

EXHIBIT NO. ___(LFL-1T)
DOCKET NO. UE-051828/UE-051966
WITNESS: LYNN F. LOGEN

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WESTERN VILLAGE, LLC, D/B/A
WESTERN VILLAGE ESTATES,**

Complainant,

v.

PUGET SOUND ENERGY, INC.

Respondent.

Docket No. UE-051828

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

Docket No. UE-051966

**PREFILED DIRECT TESTIMONY OF
LYNN F. LOGEN
ON BEHALF OF PUGET SOUND ENERGY, INC.**

MARCH 8, 2006

PUGET SOUND ENERGY, INC.

PREFILED DIRECT TESTIMONY OF LYNN F. LOGEN

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1 **PUGET SOUND ENERGY, INC.**

2 **PREFILED DIRECT TESTIMONY OF LYNN F. LOGEN**

3 **I. INTRODUCTION**

4 **Q. Please state your name, business address, and position with Puget Sound**
5 **Energy, Inc.**

6 A. My name is Lynn F. Logen. My business address is 10885 N.E. Fourth Street
7 Bellevue, WA 98004. I am the Tariff Consultant for Puget Sound Energy, Inc.
8 ("PSE" or "the Company").

9 **Q. What are your duties as Tariff Consultant for PSE?**

10 A. My responsibilities include overseeing implementation and application of PSE's
11 tariffs. I do so in the context of responding to questions from customers,
12 Commission Staff or other interested persons regarding how various PSE tariff
13 schedules apply in various factual situations. I also answer such inquiries from
14 operations groups within the Company in an effort to better ensure that the
15 Company's tariff schedules are applied consistently in the field.

16 From time to time, I recommend that the Company file proposed revisions to a
17 tariff schedule to clarify its meaning and application. I was responsible for
18 developing the proposed revisions to PSE's electric service tariff WN U-60,
19 Tariff G, Schedules 80 and 85 that PSE filed with the Commission on December

1 19, 2005, which was assigned Docket No. UE-051966, suspended, and set for
2 adjudication in this consolidated proceeding.

3 **Q. Please describe your relevant employment experience and other professional**
4 **qualifications.**

5 A. I have been PSE's Tariff Consultant since 1997. Prior to that, I held the position
6 of Manager, Rates and Tariffs for seven years. In that position, I had the same job
7 duties as I currently have as Tariff Consultant. For approximately 15 years prior
8 to that, I held various management positions for PSE in rates and regulation,
9 billing and customer service departments, which required extensive knowledge of
10 PSE's tariffs. My training and responsibilities in my current position include
11 understanding PSE's electrical system, including system requirements and costs.

12 **Q. What is the nature of your testimony in this proceeding?**

13 A. My testimony explains why the Company filed its proposed revisions to
14 Schedules 80 and 85, and why the Company believes the proposed revisions are
15 fair, just and reasonable and should be approved by the Commission. In doing so,
16 I describe the Company's electric tariff schedules regarding installation,
17 ownership, maintenance and replacement responsibilities for secondary voltage
18 service lines in mobile home parks and multi-family buildings (such as apartment
19 complexes) and how PSE has interpreted the language of its tariff schedules
20 regarding such matters. I also describe how the Company's proposed tariff
21 revisions are intended to clarify any ambiguity in its electric tariff schedules

1 regarding responsibilities for secondary voltage service lines in mobile home
2 parks and multi-family buildings.

3 **Q. Please summarize your testimony.**

4 A. Since 1977, PSE has understood its electric tariff to provide that mobile home
5 park and multi-family building owners are responsible for the installation,
6 ownership, maintenance and replacement of secondary voltage service lines that
7 extend beyond the Point of Delivery on PSE's electric distribution system. As
8 described in Mr. Greg Zeller's prefiled direct testimony, Exhibit No. ___(GZ-1T),
9 the Point of Delivery is typically at the load (customer) side of the Company's
10 transformer or secondary handhole.

11 Recently, the question has arisen regarding whether PSE's interpretation of its
12 tariff is consistent with the language of its tariff schedules. This is because
13 Schedule 85 states that the "Customer" is responsible for the secondary voltage
14 service lines in mobile home parks and for multi-family buildings. At the time a
15 new service line is installed, the Customer is clearly the mobile home park or
16 multi-family structure owner that has applied for an extension of PSE's electric
17 distribution facilities to their complex. However, once a service line has been
18 installed by a mobile home park or multi-family building owner and a tenant at a
19 mobile home park or multi-family building begins taking electric service from
20 PSE, the tenant meets the definition of "Customer" under the definitions set forth
21 in PSE's Schedule 80 – General Rules and Provisions. Thus, if a mobile home
22 park or multi-family building owner/landlord refuses to make or pay for repairs to

1 an existing secondary voltage service line, the responsibility would fall to the
2 tenant.

