

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND)	
TRANSPORTATION COMMISSION,)	DOCKET NO. UE-950618
)	
Complainant,)	THIRD SUPPLEMENTAL ORDER
)	APPROVING STIPULATIONS;
vs.)	REJECTING TARIFF FILING;
)	AUTHORIZING REILING
PUGET SOUND POWER &)	
LIGHT COMPANY,)	
)	
Respondent.)	
.....)	

SUMMARY

PROCEEDINGS: On May 31, 1995, Puget Sound Power & Light Company filed tariff sheets for the Periodic Rate Adjustment Mechanism (PRAM) covering the 12-month period October 1, 1995, through September 30, 1995 (PRAM 5). The filings were made pursuant to the Commission's order in Docket Nos. UE-901183-T and UE-901184-P. The tariff would increase revenues by \$62,778,577. A proposal to eliminate the PRAM was included in the filing.

On June 9, 1995, the Commission suspended the tariff revisions pending hearings on the justness and reasonableness of the rates requested in the filings.

On August 17, 1995, the parties to the proceeding filed a proposed stipulation for the Commission's review and consideration. The stipulation would resolve all outstanding issues in this proceeding. It would increase revenues by \$58,758,721.

HEARINGS: The Commission held hearings on July 10, August 7, 23, and September 8, 1995. The hearings were held before Chairman Sharon L. Nelson, Commissioner Richard Hemstad, Commissioner William R. Gillis, administrative law judge Elmer Canfield of the Office of Administrative Hearings and administrative law judge Marjorie R. Schaer of the Commission. The Commission gave proper notice to all interested parties.

PARTIES: Puget Sound Power & Light Company (Puget or the company) was represented by James M. Van Nostrand, attorney, Bellevue. The Washington Utilities and Transportation Commission (Commission Staff) was represented by Sally G. Johnston, assistant attorney general, Olympia. The public was represented by Donald T. Trotter, assistant attorney general, public counsel section, (Public Counsel) Seattle. Intervenor Washington Industrial Committee for Fair Utility Rates (WICFUR) was represented by Peter J.

Richardson, attorney, Boise, Idaho, and Grant E. Tanner, attorney, Portland. Intervenor Bonneville Power Administration (BPA) was represented by Gary Grange.

COMMISSION: The Commission authorizes Puget to refile tariffs to reflect the PRAM 5 revenue requirement increase of \$58,758,721. The Commission also authorizes Puget to recover the total deferral accumulated as of April 30, 1995, of \$93,158,806. The Commission accepts and approves the parties' proposal to eliminate the PRAM. The Commission accepts and approves the parties' stipulation resolving the issues presented in PRAM 5.

MEMORANDUM

I. BACKGROUND OF PERIODIC RATE ADJUSTMENT MECHANISM

In the past several years, the Commission has taken steps to encourage the state's investor-owned utilities to meet their loads with a least-cost resource mix including both generating resources and improvements in the efficient use of electricity. The PRAM was developed as a solution to two separate yet related regulatory issues:

- (1) Variation in power costs incurred by Puget because of variability in its hydroelectric resources, and variability in purchase power costs.
- (2) The desire to align regulatory treatment with resource decisions informed by the process of least-cost planning.

ECAC. The first issue, variation in power costs, was addressed during the 1980's with the Energy Cost Adjustment Clause (ECAC) initiated in 1982 (Docket No. U-81-41, Second Supplemental Order, March 12, 1982). In 1989 Puget sought to include amortization and return for conservation investment in the ECAC, arguing that not being able to include them was a disincentive to conservation. Commission Staff, Public Counsel and intervenors recommended the ECAC be eliminated, noting problems such as rate instability, customer confusion, loss of regulatory review, diminished incentives for company efficiency, and that it was not possible to quantify the impact of ECAC on cost of capital. The Commission ordered termination of the ECAC, finding that the process was too complicated and involved too many controversial adjustments (Docket Nos. U-89-2688-T and U-89-2955-T, Third Supplemental Order, January 17, 1990). In addition, the Commission adopted the following policies on power-cost adjustments: (1) They should be linked to weather related functions, i.e. outside management control; (2) They should be short-run adjustments reflecting short-run cost changes; and (3) Ratepayers should receive some benefit of cost of capital reduction.

RCW 80.28.260. In 1990, the Legislature gave the following new directives to the Commission:

(2) The commission shall consider and may adopt a policy allowing an incentive rate of return on investment in additional programs to improve the efficiency of energy end use or other incentive policies to encourage utility investment in such programs.

(3) The commission shall consider and may adopt other policies to protect a company from a reduction of short-term earnings that may be the direct result of utility programs to increase the efficiency of energy use. RCW 80.28.260 (§ 9, chapter 2, Laws of 1990).

REGULATORY BARRIERS NOI. In response to these directives, and to further the general policy objective of aligning regulation with least-cost resource development, the Commission issued a Notice of Inquiry (NOI), entitled "Examining Whether There Are Regulatory Barriers to Least Cost Planning for Electric Utilities" in May 1990 (Docket No. UE-900385). The Commission requested comment on four general objectives to be served by programs or mechanisms that encourage the goals of least-cost planning: (1) adjustment for changes in revenues and costs beyond a utility's control; (2) purchased power cost recovery; (3) conservation cost recovery; and, (4) incentives for least-cost supply and demand-side acquisitions.

PUGET PRAM. During the course of the Inquiry, several parties collaborated in developing a decoupling and incentive mechanism for Puget Power. As a result, Puget filed its PRAM proposal in October 1990. (The periodic rate adjustment mechanism proposal was Docket No. UE-901184-P. A companion filing in Docket No. UE-901183-T sought to implement the proposed mechanism for an initial accounting period. The two cases were consolidated for hearing.)

The proposal combined, in one annual adjustment, both decoupling and power-cost-adjustment mechanisms. The decoupling portion operates by dividing the revenue requirement into two categories: base costs and resource costs. Base costs are recovered on a fixed amount per customer basis, rather than on sales volumes of electricity. Resource cost adjustments are made on a dollar-for-dollar basis, and include the effect of hydro conditions. The Commission adopted a version of the company's proposal on an experimental basis, to be effective October 1, 1991. (Third Supplemental Order, April 1, 1991). Many issues were raised and considered in that proceeding, including the anticipated timing of future PRAM filings. The company's stated intent was to file for rate adjustments annually, with a general rate filing every third year.

PRAM 1. On May 31, 1991, Puget filed tariff sheets for a rate adjustment under the periodic rate adjustment mechanism (Docket No. UE-910626 generally referred to as PRAM 1). The company requested \$39.1 million in additional revenue for the period October 1, 1991, through September 30, 1992. On September 25, 1991, the Commission granted a rate increase of \$38.1 million.

