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STATE OF WASH.  
UTILITY AND TRANSP.  
COMMISSION

RECORDED

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CITY OF SEATAC,  
Petitioner,

Docket No. UE-010891  
(Consolidated)

v.

PUGET SOUND ENERGY, INC.,  
Respondent.

.....  
CITY OF CLYDE HILL,  
Petitioner,

Docket No. UE-011027  
(Consolidated)

v.

PUGET SOUND ENERGY, INC.,  
Respondent.

CITY OF SEATAC'S REPLY TO  
PSE'S RESPONSE TO SEATAC'S  
MOTION FOR SUMMARY  
DETERMINATION

**I. Introduction and Summary Of SeaTac's Reply**

PSE's Response to Motions for Summary Determination and Cross Motion for  
Summary Determination ("Response") fails to demonstrate that Schedule 70 should not

CITY OF SEATAC'S REPLY TO PSE'S RESPONSE  
TO SEATAC'S MOTION FOR SUMMARY  
DETERMINATION - 1

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1 apply to the City of SeaTac's street improvement project on South 170th Street from 37th  
2 Avenue South to Military Road South. PSE agrees to the material facts, and the issues are  
3 appropriately resolved by the Commission as a matter of law. Because PSE's Response  
4 fails to raise a material issue of fact or plausible reason for not applying the plain language  
5 of Schedule 70, the foundation for PSE's interpretation of Schedule 70 and its proposed  
6 reading of the tariff should be rejected.<sup>1</sup>

7 **II. The Plain Language Of The Tariff Requires Application Of Schedule 70**  
8 **To The Conversion Area.**

9 Schedule 70 provides:

10 AVAILABILITY. Subject to availability of equipment and materials, the  
11 Company will provide and install a Main Distribution System and will  
12 remove existing overhead electric distribution lines of 15,000 volts or less  
13 together with Company-owned poles following the removal of all utility  
14 wires therefrom in areas which are zoned and used exclusively for  
15 residential purposes, provided that at the time of such installation the  
16 Company shall have adequate operating rights, and provided further that  
17 the Conversion Area must be not less than one (1) city block in length, or  
18 in the absence of city blocks, not less than six (6) contiguous building lots  
19 abutting each side of the public thoroughfare with all real property on both  
20 sides of each public thoroughfare to receive electric service from the Main  
21 Distribution System.

22 Schedule 70, § 2 (emphasis added).

23 In the absence of a definition, the term "residential" must be given "its plain and  
24 ordinary meaning ascertained from a common dictionary." *Washington v. Sullivan*, 143

25 \_\_\_\_\_  
<sup>1</sup> PSE also advances an argument that its tariff does not apply to undergrounding  
projects where PSE's equipment is located on private property. Response, at 22-23. This  
issue is the subject of litigation in Dockets UE-010778 and UE-010911 ("the Cities  
Docket"). In the present docket, PSE does not seek a declaration from the Commission  
regarding undergrounding on private property except as it applies to the specific Clyde  
Hill project. Although this argument is not directed specifically against the City of  
SeaTac, the City is concerned with the implications of PSE's position for the Cities  
Docket. The City of SeaTac will address PSE's arguments on this point as appropriate in  
its reply brief to be filed on September 18, 2001 in the Cities Docket.

1 Wn.2d 162, 175, 19 P.3d 1012 (2001) (relying on plain language of statute) (internal cites  
2 omitted). “Residential” is “used as a residence or by residents,” and “restricted to or  
3 occupied by residences.” MERRIAM-WEBSTER’S COLLEGIATE DICTIONARY 996 (10<sup>th</sup> ed.  
4 1998). The Project’s conversion area, indisputably zoned exclusively residential and  
5 containing exclusively residential buildings, is “restricted to” and “occupied by”  
6 residences, and therefore is used exclusively for residential purposes.

7 In order to escape this conclusion, PSE argues that the conversion area is not used  
8 *exclusively* for residential purposes because South 170<sup>th</sup> Street connects to commercial  
9 areas beyond the conversion area, and PSE has installed equipment in the conversion area  
10 that would support commercial electric loads. Schedule 70 does not exclude an  
11 underground conversion project for these reasons when the conversion area is “zoned and  
12 used exclusively for residential purposes.” In arguing to the contrary, PSE improperly  
13 grafts additional and conflicting requirements onto the plain language of Schedule 70. *See*  
14 *Washington v. Sullivan*, 143 Wn.2d at 175 (“We do not add to or subtract from the clear  
15 language of a statute unless that is imperatively required to make the statute rational.”).  
16 To the contrary, the plain language of Schedule 70 governs this dispute.

17 **A. The Traffic Load Carried By South 170th Does Not Determine**  
18 **The Use Of The Conversion Area.**

19 The use of South 170<sup>th</sup> Street as an arterial does not change the character of the  
20 conversion area from residential to commercial. PSE’s Response does not dispute the  
21 facts outlined by the City in its Motion regarding the character of the conversion area’s  
22 zoning and physical structures. Instead, PSE argues that Schedule 71 should apply to the  
23 conversion area because South 170<sup>th</sup> Street is a “collector arterial” that provides access to  
24 commercial areas beyond the conversion area. PSE’s contention is that the conversion  
25 area is

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not used *exclusively* for residential purposes in that the streets containing facilities that are being converted to underground carry traffic not just to and from the residential dwellings in the immediate area, but serve to route traffic through the residential area to and from surrounding commercial areas and roadways.

Response, at 10-11 (emphasis in original).

