

Service Date: November 30, 2018

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKET UE-180899 and UG-
180900 (*Consolidated*)

ORDER 03

PREHEARING CONFERENCE
ORDER; NOTICE OF HEARING

**(Set for Wednesday March 20,
2019, at 9 a.m.)**

- 1 **NATURE OF PROCEEDING.** On November 7, 2018, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-60, Tariff G, Electric Service, in Docket UE-180899 and revisions to its currently effective Tariff WN U-2, Natural Gas Service, in Docket UG-180900. The effect of this filing is to increase rates and charges for electric and natural gas service provided to customers in the state of Washington.
- 2 PSE requests authority to increase charges and rates for electric service by approximately \$18.9 million, or 0.9 percent. PSE also requests authority to increase charges and rates for natural gas service by approximately \$21.7 million, or 2.7 percent. Finally, PSE requests authority to revise its electric and natural gas Schedule 142 Revenue Decoupling Adjustment Mechanisms, specifically, Delivery Revenue per Unit, Allowed Delivery Revenue per Customer, Fixed Power Cost Revenue per Unit, and Allowed Fixed Power Cost Revenues.
- 3 The Commission suspended operation of the tariffs and consolidated the dockets for hearing by Order 01, entered on November 15, 2018.
- 4 **CONFERENCE.** The Commission convened a prehearing conference in this docket in Olympia, Washington on November 28, 2018, before Administrative Law Judges Rayne Pearson and Laura Chartoff.

5 **APPEARANCES.** Sheree Strom Carson and David Steele, Perkins Coie, Seattle, Washington, represent PSE. Lisa Gafken and Nina Suetake, Assistant Attorneys General, Seattle, Washington, represent the Public Counsel Unit of the Washington Office of the Attorney General (Public Counsel). Christopher Casey, Jeff Roberson, Harry Fukano, and Joe Dallas, Assistant Attorneys General, Olympia, Washington, represent the Commission's regulatory staff (Commission Staff or Staff).¹ Tyler Pepple, Davison Van Cleve P.C., Portland, Oregon, represents the Alliance of Western Energy Consumers (AWEC). Simon ffitich, Attorney at Law, Bainbridge Island, Washington, represents The Energy Project. Rita Liotta, Counsel for the Federal Executive Agencies (FEA), San Francisco, California, represents FEA. Shaun C. Mohler and Damon E. Xenopoulos, Stone, Mattheis, Xenopoulos & Brew, Washington DC, represent Nucor Steele Seattle Inc. (Nucor Steele). Contact information provided at the conference for the parties' representatives is attached as Appendix A to this order.

6 **PETITIONS FOR INTERVENTION.** AWEC, The Energy Project, FEA, and Nucor Steel petitioned in writing to intervene in this docket. Absent objections to the petitions to intervene filed by AWEC, The Energy Project, FEA, and Nucor Steel, the Commission finds that these petitioners have established a substantial interest in this proceeding and that their participation will be in the public interest. Accordingly, the Commission grants those petitions.

7 **CONSOLIDATION.** The Commission consolidated the dockets for hearing by Order 01, entered on November 15, 2018.

8 **PROTECTIVE ORDER.** The Commission entered Order 02, Standard Protective Order, on November 15, 2018.

9 **DISCOVERY.** The Commission permitted the parties to commence discovery pursuant to the Commission's discovery rules in WAC 480-07-400 – 425, by Order 01, entered on November 15, 2018. The Commission urges the parties to work cooperatively together to avoid having to bring discovery matters forward for formal resolution. Response times to data requests, set forth in Appendix B, were adjusted as agreed to by the parties.

¹ In formal proceedings such as this, the Commission's regulatory staff participates like any other party, while the Commissioners make the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners' policy and accounting advisors do not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. *See* RCW 34.05.455.

- 10 **PROCEDURAL SCHEDULE.** The parties agreed on a procedural schedule during the conference.² The Commission adopts this procedural schedule, which is attached to this Order as Appendix B.
- 11 **DOCUMENT FILING AND SERVICE REQUIREMENTS.** Parties must file and serve all pleadings, motions, briefs, and other prefiled materials in compliance with all of the following requirements:
- (a) Parties must submit electronic copies of all documents by 5 p.m. on the filing deadline established in the procedural schedule (or other deadline as applicable) unless the Commission orders otherwise. Parties must comply with WAC 480-07-140(6) in formatting, organizing, and identifying electronic files. Documents that include information designated as confidential must comply with the requirements in WAC 480-07-160 and the Protective Order in these dockets.
 - (b) The Commission accepts only electronic versions of documents for formal filing. The Commission requires electronic copies to be in searchable .pdf format (adobe acrobat or comparable software), or to otherwise comply with WAC 480-07-140(6)(a). Parties must submit documents electronically through the Commission’s web portal (www.utc.wa.gov/e-filing). If a party is unable to use the web portal to submit documents for filing, the Commission will accept a submission via email to records@utc.wa.gov provided the email: (1) explains the reason the documents are not being submitted via the web portal, and (2) complies with the requirements in WAC 480-07-140(5)(b).