INCENTIVES. On June 14, 1991, Puget filed tariff sheets under Docket No. UE-920689 seeking approval of an incentive plan for least-cost planning and performance. On January 14, 1992, the Commission entered an order approving the demand-side incentives proposed in that docket. The Commission rejected proposed supply-side incentives, noting that they were not structured to reward the company for acquiring energy supplies at least cost.

PRAM 2. On June 1, 1992, Puget filed tariff sheets under Docket No. UE-920630 for PRAM 2. The company on rebuttal requested \$92.3 million in additional revenue for the period October 1, 1992, through September 30, 1993. On September 24, 1992, the Commission granted a rate increase of \$66.4 million for the PRAM 2 rate year. In addition, the Commission approved another \$24 million of deferrals to be recovered in future proceedings, in order to moderate the impact of the large increase. The Commission also modified the decoupling mechanism in several ways, and instructed the company not to file another PRAM until after filing a general rate increase request, during which the PRAM mechanism could be evaluated. (Docket No. UE-920630, First, Second and Third Supplemental Orders).

GENERAL RATE CASE. On October 30, 1992, Puget filed revisions to its tariff sheets (Docket No. UE-921262; this was consolidated with filings for an accounting order in Docket No. UE-920433 and a rate design order in Docket No. UE-920499). This general rate increase filing contained parties' evidence on base resource costs to be included in the PRAM, and Commission review of the PRAM mechanism; the subsequent PRAM 3 filing (discussed below) addressed recovery of deferred amounts from prior periods. The Commission accepted the parties' representations that PRAM had achieved its primary goal -- the removal of disincentives to conservation investment.

The Commission continued the PRAM mechanism for another three-year cycle, making modifications to items included in calculation of base and resource costs. Citing the order rejecting Puget's ECAC, the Commission noted that ratepayers should receive the benefit of a power-cost-adjustment clause because such adjustments introduce rate instability for ratepayers, while providing earnings stability for shareholders. The Commission was not satisfied with the quality of the evaluation of the PRAM/Decoupling mechanism in this proceeding, and so ordered an evaluation collaborative to present a detailed evaluation of the PRAM and to investigate other alternatives, with an eye to whether PRAM is better than traditional ratemaking or other alternatives. (Docket No. UE-921262 et al., 11th Supplemental Order, September 21, 1993, pp. 5-18).

PRAM 3. On May 28, 1993, Puget filed tariff sheets under Docket No. UE-930622 for PRAM 3. This filing requested only the accumulated deferral portion of the PRAM; the projection of new resource costs was made equal to the level included in Puget's general rate case, Docket No. UE-921262 (above). The company requested \$38.1 million in additional revenue for the twelve-month period ending September 30, 1994, and authority to

recover the entire \$76.3 million of PRAM deferrals. The Commission authorized a PRAM 3 rate increase of \$35.7 million and authorized Puget to recover the entire \$76.3 million (Docket No. UE-930622, Third Supplemental Order, December 15, 1993).

PRAM 4. On May 27, 1994, Puget filed tariff sheets under Docket No. UE-940728 (PRAM 4) requesting \$66.7 million in additional revenue, revised on rebuttal to a \$55.5 million increase. On April 11, 1994, the company filed for approval of up to a \$597,500 incentive payment, under Docket No. UE-910689, to be collected in PRAM 4 rates. The company also sought authorization to recover its entire deferral balance of \$84.8 million. Parties to the incentive proceeding filed a stipulation with the Commission which was accepted and consolidated with the PRAM 4 tariff filing. On September 27, 1994, the Commission granted a revenue requirement increase of \$53.7 million, of which \$232,000 represented an incentive payment. Further, the Commission authorized recovery of the \$84.8 million of PRAM deferral, less the disallowances of new contracts resulting from the prudence portion of the general rate increase request in Docket No. UE-921262. (Docket Nos. UE-910689 and UE-940728, Third Supplemental Order, September 27, 1994).

PRAM Evaluation Collaborative. The PRAM evaluation collaborative ordered in the general rate case (UE-921262) failed to reach a consensus view of the success or failure of the mechanism. However it did note, in its report to the Commission in October of 1994, that it held the view that the PRAM did not, itself, provide an incentive for the company to manage either its power costs, or its new conservation and other resource acquisitions for lowest cost. Most collaborative members further noted, that the upward rate adjustments produced by the PRAM were due chiefly to resource cost adjustments, not the decoupling portion of the mechanism.

II. DISCUSSION

A. SHOULD THE PARTIES' STIPULATION SEEKING TO ELIMINATE THE PRAM BE APPROVED?

1. It is Time to Look at New Approaches to Dealing With Underlying Issues

The PRAM was originally established as a three year experimental regulatory mechanism for aligning regulatory treatment with variability in power costs, and with acquisition of least-cost new resources.

As with any regulatory mechanism, experimental or otherwise, the PRAM has had intended as well as unintended consequences. Puget acquired substantial conservation resources in 1991 through 1994, operating the most aggressive conservation program in the region, for which it received well-earned regional and national recognition. Whether this performance is attributable to the PRAM, or to the unique conditions faced by Puget during this period, has not, and perhaps cannot, be definitively established.

At the same time, the addition of new power resources, coupled with extended drought conditions in the Columbia Basin, and warmer than average winters, lead to large, upward annual rate adjustments and deferral balances. The annual proceedings, originally expected to be relatively straight-forward and simple, became complex and controversial.

The Regulatory Barriers to Least Cost Planning Notice of Inquiry (Docket UE-900385) established four broad principles by which to evaluate proposals that depart from traditional ratemaking. These principles include that the process should be 1) measurable, 2) simple to administer, 3) simple to explain to customers, and 4) an improvement, on balance, over current methods of regulation. On the first count, as the Evaluation Collaborative has demonstrated, it is difficult, if not impossible to judge definitively whether the PRAM can be shown to be measurably a success or a failure. To do so would require a practical yardstick for measuring and evaluating consequences of the PRAM, and comparing these to what might have occurred in the absence of the PRAM. No such yardstick is available, and we agree with the Evaluation Collaborative that fashioning such a yardstick may not have been practical, or even possible.

On the second and third principles, the PRAM proceedings did become complex to administer, controversial, and difficult to explain to customers. But, it is by no means clear that these proceedings were any more complex, controversial or difficult to understand than traditional ratemaking.

