, as to the
9 prefiled testimony?

10 A Yes, I have one small correction. On DN-1T,
11 Page 6, Line 1, currently it says Mr. Baker Snoqualmie
12 National Forest. It probably should say Mt. Baker
13 Snoqualmie National Forest. I'm not sure who
14 Mr. Baker is.

15 MR. OSHIE: Thank you, Mr. Nightingale.

16 The witness is tendered for cross-examination,
17 Your Honor.

18 JUDGE KOPTA: All right. Thank you.

19 Mr. Stokes?

20

21 C R O S S - E X A M I N A T I O N

22 BY MR. STOKES:

23 Q Good morning, Mr. Nightingale.

24 A Good morning.

25 Q So in your prefiled testimony you opined on

0072

1 the meaning of certain service agreements executed by
2 the Maloney Ridge customers after the original
3 agreement with PSE. Is it safe to assume that you
4 reviewed these agreements thoroughly?

5 A Yes.

6 Q Okay. If you can turn to Exhibit 21, LFL-4.
7 I believe that's a copy of the service agreements.

8 A Okay. That's the -- is that the current
9 agreement?

10 Q I'm sorry, is that -- it is the current.

11 A Okay.

12 Q So I would like to ask you a question about
13 Paragraph 10 of the agreement. The way that I
14 understand your testimony, and correct me if I'm
15 wrong, Schedule 80 and 85 apply to the Maloney Ridge
16 customers because they are mentioned in the service
17 agreements; is that correct?

18 A Yes, they -- they are referenced in the
19 agreement.

20 Q Okay. And is that why they apply to the
21 customers?

22 A I need to back up and conceptualize what the
23 application is, and that is that in normal
24 circumstances, 80 and 85 both apply to a line
25 extension. However, in this situation, this agreement

0073

1 effectively substitutes for the line extension part of
2 that because it is uneconomic. So not all of it,
3 especially the line extension, does apply because the
4 agreement supersedes it.

5 Q Schedule 85, doesn't the agreement incorporate
6 Schedule 85?

7 A It does, yes. And in Schedule 85 it actually
8 says, you know, things apply, and specifically in the
9 line extension context, unless there is a contract,
10 and this is the contract that then takes precedence,
11 so for that part of the Schedule 85.

12 Q So is it safe to assume that -- and I think
13 this is actually what Paragraph 10 says, that the
14 service agreement applies, except to the extent -- I'm
15 sorry, is it safe to assume that the service agreement
16 applies unless there is a conflict with Schedule 80
17 and 85?

18 A Yeah. It's what the contract says, yes.

19 Q Okay. I would like to ask you a question
20 about the recital in Paragraph B of the agreement.

21 A The current agreement?

22 Q Yes, the current agreement.

23 A Okay.

24 Q In your testimony, I think you said reference
25 to the recitals was telling and that it specifically

0074

1 notes the economic feasibility requirement for
2 service; is that correct?

3 A Yes.

4 Q Would you agree that reading this provision,
5 that this talks about how the line was originally
6 constructed?

7 A Yes, it does describe the line and where it
8 was constructed.

9 Q So it is written in the past tense, so this
10 refers to how it was originally constructed?

11 A Correct.

12 Q Okay. And that was done under Schedule 85?

13 A This agreement wasn't done under Schedule 85,
14 no.

15 Q What does pursuant to the economic feasibility
16 provisions of Electric Tariff G Schedule 85 mean?

17 A Okay. The -- there -- if you have a -- I mean
18 Schedule -- it refers to that section of Schedule 85
19 that talks about economic unfeasibility. That
20 reference is for situations like this, where a line to
21 be constructed is not economically feasible, in
22 case -- then you can have an exception to the normal
23 application of Schedule 85.

24 Q So is it your testimony that this line was not
25 constructed under Schedule 85, even though it says

0075

1 pursuant to?

2 A It is -- it is actually pursuant to that part
3 of Schedule 85.

4 Q Okay. So it was constructed under Schedule
5 85?

6 A Yes. In that specific paragraph, yes.

7 Q Okay. So at the time it was constructed,
8 Schedule 85 applied to this line. That was the line
9 extension policy?

10 A Parts of it did, yes.

11 Q Right. The line extension policy is a big
12 policy. It talks about residential line extensions,
13 nonresidential --

14 A Correct.

15 Q -- line extensions for mobile home parks, so
16 the whole thing doesn't apply. So parts of it apply?

17 A Yes.

18 Q Okay. Let's turn to your cross-answering
19 testimony, which is DN-4T, and go to Page 2 and 3.

20 A Which page, excuse me?

21 Q 2 and 3.

22 A 2 and 3.

23 Q Start with the question, your first question.
24 You respond to Mr. Gorman's testimony, where he states
25 that the electric facilities were installed under this

0076

1 schedule and including replacement of such facilities
2 is necessary so long as such replacement is not
3 inconsistent with this schedule or a contract
4 governing such facilities.

