BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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| In the Matter of the Petition of PUGET SOUND ENERGY For an Accounting Order Authorizing Accounting Treatment Related to Payments for Major Maintenance ActivitiesWASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant,v.PUGET SOUND ENERGY  Respondent.In the Matter of the Petition of PUGET SOUND ENERGY For an Accounting Order Authorizing Accounting the Sale of the Water Rights and Associated Assets of the Electron Hydroelectric Project in Accordance with WAC 480-143 and RCW 80.12..In the Matter of the Application of PUGET SOUND ENERGY, INC., For an Order Authorizing the Sale of Interests in the Development Assets Required for the Construction and Operation of Phase II of the Lower Snake River Wind Facility*.* | DOCKET UE-130583 *(Consolidated)*DOCKET UE-130617 *(Consolidated)*DOCKET UE-131099 *(Consolidated)*DOCKET UE-131230 (*Consolidated*)STAFF RESPONSE TO COMMISSION NOTICE  |

* 1. On July 2, 2014, the Commission issued a Notice of Opportunity to Respond to Amended Application (Notice), relating to the sale of the Electron plant by Puget Sound Energy, Inc. to Electron Hydro LLC. The materials included in the Amended Application reflect several changes to the transaction the Commission conditionally approved in Order 02 in this docket. The Notice set a deadline of July 11, 2014, for response to the Amended Application.
	2. Commission Staff has been analyzing the Amended Application and has been briefed by Puget Sound Energy, Inc., and has had many questions answered, but some important questions remain.[[1]](#footnote-1) Commission Staff advises that Mr. David Gomez is the Commission Staff person most knowledgeable about the original transaction, but he has been on annual leave since before the Commission issued the Notice. He will be available early next week. Though Staff work has proceeded despite his absence, Staff has not been able to develop a final analysis and recommendation to the Commission on the Amended Application.
	3. Accordingly, with the Commission’s permission, Staff will file its response on or before July 18, 2014.

DATED this 11th day of July 2014.

 Respectfully submitted,

ROBERT W. FERGUSON

Attorney General

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Transportation Commission Staff

1. *E.g.*, the lack of language within paragraph 23 of the Amended Application about deferred federal income taxes, as shown in Exhibit G; Electron Hydro’s reimbursement to PSE for annual operation and maintenance contribution payments, as shown in Exhibit F-4; and PSE’s exposure to claims by the Tribe under the Resource Enhancement Agreement. These last two issues are referenced in the Amended Application at 6-7, ¶ 11. [↑](#footnote-ref-1)