On the fourth and final principle, we believe it is fair to observe that joining a decoupling mechanism with a resource cost adjustment mechanism was an awkward marriage. In an annual adjustment, both features serve to minimize regulatory lag. The decoupling feature has demonstrated that a revenue requirement established through traditional rate base formulae can be collected based on factors other than kilowatt hour sales, and that these factors can be adjusted between general rate cases. The resource cost adjustment provided for allowed revenue to be adjusted more closely in time to changes in resource cost than is possible with lengthy general rate cases. However, the rate impacts of the resource cost adjustment overwhelmed the rate impacts of the decoupling adjustment, thus making a fair comparison of decoupling with traditional ratemaking difficult. Further, as observed by the Evaluation Collaborative, neither feature provided a clear incentive for the company to manage its acquisition of supply and demand-side resources at least cost. Finally, again as observed by the Evaluation Collaborative, both the decoupling and resource cost recovery features of the PRAM serve to shift some degree of risk from the company to its customers. We conclude that, while the PRAM may have produced some positive results for conservation acquisition, it is not demonstrated to have been, on balance, an improvement over traditional ratemaking.

The issues which originally lead to the invention of the PRAM have not evaporated. Power costs and hydro conditions can be expected to continue to vary. This variability presents risks which must be managed by Puget and balanced between

shareholders and ratepayers. Aligning company motivations with state and regional policy objectives remains an important public interest goal. However, the electric industry has changed significantly since PRAM was adopted, and it is time to look at new approaches to dealing with these underlying issues. Rate adjustment mechanisms like the PRAM do not appear to be well suited to an electric industry evolving to accommodate greater competition in power markets and in the electricity services provided by utilities.

In recognition of this changing market, we expect that parties will propose new approaches to regulation. We are developing a set of policy principles in Docket No. UE-940932 (Inquiry entitled Examining Regulation of Electric Utilities in the Face of Change in the Electric Industry) to guide our regulation of electric companies as a more competitive industry evolves. We expect that proposals would demonstrate consistency with these principles. We expect that future proposals would include an evaluation and measurement plan design. In addition, we have learned from PRAM that new approaches to regulation must explicitly address the balance of risks and costs between customers and the company. As we have long noted, ratepayers should not shoulder the burden of risks shifted to them by any regulatory mechanism without receiving demonstrable and commensurate benefits. Any proposals for new approaches to regulation should clearly demonstrate how risks are shared and compensated. Finally, we also expect that future regulatory proposals will be consistent with the appropriate and cost-effective development of both demand and supply resources that are reliable and lowest cost in the long term.

2. The Parties' Proposal to Eliminate the PRAM Should be Approved

On April 24, 1995, Puget, Commission Staff, Public Counsel, WICFUR, and the BPA submitted a Joint Report and Proposal Regarding Termination of the Periodic Rate Adjustment Mechanism. The report is Exhibit 3 in this proceeding. The report was the final product of the PRAM evaluation collaborative which the Commission had ordered in its Eleventh Supplemental Order in Docket No. UE-921262. In that order the Commission stated:

We were not satisfied with the quality of the evaluation of the PRAM/Decoupling mechanism in this proceeding. Many of the parties suggested a further collaborative effort prior to implementation of major changes in the PRAM. We concur with this recommendation and believe that a more detailed evaluation and discussion of alternatives to the existing collaborative could be conducted in an evaluation collaborative. Id. page 17.

The parties were instructed to provide interim reports on their progress in PRAM 4 and PRAM 5, and to present a final report no later than May 1, 1995.

The parties propose that the PRAM shall be terminated. Their joint proposal contains agreements regarding the conduct of the PRAM 5 proceeding, cessation of PRAM

deferrals, recovery of deferred amounts following the PRAM 5 period, a moratorium on the company's next general rate case filing, an agreement that no party will make a proposal for earlier termination of the PRAM, and a discussion of future rate adjustment mechanisms.

A panel of witnesses from the parties who signed the joint report, and a witness from the Northwest Conservation Act Coalition (NCAC), presented the report and responded to questions at the August 7 hearing. The NCAC did not sign the proposal to terminate the PRAM. This was not because the NCAC objects to the mechanics of what the parties have proposed, but rather because the NCAC does not want the Commission to reconsider whether decoupling should be pursued by the company.

The Commission has carefully considered the parties' proposal, and the concerns expressed by the NCAC. As discussed in the previous section of this order, the Commission agrees with the parties that the useful life of the PRAM mechanism is over. While we are sympathetic to concerns noted by the NCAC we do not believe decoupling should be exempt from reconsideration. As we enter a new regulatory era, the Commission will not pre-judge the elements of future rate adjustment mechanisms. It will judge future proposals on their merits, using appropriate regulatory principles. The joint proposal to terminate the PRAM is approved.

B. SHOULD THE PARTIES' STIPULATION RESOLVING PRAM 5 BE APPROVED?

On August 1, 1995, Puget, the Commission Staff and Public Counsel filed with the Commission a Stipulation resolving all rate making issues in the PRAM 5 proceeding. The Stipulation is Exhibit 38. The Stipulation states that WICFUR and the BPA "have indicated that they do not object to the terms of the proposed Stipulation." Page 2. The parties to the Stipulation agreed: (1) Revenue Requirement--A revenue increase of \$58,758,721 should be allowed to be recovered during the PRAM 5 period; (2) Conservation (a) projected conservation expenditures for the PRAM 5 period shall be assumed to be \$6.0 million; (b) the conservation revenue requirement shall be adjusted to remove from rate base \$6,695 related to integrated resource planning; (c) tax deductions associated with conservation expenditures for January through September 1995 shall be credited against deferred PRAM balances; (d) the company shall maintain a side record for conservation grants in excess of \$5,000 paid in the PRAM 5 period which do not include a repayment provision for premature termination; (3) Power Supply (a) Colstrip 1 & 2 coal prices shall be adjusted to "current" levels, subject to true-up; (b) a 90% availability factor shall be used for projecting power costs associated with certain purchases; (c) if the company's dispute with the Montana Power Company is resolved on or before December 1, 1996, the benefits shall be used as a true-up; (d) the recovery in rates of deferrals related to the ARCO contract shall be considered in the company's next general rate proceeding; (e) the effects of the company's participation in the Third AC intertie shall be treated in accordance with the procedures set forth in Exhibit 4 in this proceeding; and (4) Schedule 94--calculation of this rate shall be corrected to exclude distribution losses.

The Commission has carefully considered the Stipulation, and has concluded that it results in rates that are fair, just and reasonable. The Stipulation is approved. The Commission commends the parties for working together to resolve issues and reach consensus. Their work was well done.

IV. PUBLIC PARTICIPATION

The Commission held a hearing on September 8, 1995, at Olympia for the purpose of taking testimony from members of the public. Four witnesses testified. Exhibit 40 contains letters and materials sent by persons who did not necessarily attend the hearings.

