

SERVICE DATE

JUL 28 1995

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of	)	
	)	
PUGET SOUND POWER & LIGHT COMPANY	)	DOCKET NO. UE-920433
	)	
for an Order Regarding Accounting	)	
Treatment of Residential Exchange	)	
Benefits	)	
.....	)	
WASHINGTON UTILITIES AND	)	
TRANSPORTATION COMMISSION,	)	
	)	
Complainant,	)	
	)	
v.	)	DOCKET NO. UE-920499
	)	
PUGET SOUND POWER & LIGHT COMPANY,	)	
	)	
Respondent.	)	
.....	)	
WASHINGTON UTILITIES AND	)	
TRANSPORTATION COMMISSION,	)	
	)	
Complainant,	)	
	)	
v.	)	DOCKET NO. UE-921262
	)	
PUGET SOUND POWER & LIGHT COMPANY,	)	
	)	
Respondent.	)	TWENTY-FIRST SUPPLEMENTAL
.....	)	ORDER UPON REMAND

**MEMORANDUM**

On September 27, 1994, the Commission issued its Nineteenth Supplemental Order in the above captioned and docketed matters. On December 16, 1994, the Commission, in the Twentieth Supplemental Order in this matter, denied the petition for reconsideration of Puget Sound Power & Light Company (Puget or company).

On January 12, 1995, Puget petitioned King County Superior Court for review of the Commission's Nineteenth and Twentieth Supplemental Orders.<sup>1</sup> On July 20, 1995, the King County Superior Court entered a "Stipulation and Order Dismissing Petition for Review." The Court dismissed the petition for judicial review and remanded the matter to the Commission for entry of an order "substantially in the form of the attachment to this Stipulation and Order."

<sup>1</sup> NO. 95-01051-2

**ORDER**

Pursuant to the Stipulation and Order of the King County Superior Court, the Commission clarifies its Nineteenth and Twentieth Supplemental Orders as follows:

1. Nothing in the Commission's Orders in these consolidated dockets is intended to change the standards historically applied by the Commission relating to burden of proof of utilities with respect to expenses and investment under review in general rate proceedings, and this case will not be considered as precedent for a different standard with respect to such matters; and
2. Regarding the respective roles of boards of directors and company management, the Commission's Orders in these consolidated dockets did not intend to articulate a level of involvement for the board of directors equal to the involvement of company management. The Commission recognizes the historic and necessary differences in responsibilities of management versus those of the board. Accordingly, the second paragraph on page 17 of the Twentieth Supplemental Order in these consolidated proceedings is amended as follows:

The Commission determined that a reasonable utility management would have undertaken a study of the value of dispatch in 1991. Puget did not do so. But if it had, the most credible evidence in this record supports a finding that the utility management would have known that Puget's "build option" was less expensive than the purchase prices it paid for the March Point Phase II and Tenaska contracts. The Commission applied the Skagit/Hanford standard in the same manner in which it was previously applied.

DATED at Olympia, Washington, and effective this 28th day of July 1995.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

*Sharon L. Nelson*

SHARON L. NELSON, Chairman

*Richard Hemstad*

RICHARD HEMSTAD, Commissioner