

**BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION
COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET NO. UE-100177

DECLARATION OF STEFANIE
JOHNSON

1. I, Stefanie A. Johnson, make the following declaration:
2. I am a Regulatory Analyst employed by the Public Counsel Section of the Washington State Attorney General's Office. As part of my regular duties I am assigned to participate as Public Counsel's representative at Puget Sound Energy Conservation Resource Advisory Group (CRAG) and Integrated Resource Plan Advisory Group (IRPAG) meetings. In addition to meeting attendance, as a CRAG and IRPAG participant I routinely receive e-mail correspondence and information from Puget Sound Energy (PSE) and other participants regarding the activities of the two groups. I am also assigned to analyze and participate in the review of PSE's I-937 compliance filing which resulted in the establishment of this docket.
3. PSE's assessment of conservation potential occurs as part of its integrated resource planning (IRP) process. The assessment is developed in collaboration with the IRPAG and the CRAG. The IRPAG is presented with detailed analysis of each building block used to develop PSE's IRP, including the conservation potential analysis and results. The CRAG also takes part in the IRP assessment of conservation potential. This helps provides guidance for the CRAG in

its oversight of the development of targets, programs and budgets associated with PSE's conservation programs.

4. As part of its I-937 Compliance Report filing, PSE provided a chart of selected CRAG and IRPAG meetings held since April 3, 2008. The chart is represented by PSE as demonstrating that "PSE involved the commission staff and the public in the development of the ten-year conservation potential and the two-year conservation target over the period of several years." (Compliance Report, Section 6, p. 2). A copy of the chart is attached to this Declaration as Appendix A.
5. Of the meetings listed on Appendix A, I attended the IRPAG meetings on April 3, 2008, and on January 22, April 23, June 25, and December 15, 2009. I attended the CRAG meetings on June 25, and September 15, 2009. Mary Kimball attended the October 14, 2009, CRAG meeting via telephone on behalf of Public Counsel and briefed me after the meeting. Presentation materials from that meeting were sent to me by PSE.
6. During the time period reflected on Appendix A, in particular beginning in mid-2009, PSE communicated to Public Counsel and other stakeholder participants in the IRPAG and CRAG that the achievable conservation assessment being developed in the IRP process would form the basis of PSE's I-937 filing in January 2010.
7. In particular, PSE's process included the following communications (attached to this Declaration as Appendices B through I):
8. July 2009 Integrated Resource Plan (Appendix B): PSE's 2009 IRP included as an appendix the Comprehensive Assessment of Demand Side Resources (Appendix L.1) prepared for PSE by the

Cadmus Group, which stated on page 3:

In compliance with the rules established in Chapter 480-109 of the Washington Administrative Code (WAC), this report fully describes the methodologies, data inputs, data sources, data collection processes, and all assumptions used in calculation of technical and achievable long-term potentials. The results of the electric conservation potential reported here are reflected in PSE's upcoming IRP and will provide the basis for compliance with the requirements of WAC Chapter 480-109.

9. September 15, 2009 CRAG Meeting Materials (Appendix C): PSE's agenda for this CRAG meeting included a presentation "IRP and I-937 Filings." In this presentation the Company stated under the heading "Setting the 2 Year Target" that the "10-year potential assessment from 2009 IRP will be based the basis for the target" and that "public involvement will be through the CRAG or IRPAG process prior to filing."
10. October 14, 2009 CRAG Meeting Materials (Appendix D): PSE's agenda at this CRAG meeting also included a presentation on the I-937 filing. The presentation reported a target range of 78.2 aMW-68.8 aMW based on the 2009 IRP guidance and discussed "compliance filing requirements" including public participation.
11. December 14, 2009, E-mail From PSE To Staff and IRPAG members (Appendix E): On December 14, 2009, responding to a Staff request regarding the upcoming December 15 IRPAG meeting, PSE representative Phillip Popoff stated: "Might be revealing the plot of the story...but PSE is choosing the IRP option as the basis of the target range." Mr. Popoff provided slides detailing the derivation of the target range. The slides were presented at the December 15 meeting the following day.
12. December 15, 2009, IRPAG Meeting Materials (Appendix F): This meeting agenda included an item regarding "WAC 480-109 Conservation Targets." The slide entitled "PSE's Compliance

Path” stated that “10-year potential assessment from 2009 IRP is the basis for the target” and that “public involvement has been through the CRAG and IRPAG processes.” The last part of the presentation was an outline of the anticipated “WAC 480-109- 010 Compliance Report” indicating, among other items, that the attachments/appendices to the Compliance Report would consist exclusively of chapters and appendices from the 2009 IRP.

13. December 31, 2009, E-mail from PSE to CRAG and IRPAG members (Appendix G): In this e-mail, PSE provided to the CRAG and IRPAG its “projected cumulative ten-year conservation potential and biennial conservation target range,” which were based on the 2009 IRP, and included an attachment labeled “WAC 480-109 Potential Target Final.” The projected biennial target range was 69.4 aMW to 90.3 aMW at the customer meter level. The e-mail represented that the ten-year projection “complies with the definition of conservation in WAC 480-109-107 and with the requirements for projecting the 10-year conservation potential in WAC 480-109-010.” The e-mail also notes, “by contrast,” that PSE’s share of the Power Council’s Fifth regional plan would be a 2010-11 target of 42.7 aMW. It is my understanding that this e-mail served as the “projected conservation potential assessment” provided to Staff and was filed with the Records Center as an informal Staff investigation docket (Docket No. UE-091986).
14. January 25, 2010 E-mail from PSE to CRAG and IRPAG (Appendix H): On the evening of January 25, 2010, PSE notified CRAG and IRPAG members that its I-937 compliance filing to be made later that week would be based on the results of the Power Council’s Fifth Plan calculator. The January 25 e-mail also announced that a meeting had been scheduled for interested parties on January 27, 2010.

15. January 26, 2010 E-mails from Staff and Public Counsel re: January 27 Public Meeting (Appendix I): Public Counsel and Staff were unavailable to attend the January 27 meeting, which is identified in the table in Appendix A as the “Public Meeting to Review Development,” due to the short notice PSE provided in advance, and as reflected in the remarks of Staff and Public Counsel in the January 26 e-mails attached as Appendix I.

16. On January 29, 2010, PSE filed its I-937 Compliance Report with the Commission. Prior to January 25, 2010, PSE had not previously proposed to or discussed with the CRAG or the IRPAG during the meetings listed in Appendix A, or otherwise to my knowledge, the use of the Power Council’s Fifth Plan as a basis for its anticipated January 2010 Compliance Report. The only references to the Fifth Plan during the process were made for comparison purposes, such as in the December 31, 2009 e-mail announcing the use of the significantly higher targets derived from the IRP (Appendix G).

17. There was no participation by Public Counsel in the development of PSE’s ten-year potential or biennial conservation target ultimately filed by PSE in its Compliance Report on January 29, either before or after January 25, 2010. Furthermore, to my knowledge no other stakeholder or public representative participated in the development of the ten-year potential or

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biennial target based on the Council's Fifth Plan that were provided to the CRAG and IRPAG on January 25, 2010.

18. I DECLARE UNDER PENALTY OF PERJURY UNDER THE LAWS OF THE STATE OF WASHINGTON THAT THE FOREGOING IS TRUE AND CORRECT.

19. SIGNED at Seattle, Washington this 6th day of April, 2010.

STEFANIE JOHNSON
Regulatory Analyst, Public Counsel