Mr. Lee C. Hadley of Olympia expressed concern about the cumulative effect of Puget's rate increases on retirees on fixed incomes. Mr. George F. Tyler of Olympia expressed concern about Puget's contract with the Atlantic Richfield Company, and asked how discounts to large customers effect other ratepayers. Mr. Richard D. Johnson of Kent is a Puget employee, who appeared on his own behalf. Mr. Johnson expressed concern about the effects of competition and company cost cutting on its employees. He also alerted the Commission to company savings from shift pay policy changes, to ensure that those savings are recognized in rates. Mr. Robert Bandarra of Woodinville testified on behalf of the Woodinville Water District. He expressed concern with Puget's position that its Tariff G, Schedule 53, does not allow direct billing to customers of street lighting costs. Mr. Bandarra believes that customers billed by the Woodinville Water District are being billed twice for overhead charges: once by the water district and once by Puget.

V. SUMMARY

The Commission authorizes Puget to refile tariffs to reflect the PRAM 5 revenue requirement increase of \$58,758,721. The Commission authorizes Puget to recover the total deferral accumulated as of April 30, 1995, of \$93,158,806.¹ The Commission accepts and approves the parties' proposal to eliminate the PRAM. The Commission accepts and approves the parties' stipulation resolving the issues presented in PRAM 5.

FINDINGS OF FACT

1. The Washington Utilities and Transportation Commission is an agency of the state of Washington vested by statute with authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including electric companies.

¹ This amount may decrease following resolution of the ARCO issue which the Stipulation refers to the general rate case.

2. Puget Sound Power & Light Company, respondent herein, is engaged in the business of furnishing electric service within the state of Washington as a public service company.

3. On May 31, 1995, Puget filed revisions to its currently-effective Tariff WN U-60. The filing would have increased revenues approximately \$62,778,577 for the 12-month period October 1, 1995, through September 30, 1996. On August 17, 1995, the parties to the proceeding filed a proposed stipulation for the Commission's review and consideration. It would increase revenues by \$58,758,721.

4. The Commission suspended the proposed tariff revisions and commenced this proceeding to determine whether the revisions would result in rates that were fair, just, reasonable and sufficient.

5. The PRAM revenue requirement is \$58,758,721. Appendix A to Exhibit 38, the Stipulation, shows the calculation of the revenue requirement for Base Costs (Table 1), the calculation of the revenue requirement for Resource Costs (Table 2), and the revenue increase, Base and Resource (Table 3). The increase in rates by Rate Schedule shall be allocated as shown on Table 4 of Appendix A.

6. The company is authorized to recover the total deferral accumulated as of April 30, 1995 of \$93,158,000. This amount may decrease following resolution of the ARCO issue which the Stipulation refers to the general rate case.

7. The Commission approves the transmission costs listed in Exhibit 9 (JRL-9) of company witness J. Richard Lauckhart for purposes of this PRAM filing. The costs include net transmission plant at \$390,566,503, transmission depreciation expense at \$14,286,000, and transmission and distribution operations and maintenance expense at \$45,572,000.

CONCLUSIONS OF LAW

1. The Washington Utilities and Transportation Commission has jurisdiction over the subject matter of this proceeding and the parties thereto.

2. The tariff revisions now under suspension should be rejected. The company should be authorized to refile tariff revisions prepared in accordance with this order. Tariff revisions prepared in accordance with this order will result in rates that are fair, just, reasonable and sufficient.

3. The proposal made in Exhibit 3, the Joint Report and Proposal Regarding Termination of the Periodic Rate Adjustment Mechanism, should be approved and implemented.

4. The proposal made in Exhibit 38, Stipulation, should be approved and implemented.

On the basis of the foregoing findings of fact and conclusions of law, the Commission hereby makes and enters the following order.

ORDER

THE COMMISSION ORDERS:

1. The tariff revisions filed by respondent on May 31, 1995, now under suspension in Docket No. UE-950618, are rejected in their entirety. Respondent is authorized to file revisions in the form found to be appropriate in the body of this order. The compliance filing required by this order is strictly limited in scope to effectuate the terms of the Commission's decision and order.

2. The proposal made in Exhibit 3, the Joint Report and Proposal Regarding Termination of the Periodic Rate Adjustment Mechanism, is approved and adopted in its entirety. It is attached to this order as "Appendix A" and incorporated by this reference.

3. The settlement agreement submitted by the parties in Exhibit 38, Stipulation, is approved and adopted in its entirety. It is attached to this order as "Appendix B" and incorporated by this reference.

4. The filing authorized herein shall be made by Tuesday, September 26, 1995 by 12:00 noon, in order to have an effective date of October 1, 1995. Any filing made later than that time must bear an effective date which allows the Commission at least five complete working days following the date of the Commission's receipt thereof, to consider it.

5. The tariff revisions shall bear the notation on each sheet thereof, "By Authority of the Washington Utilities and Transportation Commission's Third Supplemental Order in Docket No. UE-950618".

6. Notice of the filing authorized herein shall be posted at each business office of respondent in the territory effective thereby on or before the date of filing with the Commission. The notice shall state that the filing is to become effective on the date inserted as the effective date thereon, pursuant to the above authorization, and the notice shall advise that a copy of the filing is available for public inspection at each such office. This notice shall remain posted until the Commission has acted on the filing.

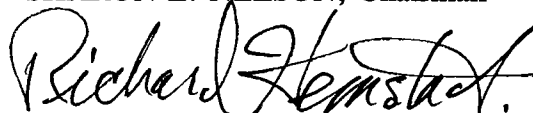
7. The Commission retains jurisdiction over the parties and subject matter to effectuate the provisions of this order.

DATED at Olympia, Washington, and effective this 21st
day of September 1995.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



SHARON L. NELSON, Chairman



RICHARD HEMSTAD, Commissioner



WILLIAM R. GILLIS, Commissioner

NOTICE TO PARTIES:

This is a final order of the Commission. In addition to judicial review, administrative relief may be available through a petition for reconsideration, filed within 10 days of the service of this order pursuant to RCW 34.05.470 and WAC 480-09-810, or a petition for rehearing pursuant to RCW 80.04.200 and WAC 480-09-820(1).

WUTC	
Cause No.	<u>UE 950618</u>
Exhibit #	<u>38</u>
Witness	<u>panel</u>
Date	<u>8-23-95</u>

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

vs.

PUGET SOUND POWER & LIGHT
COMPANY

Respondent.

DOCKET NO. UE-950618

STIPULATION

I. INTRODUCTION

On May 31, 1995, Puget Sound Power & Light Company ("the Company") filed tariff revisions under its Periodic Rate Adjustment Mechanism, or PRAM, for the twelve months beginning October 1, 1995 (the "PRAM 5 Period"). The Company's filing requested an increase of \$86,132,954, with \$62,778,577 to be recovered during the PRAM 5 Period. By Order dated June 9, 1995, the Commission suspended the tariff revisions and commenced an investigation. Following a prehearing conference on July 10, 1995, hearings for cross-examination of the Company's direct case were held on August 7, 1995.