5 So in your answer, you state that Maloney
6 Ridge was not installed under this schedule, referring
7 to Schedule 85. So I would like to ask you, which is
8 it? Was the line constructed under Schedule 85, as
9 recitals in your opening testimony appear to state,
10 and that you rely on to incorporate the economic
11 feasibility test, or was it installed outside of
12 Schedule 85, as you state here in your testimony?

13 A My testimony says I do not agree that this
14 part of Schedule 85 applies. Not in whole.

15 Q You say, However, the language in this
16 section, including replacement, only apply when a
17 distribution line was installed under this schedule.

18 A Correct.

19 Q That Maloney Ridge line was not installed
20 under this schedule. So you're saying it wasn't
21 installed under Schedule 85?

22 A Correct.

23 Q Even though the contract says, Pursuant to
24 this provision of Schedule 85, we are entering this
25 agreement?

0077

1 A My understanding of the contract reference was
2 to specifically site a provision in Schedule 85 that
3 allowed lines to be constructed that were not
4 economic. That's -- and then beyond that, then,
5 everything else regarding maintenance, operation, what
6 have you, is in the contract.

7 Q So --

8 A Essentially, you are pointing to the
9 appropriate schedule, and in citing an exception of
10 where you allow yourself to have that contract, for
11 the parties to -- to actually build the line that they
12 needed to be built.

13 Q Right. And in a schedule such as Schedule 80
14 or 85, there is a lot of provisions and sometimes
15 provisions apply and sometimes they don't, correct?

16 A Yes.

17 Q Okay. So in your testimony, in your opening
18 testimony, DN-1T, you indicate that you interpret the
19 service agreements to require the Maloney Ridge
20 customers to be responsible for replacement cost; is
21 that correct?

22 A Yes.

23 Q Flipping back to LFL-4, can you point anywhere
24 in the service agreement that states the customers
25 have that responsibility?

0078

1 A No. However, it's I believe clear in the
2 intent of both the original contract in '71, as well
3 as the subsequent contract in '94, that the
4 responsibility for maintaining, installing, and
5 similar actions is the responsibility of the
6 petitioners. This is a normal lifecycle, where at the
7 beginning of it you've got a new need, as identified,
8 in 1971 there was specific requirements to install a
9 new line, and then maintain it. And then in 1994,
10 when the contract was then renewed, the installation
11 part of the language was missing, only the maintenance
12 and operation is continuing on in the contract. And
13 now we are to the last phase of this project, and the
14 question is are you going to remove that line or are
15 you going to replace that line.

16 The basis of the costs for all of those
17 things, the installation, the maintenance, and now,
18 the final phase, there's never been any variance in
19 the contracts or any of the evidence provided that
20 anybody except the petitioners should be responsible,
21 with the caveat that as long as the line remains
22 uneconomic.

23 Q Does the agreement use the word "replace"
24 anywhere?

25 A It does not.

0079

1 Q Okay.

2 A None of the agreements did.

3 Q Do you believe that the Maloney Ridge line has
4 exceeded its useful life and should be replaced?

5 A It is right at that point now, yes. It's -- I
6 would agree with the testimony that says it's -- it's
7 maybe a couple more years, but it's getting dangerous
8 to maintain that line and something needs to be done
9 differently.

10 Q Okay.

11 A And let me also add that replacing the Maloney
12 Ridge line is not the only option available to the
13 petitioners. They can, as they did in the recitals in
14 the very first 1971 agreement, identified that General
15 Telephone Company was already operating a microwave
16 site there. They were powering it somehow, with
17 probably a diesel generator that was already there.
18 So they could revert back to that. They could --
19 exploration in -- in this case looked at alternative
20 energy. So there's other options for the company.
21 They don't have to rely and they don't have to
22 continue with PSE.

23 Q Okay. So you don't consider them customers?

24 A Excuse me?

25 Q Do you consider them customers?

0080

1 A They are customers under Schedule 24, which is
2 a separate -- it's a separate piece from the line
3 extension piece, and they are normal customers in that
4 sense.