3 PSE believes that the owners of mobile home parks and multi-tenant buildings –
4 rather than their individual tenants – should be responsible for the costs of
5 secondary voltage service lines, for the reasons described below and in
6 Mr. Zeller's testimony. PSE's proposed revisions to its tariff schedules are
7 intended to accomplish this result.

8 **II. PSE'S CURRENT TARIFF SCHEDULE PROVISIONS**
9 **REGARDING SECONDARY SERVICE LINES**

10 **A. The Structure and Organization of PSE's Tariff Schedules Related to**
11 **Service Line Responsibilities.**

12 **Q. What portion of the electric distribution system is at issue in the Company's**
13 **proposed tariff revisions?**

14 A. The Company's proposed tariff revisions primarily concern “Non-Residential” (as
15 defined in Schedule 85) underground "secondary voltage service lines," which are
16 also referred to by names including "service lines" or "secondary service
17 facilities," that are connected to the Company's underground electric distribution
18 system in order to transmit electricity from the Point of Delivery to an end-use
19 customer. As described in Mr. Zeller's testimony, these are the wires and other
20 facilities (other than the meter) that extend from the load (customer) side of PSE's

1 underground distribution system to the point at which an end-use customer uses
2 the electricity.

3 Non-Residential underground secondary voltage service lines are not treated the
4 same in PSE's tariffs as the Company's underground distribution system. PSE's
5 underground electric distribution system consists of electric facilities that include
6 transformers and primary voltage conductors that bring power to areas where it
7 will be used by customers where the transformers convert primary voltage to
8 secondary voltage. Typically, the secondary voltage service lines begin at the
9 load-side of PSE's transformer, at connectors that attach the service line to the
10 transformer.

11 In some cases, PSE's distribution system extends beyond the transformer to cable
12 carrying secondary voltage that is extended to a handhole, typically on or near a
13 lot line. In such cases, the secondary voltage service line begins at the connectors
14 in the handhole that connect this cable to the service line.

15 Finally, in some cases PSE may choose not to install a handhole, in which case the
16 secondary voltage service line begins at a splice marking the Point of Delivery at
17 the lot line of the property being served.

1 **Q. Which of the Company's electric tariff schedules govern installation and**
2 **repair of service lines?**

3 A. The primary tariff schedule governing installation and repair of service lines is
4 Schedule 85 – Line Extensions. For the Commission's convenience, a copy of the
5 Schedule 85 that is currently in effect is provided as Exhibit No. ____ (LFL-2).

6 **Q. What does Schedule 85 provide with respect to installation, maintenance and**
7 **repair of service lines?**

8 A. Schedule 85 distinguishes between service lines to a "Non-Residential" structure
9 and service lines to a "Single-Family Residence." These are defined terms under
10 Schedule 85. Schedule 85 defines "Non-Residential" as:

11 Service to commercial, industrial or lighting (excluding street
12 lighting circuitry) Customers, or to multi-family residential
13 structures, mobile home parks, and recreational facilities.

14 Schedule 85, Sheet 85, found at Exhibit No. ____ (LFL-2) at p. 1.

15 Schedule 85 addresses "Secondary Voltage Service Line Costs" beginning at
16 Sheet 85-e. With respect to underground service lines to multi-family residential
17 structures, mobile home parks, and other "Non-Residential" structures,

18 Schedule 85 provides:

19 Non-Residential Secondary Voltage Services

20 (a) Underground Service

21 The Customer shall be responsible for ownership and operation of
22 all underground services and for all costs for installation,
23 maintenance and replacement thereof.

1 Schedule 85, Sheet 85-f, § 2, found at Exhibit No. ___(LFL-2) at p. 7.

2 **Q. Do any other PSE tariff schedules further inform the service line**
3 **responsibility issue?**

4 A. Yes, Schedule 80 – General Rules and Provisions – provides some additional
5 guidance, although it is important to remember that the terms in Schedule 80
6 apply only where they are not inconsistent with the specific terms of another tariff
7 schedule. For the Commission's convenience, a copy of Schedule 80 that is
8 currently in effect is provided as Exhibit No. ___(LFL-3).

9 Schedule 80 generally defines the Point of Delivery as "that location on the
10 Customer's Premises where Company's circuit and Customer's system are
11 interconnected." Schedule 80, Sheet 80, found at Exhibit No. ___(LFL-3) at p. 1.
12 For all underground service at Secondary voltages that is not to single-family
13 residential structures, "the Point of Delivery will normally be at the load side of
14 the Secondary connectors at the transformer or secondary handhole." Schedule
15 80, Sheet 80-b, found at Exhibit No. ___(LFL-3) at p. 3.

16 Schedule 85 then specifically locates the Point of Delivery for mobile home parks
17 and multi-family residential structures as follows:

18 For underground service at Secondary voltages to Non-Residential
19 Customers, the Point of Delivery shall be at (i) the load side of the
20 transformer or secondary handhole if located on the private
21 property being served or (ii) the property line if the distribution
22 facilities are located on a public right-of-way. The transformer,
23 handhole, or secondary connection location shall be at the point
24 that is, in the Company's opinion, most conveniently located with

1 respect to the Company's distribution facilities. The Customer
2 shall install, own, and maintain all Secondary facilities beyond the
3 transformer or Secondary handhole, except for metering equipment
4 provided by the Company.