Subsequent to the cross-examination of the Company's direct testimony, the Company, Staff and Public Counsel engaged in discussions regarding various contested issues in this proceeding. The other parties to the proceeding, the Washington Industrial Committee for Fair Utility Rates ("WICFUR") and the

Bonneville Power Administration, have indicated that they do not object to the terms of the proposed Stipulation.

The Parties therefore adopt the following Stipulation for consideration by the Commission in this proceeding.

II. STIPULATION

The Parties hereby agree and stipulate as follows:

1. Revenue Requirement

The Parties recommend that the Commission approve recovery of \$80,741,004 in this proceeding, including an increase of \$58,758,721 to be recovered during the PRAM 5 Period. Attached hereto as Appendix A is the calculation of the recommended revenue requirement for Base Costs (Table 1), the calculation of the recommended revenue requirement for Resource Costs (Table 2) and the Required Revenue Increase, Base and Resource (Table 3). The increase in rates by Rate Schedule shall be allocated as shown on Table 4 of Appendix A. The recommended increase is that proposed in the Company's initial filing in this proceeding (Exhibit T-1 through Exhibit 17), as adjusted in accordance with Sections 2 through 4 below. The parties further recommend that the Commission approve the projected transmission costs listed in Exhibit 9 (JRL-9) of Company witness J. Richard Lauckhart for purposes of this PRAM filing.

2. Conservation Issues

(a) **Projected Conservation Expenditures.** Projected conservation expenditures for the PRAM 5 Period shall be assumed to be \$6.0 million for purposes of calculating the tax benefits associated with conservation expenditures. This amount will be subject to true-up in accordance with customary PRAM procedures

and to review of conservation expenditures in subsequent proceedings. This amount is a Company projection, and acceptance of this projected amount in this proceeding shall not constitute evidence of the proper level of conservation expenditures.

(b) **Integrated Resource Planning Expenditures.** The conservation revenue requirement shall be adjusted to remove from rate base the identified expenditures of \$6,695¹ related to integrated resource planning. (Exhibit 27)

(c) **Tax Deductions Associated with Conservation.** With respect to the tax benefits associated with conservation expenditures for January through September 1995, the Company will credit the benefits against the deferred PRAM balances, commencing with the deferral for January 1995, rather than returning the benefits to the customer ratably over the ten-year amortization of the conservation expenditures (Exhibit 31). Any credit balance due using the FIFO methodology using January through April 1995 figures will be applied against the requested deferral recovery. The December 31, 1994 FIFO balance of deferrals proposed for recovery in this PRAM 5 proceeding, as adjusted under this section, shall be \$71,176,523.

(d) **DSM Grants.** With respect to conservation grants in excess of \$5,000 paid in the PRAM 5 period pursuant to grant agreements which do not include a provision requiring repayment in the event of premature termination, the Company shall maintain a side record which shall reflect any amounts not recoverable from any grantee as a result of such grantee ceasing to receive electrical service from the Company. The Company shall file semi-annual reports with Commission Staff which identify any such amounts unrecoverable from grantees and, in the next following

¹Which includes related AFUCE.

general rate proceeding,² shall submit testimony to address the recovery of such conservation expenditures.

3. Power Supply Issues

(a) **Thermal Variable Costs.** The coal price used in projected power costs shall be adjusted for purposes of this PRAM 5 proceeding to "current" levels as shown in Exhibit 20. Coal prices shall be subject to true-up during the PRAM 5 Period in accordance with customary PRAM procedures.

(b) **Availability of Cogeneration Units (Projected).** A 90% availability factor shall be used for purposes of projecting power costs associated with purchases from the Encogen, March Point I and II, and Sumas cogeneration projects. An availability factor of 89.3% shall be used for purposes of projecting power costs associated with purchases from the Tenaska cogeneration project. Availability factors shall be subject to true-up in accordance with customary PRAM procedures.

(c) **Montana Power Contract.** The Company's power purchase agreement with the Montana Power Company is currently the subject of litigation. If the Company is able to resolve the issue of termination of this Agreement on or before December 1, 1996, the benefits of the resolution of this dispute associated with the PRAM 5 Period shall be used as a true-up retroactive to the later to occur of October 1995 or the effective termination date and continuing until October 1, 1996.

(d) **Arco Special Contract.** In accordance with the provisions of the Commission orders in Docket No. UE-950599, in calculating the deferral for the affected period, the actual revenue will be adjusted by the difference between the revenues to be collected pursuant to the ARCO contract and what would have been

²This and subsequent references to the next "general rate proceeding" in this Stipulation do not preclude the parties from addressing the referenced issue and other items through alternative dispute resolution processes.

collected as revenue under Schedule 49, as set forth in the methodology shown in Exhibit C-24. The recoverability in rates of the portion intended to collect prior period deferrals, as included in the effective rate of Schedule 49, shall be considered in the Company's next general rate proceeding.

(e) **Participation in the Third AC Intertie.** The impacts associated with the Company's participation in the Third AC Intertie shall be treated in accordance with the procedures set forth in Exhibit 4 (JRL-4) for purposes of this proceeding. The Company in its next general rate proceeding shall file testimony proposing alternative treatment(s), not involving annual true-ups, of the impacts associated with its participation in the Third AC Intertie.

4. Schedule 94

The calculation of the Schedule 94 rate shall be corrected to exclude distribution losses in the denominator of such calculation. Upon conclusion of this proceeding, the Company shall file a revised tariff for Schedule 94 which reflects this correction as well as the impact on residential exchange benefits of the Commission's order in this proceeding.

5. Waiver of Notice

The Parties agree to waive any applicable time limits for issuance of a notice of hearing for presentation of this Stipulation. The Parties request that a hearing be convened on August 23, 1995 for presentation of the Stipulation.

6. Commission Action on Stipulation

This Stipulation is offered in this proceeding as the joint, exclusive recommendation of the Parties with respect to the issues set forth herein. No issues or proposed adjustments shall be raised by the Parties other than those set forth herein. The Parties have negotiated this Stipulation as an integrated document, and therefore

recommend that the Commission accept this Stipulation in its entirety. In the event the Stipulation:

- (i) is rejected in its entirety by the Commission, or
- (ii) is rejected in part by the Commission and any Party notifies the Commission and the remaining Parties within two (2) business days thereafter that the Stipulation is no longer applicable to that Party,

the Parties propose that the following procedures apply and at the following times after the Rejection Date (rejection under (i) or notification under (ii) above):

- (a) **Staff, Public Counsel, and Intervenor Testimony** will be filed one week after the Rejection Date;
- (b) **Company Rebuttal Testimony** will be filed two weeks after the Rejection Date; and
- (c) **Hearing** will be convened (for purposes of receiving all testimony, with cross-examination, and oral argument) on the earlier to occur of (1) one month after the Rejection Date or (2) the originally scheduled hearing dates in this proceeding (September 6 and September 8).

