

Exhibit \_\_\_ (KLE-5)  
Docket No. UE-031725  
Witness: Kenneth L. Elgin

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondents.

DOCKET NO. UE-031725

EXHIBIT OF

Kenneth L. Elgin

STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION

ECAC Order in Cause No. U-58-87

January 30, 2004

JUN 02 1992

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND	)	
TRANSPORTATION COMMISSION,	)	
	)	
Complainant,	)	CAUSE NO. U-85-87
	)	
vs.	)	SEVENTH SUPPLEMENTAL
	)	ORDER MODIFYING SECOND
	)	SUPPLEMENTAL ORDER
PUGET SOUND POWER & LIGHT COMPANY,	)	
	)	
Respondent.	)	
. . . . .	)	

PROCEEDINGS: On December 19, 1991, the Commission Staff filed a petition for rehearing in this cause. The petition sought rehearing for the limited purpose of determining whether the requirement of filing and approval of cogeneration and small power contracts of one megawatt or more remained in the public interest. By order entered February 11, 1992, the Commission granted rehearing for this limited purpose.

PROPOSAL: A prehearing conference was held on March 16, 1992, before Administrative Law Judge Alice L. Haenle of the Office of Administrative Hearings. The parties agreed to file initial statements of position and agreed facts by March 30, 1992. The parties filed replies to statements of position on April 13, 1992. In those statements, the company and the Commission Staff proposed revisions to the Commission's Second Supplemental Order to allow a preliminary review of contracts and to clarify the effect of that review. The text of the proposal is set out in the ordering paragraphs below.

Public Counsel did not participate in preparing the joint proposal, but indicated by letter he supported the proposal as a reasonable resolution of the issues.

DISCUSSION: The issue in this reopening can be fully addressed by the current record, including the memoranda of the parties. No additional hearings are required.

The language proposed by the company and the Commission Staff will be accepted. The proposed changes clarify the terms of the order to reflect actual practice which has proved valuable to both the Commission and the company. As characterized by the Commission Staff, the process described by the new language is appropriate because "it is practical, it reflects the realities of current practice, it permits the Commissioners to remain informed of ongoing company activities, and it leaves the prudence determination to a proper proceeding." (Staff memorandum, page 6)

The Commission therefore enters the following order.

ORDER

IT IS ORDERED That the Commission's Second Supplemental Order in Cause No. U-85-87 is modified so that Finding of Fact No. 5 and Ordering paragraph No. 5 are deleted, and the following are substituted therefor:

FINDING OF FACT NO. 5. The Commission finds that a preliminary review of contracts which the company enters into pursuant to Chapter 480-107 WAC and PURPA provides the Commission with information regarding resource acquisitions by the company and the company's implementation of its least-cost plan. This review process complements the Commission's role in overseeing the company's least-cost planning process and competitive bidding solicitations. This preliminary review has no binding effect on any subsequent prudence examination of contracts by the Commission or the rate treatment of resources acquired pursuant to such contracts.

ORDERING PARAGRAPH NO. 5. The company shall file with the Commission all interutility power contracts and contracts related to facilities of one megawatt or more which it enters into pursuant to Chapter 480-107 WAC or PURPA. The Commission through its staff shall conduct a preliminary review with respect to such contracts. If on the basis of such preliminary review, there is any issue with respect to a particular contract, the company shall be notified by letter of the Commission's secretary within thirty (30) days of the date such contract was filed with the Commission. The presence or absence of any such notification to the company as to a particular contract shall not be construed or interpreted as a determination either of the prudence of such contract or of the rate treatment to be accorded such contract in a subsequent adjudicative proceeding.

DATED at Olympia, Washington, and effective this 1st  
day of June 1992.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



SHARON L. NELSON, Chairman



RICHARD D. CASAD, Commissioner



A. J. PARDINI, Commissioner