5 Schedule 85, Sheet 85-1, § 11(b), found at Exhibit No. ____ (LFL-2) at p. 13.

6 **Q. Why are the provisions for maintenance of secondary voltage service lines**
7 **found in Schedule 85, the "Line Extension" tariff schedule?**

8 A. Since July 1, 2002, Schedule 85 has governed existing service lines as well as
9 construction of new service lines. Prior to that time, beginning in 1973, line
10 extensions (new construction) of the Company's distribution facilities were
11 addressed in Schedule 85 and secondary voltage service lines were addressed
12 more specifically in Schedule 86 – Service Lines. On July 1, 2002, as part of the
13 outcome of the Company's 2001 general rate case, a revised Schedule 85 became
14 effective that incorporated most of the provisions of Schedule 86 and
15 simultaneously cancelled Schedule 86. For the Commission's convenience, copies
16 of the Schedules 85 and 86 that were in effect just prior to the revisions and
17 cancellation effective July 1, 2002, are provided as Exhibit No. ____ (LFL-4) and
18 Exhibit No. ____ (LFL-5).

19 As is evident from a review of these prior versions of Schedules 85 and 86, the
20 schedules overlapped to a significant extent. For example, Schedule 85 set forth
21 the terms under which the Company would construct new distribution facilities to
22 "multi-family residential structures, mobile home parks, and non-residential or
23 recreational facilities" and provided that "[u]nderground secondary service lines

1 from the Point of Delivery shall be installed, owned and maintained by the
2 developer or property owner." Schedule 85 (Effective April 11, 1997), Sheet 85-
3 b, § 3.a.(5), found at Exhibit No. ____ (LFL-4) at p. 3. Like the current Schedule
4 85, the Point of Delivery for secondary voltage service lines was at the load side
5 of the transformer or secondary handhole or the property line. *Id.* at Sheet 85-c,
6 § 3.c, found at Exhibit No. ____ (LFL-4) at p. 4.

7 The Schedule 86 then in effect provided that for "underground service lines to
8 multi-family residential structures, mobile home parks and non-residential
9 facilities": "The Customer shall install, own, and maintain all secondary
10 underground service facilities beyond the secondary termination at the transformer
11 or handhole." Schedule 86 (Effective April 11, 1997), Sheet 86-b, § 3, found at
12 Exhibit No. ____ (LFL-5) at p. 3.

13 Rolling all of the terms from these two schedules into one schedule simplified the
14 Company's tariff.

15 **Q. Were these exact provisions with respect to mobile-home park and multi-**
16 **family structure service lines found in Schedules 85 and 86 back to 1973?**

17 A. The provisions quoted above were in effect from April 11, 1997 until July 1,
18 2002. From October 21, 1977 until April 11, 1997, Schedule 86 contained the
19 same requirement in Section 3. Copies of the Schedule 86 tariff sheets that were
20 in effect at various times from October 21, 1977 until July 8, 1982, are provided
21 as Exhibit No. ____ (LFL-6) and copies of the Schedule 86 tariff sheets that were in

1 effect at various times from July 8, 1982 until April 11, 1997, are provided as
2 Exhibit No. ____ (LFL-7). *See* Exhibit No. ____ (LFL-6) at p. 10 and Exhibit
3 No. ____ (LFL-7) at pp. 11-13 and 19.

4 Similar provisions were also found in Schedule 85 from October 21, 1977 until
5 April 11, 1997. Copies of the Schedule 85 tariff sheets that were in effect at
6 various times from October 21, 1977 until July 8, 1982, are provided as Exhibit
7 No. ____ (LFL-8) and copies of the Schedule 85 tariff sheets that were in effect at
8 various times from July 8, 1982 until April 11, 1997, are provided as Exhibit
9 No. ____ (LFL-9).

10 During that time period, Schedule 85 at various times referred to the "customer"
11 and/or "developer or property owner" as the entity responsible for secondary
12 service lines at mobile home parks and multi-family residential structures. *See*
13 Exhibit No. ____ (LFL-8) at pp. 16-20, § 3.a. ("Underground secondary service
14 lines from the Point of Delivery shall be installed, owned and maintained by the
15 developer or property owner."); Exhibit No. ____ (LFL-8) at p. 19, § 3.c. ("The
16 Customer shall install, own and maintain all secondary facilities beyond the
17 transformer or secondary handhole."); Exhibit No. ____ (LFL-9) at pp. 13-14, 22
18 and 30, § 3.a.(5) and p. 23, § 3.a.(3) and p. 32, § 3.a. and p. 37, § 3.a.(6)
19 ("Underground secondary service lines from the Point of Delivery shall be
20 installed, owned and maintained by the developer or property owner."); Exhibit
21 No. ____ (LFL-9) at pp. 20-23, 30, 32 and 43, § 3.c. ("The Customer shall install,

1 own and maintain all secondary facilities beyond the transformer or secondary
2 handhole.").

