| BEFORE THE |
|--|
| WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION |

CITY OF AUBURN, CITY OF BREMERTON, CITY OF DES MOINES, CITY OF FEDERAL WAY, CITY OF LAKEWOOD, CITY OF RENTON, CITY OF SEATAC, CITY OF TUKWILA,

Complainants,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

In the Matter of the Petition of

NO. UE-010778

NO. UE-010911

DECLARATION OF MIKE COPPS

CITY OF KENT,

For Declaratory Relief Interpreting Schedule 71 of Electric Tariff G.

I, Mike Copps, hereby declare under penalty of perjury under the laws of the State of

Washington that the following are true and correct:

PERKNS COJE LLP One Bellevue Center, Suite 1800 411 - 108th Avenue Northeast Bellevue, WA 98004 - 5584 (425) 453 -6980

DECLARATION OF MIKE COPPS - 1 [/010778, PSE, Declaration of Mike Copps, 9-5-01.DOC] 1. I am a Consulting Engineer for Puget Sound Energy, Inc. ("PSE"). My current job duties include supervising PSE's contract engineers on all major projects for PSE. I am responsible for checking their work to ensure that it meets PSE's standards.

2. I started my career with Puget Sound Power & Light Company ("PSP&L") in 1974 as a field engineer, where I was responsible for mapping and drafting engineering plans. I spent several years as a construction coordinator for distribution systems in Kitsap County. From approximately 1980 to 1982, I was an engineer in PSP&L's Des Moines center, where I was responsible for distributing work and approving work sketches. From approximately 1983 until 1991, I was a Customer Service Engineer in PSP&L's Lakewood center. During this time, I worked on line extensions, relocations, and other projects, but not any conversions. I moved to the Federal Way center in approximately 1991, as the lead engineer over more junior engineers. In that position, I did my own jobs and also checked the work of junior engineers to make sure they were doing things to PSP&L's standards.

3. In my training with PSP&L, I was taught to design underground PSP&L electrical systems to place vaults, transformers and switches on easements on private property, not in city rights of way. I understood this to be an important rule of system design. I also understood that PSP&L did not pay for easements, and that property owners had to provide them for free. If property owners wanted to be paid for easements, then a city requesting a conversion had to pay the property owner, or the system would have to be redesigned to move the vault or switch or transformer to another piece of property where an easement could be obtained, or some other solution found, or else the project could not go forward. When I checked the work of other engineers, I was looking to be sure they were designing underground facilities for placement on

PERKNS COIE LLP One Bellevue Center, Suite 1800 411 - 108th Avenue Northeast Bellevue, WA 98004-5584 (425) 453-6980

DECLARATION OF MIKE COPPS - 2 [/010778, PSE, Declaration of Mike Copps, 9-5-01.DOC] private property. If a facility was not on easement, I would ask the engineer to explain why. They had to give me a reason that made sense from an engineering and cost perspective.

4. One of the conversions I was responsible for was a conversion in Des Moines on Marine Drive, which took place in the 1991-92 time period. A true and correct copy of the Underground Conversion Agreement for the conversion is attached as Exhibit A.

5. Dale Schroeder was the City Engineer on the Marine Drive conversion in Des Moines (he is now the City Engineer for SeaTac) and Loren Reinhold was the Project Manager (he is now the Des Moines City Engineer). Bob Olander, the Des Moines Assistant City Manager, was also involved in the project. We had multiple conversations early on about easements being needed for PSP&L's facilities, and the fact that while PSP&L would provide assistance in obtaining easements, the City had to pay for them if they cost anything.

6. I gave a list of the easements we needed to Steve Botts, who was a contractor for PSE's real estate department. Steve talked to property owners about easements and tried to get easements signed. If they signed the easements, then it was taken care of. If a property owner said he wanted to be paid, Steve told me and I went to Reinhold and said, "you deal with them." Reinhold asked at the beginning of the project why couldn't PSP&L negotiate with the property owners about payment and take care of paying them for easements? I told him fine, we would do that if he would give me the City's checkbook. I told him that since the City would be paying for the easements, I thought the City would probably want to be dealing with the property owners directly on how much they were going to get paid.

