

BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKETS UE-240004, UG-240005,
UE-230810 (*Consolidated*)

COMMISSION STAFF’S RESPONSE
TO PSE’S MOTION TO STRIKE
PORTIONS OF STAFF’S POST-
HEARING BRIEF

I. INTRODUCTION

1 The Commission should deny PSE’s motion to strike portions of Staff’s brief. The information included in these portions of Staff’s brief are in the record.

II. BACKGROUND

2 PSE moves to strike two parts of Staff’s post hearing brief. The first part is the third sentence in paragraph 47, along with footnote 121:

Staff has already made PSE aware that it expects the Company to account for the effects of natural gas attrition in its comments to PSE’s 2023 natural gas IRP (Integrated Resource Plan) and stated that PSE should include such analysis in its 2025 IRP.

Footnote 121: *In re Puget Sound Energy’s 2023 Integrated Resource Plan*, Docket UG-220242, Staff’s Comments Regarding PSE’s 2023 Natural Gas Integrated Resource Plan at 10 (June 5, 2023).

3 PSE also seeks to strike portions of paragraph 135 and footnotes 330 and 331:

The other law PSE cites is the CCA. As noted above, PSE witness Allis states that “there will eventually have to be significant reductions in gas usage in order to meet [CCA] targets” The implication being that PSE will need to retire gas plant earlier than currently estimated due to reduced demand. However, while witness Allis takes this position, PSE as a whole has been far from clear about whether or not the Company believes it will need to reduce its emissions from natural gas service as a result of the CCA. In Docket UG-230968, PSE argued that it was not

legally required to reduce emissions because of the CCA and that therefore the Joint Environmental Advocate’s RSM proposal, which aimed to incent actual decarbonization, was inappropriate. In this case however, PSE argues that accelerated depreciation is warranted because the CCA will lead to reduced demand. But PSE cannot have it both ways, either the CCA does, as a practical matter, require decarbonization of natural gas service, or it does not. Staff’s position on this issue has been consistent: While it is true that technically speaking, the CCA does not legally mandate that any specific covered entity reduce emissions, the practical reality given the CCA’s requirements is that most covered entities, including natural gas utilities, will eventually need to make substantial decarbonization efforts. Staff’s position on this matter does indicate that perhaps some level of accelerated depreciation is warranted, which is why Staff would be open to some accelerated depreciation, although much less than what PSE has proposed. Unfortunately, as noted in Staff testimony, Staff did not have the resources to evaluate this proposal in detail, and therefore cannot provide a specific recommendation regarding the reduced level of accelerated depreciation that would be appropriate.

Footnote 330: *Wash. Utils. and Transp. Comm’n v. Puget Sound Energy*, Docket UG-230968, Steuerwalt, Exh. MS-3T at 6-15 (filed Sept. 12, 2024).

Footnote 331: *See In re Puget Sound Energy’s 2023 Integrated Resource Plan*, Docket UG-220242, Staff’s Comments Regarding PSE’s 2023 Natural Gas Integrated Resource Plan at 9-10 (June 5, 2023).

4 In both cases, PSE argues that these portions of Staff’s Brief “improperly cite to evidence in other dockets that are not consolidated with this proceeding.”¹ PSE describes the portions of Staff’s brief as “supplemental information” and “new evidence.”² PSE argues that including this in Staff’s brief “precludes PSE from having a meaningful opportunity to address their claims and respond to the new evidence in this case.”³

III. ARGUMENT

A. The Information in Paragraph 47’s Third Sentence and Citation is Within the Record

¹ PSE Motion at 2, ¶ 1.

² *Id.* at 3, ¶ 5 – 4, ¶ 6.

³ *Id.* at 4, ¶ 6.

5 This section of Staff’s brief argues that more analysis is needed related to the equity impacts of forecasted natural gas attrition rates.⁴ PSE had notice of Staff’s position on this matter since at least the filing of Staff witness Franks’s response testimony on August 6, 2024.⁵ In fact, Staff witness Franks’s response testimony includes the same mention of Staff’s previous position in comments to PSE’s IRP with the same citation included.⁶ Because witness Franks’s prefiled testimony was admitted into the record, Paragraph 47’s third sentence does not include any information that was not already in the record, and the motion to strike this part of Staff’s brief should be denied.