3 From August 18, 1973 until October 21, 1977, Schedules 85 and 86 had different
4 provisions with respect to underground secondary service line responsibilities than
5 were effective beginning in 1977. Copies of the Schedules 85 and 86 that were in
6 effect from August 18, 1973 until October 21, 1977, are provided as Exhibit
7 No. ____ (LFL-10) and Exhibit No. ____ (LFL-11). During that time, Schedule 85
8 explicitly excluded from its coverage any underground service lines. *See*
9 Schedule 85, Sheet 85-c, § 3, found at Exhibit No. ____ (LFL-10) at p. 4. ("The
10 Company will extend its Primary distribution system underground (exclusive of
11 Service Lines) to serve one or more Customers in an area zoned for commercial or
12 industrial purposes or to multi-family residential complexes, on the following
13 terms...."). At that time, Schedule 86 provided that the Company would provide
14 primary voltage underground service lines, including Secondary terminations, to
15 "non-residential customers (including multi-family residential complexes)" across
16 private property in exchange for the payment provided for in the schedule.
17 Schedule 86 (Effective Date August 18, 1973), Sheet 86-a and 86-b, § 4, found at
18 Exhibit No. ____ (LFL-11) at p. 2. However, "The Customer shall provide and
19 install all Secondary service facilities beyond the Secondary terminations at the
20 transformer or handhole." *Id.* at § 4.a.(2), found at Exhibit No. ____ (LFL-11) at
21 p. 3. At the time, this requirement extended only to multi-family residential
22 complexes, not mobile home parks.

1 **Q. Does it matter for purposes of the Company's tariff whether a structure is**
2 **called a "mobile home" or a "manufactured home"?**

3 A. No, those terms are synonymous with respect to the tariff.

4 **Q. Under the current Schedule 85, is service to mobile homes or manufactured**
5 **homes always included in the definition of Non-Residential rather than**
6 **Single-Family Residential service?**

7 A. No, it is possible for an individual mobile or manufactured home to be considered
8 a Single-Family Residence under Schedule 85 if it is located on a legal residential
9 lot, is approved for occupancy as a permanent single family residence by the local
10 governing agency or agencies, is permanently located on a foundation, has had the
11 axles and wheels removed, and meets all other requirements for a mobile home
12 permit as required by the local governing agency or agencies. *See* Schedule 85
13 (Effective Date July 1, 2002), Sheet 85, found at Exhibit No. ____ (LFL-2) at p. 1.
14 In addition, as described below, a residential complex made up of mobile or
15 manufactured homes in which the residents of the homes own the lots on which
16 their homes are located is treated as consisting of Single-Family Residences under
17 Schedule 85.

1 **B. PSE's Interpretation of its Tariff With Respect to Secondary Service**
2 **Line Responsibilities.**

3 **Q. Who is the "Customer" that is responsible under the current Schedule 85 for**
4 **installation, ownership and maintenance of all secondary service facilities?**

5 A. The term "Customer" is not defined in Schedule 85. Clearly, at the time of
6 installation of a new service line, the Customer is the mobile home park or multi-
7 family structure owner that has asked the Company to extend its distribution
8 facilities to their complex. In addition, the Company has historically interpreted
9 its tariff as placing the responsibility for service lines at mobile home parks or
10 multi-family residential structures on the mobile home park or multi-family
11 structure owner rather than the individual tenants of these properties that may
12 have a service line failure even after initial installation of the service line. During
13 the fifteen years that I have been responsible for PSE's tariff interpretation and
14 application, I have consistently interpreted Schedule 85 (as well as Schedule 86,
15 during the time period it was still in effect as a separate tariff schedule) in this
16 manner. This interpretation was passed on to me by my predecessor, under whom
17 I worked for six years prior to his retirement.

18 However, as described below, it has recently come to my attention that the general
19 definition of "Customer" in Schedule 80 casts some doubt on whether it is
20 appropriate to interpret Schedule 85 to impose service line responsibilities on
21 mobile home park owners or multi-family structure owners after the time that a
22 service line is initially installed. This is because Schedule 80 defines "Customer"

1 as "Any person, partnership, firm, corporation, municipality, cooperative
2 organization, governmental agency, etc., who or which *is receiving service* from
3 the Company." Schedule 80, Sheet 80, found at Exhibit No. ___(LFL-3) at p. 1
4 (emphasis added). After a service line is installed by the mobile home park or
5 multi-family structure owner and a tenant begins receiving electric service from
6 the Company, this end-use tenant becomes a "Customer" under the Schedule 80
7 definition.