7. I recall that quite a few property owners wanted something for an easement on that conversion, and that the City traded paving for some easements and gave extra driveway entrances to some people in exchange for easements. A true and correct

copy of a letter from Bob Olander to a property owner dated May

PERKNS COIE LLP One Bellevue Center, Suite 1800 411 - 108th Avenue Northeast Bellevue, WA 98004 - 5584 (425) 453 -6980

DECLARATION OF MIKE COPPS - 3 [/010778, PSE, Declaration of Mike Copps, 9-5-01.DOC] 27, 1992, is attached as Exhibit B. The City agreed to provide fill dirt and asphalt for a property owner's parking area "in exchange for [the owner] signing the necessary Puget Power easements." Exhibit B at 1. As I recall, that property owner owned multiple parcels so that trade was for a number of easements. I do not know if the City actually paid any money to any property owner for an easement. As far as I know, PSP&L did not pay anything for any easement. As I recall, the bill for the easement contractor, Steve Botts, was sent through to me from real estate, and I passed that cost through 100% to the City. I remember calculating that amount out as part of the bill, so I'm sure I would also remember whether PSE had paid anything on behalf of the City for an easement.

8. The Marine Drive conversion was designed to have 54 pieces of equipment placed on easement. In the end, all but five were placed on easements. We placed one transformer in the right of way because it only served a city traffic light and street lights, and when we went out to the site, it had a high rockery along the right of way about twenty feet above the sidewalk. It did not make sense to place that transformer above the sidewalk behind the rockery. We also placed a junction box and transformer in the right of way at one end of the conversion and another junction box in the right of way because we had sufficient excess cable to permit us to shift them over if necessary for a future relocation. We placed one other vault on the right of way because the property owner refused to provide an easement at any cost. True and correct copies of a number of weekly coordination minutes for the conversion are attached as Exhibit C. As the minutes show, the progress on obtaining easements was a constant topic during planning and construction. In the end, PSP&L finished obtaining the easements it could get without compensation in August 1992. That is documented in the Right of Way Request form attached as

Exhibit D. The City did not finish its negotiations with property

PERKNS COIE LLP One Bellevue Center, Suite 1800 411 - 108th Avenue Northeast Bellevue, WA 98004-5584 (425) 453-6980

DECLARATION OF MIKE COPPS - 4 [/010778, PSE, Declaration of Mike Copps, 9-5-01.DOC] owners on compensation for the few remaining easements until September. *See* Exhibit C, June 30, 1992 Minutes, ¶ 4; Sept. 1, 1992 Minutes, ¶ 4; Sept. 8, 1992 Minutes, ¶ 4. I believe that the Dragon Gate easement the City was negotiating ended up being resolved through some trade associated with the sidewalk in front of the property. *See* Exhibit C, Sept. 15, 1992 Minutes, ¶ 4.

9. In 1992, I was asked to move to PSP&L's standards department to write a distribution design manual. Over the next four years, I and two other engineers wrote PSP&L's design standards. I describe PSE's standards in greater detail below.

10. In 1997, as part of the merger, I left the standards department and became a Project Manager at PSE's South King Division. I did a number of conversions in Kent and Federal Way. I continued to require that most of PSE's facilities be placed on private easement. I do not recall any case in which PSE paid for easements. I found that it got more and more difficult to deal with the cities on conversions because they kept trying to push PSE off of easement and into the right of way, and to make PSE pay for easements. Cities have also made it harder for PSE to place its facilities on private property because they have widened sidewalks so much. That can cause a problem with pull vaults being located on private property because the conduit is forced into an angle, which reduces pulling distance. Also, buildings end up being right up against sidewalks, leaving little space for transformers or junction vaults.

