

Graciela Etchart

12/11/00 12:23 PM

To: Bob Wallis/WUTC@WUTC

cc: Bob Cedarbaum/WUTC@WUTC, Dennis Moss/WUTC@WUTC, Dixie Linnenbrink/WUTC@WUTC, Doug Kilpatrick/WUTC@WUTC, Jim Russell/WUTC@WUTC

Subject: Re: PSE's comments on 076 (electric)

We can add the expression "industry standards" if needed and felt "reasonable" to do so. The current draft language, the one eliciting so many angry comments, is the exact language included in the current gas rule.

By the way, I have conducted some [dictionary] research and found out that:

- To endeavor means to exert oneself, to attempt by exertion of effort.
- To exert means to bring or to bear especially with sustained effort or lasting effect, or to put oneself into action or tiring effort.

At this stage, I am beginning to feel that I have made all reasonable efforts to solve this issue. I don't feel like endeavoring it too much more unless we have to.

Bob Wallis

Bob Wallis

To: Graciela Etchart/WUTC@WUTC

12/11/00 12:04 PM

cc: Dennis Moss/WUTC@WUTC, Jim Russell/WUTC@WUTC, Doug Kilpatrick/WUTC@WUTC, Bob Cedarbaum/WUTC@WUTC, Dixie Linnenbrink/WUTC@WUTC

Subject: Re: PSE's comments on 076 (electric)

I think it's also fair to say that by this language the Commission clearly is only requiring what is reasonable (and all that is reasonable) under the circumstances at the time. To the extent that "endeavor" is a lower standard with which the utility has minimally complied, it means that the utility has been unreasonable in failing to take reasonable actions. I'm not sure that I've heard that kind of criticism; if the utility has been acting reasonably, there is no higher standard expected and this would mean no change or increase in cost. If it does mean an increase in cost, it is a cost that the company is entitled to recover through rates (though we may need to address it in the SBEIS). Questions might include what specifically they think would be required that they have not performed, exactly what additional costs would be required, and whether they think that it's proper to fail to do that which could reasonably be done. I *like* that word, "reasonable." I'm also a little concerned that there is no necessary link between "all that's reasonable" and "industry standards" – if there is that tie, would it pay to say so?

Graciela Etchart



Graciela Etchart

12/11/2000 09:35 AM

To: Dennis Moss/WUTC@WUTC, Bob Wallis/WUTC@WUTC

cc: Jim Russell/WUTC@WUTC

Subject: PSE's comments on 076 (electric)

09:56:19 AM

As I explained in the meeting earlier today, Phil's upsetting message referred to the fact that we have kept the expression: "all reasonable efforts" referring to the obligation of utilities to avoid interruptions. He said he had expected it to be a mistake made by staff and that, it were not so, he would come to the OM with a battery of lawyers to fight it. The message was slightly inappropriate in tone. I informed Dixie and Fred about it. Later, I left a message for Phil, telling him that the change was the result of a consultation among staff members, reminding him that this was only the CP-102 stage, not the final one and that changes could still be made (never said would), that the commissioners had been informed and received a memo on the topic, and that he was welcome to bring his attorneys.

I am willing to take the first shot at answering any question on this topic at the meeting. However, if the discussion turns either too technical or too legal, I have asked Doug and Bob to step in. I am attaching the portion of the memo to the commissioners that discusses this issue. The language comes from both Bob and Doug. Their rationale is summarized in the file.



Graciela