7. Other Matters

(a) **No Precedent.** This Stipulation is a negotiated settlement of the contested issues in this proceeding. By executing this Stipulation, no Party shall be deemed to have accepted or consented to the facts, principles, methods or theories employed in arriving at such a Stipulation. Nothing in this Stipulation shall be deemed to change the agreed-upon procedures under PRAM, except to the extent that this Stipulation prescribes the subsequent treatment for PRAM purposes to be accorded certain conservation and power supply expenses.

(b) **Execution.** This Stipulation may be executed by the Parties in several counterparts and as executed shall constitute one agreement.

(c) **Necessary Actions.** Each Party shall take all actions necessary and appropriate to enable it to carry out this Stipulation.

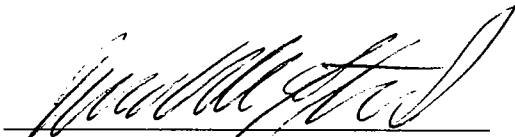
III. CONCLUSION


The Parties jointly submit this Stipulation for acceptance by the Commission in this proceeding, and request that the Commission issue an order approving the revenue requirement increase recommended herein. The Parties will present the Stipulation at a hearing which we request be convened on August 23, 1995. Counsel and representatives from each Party will be available at that time to respond to questions from the Commission concerning the Stipulation.

DATED this 17th day of August, 1995.


PUGET SOUND POWER
& LIGHT COMPANY

STAFF OF THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION

By: 
James M. Van Nostrand
Counsel for Puget Sound Power &
Light Company

By:  8-17-95
Sally G. Johnston
Assistant Attorney General
Counsel for Commission Staff

PUBLIC COUNSEL SECTION,
OFFICE OF THE ATTORNEY
GENERAL

By:  8-17-95
Donald T. Trotter
Assistant Attorney General
Public Counsel Section

**REVENUE REQUIREMENT
FOR BASE COST**

PRAM 5/ STIPULATION
Puget Sound Power & Light Company
Docket No. UE-950618
Exhibit 6 (JRL-6)
APPENDIX A, TABLE 1

	<u>As filed by Company:</u>	<u>Stipulation:</u>	<u>Difference</u>
1. UE-921262 Rev Req/ Base Cost	\$365,278,253	\$365,278,253	0
2. UE-921262 Number of Customers	765,849	765,849	0
3. Multiplier for Inflation/Productivity	1.0	1.0	0
4. UE-921262 Rev/ Customer for Base Cost (line 1 / line 2)	\$476.96	\$476.96	0
5. Estimated # of Customers for this Est Period	842,323	842,323	0
6. Revenue Requirement for Base Cost (line 4 * line 5)	\$401,754,378	\$401,754,378	0

**REVENUE REQUIREMENT
FOR RESOURCE COSTS**

**PRAM 5 STIPULATION
Puget Sound Power & Light Company
Docket No. UE-950618
Exhibit 7 (JRL-7)
Page 1 of 8
APPENDIX A, TABLE 2**

	<u>As File by Company:</u>	<u>Stipulation:</u>	<u>Difference:</u>
1. Power Costs from UE-921262	\$506,356,100	\$506,356,100	\$0
2. Delta from Power Cost Adj	\$196,275,900	\$187,171,500	(\$9,104,400)
3. Conservation	<u>\$59,062,380</u>	<u>\$64,999,385</u>	<u>\$5,937,005</u>
4. Sub-total Resource Cost	\$761,694,380	\$758,526,985	(\$3,167,395)
5. Conversion Factor	<u>0.956814</u>	<u>0.956814</u>	
6. Rev Req/ Resource Costs (Ln 4/Ln5)	\$796,073,615	\$792,763,259	(\$3,310,356)

**PERIODIC RATE ADJUSTMENT MECHANISM
SUMMARY SHEET
ESTIMATING PERIOD NO. 5**

**PRAM 5 STIPULATION
Puget Sound Power & Light Company
Docket No. UE-950618
Exhibit 8 (JRL- 8)
APPENDIX A, TABLE 3**

	<u>As filed by Company:</u>	<u>Stipulation:</u>	<u>Difference:</u>	
1. Estimating Revenue Requirement for This Estimating Period				
(i) Rev Requirement for Base Costs	\$401,754,378	\$401,754,378	\$0	(see JRL-6)
(ii) Rev Requirement for Resource Costs	\$796,073,615	\$792,763,259	(\$3,310,356)	(see JRL-7)
(iii) Total	\$1,197,827,993	\$1,194,517,637	(\$3,310,356)	(1 (i) + 1 (ii))
2. Adjustment to Account for Under Estimate of Allowed Revenue Requirement for Prior Estimating Period	\$71,886,023	\$71,176,523	(\$709,500)	(see JHS- 2)
3. Allowed Revenue Requirement for This Estimating Period	\$1,269,714,016	\$1,265,694,160	(\$4,019,856)	(line 1 (iii) + line 2)
4. Estimated Revenue Receipts for This Estimating Period	\$1,206,935,439	\$1,206,935,439	\$0	
5. Estimated Increase (Decrease) in Revenue Through This Periodic Rate Adjustment Necessary to Achieve the Allowed Revenue Requirement for This Estimating Period	\$62,778,577	\$58,758,721	(\$4,019,856)	(line 3 - line 4)

Increase (Decrease) in Rates by Rate Schedule
Necessary to Achieve the Allowed Revenue
Requirement for This Estimating Period

PRAM 5 STIPULATION
Puget Sound Power & Light Company
Docket No. UE-950618
Exhibit 8 (JRL- 8)
APPENDIX A, TABLE 4

	<u>As filed by Company:</u>	<u>Stipulation:</u>	<u>Difference:</u>	<u>As filed by Co. % increase:</u>	<u>Stipulation % increase:</u>	<u>Difference:</u>
Schedule 7	0.3488¢	0.3271¢	-0.0217¢	5.200%	4.800%	-0.400%
Schedule 24, 25, 26, 29	0.3061¢	0.2867¢	-0.0194¢	4.900%	4.500%	-0.400%
Schedule 30, 31, 35, 43	0.2737¢	0.2549¢	-0.0188¢	5.500%	5.100%	-0.400%
Schedule 46, 48, 49	0.2531¢	0.2345¢	-0.0186¢	6.600%	6.100%	-0.500%
Lighting	0.4995¢	0.4796¢	-0.0199¢	3.200%	3.100%	-0.100%
Firm Resale	0.2058¢	0.1903¢	-0.0155¢	4.400%	4.000%	-0.400%
All Schedules				5.200%	4.900%	-0.300%

Schedule 94	<u>As filed Including Sch 94:</u>	<u>Stipulation Including Sch 94:</u>
Schedule 7	2.400%	2.000%

Residential & Farm Exchange Increased from \$.00945 to \$.01157 credit. The \$.01157 credit to be adjusted based on final Commission order in this proceeding.

CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing Stipulation upon all parties of record, as identified below, by transmitting a copy thereof, properly addressed with postage prepaid, either through the United States mail or by overnight courier, or by personal delivery of a copy thereof upon such party.

Commission Staff

Sally G. Johnston
Assistant Attorney General
Heritage Plaza Building
1400 S. Evergreen Park Dr. S.W.
Olympia, WA 98504-8002

Admin. Law Judge

Marjorie R. Schaer
Administrative Law Judge
Washington Utilities and Transportation
Commission
1300 S. Evergreen Park Dr. S.W.
Olympia, WA 98504

Public Counsel

Donald T. Trotter
Assistant Attorney General
Public Counsel Division
900 Fourth Avenue, Suite 2000
Seattle, WA 98164

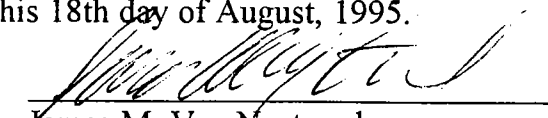
WICFUR

Peter Richardson
Davis Wright Tremaine
999 Main Street
Suite 911
Boise, ID 83702

BPA

Gary Grange
Bonneville Power Administration
905 N.E. 11th
P. O. Box 3621
Portland, OR 97208

Dated at Bellevue, Washington this 18th day of August, 1995.



James M. Van Nostrand

WUTC
Cause No. <u>UE-950618</u>
Exhibit # <u>3</u>
Witness <u>Lauckhart</u>
Date <u>8-7-95</u>

EXHIBIT NO. _____ (JRL-3)
 DOCKET NO. UE-95
 WITNESS: J. RICH LAUCKHART

BEFORE THE
 WASHINGTON UTILITIES & TRANSPORTATION
 COMMISSION

WASHINGTON UTILITIES & TRANSPORTATION
 COMMISSION

COMPLAINANT

VS.

PUGET SOUND POWER & LIGHT COMPANY

RESPONDENT

RECEIVED
 RECORDS MANAGEMENT
 95 MAY 31 PM 4: 37
 STATE OF WASH.
 J. RICH LAUCKHART
 COMPLAINANT

EXHIBIT
 J. RICH LAUCKHART
 PUGET SOUND POWER & LIGHT COMPANY

**PUGET
POWER**

April 24, 1995

HAND-DELIVERED

Mr. Steve McLellan, Executive Secretary
Washington Utilities and
Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

**Re: Docket No. UE-921262 et. al.
Report of PRAM Evaluation Collaborative Group**

Dear Mr. McLellan:

Enclosed for filing with the Commission in the above matter are an original and nineteen (19) copies of a Joint Report and Proposal Regarding Termination of the Periodic Rate Adjustment Mechanism. This Joint Report and Proposal is submitted jointly by Puget Sound Power & Light Company, Commission Staff, Public Counsel, Washington Industrial Committee for Fair Utility Rates, and the Bonneville Power Administration.

This Joint Report and Proposal is filed pursuant to the Eleventh Supplemental Order in the above dockets. which requires that a report of the PRAM Evaluation Collaborative Group be submitted to the Commission on or before May 1, 1995. (Order, p. 18). The Parties to the Joint Proposal reached consensus on the positions and recommendations set forth therein, and seek the Commission's review and acceptance of the Joint Proposal. In the event the Commission has questions regarding the Joint Proposal, the Parties request that the Commission convene the Collaborative Group to present the Joint Proposal and respond to questions.

Thank you for your consideration.

Very truly yours,

PUGET SOUND POWER & LIGHT CO.

By: Christy A. Omohundro BY *SMU*
Christy A. Omohundro
Director Rates & Regulation

cc: Parties to Joint Proposal

BEFORE THE WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

**JOINT REPORT AND PROPOSAL REGARDING
TERMINATION OF THE
PERIODIC RATE ADJUSTMENT MECHANISM**

April 20, 1995

In its Eleventh Supplemental Order in Docket Nos. UE-921262 et.al., the most recent general rate proceeding of Puget Sound Power & Light Company ("Puget" or "the Company"), the Commission directed that a collaborative group be convened to evaluate the Company's periodic rate adjustment mechanism, or PRAM, and the decoupling experiment. The Commission further directed that at the conclusion of the evaluation collaborative and no later than May 1, 1995, the Company report to the Commission on the status of the collaborative effort, including positions on issues where the parties have reached consensus.

Since April 1994, a PRAM Evaluation Collaborative Group has been meeting for the purposes of investigating the issues identified in the Commission's order. The PRAM Evaluation Collaborative Group comprises representatives from the Company, Washington Utilities & Transportation Commission Staff, Public Counsel Section of the Attorney General's Office, Northwest Conservation Act Coalition, the Washington Industrial Committee for Fair Utility Rates, or WICFUR, and Bonneville Power Administration (individually, a "Party" and collectively, the "Parties").

The collaborative process has produced a joint proposal which the Parties believe is responsive to the Commission's directives. Accordingly, the Parties hereby present their joint proposal for the Commission's consideration.

JOINT PROPOSAL

The Parties hereby agree to, and jointly propose, the following:

1. Termination of the PRAM

In accordance with the procedures set forth in this Joint Proposal, the Parties agree that the PRAM shall be terminated.

2. PRAM 5 Filing

On or about June 1, 1995, the Company will submit a PRAM 5 filing. The Parties agree that no changes to the PRAM methodology, or to past Commission interpretation and implementation thereof, will be proposed or implemented in that proceeding, except that:

(a) Beginning January 1, 1996, the Company will reduce monthly deferrals recorded under the PRAM to reflect the reduction in conservation financing costs as a result of the Conservation Asset Transaction, in accordance with paragraph 3 of the Stipulation for Approval of Application in Docket No. UE-950195;

(b) The Company will implement the procedure for reflecting the benefits associated with marketing nonfirm energy to the Southwest over Puget's share of the Third AC Intertie, as set forth in the April 17, 1995 letter from Puget to the Commission; and

(c) Adherence to the PRAM methodology shall not preclude the Parties from making recommendations regarding modifications to the calculation of the conservation revenue requirement to reflect the impact of IRS Revenue Ruling 95-32 and the Company's implementation thereof.

3. Cessation of PRAM Deferrals

The Company shall cease accruing additional PRAM deferrals as of the end of the PRAM 5 period, September 30, 1996.

4. Recovery of Deferred Amounts Following PRAM 5 Period

The Parties agree that the Company shall recover in rates all Commission-approved PRAM deferred balances recorded as of September 30, 1996. Such recovery shall be effected as follows:

(a) The rate set for recovery of PRAM deferred balances in the PRAM 5 proceeding (the "Deferral Rate")¹ shall continue through November 30, 1996.