11. In my opinion, one turning point in our ability to work with cities on conversions was the Winco Foods relocation in Federal Way in the late 1990s. PSE's underground feeder was located on a PSE frontage easement, so the developer had to pay 100% of the costs to relocate the facilities and had to provide replacement easement for PSE. That cost over \$200,000. Representatives of Federal Way were in the meetings related to that project, and were well aware

PERKNS COIE LLP One Bellevue Center, Suite 1800 411 - 108th Avenue Northeast Bellevue, WA 98004 - 5584 (425) 453 -6980

DECLARATION OF MIKE COPPS - 5 [/010778, PSE, Declaration of Mike Copps, 9-5-01.DOC] of the costs involved in the relocation. It seemed to me like it got a lot harder to deal with Federal Way and other cities on easement issues after that.

12. I am aware of the 256th Street conversion in Kent that Mark Howlett describes in his Supplemental Declaration dated July 5, 2001. I do not believe that the end result of that conversion is typical of PSE's conversions because so many facilities were put on the right of way and because PSE basically served as the digging contractor. When I found out that PSE was going to be putting a significant number of facilities in right of way, I voiced my objection to the Project Manager because I didn't understand why he would move those facilities into the right of way. I think he gave in to pressure by people at the City such as Tim LaPorte.

13. I worked on the most recent section of the 196th Street Conversion in Kent, which was completed in late 2000. I assume that is the section that Mark Howlett is referring to in his declaration. I was in a meeting with Tim LaPorte to discuss that conversion, and Tim said "you're going to put your facilities in the right of way just like on 256th." I said no, our stuff goes on private property and we're going to put it on easement. In the end, we placed pull vaults on each end of existing easements, and we also placed our transformers on private property. We eliminated several pull vaults from the project because of the battle with the City and its lack of cooperation with respect to easements. The 75' x 30' easement that Mark Howlett refers to was for an earlier segment of that conversion.

14. I also worked on the Des Moines Memorial Drive South project in SeaTac, along with Andy Lowrey. We put everything on easement except one submersible switch in the right of way because no one could get an easement from a property owner for that switch. As I recall, SeaTac agreed that it would pay to relocate that switch in the future if it had to be relocated. PSE also had some existing easements that it was able to place some

facilities on. We also got an easement from Sonic Collision after

PERKNS COLE LLP One Bellevue Center, Suite 1800 411 - 108th Avenue Northeast Bellevue, WA 98004-5584 (425) 453-6980

DECLARATION OF MIKE COPPS - 6 [/010778, PSE, Declaration of Mike Copps, 9-5-01.DOC] the City agreed to extend its water line to the property in exchange for the easement.

15. I designed the South 312th project in Federal Way with the facilities to go on easement. But the City had gone out and bought up the rights to the entire frontage of the conversion rather than obtaining easements for PSE. PSE ultimately agreed to go ahead with that conversion because PSE did not have to install much equipment, mostly single phase transformers to feed residences on the other side of the street.

16. PSE requires clearances around its underground and pad-mounted transformers and oil-filled distribution switches of between three and ten feet, with a setback of ten feet on the front side of all such facilities. That standard is set out in PSE Standard 6315.0002, Clearances for Oil-Filled Equipment, a copy of which is attached to this declaration, and which is Stipulated Exhibit 17. PSE requires clearances of between three and ten feet for its vaults and handholes. That standard is set out in PSE Standard 6775.0035, Vault and Handhole Location, a copy of which is attached to this declaration, and which is Stipulated to this declaration, a copy of which is attached to this declaration, a copy of which is attached to this declaration, and which is Stipulated Exhibit 18. Such facilities (unlike conduit) cannot be installed on top of another utility's lines. *See id.* at 4. A ten-foot setback of clear, unobstructed space is needed because the safe operation of high voltage equipment requires that PSE workers use long, insulated sticks. PSE's workers should not have to do this work in traffic out in rights of way rather than on private property. They should also not be subject to having the clear zone blocked by parked cars, filled with pedestrians, or otherwise interfered with.