8 **Q. What is the basis for the Company's historic interpretation of its tariff as**
9 **placing service line responsibilities on mobile home park and multi-family**
10 **structure owners rather than their tenants?**

11 A. There are a number of reasons for this interpretation. One reason is the fact that
12 the initial "customer" with respect to new distribution and service facilities
13 installed at mobile home parks is the park owner. Schedule 85 places
14 responsibility on the "customer" for "maintenance, and replacement" of service
15 lines as well as for "installation." *See* Schedule 85, Sheet 85-f, § 2.(a), found at
16 Exhibit No. ___(LFL-2) at p. 7. This seems inconsistent with the concept that the
17 owner-customer installing the service line has no further maintenance or
18 replacement obligations once a tenant-customer begins receiving electric service.
19 Similar logic applies to new service lines installed for multi-family structures such
20 as apartment buildings.

1 Also, if a service line in a mobile home park or to a multi-family structure fails
2 and the tenant were to move out prior to any repair, the new tenant would not
3 become a "Customer" per an end-use definition until service was restored. This
4 would leave a gap in payment responsibility if the mobile home park or multi-
5 family structure owner were to be excluded from the Schedule 85 definition of
6 "Customer".

7 In addition, as described above, for many years the plain terms of Schedule 85
8 identified developers and property owners as well as customers as the entities
9 responsible for secondary service lines.

10 It is also my general understanding that, for mobile home parks that rent spaces to
11 residents of manufactured homes, the park owner is agreeing to provide a
12 functioning electric service hookup for the manufactured home up to the point at
13 which the manufactured home connects to the hookup provided by the park
14 owner. Similarly, a tenant renting an apartment from a landlord would expect to
15 have functioning electric service. The availability of electricity depends on a
16 functioning service line. I believe these expectations apply regardless of whether
17 or not the tenant is expected to pay the electric utility directly for the amount of
18 electricity the tenant consumes or whether the mobile home park or multi-family
19 structure is master metered and the Company bills the mobile home park or multi-
20 family structure owner.

21 Finally, the Company's interpretation generally has not been an issue, and most
22 applications of the interpretation are implemented in the field. As described in

1 Mr. Zeller's testimony, mobile home park owners or their representatives, as well
2 as multi-family structure owners or their representatives, typically have taken on
3 these service line responsibilities. Similarly, in prior informal complaints to the
4 Commission in which the issue of service line responsibility has been raised, the
5 focus has been on whether the Company or the mobile home park or multi-family
6 structure owner is responsible for the repair, not whether the end-use tenant
7 customer is responsible instead of the owner.

8 **Q. Please briefly describe these prior informal complaints regarding service line**
9 **responsibilities.**

10 A. In the first of which I am aware, which commenced in November 1994 and closed
11 in February 1995 (the "1994 Complaint"), the Commission consumer affairs Staff
12 upheld the Company's position that the mobile home park owner was responsible
13 for repairing a failed service line. At that time, the Commission Staff concluded
14 that since the time of Company's revision to Schedule 86 in 1977, ownership,
15 maintenance and repair responsibilities for service lines at mobile home parks
16 rested with the park owner. Information regarding this informal complaint is
17 provided as Exhibit No. ___(LFL-12). The Western Village formal complaint that
18 has been consolidated with this proceeding now essentially raises this issue for the
19 Commission's determination.

20 At the time, Commission Staff's inquiry and the Company's response to the 1994
21 Complaint focused on whether or not the Company or the owner were responsible.

1 However, I noticed in reviewing the 1994 Complaint file for this case that the
2 complainant mobile home park owner also asserted that the end user was
3 responsible for the repair, not the mobile home park. *See* Exhibit No. ____ (LFL-
4 12) at pages 3-4 (bullet no. 4), 9 ("Puget Power's customers are the tenants in the
5 mobile home park...") and 15 (handwriting, "not Mobile Home Park. It's end-
6 user"). I do not recall the complainant or the Commission Staff pressing that
7 point in the discussions that led to conclusion of the informal complaint.

8 In informal complaints after the 1994 Complaint, the focus was again on the
9 question of Company versus property owner responsibility, not whether the end-
10 use customer was responsible rather than the property owner. For example, a
11 mobile home park owner opened an informal complaint before the Commission in
12 1999 regarding the question of whether the Company owned the service line
13 facilities all the way to the meter. The Commission consumer affairs Staff upheld
14 the Company's position that the park owner was responsible under the version of
15 Schedule 86 that was then in effect. The question of the end-use customer was
16 not raised. Information regarding this informal complaint is provided as Exhibit
17 No. ____ (LFL-13).

18 Similarly, a multi-family complex owner opened an informal complaint in March
19 2005 regarding whether the Company was required to repair a service line.
20 Information regarding this informal complaint is provided as Exhibit
21 No. ____ (LFL-14). The owner noted that the customer who had experienced the
22 outage had a PSE account and paid the usage bill. But the owner also stated that

1 all the residences in the complex were owned by the same entity, "who resolves
2 issues with service outages." See Exhibit No. ____ (LFL-14) at page 1. This is
3 consistent with the Company's experience that the property owner typically takes
4 on responsibility for electric service outages experienced by their tenants.