5 Q Okay. So in addition to Schedule 85 that we
6 just talked about, your testimony indicates, I think,
7 that Schedule 80 applies to this line.

8 A Yes.

9 Q Would you agree with that?

10 A Yes.

11 Q So Schedule 80 applies?

12 A Uh-huh.

13 Q So looking back at your testimony, your
14 opening testimony, which is DN-1T, Page 9 -- actually,
15 I'm sorry. So Exhibit 51, Page 9, you quote language
16 that says, PSE shall not be required to provide
17 service if not economically feasible.

18 A Excuse me, I'm not at your location.

19 Q You state --

20 A What's the page?

21 Q On Page 9.

22 A 9. Which lines?

23 Q Well, you state the -- you state the
24 economically -- economic feasibility provisions of
25 Schedule 85 on Page 18 and 19.

0081

1 A Lines 18 and 19?

2 Q Yes.

3 A Okay.

4 Q That's 85. But I think we heard previously
5 that the language that used to be in 85 regarding
6 economically feasible, that's been taken out, and
7 that's now included in the broader language in
8 Schedule 80?

9 A That's correct.

10 Q So looking at that language, does Schedule 80
11 apply to all customers?

12 A Yes.

13 Q Okay. And would the economic feasibility test
14 apply to current customers?

15 A Yes.

16 Q So assuming that there is no service agreement
17 in place, can Puget refuse service to current
18 customers in a rural area if a substation serving them
19 needs to be replaced, and the load is too small to pay
20 for that replacement, therefore resulting in the
21 remaining ratepayers of that class incurring costs to
22 replace that substation? Can Puget say we're not
23 going to replace that substation, and let those
24 customers go, just wait until it fails and say you are
25 no longer customers, absent a service agreement?

0082

1 A Absent a service agreement, I would -- I mean
2 that's not the case before us, but I would -- I would
3 be surprised if that was normally their practice. I
4 mean once you have established as -- you know, your
5 distribution system, absent a special agreement like
6 we have here, that typically there is no incentive for
7 people to, you know, not maintain the system it
8 needs -- you know, as necessary.

9 Q Well, that language applies to all customers,
10 right?

11 A Yes.

12 Q So theoretically Puget can say this -- these
13 residential customers over here are imposing costs on
14 all the other residential customers, that's not
15 economic to serve them, and we can no longer serve
16 them.

17 A Well, that's not the way the systems work and
18 get maintained. I mean there's -- PSE has a process
19 by which they evaluate all their distribution lines
20 and -- and -- for what needs to be updated when, and
21 they have a ranking system, and they invest every year
22 in capital replacements, upgrades, what have you, so
23 that that would not become an issue if they are doing
24 their job appropriately.

25 Q But that language either applies to all

0083

1 customers or it doesn't. Does it apply to all
2 customers?

3 A Maybe I'm not understanding your question.

4 Q Can Puget refuse service to current customers
5 if it is not economically feasible?

6 A The economic feasibility I believe applies
7 only to new customers. I don't think it applies to
8 existing customers, but I don't know for sure about
9 that.

10 Q So it only applies to new customers?

11 A I believe so.

12 Q So is a customer that's been served for 40
13 years a new customer?

14 A Now you are outside of what -- then the
15 special agreement comes into play in this case, so it
16 is not that situation.

17 Q So let's turn to your exhibit -- let's turn to
18 Exhibit LFL-15, which is the advice filing 2012-029.

19 A Yes.

20 Q Sorry, I'm getting there.

21 (Pause in the proceedings.)

22 Q And then you can also reference your
23 testimony, DN-1T at Page 13. So here you quote
24 language from Schedule 80 that -- and this, in your
25 view, I think justifies imposing these charges on the

0084

1 Maloney Ridge customers. It states that when a change
2 in electric facilities is requested by a requesting
3 entity, that the cost of that change is imposed on
4 that customer. I'm not reading the language verbatim,
5 but that's in general what it says, right?

6 A Yes.

7 Q And you think that that applies here?

8 A Yes.

9 Q And this is an alternative to --

10 A Yes.

11 Q -- refusal of service under --

12 A Correct. Yes, exactly.

13 Q Okay. So if a customer wants to change the
14 location of Puget's facilities, let's say to
15 accommodate a new building, would that kind of a
16 request fall under this schedule?

17 A What part of Schedule 80 are you referring to?

18 Q 34, Section 34.

19 A But a subsection there?

20 Q Well, it's the one that you quote in your
21 testimony on DN-1T, Section 34. It's in the advice
22 filing that I referenced. That's the whole provision,
23 if you would like to look at it.