² In its initial filing, PSE proposed a 120-day procedural schedule. PSE related that, pursuant to the terms of the Settlement Stipulation the Commission approved in PSE’s last general rate case, all parties agreed they would not object to a 120-day schedule. Although no party objected to PSE’s proposed schedule, each expressed a preference for the schedule proposed by Public Counsel, which includes a hearing date in March. PSE agreed to the schedule set out in Appendix B, but noted its objection for the record. We find that that the agreed schedule best meets the needs of due process in light of the upcoming holiday season and various scheduling demands that impact both the Commission and other parties to this proceeding. Unlike the parties, the Commission is not bound by the terms of the Settlement Stipulation. In Order 08, our final order approving the Settlement Stipulation, we noted that while we will endeavor to expedite the ERF process, we “will not be bound by the parties’ proposed 120-day schedule if [we] determine additional time is required to afford due process to all parties.” (*Washington Utilities and Transportation Commission v. Puget Sound Energy*, Dockets UE-170033 and UG-170034, Order 08 ¶221 (December 5, 2017)).

- (c) Parties must also file **an original and four (4)** paper copies (with original signatures, if applicable) of the documents with the Commission by 5 p.m. on the next business day following the filing deadline established in the procedural schedule (or other deadline as applicable) unless the Commission orders otherwise. If any of the exhibits contain information designated as confidential or highly confidential, parties must also file an electronic copy in searchable .pdf (adobe acrobat or comparable software), the original paper copy, and one (1) paper copy of each redacted version of each such exhibit. All hard copy filings must be mailed or otherwise delivered to the Executive Director and Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, 1300 S. Evergreen Park Drive S.W., Olympia, Washington 98504-7250.
- (d) Documents filed with the Commission must conform to the formatting and other requirements in WAC 480-07-395 and WAC 480-07-460, and must comply with the requirements in WAC 480-07-160 and the Protective Order in this docket for documents that include information designated as confidential or highly confidential.
- (e) Parties must electronically serve the other parties and provide courtesy electronic copies of filings to the presiding administrative law judges (rayne.pearson@utc.wa.gov and laura.chartoff@utc.wa.gov) by 5 p.m. on the filing deadline unless the Commission orders otherwise. If parties are unable to email copies, they may furnish electronic copies by delivering them on a flash drive only.

12 **EXHIBITS FOR CROSS-EXAMINATION.** Parties are required to file with the Commission and serve all proposed cross-examination exhibits by **5 p.m. on March 13, 2019**. The Commission requires electronic copies in searchable .pdf (adobe acrobat or comparable software), the original paper copy, and four (4) paper copies of the exhibits. If any of the exhibits contain information designated as confidential or highly confidential, parties must also file an electronic copy in searchable .pdf (adobe acrobat or comparable software), the original paper copy, and one (1) paper copy of each redacted version of each such exhibit. The exhibits must be grouped according to the witness the party intends to cross examine with the exhibits. The paper copies of the exhibits also must be organized into sets that are tabbed and labeled.

13 **EXHIBIT LISTS.** With each submission of prefiled testimony and exhibits, the party making the submission must include a preliminary exhibit list that identifies each

submitted exhibit in the format the Commission uses for the exhibit lists it prepares for evidentiary hearings. PSE will prepare and file its preliminary exhibit list for its initial filing in this docket. Each party must file and serve a final list of all exhibits the party intends to introduce into the evidentiary record, including all prefiled testimony and exhibits, as well as cross-examination exhibits by **5 p.m., on March 13, 2019.**

- 14 **CROSS-EXAMINATION TIME ESTIMATES.** Each party must provide a list of witnesses the party intends to cross-examine at the evidentiary hearing and an estimate of the time that party anticipates the cross-examination of that witness will take. Parties should not file witness lists or cross-examination time estimates but must provide them to the administrative law judges and the other parties by **5 p.m. on March 13, 2019.**
- 15 **NOTICE OF HEARING.** The Commission will hold an evidentiary hearing in this matter on **Wednesday March 20, 2019, at 9 a.m.**, in the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.
- 16 **ALTERNATE DISPUTE RESOLUTION.** The Commission supports the informal settlement of matters before it. Parties are encouraged to consider means of resolving disputes informally. The Commission has limited ability to provide dispute resolution services. If you wish to explore those services, please contact Rayne Pearson, Director, Administrative Law Division (rayne.pearson@utc.wa.gov or 360-664-1136)).
- 17 **NOTICE TO PARTIES: A party who objects to any portion of this Order must file a written objection within ten (10) calendar days after the service date of this Order, pursuant to WAC 480-07-430 and WAC 480-07-810. The service date appears on the first page of the order in the upper right-hand corner. Absent such objection, this Order will control further proceedings in this matter, subject to Commission review.**