(b) Effective December 1, 1996, the Deferral Rate shall be adjusted, after Commission review and approval, in accordance with a filing submitted by the Company on or about October 15, 1996 (or such time as the actual PRAM deferred balances as of September 30, 1996 are known) which provides for Commission-approved deferred balances to be recovered over a period, not to exceed two years, that satisfies the deferred accounting requirements of the Financial Accounting Standards Board, or FASB. The amount of deferred balances to be recovered in rates shall be calculated in accordance with the existing PRAM methodology and the Commission's interpretation and implementation thereof. Upon collection of all deferred balances, Schedules 100 and 101 shall terminate.

¹This rate is shown in the "Deferral" column of Schedule 100 or, alternatively, in Schedule 101.

5. Moratorium on Company's Next General Rate Case Filing

The Company shall not seek any general increase in rates that would become effective prior to October 1, 1996, except that:

(a) The Company may file sooner if necessary to do so as a result of extraordinary circumstances. "Extraordinary circumstances" shall mean the Company reasonably believes its financial condition is such that emergency rate relief would be warranted under the criteria enunciated by the Commission in WUTC v. Pacific Northwest Bell Telephone Company, Cause No. U-72-30, Second Supplemental Order (October 1972).

(b) In the event the Commission rejects all or any portion of the Joint Stipulation for Approval of Application in Docket No. UE-950195, the Company may, upon ten (10) days' written notice to the other Parties, be released from the limitation set forth in this Section 5, whereupon this Section 5 shall be void and of no further force or effect as to the Company.

6. No Proposal for Earlier Termination of the PRAM

No Party will make any proposal in any filing with the Commission with respect to termination of the PRAM on any terms other than as set forth in this Joint Proposal; provided, however, that this limitation shall not be effective in the event the Company is released from the limitation set forth in Section 5 above.

7. Future Rate Adjustment Mechanisms

In the Company's next general rate proceeding, Puget or any other Party may propose for the Commission's consideration other rate adjustment mechanisms, including decoupling mechanisms, lost revenue calculations, similar methods for

removing or reducing utility disincentives to acquire conservation resources, or other non-traditional ratemaking mechanisms.

8. Miscellaneous Provisions

(a) **No Precedent.** The Parties enter into this Joint Proposal to avoid further expense, inconvenience, and delay and to dispose of litigation. By executing this Joint Proposal, no Party shall be deemed to have accepted or consented to the facts, principles, methods or theories employed in arriving at such a Joint Proposal, nor shall any Party be deemed to have agreed that such a Joint Proposal is appropriate for resolving issues in any other proceeding.

(b) **Binding on Party.** This Joint Proposal is offered in this proceeding as the joint, exclusive recommendation of the Parties with respect to the issues set forth herein. The Parties have negotiated this Joint Proposal as an integrated document, and therefore recommend that the Commission accept this Joint Proposal in its entirety. If the Commission rejects all or any material portion of this Joint Proposal, each Party reserves the right, upon written notice to the Commission and all Parties within fifteen (15) days of the date of the Commission's order, to withdraw from the Joint Proposal, whereupon the Parties will not be bound by any position in the Joint Proposal.

(c) **Execution.** This Joint Proposal may be executed by the Parties in several counterparts and as executed shall constitute one agreement.

(d) **Necessary Actions.** Each Party shall take all actions necessary and appropriate to enable it to carry out this Joint Proposal.

DATED this 20th day of April, 1995.

PUGET SOUND POWER
& LIGHT COMPANY

STAFF OF THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION

By: Christy A. Omohundro
Christy A. Omohundro
Director Rates & Regulation

By: Sally G. Johnston *BY SJW*
Sally G. Johnston *PER TELEPHONE*
Assistant Attorney General *ATTORNEY RATE*
Counsel for Commission Staff *4-20-95*

PUBLIC COUNSEL SECTION,
OFFICE OF THE ATTORNEY
GENERAL

WASHINGTON INDUSTRIAL
COMMITTEE FOR FAIR UTILITY RATES

By: Donald T. Trotter *BY DTW*
Donald T. Trotter *PER TELEPHONE*
Assistant Attorney General *ATT 4-21-95*
Public Counsel Section

By: _____
Mark P. Trincherro
Of Attorneys for Washington Industrial
Committee for Fair Utility Rates

BONNEVILLE POWER
ADMINISTRATION

By: _____
Margaret A. Chang
Financial Analyst

(d) **Necessary Actions.** Each Party shall take all actions necessary and appropriate to enable it to carry out this Joint Proposal.

DATED this 20th day of April, 1995.

**PUGET SOUND POWER
& LIGHT COMPANY**

**STAFF OF THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION**

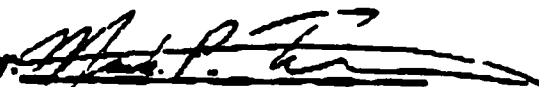
By: _____
Christy A. Omohundro
Director Rates & Regulation

By: _____
Sally G. Johnston
Assistant Attorney General
Counsel for Commission Staff

**PUBLIC COUNSEL SECTION,
OFFICE OF THE ATTORNEY
GENERAL.**

**WASHINGTON INDUSTRIAL
COMMITTEE FOR FAIR UTILITY RATES**

By: _____
Donald T. Trotter
Assistant Attorney General
Public Counsel Section

By:  _____
Mark P. Trinchero
Of Attorneys for Washington Industrial
Committee for Fair Utility Rates

**HONNEVILLE POWER
ADMINISTRATION**

By: _____
Margaret A. Chang
Financial Analyst

[BA951030.918]

(d) **Necessary Actions.** Each Party shall take all actions necessary and appropriate to enable it to carry out this Joint Proposal.

DATED this 20th day of April, 1995.

**PUGET SOUND POWER
& LIGHT COMPANY**

**STAFF OF THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION**

By: _____
**Christy A. Omohundro
Director Rates & Regulation**

By: _____
**Sally G. Johnston
Assistant Attorney General
Counsel for Commission Staff**

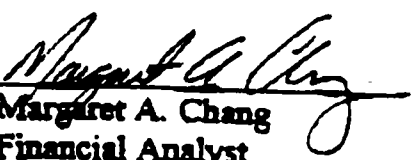
**PUBLIC COUNSEL SECTION,
OFFICE OF THE ATTORNEY
GENERAL**

**WASHINGTON INDUSTRIAL
COMMITTEE FOR FAIR UTILITY RATES**

By: _____
**Donald T. Trotter
Assistant Attorney General
Public Counsel Section**

By: _____
**Mark P. Trincherro
Of Attorneys for Washington Industrial
Committee for Fair Utility Rates**

**BONNEVILLE POWER
ADMINISTRATION**

By: 
**Margaret A. Chang
Financial Analyst**

[BA951030.010]