24 A What's germane to this proceeding is in the
25 34, Subsection D, which is -- let's see here, in the

0085

1 advice it's the tariff sheet -- one, two -- it's the
2 third tariff sheet in, and it is 80NN, and little --
3 double "i" there, and the second to the last sentence.
4 Where a requesting entity requests a project that
5 replaces an existing facility or facilities, the
6 requesting entity shall pay the company for all its
7 costs. And then it goes on.

8 Q Okay.

9 A That's on target for this particular case.

10 Q Okay. So let's go back to the question I
11 asked you. So if a customer wants to change the
12 location of Puget's facilities, let's say to
13 accommodate a new building, would that kind of request
14 fall under this provision?

15 A I didn't look at -- at this and analyze it for
16 that particular case. I would have to take some time
17 and look through to see if that was something that was
18 allowed or not.

19 Q Did you review this tariff?

20 A Yes.

21 Q Thoroughly?

22 A Yes, I did.

23 Q Okay.

24 A Not in the last few days. I was focusing on
25 parts that would apply to this case.

0086

1 Q Okay. So you don't know the answer. If a
2 customer wants a change in a -- in the location of
3 Puget's lines that served them, to accommodate a new
4 building, you don't -- you don't know whether or not
5 that falls under this requesting entity language that
6 you quoted in your testimony?

7 A It may also -- it may also -- I mean this is a
8 hypothetical, so, you know, it doesn't really apply
9 here. But in a hypothetical sense I would also look
10 at the service drops, and if it -- you know, if it was
11 just a service drop change of location, it may not
12 even fall into this whole area.

13 Q So let's look at DN-1T, the language you have
14 in your testimony, quoted and underlined. Can you
15 read that first sentence for me?

16 A Where a change in the existing electric
17 facility is required -- required by a requesting
18 entity, the requesting entity shall pay the company
19 for the cost due to such change.

20 That's the end of the underlined part.

21 Q So it's fair to say if the company is asking
22 for a change in the location, that that would probably
23 fall under this provision?

24 A It could.

25 Q Okay. And if a customer wants to add capacity

0087

1 or increase the voltage of the line, reasonable to
2 assume that that would fall under this provision?

3 A It could.

4 Q Okay. If I'm a ship manufacturer and I want
5 to ensure continued service, and I want to make sure
6 that the plant never goes down, and I ask for
7 redundant facilities to serve my plant, would that be
8 covered by this provision?

9 A I believe so because it also in -- in this
10 paragraph speaks about reliability.

11 Q Right.

12 A That would be a reliability issue, as you
13 described just now.

14 Q In fact, you state in your testimony that --
15 if you look at Page 15, that this provision would
16 apply to these customers because they are asking to
17 enhance the reliability.

18 A Correct.

19 Q Okay. So can you turn to Exhibit -- let's
20 see, can you go to JMS-7, please.

21 A I don't have all the other testimony here with
22 me.

23 (Pause in the proceedings.)

24 A Okay. Where?

25 Q On Page 64.

0088

1 A Okay.

2 Q Can you read for me the -- this summary
3 contained in that first paragraph there, under Maloney
4 Ridge Sobieski outage history?

5 A Yes. Mary and Jenny shared PSE and Potelco's
6 safety concerns, especially with accessing the site.
7 The number of outages has been increasing over the
8 years, and it is anticipated the frequency and
9 duration will continue to increase. Weather,
10 environmental conditions, age and cable splices
11 degrade system reliability and without a replacement
12 of the system, the cables will ultimately fail and
13 service will not be provided. Weather and snow make
14 it increasingly difficult to respond to outages. A
15 system map showing outages to date has been
16 distributed to the group.

17 Q So in that provision that you just read, PSE
18 is telling the parties that the line will fail; is
19 that correct?

20 A Yes.

21 Q So is that how you view increase in
22 reliability? If Puget is telling the customers the
23 line is going to fail, is that an increase in
24 reliability?

25 A Can you rephrase that? I'm not understanding

0089

1 what you are asking.

2 Q Well, you testified that the petitioners are
3 requesting entities, requesting to enhance the
4 reliability beyond the existing level of reliability.

5 You state that at --

6 A Yes.

7 Q -- DN-1T, Page 15 and 16.

8 A Yes.

9 Q So is that a fair analysis to -- does that
10 provision apply to a customer that's being told that
11 the line is going to fail and service will no longer
12 be provided?