5 **Q. Turning to a different aspect of the Company's Schedule 85 interpretation,**
6 **does the Company interpret Schedule 85 such that mobile home parks are**
7 **always necessarily considered "Non-Residential"?**

8 A. No, PSE interprets Schedule 85 more broadly than that, such that an entire
9 community that might be described as a "mobile home park" could meet the
10 definition of "Single-Family Residence" and be treated as a platted residential
11 development under Schedule 85. A mobile home park is considered residential
12 under Schedule 85 if the lots are or will be individually owned by the individual
13 owners of the mobile homes along with certain other conditions. By contrast, a
14 mobile home park is considered non-residential if the individual owners of the
15 mobile homes do not own the lots. This interpretation is set forth in the
16 Company's Rate Schedule Interpretation, Schedule 85, Mobile Home Parks,
17 RSI No. E-85-4. Copies of the current and all prior versions of RSI No. E-85-4
18 are provided as Exhibit No. ____ (LFL-15).

19 **Q. What is a "Rate Schedule Interpretation"?**

20 A. In my position as Tariff Consultant, I regularly get questions from Project
21 Managers, other PSE employees and customers throughout PSE's service territory

1 regarding various tariff schedules. From time to time, I develop lists of questions
2 and answers to address topics that have been raised with respect to various tariff
3 schedules, and the Company publishes internally these "Rate Schedule
4 Interpretations" in an effort to better ensure consistent application of its tariff
5 schedules over time and across its service territory.

6 **Q. Why is the service line to mobile homes generally included in the definition of**
7 **Non-Residential rather than Single-Family Residential service?**

8 A. Mobile homes are more akin to multi-family residential structures such as
9 apartments rather than Single-Family Residences since the owner of a mobile
10 home does not typically own the lot, but rents it from a landlord that owns and
11 rents out many spaces on a larger piece of property. The ownership distinction
12 creates several issues related to costs of service that make a mobile home park
13 more appropriately Non-Residential.

14 **Q. Why does the ownership distinction make a difference in responsibilities for**
15 **the installation, maintenance and repair, or replacement of underground**
16 **service lines?**

17 A. Whether a resident owns the lot or rents it makes a difference both with respect to
18 the initial installation of a service line and with respect to subsequent
19 maintenance, repair or replacement of the service line. Where the owner of a
20 piece of property is installing and maintaining the service line, it is clear that the
21 owner has the right to do so. That is not necessarily the case for residents of

1 rented properties. In addition, it has been the experience of the Company that the
2 layout and use of rented mobile home park lots can change over time. As Mr.
3 Zeller describes, the placement of mobile homes on rented lots may change over
4 time, and mobile homes are often placed over underground utility facilities after
5 they are initially installed. In such cases, maintenance, repair and replacement of
6 the facilities becomes more expensive and time consuming.

7 **III. PSE'S PROPOSED TARIFF SCHEDULE REVISIONS**

8 **A. PSE Seeks Through Its Proposed Tariff Revisions to Avoid Future**
9 **Disputes Regarding Tenant Versus Landlord Responsibility for**
10 **Service Lines**

11 **Q. Why did the Company file its proposed revisions to Schedules 80 and 85 that**
12 **are at issue in Docket No. UE-051966?**

13 A. As the Commission is aware from the formal complaint in Docket No. UE-
14 051828 that has been consolidated with this proceeding, a mobile home park
15 owner has recently challenged PSE's interpretation of Schedule 85.
16 Communications leading up to this complaint brought to the Company's attention
17 the potential ambiguity of Schedule 85 with respect to whether the mobile home
18 park owner, multi-family structure owner or their tenants are responsible for
19 service lines.

20 PSE is seeking through the proposed tariff revisions to put to rest any future
21 disputes regarding service line responsibilities under its tariff.

1 **Q. Please summarize how communications preceding the pending formal**
2 **complaint teed up this issue.**

3 A. On June 21, 2005, electric service to a lot at Western Village Estates, a mobile
4 home park, failed. PSE installed an auto transformer as a temporary fix, replaced
5 and repaired a PSE splice vault, and determined that the failure had occurred in
6 the service line at the lot. Consistent with PSE's interpretation of its tariff and
7 experience with other mobile home park owners, PSE informed the property
8 manager at Western Village Estates that the failure was in the service line, that it
9 was the park's responsibility, and suggested that Western Village hire an
10 electrician to repair the service so that PSE could redeploy its auto transformer.
11 *See Exhibit No. ____ (LFL-16).*

12 In response, the attorney for Western Village sent a letter to PSE denying any
13 responsibility for the repair of any electrical service within the park. Among other
14 things, the letter demanded that PSE "complete whatever repairs you believe are
15 necessary to provide service to *your customers*. However, in doing so, Western
16 Village assumes no responsibility for any expense incurred by PSE." (Emphasis
17 added). A copy of the letter from Western Village's attorney is provided as
18 Exhibit No. ____ (LFL-17).