Dated at Olympia, Washington, and effective November 30, 2018.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

LAURA CHARTOFF
Administrative Law Judge

APPENDIX A

PARTIES' REPRESENTATIVES
DOCKETS UE-180899 and UG-180900 (Consolidated)

PARTY	REPRESENTATIVE	PHONE	E-MAIL
Puget Sound Energy	Sheree Strom Carson Perkins Coie LLP The PSE Building 10885 NE Fourth Street, Suite 700 Bellevue, WA 98004	425-635-1400	SCarson@perkinscoie.com
	David Steele		dstele@perkinscoie.com
	Jon Piliaris		jon.piliaris@pse.com
	Legal Assistant		Psedrs@perkinscoie.com
Commission Staff	Christopher Casey Assistant Attorney General Office of the Attorney General Utilities and Transportation Division 1400 S. Evergreen Park Drive SW P.O. Box 40128 Olympia, WA 98504-0128	360-664-1189	Chris.casey@utc.wa.gov
	Joe Dallas Assistant Attorney General		Joe.dallas@utc.wa.gov
	Harry Fukano Assistant Attorney General		Harry.fukano@utc.wa.gov
	Jeffrey Roberson Assistant Attorney General		jeff.roberson@utc.wa.gov
	Krista Gross Legal Assistant		kgross@utc.wa.gov
	Betsy DeMarco Legal Assistant		bdemarco@utc.wa.gov
Public Counsel	Lisa W. Gafken Assistant Attorney General Washington Attorney General's Office Public Counsel Unit 800 5 th Avenue, Suite 2000 Seattle, WA 98104-3188	206-464-6595	Lisa.gafken@atg.wa.gov PCCSeaEF@atg.wa.gov
	Nina M. Suetake		NinaS@atg.wa.gov

	Assistant Attorney General		
	Chanda Mak Legal Assistant		chandam@atg.wa.gov
	Luther Caulkins Legal Assistant		LutherC@atg.wa.gov
	Carla Colamonici Regulatory Analyst		CarlaC@atg.wa.gov
AWEC	Tyler C. Pepple Davison Van Cleve, P.C. 333 S.W. Taylor, Suite 400 Portland, OR 97204	503-241-7242	tcp@dvclaw.com
	Riley G Peck		rgp@dvclaw.com
	Bradley Mullins Consultant for AWEC		brmullins@mwanalytics.com
	Jesse Gorsuch Paralegal		jog@dvclaw.com
The Energy Project	Simon J. ffitich Attorney at Law 321 High School Rd. NE Suite D3, Box No. 383 Bainbridge Island, WA 98110	206-669-8197	simon@ffitchlaw.com
	Leslie Rothbaum Paralegal		leslie@ffitchlaw.com
	Carol Baker Legal Assistant		carol@ffitchlaw.com
Federal Executive Agencies	Rita M. Liotta Counsel for the FEA Department of the Navy One Avenue of the Palms, Suite 161 San Francisco, CA 94130	415-743-4718	Rita.liotta@navy.mil
	Kay Davoodi Utilities Rates and Studies Office		Khojasteh.davoodi@navy.mil
	Larry Allen Utilities Rates and Studies Office		Larry.r.allen@navy.mil
	Makda Solomon Utilities Rates and Studies Office		Makda.solomon@navy.mil

Nucor Steele Seattle Inc.	Damon E. Xenopoulos, Esq. Stone Mattheis Xenopoulos & Brew, PC 1025 Thomas Jefferson Street, NW Suite 800 West Washington DC 20007	202-342-0800	dex@smxblaw.com
	Shaun C. Mohler, Esq.		scm@smxblaw.com

APPENDIX B
PROCEDURAL SCHEDULE
DOCKETS UE-180899 and UG-180900 (Consolidated)

EVENT	DATE
ERF Filed	November 7, 2018
Prehearing Conference	November 28, 2018
Settlement Conference (parties only)	January 15, 2019
Staff, Public Counsel and Intervenor Response Testimony and Exhibits ³	January 25, 2019
Company Rebuttal Testimony and Exhibits; Cross- Answering Testimony and Exhibits ⁴	February 22, 2019
Public Comment Hearing	TBD
Discovery Cutoff	March 5, 2019
Cross-Examination Exhibits, Witness Lists, and Time Estimates	March 13, 2019
Evidentiary Hearing	March 20, 2019
Simultaneous Post-Hearing Briefs	April 10, 2019

³ Response times to data requests will be 7 business days before response testimony (January 25, 2019), and 5 business days after response testimony. Workpapers must be filed simultaneously with testimony.

⁴ After February 22, 2019, discovery response times will be 3 business days. Workpapers must be filed simultaneously with testimony.