13 A Yes.

14 Q Okay. So if the line goes down completely and
15 cannot be repaired --

16 A Yes.

17 Q -- reliability is at zero?

18 A Correct.

19 Q That this would apply --

20 A Yes.

21 Q -- because they are asking to enhance
22 reliability of the system?

23 A Yes.

24 Q Okay. Can you turn to the cover letter of
25 the -- let's see, Exhibit 32, I believe, the advice

0090

1 filing. That's LFL --

2 A I've got it.

3 Q You have got it?

4 A It's October 24th, 2012?

5 Q Yes.

6 A Yes.

7 JUDGE KOPTA: Just for the record,

8 that's LFL-15, correct?

9 MR. STOKES: LFL-15, yes. Thank you.

10 BY MR. STOKES:

11 Q So would you agree that this is a cover letter
12 that the company -- Puget's advice filing that added
13 Section 34 that we are talking about?

14 A Yes.

15 Q Okay. Do you know if this line is above
16 50,000 volts or below 50,000 volts?

17 A Yes, it is below.

18 Q Okay. So this was a letter that Puget filed
19 to explain the reasoning behind its advice filing. It
20 says that for facilities operating below 50,000 volts,
21 that are requested to be located or changed, that this
22 tariff would apply. Are the customers asking for the
23 facilities to be relocated?

24 A No.

25 Q Okay. Is it your view that they are asking

0091

1 for the facilities to be changed?

2 A Yes.

3 Q Okay. So you view that -- you view
4 replacement of distribution lines as a change in
5 service?

6 A No, it's not a change. I mean there's the
7 electrical service, which is provided under 24.
8 That's not the change we are talking about. We are
9 talking about physical change to the facilities. That
10 is -- I would -- I would -- I would call a replacement
11 of a line removal or removal of a line a change in the
12 facilities.

13 Q So in your view, can Puget use Paragraph 34 of
14 Schedule 80 to allocate the cost of failing electric
15 facilities to only the residential, commercial or
16 industrial customers and take service from those
17 facilities?

18 A First you would have to go over the hurdle of
19 the fact that there's a contract in place.

20 Q Ignore the contract --

21 A Okay.

22 Q -- for the sake of this --

23 A So this hypothetical, if the contract didn't
24 exist, then I don't -- I don't -- then -- if the
25 contract didn't exist, then this line would not exist,

0092

1 so your hypothetical doesn't make any sense. You
2 can't get there. The line wouldn't exist then.

3 Q My hypothetical had nothing to do with this
4 line.

5 A Oh, I'm sorry.

6 Q My hypothetical was -- or my question to you
7 was can Puget use Paragraph 34 of Schedule 80 to
8 allocate the cost of failing electric facilities to
9 only the residential, commercial or industrial
10 customers served by those facilities?

11 A Let me see if I understand your question. Are
12 you asking if, without the contract, just looking at
13 this Schedule 80, these provisions in 34, could Puget
14 reasonably allocate the cost of changing the Maloney
15 line --

16 Q I'm not talking about --

17 A -- to those --

18 Q -- this line. I'm talking about -- my
19 question has nothing to do with the Maloney Ridge
20 line.

21 A Okay.

22 Q So I'm talking about Puget's system in
23 general.

24 A Okay.

25 Q Ignore the --

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1 A In that case, they would not be allocated to
2 those specific customers.

3 Q And why is that?

4 A Well, now -- now I was thinking of it in the
5 general -- in the regular schedule. If they made a
6 request under here, as in this part of Schedule 34,
7 then the customers would pay for it.

8 Q So if I pick up the phone and say, This
9 line -- I've been told by Puget that this line is
10 going down, and I pick up the phone and say, Hey, I
11 would really like to have this replaced, I'm deemed a
12 requesting entity under this tariff, and if I stay
13 silent then -- and Puget replaces it, then the costs
14 don't come to me?

15 A You could look at it that way. I mean
16 there's -- there's an initiative here that -- the
17 point where a customer -- under this section of
18 Schedule 80, the customer requests a change, an
19 increase in service, reliability, whatever, then they
20 are on the hook to pay for that. If the company
21 determined, through their own methods, part of the
22 regular system, not part of a special contract, they
23 would probably get to it, but that might not be on the
24 customer's schedule to do that, and then it would be
25 part of the system cost.

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1 But a special request -- to have, for
2 instance, a higher level of quality, like you said
3 earlier, for a ship manufacturer, that would be a
4 customer request. It would be not on the regular
5 schedule of how Puget maintains their distribution
6 system, and so it would be a customer obligation to
7 pay for that, whatever customer it was that was
8 requesting that.