19 As a result of this letter, PSE conducted the additional analysis described above
20 regarding the term "Customer" in Schedules 80 and 85. Since it appeared that the
21 defined term "Customer" meant the end-use customer on the face of the tariff,
22 PSE informed Western Village that it agreed that the park was not responsible for

1 the cost of the repairs, but rather the park's tenant on the lot that had the service
2 failure. PSE further informed Western Village that because of the initial
3 confusion as to who was responsible for the repairs, PSE had decided to forego
4 assessing the park tenant for repair costs. Among other things, the person who
5 pays such costs often prefers to choose the electrician who will perform the work
6 rather than having to pay the rates of PSE's service providers. A copy of PSE's
7 letter to Western Village is provided as Exhibit No. ___(LFL-18).

8 However, for the reasons described in my testimony and in Mr. Zeller's testimony,
9 PSE does not believe that a mobile home park tenant or a multi-family structure
10 tenant, rather than the mobile home park or multi-family structure owner, should
11 be responsible for service lines at the park or to the multi-family structure. Thus,
12 PSE filed its proposed tariff revisions shortly after this dispute came to light.

13 **B. PSE's Proposed Tariff Schedule Revisions Will Clarify**
14 **Responsibilities for Secondary Voltage Service Lines.**

15 **Q. Please describe the Company's proposed tariff revisions.**

16 A. As stated above, PSE believes that owners of mobile home parks and multi-family
17 structures – rather than individual tenants – should be responsible for costs related
18 to service lines. The Company's proposed revisions to Schedule 80 and 85 are
19 intended to make PSE's tariff clear and unambiguous on this point.

20 A red-lined version of Schedules 80 indicating the exact revisions that the
21 Company proposes is provided as Exhibit No. ___(LFL-19). The Company

1 proposes adding a number of additional references in Section 5 of its General
2 Rules and Provisions to the Point of Delivery and Schedule 85 in order to further
3 clarify the existing references in these sections to the "Point of Delivery" and
4 "Single-Family Residences." Section 5 is also revised to explicitly include in the
5 general "Supply and Use of Service" section of the Company's tariff the
6 limitations that exist in Schedule 85 as to service line responsibilities.

7 The rest of the changes to Schedule 80 are housekeeping revisions; they are not
8 related to the service line responsibilities dispute.

9 **Q. Please describe the revisions to Schedule 85 that the Company is proposing.**

10 A. A red-lined version of Schedule 85 indicating the exact revisions that the
11 Company proposes is included in this filing as Exhibit No. ___(LFL-20). The
12 following revisions are proposed for the reasons described below. I do not
13 specifically discuss revisions to details of line extension calculations or minor
14 housekeeping revisions that were also included in the Company's filing and are
15 unrelated to the service line responsibility dispute.

16 **Schedule Title**

17 The Company is proposing to clarify the title of Schedule 85 since it now contains
18 the Company's tariff sections both for line extension and service lines. The
19 proposed new title would be: "LINE EXTENSIONS (Including construction,
20 ownership and maintenance of Company and Customer/Applicant Owned Service

1 Lines)." The introductory paragraph on Sheet 85 is also expanded to more clearly
2 announce the scope of the provisions contained in the tariff schedule.

3 **Definitions**

4 The Company is proposing the addition of the term "Applicant" to Schedule 85 in
5 order to clarify that those who apply to the Company for line extensions are
6 responsible for meeting the line extension requirements set forth in Schedule 85,
7 except where reference is specifically made to the "Customer." Revised
8 references to "Applicant" rather than "Customer" are found throughout the
9 proposed revised tariff sheets that are applicable to line extensions. For other
10 sections of Schedule 85 as well as other purposes, the proposed new definition
11 makes clear that a line extension Applicant cannot later claim it is not a PSE
12 "Customer." To accomplish this, the Company proposes that "Applicant" be
13 defined as:

14 Any person, partnership, firm, corporation, municipality,
15 cooperative organization, governmental agency, etc., who or which
16 is requesting service under this schedule from the Company. The
17 Applicant may or may not become a Customer. For purposes of
18 the General Rules and Provisions contained in this tariff, Applicant
19 shall be included within the term Customer.

20 Proposed revised Sheet 85.

21 The Company is also proposing to clarify the meaning of "Residential" in
22 Schedule 85 by adding a definition on Sheet 85.

1 The existing definition of "Non-Residential" is proposed to be revised to clarify
2 that the question whether a mobile home park or multi-family structure meets the
3 definition does not depend on whether the complex is master metered. The need
4 for such clarification is a new outgrowth of recent changes to the Commission's
5 rules permitting master metering, which was essentially prohibited per WAC 480-
6 100-056 prior to the adoption of WAC 480-100-123 in January 2002. The
7 Company only filed revised tariff schedules that provide for the possibility of
8 master metering in 2005. *See* Schedule 7A, effective August 1, 2005.