6 Further, the sentence and citation in paragraph 47 that PSE moves to strike is tangential to the overall point made in this section of Staff’s brief. The sentence and citation PSE seeks to strike simply points out that PSE was previously made aware of Staff’s position on the same issue in another docket. Staff’s consistent position in a previous docket is a matter of public record not subject to any reasonable dispute. Regardless, if PSE wished to contest whether Staff had previously made the Company aware of Staff’s position on this issue, the Company had an opportunity to respond to Staff witness Franks on this point in rebuttal testimony. PSE has not been precluded from having a meaningful opportunity to respond.

B. The Information in Paragraph 135 and Footnotes 330 and 331 is Within the Record

7 Staff argues in this section of the brief that PSE’s proposal related to accelerating depreciation on gas plant should either be denied or significantly reduced considering recent

⁴ Staff Brief at 29 ¶ 45.

⁵ Franks, Exh. WF-1T at 27-30.

⁶ *Id.* at 28:18-29:2; n.86. (“**Q. Has Staff previously commented on the Company’s lack of consideration for the impact of rate change on a decreasing natural gas customer count?** A. Yes. In response to the Company’s 2023 IRP, Staff noted the “purchase of CCA allowances, offsets, and/or zero- or lower-emission fuels will likely drive gas customer bills up” and contribute towards customers leaving the natural gas system, and that the Company should account for this dynamic in its 2025 IRP.” Footnote 86: “*In re Puget Sound Energy’s 2023 Integrated Resource Plan*, Docket UG-220242, Staff’s Comments Regarding PSE’s 2023 Natural Gas Integrated Resource Plan at 10 (June 5, 2023).”).

legislation.⁷ The portions of Staff's brief that PSE seeks to strike includes footnote 331, which cites to the same Staff comments on PSE's natural gas IRP that the company objected to in Paragraph 47. This is already part of the record through Staff response testimony, as noted above.

8 As for footnote 330, the same PSE witness makes the same argument related to CCA compliance in rebuttal testimony in this case.⁸ In both dockets, PSE disagrees with JEA's interpretation of the CCA's requirements, arguing that JEA mischaracterizes the CCA's "proportional share" language.⁹ Given that PSE made the same argument in rebuttal testimony in this docket, and that PSE's rebuttal testimony is part of the evidentiary record in this case, it would be inappropriate to strike the sections of paragraph 135 in Staff's brief. The contrast between PSE witness Allis's position regarding the impact of the CCA and the positions of other PSE witnesses exists within the record in this docket.

9 As with the citation in Paragraph 47, PSE's position in a previous docket is both an ancillary point and a matter of public record not subject to reasonable dispute. PSE is not prejudiced by Staff mentioning that the Company took the same position in another docket when it made the same arguments in this one. If PSE changed its position on the issue of the CCA's impact, it had the opportunity to communicate that through rebuttal testimony or in post-hearing brief. Because PSE's rebuttal testimony instead reaffirms its position in this docket, the Company has not been deprived of an opportunity to respond.

⁷ Staff Brief at 71, ¶ 132- 75, ¶ 136.

⁸ Compare Docket UE-240004, Steuerwalt, Exh. MS-4T at 30:9-40:2 with Docket UG-230698, Steuerwalt, Exh. MS-3T at 6-15.

⁹ *Id.*

IV. CONCLUSION

10 The Commission should deny PSE's motion to strike because the information included in the relevant citations and sentences of Staff's brief is already part of the record. Any error in citing directly to the IRP docket and the CCA tariff filing docket instead citing to the same information in this docket was therefore harmless. The sections of Staff's brief that PSE seeks to strike do not introduce new evidence or supplemental information, they are passing references to positions taken in previous dockets that have little relevance to the contested issues in this case. In truth, the portions of Staff's brief that PSE seeks to strike are so tangential to the substance of Staff's arguments that it hardly matters whether the Commission strikes these portions of Staff's brief or not. Regardless, Staff believes that striking should be reserved for when a party attempts to introduce new, substantive facts not in the record. The evidentiary records of general rate cases are already extensive. If every background citation like those in Staff's brief requires an exhibit, rates case records may become even longer.

DATED this 18th day of December, 2024.

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