17. Lately, some cities have suggested that PSE should place its pad mounted switches in rights of way, and should just turn the vault sideways so that when it is opened, PSE's workers can operate it without standing in the street. That is not really feasible because most vaults are designed to be installed with the long dimension running parallel to the conduit, as shown in PSE Standard 6056.1000, PMH Padmount Switches, page 4, Figure 1,

a copy of which is attached to this declaration as Exhibit E. In

PERKNS COIE LLP One Bellevue Center, Suite 1800 411 - 108th Avenue Northeast Bellevue, WA 98004-5584 (425) 453-6980

DECLARATION OF MIKE COPPS - 7 [/010778, PSE, Declaration of Mike Copps, 9-5-01.DOC] addition, putting a switch in the right of way causes a problem for getting other conduits by PSE's vault, such as for telephone and television cable.

18. In addition to the safety and operational issues described above, there are serious cost issues involved in PSE's requirement that its facilities be placed on PSE easements rather than in rights-of-way. In general, underground systems are more complex than overhead systems and are more expensive to install. An underground system in a commercial area requires Feeders (unfused circuits connecting one substation breaker to another substation breaker and capable of supplying 600 amps). Any time PSE branches off of the Feeder, it must be fused. The only way to fuse branches off an underground feeder system is by installing a switch cabinet, which costs about \$20,000 just for the cabinet. This is in contrast to an overhead system, where PSE hangs a fuse to connect service lines to the distribution system that costs about \$160.00. Switch cabinets are so expensive that they are only installed every few blocks, meaning that there is usually a duplicate system that runs parallel to the unfused system. In short, it takes two systems to serve underground what was served by one system overhead. When an underground system is installed, pull vaults and junction vaults must also be installed for pulling underground cable through conduits and for connecting cable to transformers. In an overhead system, wire is simply strung from pole to pole and connected wherever it ends, be it mid-span or at a pole.

19. Relocation costs are also significantly more expensive for underground than for overhead systems. For example, relocating a three-phase, pad mounted switch costs about \$57,000, while relocating a pole with three-phase underground termination costs only \$12,000. Relocating a submersible switch costs about \$82,000. Relocating a three-phase pad mounted transformer costs about \$11,000, while relocating a pole with a three-phase transformer costs

PERKNS COIE LLP One Bellevue Center, Suite 1800 411 - 108th Avenue Northeast Bellevue, WA 98004-5584 (425) 453-6980

DECLARATION OF MIKE COPPS - 8 [/010778, PSE, Declaration of Mike Copps, 9-5-01.DOC] about \$7,000. Relocating a single-phase pad mounted transformer cost about \$6,000, while relocating a pole with a single phase transformer costs about \$4,500.

20. In addition, when relocation is necessary, overhead systems are simply moved along with the attached equipment. The overhead conductors are transferred to the new pole while "hot" (no outage is required). For underground systems, all cables are within conduit that cannot be spliced to extend a conductor within a conduit. Therefore, to move a vault, for example, PSE must remove the conductors from the conduit, extend the empty conduit to the new location, then pull in all new conductors and make-up connections at both ends of every conductor. This generally requires an extended outage for all customers involved. Work of this type sometimes requires overtime payment to employees because they are scheduled at low-use times. Even when done on overtime, this work can sometimes result in claims against PSE, for example by business owners in the area. Also, since the different elements of an underground system are buried underground, they must each be dug up and moved, unlike an overhead system in which the fuses and other equipment move as the poles are moved.

Executed this _____ day of _____, 2001, at _____, Washington.

Mike Copps

PERKNS COIE LLP One Bellevue Center, Suite 1800 411 - 108th Avenue Northeast Bellevue, WA 98004-5584 (425) 453-6980

DECLARATION OF MIKE COPPS - 9 [/010778, PSE, Declaration of Mike Copps, 9-5-01.DOC]