9 **Secondary Voltage Service Line Costs**

10 The proposed revisions to Sheet 85-f represent the heart of the clarification sought
11 through the Company's proposed tariff revisions. This expands the current
12 language setting forth the entity responsible for Non-Residential Secondary
13 Voltage Service in order to clarify that owners (not tenants) of rented mobile
14 home park spaces and multi-family complexes are responsible for service lines.
15 Because this owner responsibility is not appropriate in other Non-Residential
16 contexts (commercial and industrial customers, etc.), the new language carves
17 them out. However, a default provision is added to make absolutely clear that "In
18 no case shall the Company be responsible for the underground services or for any
19 costs for installation, ownership, operation, maintenance, and replacement
20 thereof."

21 **Additional Terms of Service**

1 Proposed revisions on Sheets 85-i and 85-j include a new paragraph which further
2 describes the responsibilities for ownership and maintenance of facilities.

3 On Sheet 85-m, proposed revisions include changes to the description of the Point
4 of Delivery for Non-Residential underground service consistent with the clarified
5 language elsewhere in the proposed revised Schedule 85.

6 **Q. Please further explain how these revisions clarify the responsible party for**
7 **purposes of underground secondary voltage service facilities.**

8 A. The revisions allow the Company to more accurately identify the party responsible
9 for electric service installation or repairs by adding and referring to the term
10 “Applicant”. “Applicant” more accurately defines the responsible party for Non-
11 Residential service line ownership, and referring to “Applicant” rather than
12 “Customer” in applicable provisions will reduce the confusion regarding
13 responsibility for secondary voltage underground service lines. “Applicant”
14 clearly defines the party responsible for the request for installation of electric
15 service, which may or may not be the end-use customer.

16 The revisions to Sheet 85-f clearly articulate the responsibilities for Non-
17 Residential Secondary Voltage Service lines by distinguishing between mobile
18 home or multi-family structure owners who may own their lots and those who rent
19 their lots, and by setting forth the appropriate responsible party for costs
20 associated with these service lines.

1 Other revisions, such as the addition of terms such as “Residential”, references to
2 Point of Delivery definitions such as that found on Sheet 80-a, and housekeeping
3 revisions improve the readability of the tariff sheets and reduce confusion.

4 **C. PSE's Proposed Tariff Schedule Revisions Are Fair, Just and**
5 **Reasonable.**

6 **Q. Why should the owner of the mobile home park be responsible for installing,**
7 **maintaining, repairing, and replacing the service facilities, rather than the**
8 **tenant?**

9 A. As described above and in Mr. Zeller's testimony, park owners, rather than
10 tenants, appear to be in a better position to take measures to protect access to
11 service lines over time, to undertake maintenance responsibilities within the park,
12 and to locate and direct the work of electricians conducting such repairs. This is
13 consistent with the Company's experience that responsibility for repairing service
14 lines at mobile home parks is typically taken on by the mobile home park owner
15 rather than the individual residents of a mobile home that may have a service line
16 failure.

17 Furthermore, the proposed revisions to Schedule 85 will reduce the potential for
18 situations in which a tenant is without power while a landlord argues that it is not
19 responsible for making the repairs.

1 **D. The Proposed Tariff Revisions are Revenue-Neutral**

2 **Q. Do the Company's proposed revisions have any revenue implications?**

3 A. No. The proposed revisions are a revenue-neutral filing. As explained above, it
4 has been the Company's experience and intent that the owners of mobile home
5 parks and multi-family structures pay for installation, repair, maintenance and
6 replacement of underground secondary voltage service facilities beyond the Point
7 of Delivery. The proposed tariff revisions only clarify that intent and
8 understanding.

9 In the event that a mobile home park or multi-family structure owner has refused
10 to pay for secondary service facilities, then the end-use tenant would have been
11 required to do so. Even where PSE has been requested to assist with such repairs,
12 it has referred such work to its external service providers, as described in
13 Mr. Zeller's testimony.

14 In either case, except for the service recently repaired by the Company in Western
15 Village, the Company has been incurring no expenses and collecting no revenues
16 associated with installation, maintenance or repair of Non-Residential
17 underground service lines. That situation will continue if the Company's proposed
18 tariff revisions are approved.

1 **IV. CONCLUSION**

2 **Q. Please summarize your prefiled direct testimony.**

3 A. The Company's proposed revisions to Schedules 80 and 85 in Docket No. UE-
4 051966 are fair, just and reasonable and should be approved by the Commission.
5 The revisions clarify that landlords (mobile home park and multi-tenant building
6 owners), rather than the tenants who live in such structures, are responsible for the
7 installation, ownership, maintenance and replacement of secondary voltage
8 electric service lines that extend beyond the Point of Delivery at the Company's
9 transformer or secondary handhole.

10 **Q. Does that conclude your testimony?**

11 A. Yes, it does.

12

13 [BA060650.003](#)