

Exhibit T-____ (RJL-T)

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION**

KIMBERLY-CLARK TISSUE COMPANY

Complainant

v.

Docket No. UG-990619

PUGET SOUND ENERGY, INC.

Respondent;

**DIRECT TESTIMONY OF RANDALL J. LEWIS
ON BEHALF OF PUGET SOUND ENERGY, INC.**

October 4, 1999

DIRECT TESTIMONY OF RANDY LEWIS

Q. Please state your name, business address and position.

A. My name is Randall ("Randy") J. Lewis. My address is 805 156th Ave. NE, Bellevue 98007. I am a Key Account Manager with Puget Sound Energy, Inc. ("PSE").

Q. What are your current job responsibilities?

A. I manage the accounts for several of PSE's large industrial gas and electric customers. I assist these customers with issues related to their service agreements with PSE, and act as an interface between these customers and PSE. During curtailment actions I am responsible along with other Key Account Managers for notifying customers regarding initiation of curtailments and resumption of service.

Q. How long have you been a Key Account Manager?

A. I have been a Key Account Manager since Washington Natural Gas ("WNG") merged with PSE in February 1997. Prior to that I was employed by WNG in the same position.

Q. Please describe any positions you have held with WNG, and approximately when you held those positions.

A. I began working in the position of residential marketing representative for WNG in August 1985. During the time period from August 1987 to August 1993 I was a representative in the commercial marketing department. From August 1993 to October 1995, I was employed as a Technical Service Representative. In August 1995, I became a member of the Industrial/Key Account Department and held the position of Key Account Manager until the merger.

Q. Please summarize your testimony.

A. During the curtailment of interruptible service in December of 1998, Key Accounts was responsible for notifying interruptible customers about the curtailment. I was the Key Account

Manager responsible for organizing this notification process. Interruptible customers were notified as soon as practicable as required by the language of the Rate Schedule 57 service agreement. Kimberly-Clark was informed that any gas consumed in addition to its daily firm transportation amount of 14,000, would be "penalty gas."

INVOLVEMENT IN THE DECEMBER 1998 CURTAILMENT

Q. What involvement did you have with the curtailment that took place between December 19 and December 28, 1998?

A. I was responsible for helping to organize personnel within our department to begin making telephone calls to advise interruptible customers of the curtailment that began on Saturday, December 19, 1998. I also organized personnel to make the telephone calls to customers notifying them of the timing for the end of the curtailment on Monday, December 28, 1998.

Q. Have you participated in these types of activities in curtailments before?

A. Yes, I have been involved in curtailment procedures since 1987, when I was in the commercial marketing department at WNG.

Q. During the December 1998 curtailment, how were interruptible customers notified of curtailment actions?

A. Rate Schedule 57 customers were notified by broadcast fax and by telephone, Rate Schedule 86, 85 and 87 customers were notified by telephone.

Q. Did you return calls to customers during the curtailment?

A. Yes.

COMMUNICATIONS WITH KIMBERLY-CLARK REGARDING

CONSUMPTION OF "PENALTY GAS"

Q. At some point were you requested by a PSE gas controller to call Skip Walton at Kimberly-Clark?

A. Yes, I was paged by Gas Control at approximately 2:00 p.m. on December 24, 1998. I called Gas Control and was asked by the gas controller to call Skip Walton at Kimberly-Clark.

Q. Why were you paged?

A. I assume I was paged because Gas Control has the pager numbers of all Key Account Managers. During a curtailment a number of Key Account Managers are expected to be reachable by pager twenty-four hours a day to respond to customers questions.

Q. Did the dispatcher provide you with any information?

A. Yes. I was told that the customer was requesting relief from the curtailment because they needed to consume gas due to equipment problems. The gas controller told me that he advised Kimberly-Clark that the curtailment was still in effect and if Kimberly-Clark decided to consume gas they would be burning penalty gas at penalty rates.

Q. Did you then contact Skip Walton?

A. Yes, I did.

Q. What discussions did you have with Mr. Walton?

A. Mr. Walton told me that Kimberly-Clark was having trouble with its hog fuel operation and needed to go back on line with natural gas, and he had been in touch with Gas Control. I told Mr. Walton that Kimberly-Clark was still under curtailment and that curtailment was expected to last through the weekend. I also said that if Kimberly-Clark elected to burn gas above their daily firm contract amount of the 14,000 therms, they would be in violation of the curtailment clause of Rate Schedule 57 and would be penalized for all consumption above their

firm levels. I recall that I told him that the cost of consuming penalty gas under Rate Schedule 57 was \$2.00 per therm plus the commodity cost of gas under Rate Schedule 41.