9 Q Okay. Can you turn to Page 18 of your opening
10 testimony?

11 A 19?

12 Q Paragraph 18 of your opening testimony.

13 A Which page?

14 Q 18. I'm sorry. Yeah.

15 A Page 18?

16 Q Yes, Page 18.

17 A Okay. And where?

18 Q Line 10.

19 So you recommended that the Commission, as
20 part of this proceeding, order modifications to the
21 service agreements; is that correct?

22 A Yes.

23 Q Could you read Lines 12 through 15 out loud?

24 A Yes. Yes, I recommend that the Commission
25 order the parties to amend the successor contract to

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1 incorporate a condition stating that any costs for
2 replacement of any or all sections of Maloney Ridge
3 distribution line shall be paid for by the customers
4 served on that line, so long as the Maloney Ridge line
5 remains economically unfeasible.

6 Q Thank you.

7 A Uh-huh.

8 MR. STOKES: I have nothing further,
9 Your Honor.

10 JUDGE KOPTA: Ms. Barnett, anything from
11 you?

12 MS. BARNETT: No.

13 JUDGE KOPTA: I have do one question.
14 I'm not quite sure how to frame it.

15

16 E X A M I N A T I O N

17 BY JUDGE KOPTA:

18 Q Is it your understanding that in Puget's
19 system there is a distinction between its general
20 distribution system and any line extension customers?

21 A In general, no. Most line extensions are done
22 within the distribution system, if there's a
23 distribution extension required to get there.

24 Q And in this case?

25 A In this case it's different because there's a

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1 contract in place that covers historically the
2 installation and now the ongoing maintenance and
3 operation of that line. That's outside of the normal
4 distribution system.

5 Q So the company's approach in terms of
6 replacing facilities within the distribution system is
7 different than replacing facilities that are outside
8 that distribution system?

9 A Correct.

10 JUDGE KOPTA: Okay. Thank you.

11 Any redirect?

12 MR. OSHIE: Yes, Your Honor.

13

14 R E D I R E C T E X A M I N A T I O N

15 BY MR. OSHIE:

16 Q Mr. Nightingale, Mr. Stokes was asking you a
17 number of questions about Schedule 80 and its
18 applicability. Just a follow-up question. I would
19 like you to answer, if you know, whether or not the
20 provisions, the economic feasibility provisions that
21 are contained in Schedule 85, supersede the provisions
22 Mr. Stokes was referring to in Schedule 80?

23 A Well, the current construction of the
24 schedules is -- an economic provision resides in
25 Schedule 80, not in 85. Schedule 85 explicitly refers

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1 to Schedule 80 and therefore the provisions in
2 Schedule 80 also are incorporated into 85.

3 MR. OSHIE: Thank you.

4 No further questions.

5 JUDGE KOPTA: All right. Thank you,
6 Mr. Nightingale. We appreciate your testimony.

7 And that I believe concludes our witness
8 examination.

9 Let's go off the record for a moment and
10 discuss deadlines.

11 (A brief recess.)

12 JUDGE KOPTA: All right. Let's be back
13 on the record.

14 While we were off the record, we had a
15 discussion of some procedural issues. First the
16 responses to the bench requests will be due on
17 June 8th. With respect to the Bench Request No. 1, it
18 is directed to all parties, or at least all parties
19 may respond. It was directed originally to Mr. Logen
20 for Puget Sound Energy, but all parties may respond by
21 June 8th.

22 Simultaneous posthearing briefs will be due on
23 June 30th. We will not schedule a reply at this time,
24 but parties may move for permission to file a reply if
25 they feel strongly. We will deal with that issue if

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1 and when it arises.

2 And I believe Ms. Barnett had a clarification
3 that she wanted to make.

4 MS. BARNETT: Thank you. Just a minor
5 change to Exhibit JAB-2, which is Jennifer Boyer's
6 professional qualifications. On Page 1 there is a
7 reference to her undergraduate work at
8 Seattle University. It should be Seattle Pacific
9 University. That's the only change.

10 JUDGE KOPTA: Okay. We don't want any
11 resume tampering.

12 MS. BARNETT: No.

13 JUDGE KOPTA: And I assume there is no
14 objection to that clarification?

15 MR. STOKES: No, Your Honor.

16 JUDGE KOPTA: Good.

17 All right. Is there anything else that we
18 need to deal with this morning?

19 Hearing nothing, we are adjourned. Thank you.

20 (Evidentiary hearing concluded 11:41 a.m.)

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