

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

WASHINGTON UTILITIES AND	)	DOCKETS UE-072300
TRANSPORTATION COMMISSION,	)	and UG-072301 ( <i>Consolidated</i> )
	)	
Complainant,	)	
	)	ORDER 08
v.	)	
	)	GRANTING MOTION FOR LEAVE
PUGET SOUND ENERGY, INC.,	)	TO FILE SUPPLEMENTAL
	)	TESTIMONY
Respondent.	)	
.....		

**MEMORANDUM**

**I. Motion for Leave To File Supplemental Testimony**

1 On April 14, 2008, Puget Sound Energy, Inc. (PSE or Company) filed a motion seeking leave to file supplemental testimony. PSE’s supplemental testimony includes evidence concerning updated power costs and corrections to certain pro forma and restating adjustments from the original filing. 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 these changes.

**II. Responses**

2 On April 28, 2008, several parties responded to PSE’s motion. Commission Staff states that it does not object to PSE’s motion, subject to reservations of Staff’s right to object to the admission of any of the prefiled testimony and exhibits and its right to contest the merits of the matters addressed.

3 Public Counsel, The Energy Project and the Industrial Customers of Northwest Utilities (Joint Parties) filed their response opposing PSE’s motion. The Joint Parties focus their argument on the idea that PSE cannot seek a different and higher revenue requirement than it initially filed without filing new tariff sheets, effectively initiating

a new case with a new suspension period. On the other hand, the Joint Parties argue, if PSE simply seeks to justify its original request by showing updated evidence of an even higher revenue requirement, then the supplemental testimony “is of limited relevance since the Commission could not allow the higher amount.” The Joint Parties also argue allowing the supplemental testimony would be burdensome because it might raise the need for additional discovery and response testimony.

- 4 The Joint Parties acknowledge, however, that PSE has committed to updating its discovery responses to reflect the supplemental testimony. The date for response testimony is May 23, 2008. The Joint Parties request a one-week continuance of that date if PSE is granted leave to file the supplemental testimony.

### **III. Replies**

- 5 PSE filed a request for leave to reply and its reply to Staff and the Joint Parties on April 30, 2008. PSE states that it agrees with the position taken by Staff that the only issue before the Commission at this time is whether PSE should be allowed to file the supplemental testimony and exhibits pursuant to WAC 480-07-460(b). PSE agrees with Staff that the Commission need not address at this time the legal issues raised by the Joint Parties challenging PSE’s right to seek a higher revenue requirement if, indeed, that is the Company’s intent. PSE agrees with Staff that such issues can be addressed in post-hearing briefs, if they need to be resolved at all.
- 6 PSE does not expressly object to the Joint Parties’ request for continuance of the date for filing response testimony by one week, to May 30, 2008. However, PSE argues that if the Commission continues the date for response testimony, it should likewise extend by one week the date for PSE’s rebuttal, to June 27, 2008. PSE states this should cause no prejudice to other parties considering that the evidentiary hearing is not scheduled to begin until August 25, 2008.
- 7 Staff also requested leave to reply and responded to the Joint Parties on April 30, 2008. Staff argues the legal issues raised by the Joint Parties do not need to be resolved at this time. Staff presents argument on these issues, however, suggesting that if the Commission wishes to reach them at this time, it would benefit from full briefing by all parties.

8 Staff states that it has not encountered the difficulties related to discovery and preparation of response testimony suggested by the Joint Parties as a reason to deny PSE's motion for leave to file supplemental testimony. Nevertheless, Staff does not object to the Joint Parties' request for a brief continuance of the filing date for response testimony.

#### **IV. Discussion and Decision**

9 PSE's supplemental testimony updates the Company's power cost projections for the rate year, corrects certain pro forma and restating adjustments from the original filing, and updates various adjustments based on more recent data than the information PSE had available to it when it prepared its original filing. As PSE states in its motion: "Allowing PSE to supplement its evidence now will reduce the burden on other parties that would result from having to attempt to update or correct PSE's original filing themselves based on information made available to them in data request responses." PSE timed its submission of supplemental testimony so that the other parties will have an opportunity to address the updated information in their response testimonies, which would not be possible if PSE first provided this information in its rebuttal testimony. This results in a more orderly process and promotes fairness.

10 The Commission's paramount interest is in having a full record with the best available evidence upon which to base its decisions. When the Company offers supplemental evidence, as here, the Commission balances its interest in having up-to-date information against the needs of the parties to have adequate opportunities for discovery and the development of their own testimony and exhibits. In this instance, PSE has filed its supplemental testimony and exhibits in a timely way. By allowing a one-week continuance to the dates for response and rebuttal testimony, as requested by the Joint Parties and PSE, we ensure that there will be adequate time for any updated or supplemental discovery and preparation of testimony and exhibits.

11 Staff's reservations of its rights to object to the admissibility of the supplemental testimony and exhibits, and to contest the merits of this testimony really are not necessary. Staff and all parties have those rights with respect to all prefiled testimony and exhibits. The Joint Parties will be able to object on relevance grounds at hearing, if they believe it is appropriate to do so at that time.

- 12 The Commission does not need to address at this time whether it can order rates at the end of this case based on a revenue requirement that is greater than what PSE requested in its original filing. If that issue is in controversy at the end of this case, it can be thoroughly briefed and decided in the Commission's Final Order.
- 13 In sum, we find good cause to grant PSE's motion and to modify the procedural schedule as the parties propose.

**ORDER**

THE COMMISSION ORDERS:

- 14 (1) Puget Sound Energy, Inc's Motion for Leave To File Supplemental Testimony and Exhibits is granted.
- 15 (2) The procedural schedule in this proceeding is modified by continuing the date for response testimony until May 30, 2008, and the date for rebuttal and cross-answering testimony until June 27, 2008.

Dated at Olympia, Washington, and effective May 5, 2008.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

DENNIS J. MOSS  
Administrative Law Judge