Q. Did Mr. Walton say anything in response?

A. Mr. Walton essentially told me that it was a business decision and he was well aware of the higher cost of burning penalty gas during a curtailment.

Q. Did Mr. Walton tell you that the decision to consume penalty gas was based on any safety considerations associated with the Kimberly Clark facility?

A. No, he did not mention any safety issues.

Q. During your conversation with Mr. Walton, did you provide him with a telephone number where you could be reached?

A. Yes.

Q. After you received the call from Mr. Walton on December 24, 1998, did you receive any other calls directly from Kimberly Clark or messages from Gas Control that Kimberly-Clark wanted to speak with Key Accounts?

A. No.

ROLE OF KEY ACCOUNT MANAGERS DURING DECEMBER CURTAILMENT

Q. How were you informed about decisions during the curtailment that occurred in December?

A. During the curtailment, the Key Accounts Managers were included in emails which contained discussions about curtailment issues. I was also in contact with Elaine Kaspar, who was the Manager of Key Accounts at the time. She was keeping me informed of the changes in the curtailment schedule, because I was responsible to advise the rest of the Key Account Managers, as well as other employees, when to begin making calls.

Q. How did the schedule for the curtailment change?

A. It was originally scheduled to begin December 21, 1998 but, as the colder weather moved in more quickly than expected, the curtailment was moved up and Rate Schedule 86 customers were added to the curtailment list.

Q. How did this affect the notification process?

A. Key Account Managers had much less time to give customers notice.

Q. Are you always able to contact interruptible customers in advance of a curtailment?

A. No, although we attempt to give customers as much notice as possible.

Q. Is a specific notice period required by the Rate Schedules for interruptible gas sales and transportation customers?

A. No. Rate Schedule 86, 85, 87 and 57 do not require advance notice.

Q. What Rate Schedule does Kimberly-Clark take service under?

A. Rate Schedule 57.

Q. Did Kimberly-Clark enter into a service agreement with PSE under Rate Schedule 57?

A. Yes, in February 1996 Kimberly-Clark entered into a service agreement to begin March 1996 for 14,000 therms of firm transportation service a day, and 225,000 therms of interruptible transportation a day. I have attached a copy of PSE's Service Agreement with Kimberly-Clark to my testimony as Exhibit ____ (RJL-1).

Q. What does the service agreement require regarding notice prior to curtailment periods?

A. Paragraph six of the contract provides that the Company will "endeavor to give the Customer as much notice as reasonably practicable with respect to anticipated constraint periods, but reserves the right to declare these periods at such time and for such duration as the Company

deems necessary in order to manage its gas distribution system."

Q. Is this service agreement language consistent for all Rate Schedule 57 customers?

A. In my experience, it is.

Q. Besides the language of the Rate Schedule 57 service agreement, are these interruptible customers made aware of the possibility that they may be curtailed at any time?

A. Yes, each year interruptible transportation customers are sent an Authorized Interruptible Personnel List. Each customer is supposed to fill-out and sign this document. The Authorized Interruptible Personnel List states that service may be interrupted at any time.

Q. Had Kimberly-Clark signed such an agreement prior to the December 1998 curtailment?

A. Yes. See Exhibit ___ (RJL-2).

RELATIONSHIP BETWEEN PSE AND KIMBERLY-CLARK

Q. Prior to March 1, 1996, did Kimberly-Clark take service under Rate Schedule 57?

A. No. During January and February of 1996, Kimberly-Clark contracted for 47,797 therms of firm gas service per day and 175,000 therms of interruptible service per day, under Rate Schedule 87. See Exhibit ___ (RJL-3). Prior to 1996, the pulp and paper mill was owned by Scott Paper. Based on past contract information, Scott Paper first became a gas customer in 1956 and has taken service under a variety of different Rate Schedules over the years.

Q. Do you know why Kimberly-Clark contracted for 47,797 therms of firm service in January and February 1996?

A. It appears that Kimberly Clark's backup oil system for its No. 14 Cogeneration Boiler was not available. See Exhibit ___ (RJL-3).

Q. Does this conclude your testimony?

A. Yes.