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April 28, 2008

Carole J. Washburn, Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Dr. SW  
P. O. Box 47250  
Olympia, Washington 98504-7250

Re: *WUTC v. Puget Sound Energy (General Rate Case)*  
Dockets UE-072300 and UG-072301

Dear Ms. Washburn:

Enclosed for filing in the above-referenced docket are the original and 12 copies of the Response of Commission Staff to Puget Sound Energy, Inc. Motion or Leave to File Supplemental Testimony and Exhibits, and Certificate of Service.

Sincerely,

ROBERT D. CEDARBAUM  
Senior Counsel

RDC:klg  
Enclosures  
cc: Parties



BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET UE-072300  
DOCKET UG-072301  
(Consolidated)

DOCKET UG-080064

RESPONSE OF COMMISSION  
STAFF TO PUGET SOUND  
ENERGY, INC. MOTION FOR  
LEAVE TO FILE  
SUPPLEMENTAL TESTIMONY  
AND EXHIBITS

1 On April 14, 2008 Puget Sound Energy, Inc. ("PSE" or "the Company") requested permission to file the supplemental direct testimony and exhibits of John H. Story, Karl R. Karzmar, David E. Mills, David W. Hoff and Janet K. Phelps. The Commission extended the time to respond to the Company's motion to April 28, 2008.<sup>1</sup>

2 Commission Staff does not object to the Company's motion. Nor at this time does Staff request a delay in the May 23, 2008 deadline for responsive testimony. Staff's position, however, has two caveats.

3 First, the issue now presented is only whether the Commission should allow PSE to file supplemental testimony and exhibits. The issue is not whether those documents should be admitted into the record.<sup>2</sup> Nor is the issue the merits of the proposals they address. Staff reserves the right to contest the admissibility of the supplemental testimony and exhibits

<sup>1</sup> Order 07 (April 18, 2008).

<sup>2</sup> The Company's motion invokes WAC 480-07-460(1)(b)(ii) regarding substantive changes to proposed evidence. Whether such evidence becomes part of the official record is determined at hearing, which will not convene until August 25, 2008.

when they are offered at hearing. Staff also reserves the right to contest the merits of the supplemental testimony and exhibits through its responsive case.

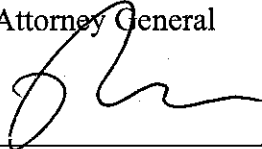
4           Second, the supplemental testimony and exhibits revise the Company's electric revenue requirement upward from \$174.8 million to \$179.7 million. PSE's gas revenue requirement increases from \$56.8 million to \$58.1 million with the supplemental filing. However, the Company has not revised its tariff filing to reflect those changes.

5           The issue is not whether PSE may submit evidence of a revenue requirement that exceeds that produced by the tariff revisions the Company filed at the outset. Rather, the issue is whether the Commission has legal authority to allow a rate increase above those tariff revisions. That issue is ripe for decision in post-hearing briefs after all evidence is admitted. Staff reserves its right to address that issue at that time.

DATED this 28<sup>th</sup> day of April, 2008.

Respectfully submitted,

ROBERT M. MCKENNA  
Attorney General



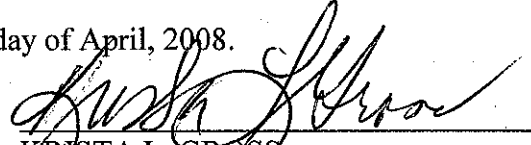
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ROBERT D. CEDARBAUM  
Senior Counsel  
Counsel for Washington Utilities and  
Transportation Commission

Dockets UE-072300 and UG-072301  
CERTIFICATE OF SERVICE

I hereby certify that I have this day served the attached document upon the persons and entities listed on the Service List below by depositing a copy of said document in the United States mail, addressed as shown on said Service List, with first class postage prepaid.

DATED at Olympia, Washington this 28<sup>th</sup> day of April, 2008.

  
KRISTAL L. GROSS

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**C=Confidential**

**NC=Non-Confidential**

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