Contrary to PSE’s argument, the fact that South 170<sup>th</sup> Street happens to connect to commercial areas does not change the character of the conversion area from residential to commercial. *See, e.g.*, Response at 1 (“Although the dwellings along South 170<sup>th</sup> Street ... are residential, the streets themselves are used for nonresidential purposes.”) (emphasis added). Streets are not classified as “residential” or “commercial.” The conversion area, which is zoned and used exclusively for commercial purposes, determines the applicability of Schedule 70. Schedule 70 has no such internal limiting principle that would convert a residential neighborhood into a commercial area simply because some of its streets connect to other areas of the city. By its very nature as part of a transportation system network, every city street eventually connects to other residential, commercial, and industrial areas. Conversion projects along most city streets, therefore, would be vulnerable to PSE’s analysis, rendering Schedule 70 inapplicable most everywhere. Under PSE’s reasoning, the neighborhood cul-de-sac and I-5 – both of which both provide access from one area of the city to another – could be used for “nonresidential purposes.”

The purpose for which motorists use a street does not determine the residential or commercial character of an area, nor does the fact that pass-through traffic flows through a neighborhood make the area commercial. Moreover, PSE fails to establish any relationship between the traffic load on South 170th and the electrical load of the conversion area. It would be absurd to read Schedule 70 to define the character of a

1 conversion area by a phenomenon (traffic flow) that has no relation to the electric load in  
2 the area. For Schedule 70 purposes, the use to which an area is put – either residential or  
3 commercial – must be determined by reference to the permanent structures and the zoning  
4 in the conversion area. PSE’s interpretation of Schedule 70 undermines the clear  
5 language of the tariff in favor of a strained analysis that provides no objective criteria for  
6 determining whether an area is residential or commercial. Such a reading should be  
7 rejected.

8 **B. The Character Of PSE’s Equipment Does Not Determine The**  
9 **Use Of The Conversion Area.**

10 PSE’s second argument is that its use of three-phase distribution lines on South  
11 170<sup>th</sup> Street changes the SeaTac conversion area into a Schedule 71 project. *See, e.g.,*  
12 Response, at 1 (“The three-phase feeder that is to be converted to underground forms part  
13 of PSE’s distribution backbone, and serves commercial as well as residential purposes.”).  
14 PSE’s argument, however, is aimed at the wrong target. The inquiry under Schedule 70 is  
15 whether the conversion area is zoned and used exclusively for residential purposes, not  
16 whether PSE’s equipment in the area has multiple purposes.

17 PSE contends that:

18 Although the houses that tap off of the facilities to be converted to  
19 underground along South 170<sup>th</sup> Street in SeaTac ... are residential  
20 dwellings, with single-phase load, the three-phase feeder that they tap off  
21 of is part of PSE’s distribution backbone ... Thus, the electric system in  
22 these areas is not “used exclusively for residential purposes.”

23 Response, at 7. PSE’s argument consistently reads out the subject of the tariff’s quoted  
24 passage. *See, e.g.,* Response at 4 (“The phrase ‘used exclusively for residential purposes’  
25 is the tariff language that is in dispute in this case.”). The question is whether the

1 conversion area is used exclusively for residential purposes, not whether PSE's equipment  
2 is used for residential or commercial purposes.<sup>2</sup>

3 This reading of the tariff is supported by the language of Schedule 70. The  
4 passage in question refers to "areas which are zoned and used exclusively for residential  
5 purposes." The subject of the phrase, "areas," plainly refers to a geographic location, not  
6 a category of equipment, because a geographic area may be both zoned and used for  
7 residential purposes. PSE's equipment, in contrast, may not be zoned and used for  
8 residential purposes, as its facilities are not the subject of zoning laws in this way. As  
9 such, the determination under Schedule 70 regarding an area's residential character could  
10 not be made with reference to the equipment PSE has chosen to install in the area.

11 PSE's decision to install a three-phase system along 170<sup>th</sup> Street apparently is  
12 based on the electrical requirements of its distribution system. According to the  
13 Declaration of Curtis Bagnall, a senior project manager and senior electrical engineer with  
14 almost 30 years of experience, it is standard practice for electric systems to operate using  
15 three phases. Declaration of Curtis Bagnall ("Bagnall Decl."), ¶ 3.

16 PSE may require a three-phase distribution line on South 170<sup>th</sup> Street in order to  
17 deliver electric service to commercial areas outside of the conversion area, but PSE's  
18 system design requirements cannot be attributed to the conversion area as if the residential  
19 area imposed a commercial electrical load.

20 In the alternative, PSE suggests that the character of its equipment in the  
21 conversion area demonstrates that PSE uses the conversion area for nonresidential  
22 purposes. Response at 7. The character of a conversion area cannot reasonably be

23 \_\_\_\_\_  
24 <sup>2</sup> Nor is the question determined by PSE's purpose within or use of an area, which  
25 purpose or use is clearly always commercial.

1 defined by PSE's own use of its own equipment for non-residential purposes. Such an  
2 interpretation would render Schedule 70 meaningless since all of PSE's equipment would  
3 be used for "commercial" purposes.

4 **C. The Electric Load In The Conversion Area Is Not Comparable**  
5 **With Developed Commercial Areas.**

6 PSE contends that Schedule 71 rather than Schedule 70 applies to the Project  
7 because it is available "in such other areas of such municipalities which have electrical  
8 load requirements which are comparable with developed commercial areas." Schedule 71,  
9 § 2. To the contrary, the electrical load requirements in the conversion area are typical of  
10 the requirements of a residential area, not a developed commercial area, and Schedule 71  
11 does not apply.

12 PSE concedes that the load requirement of the dwellings within the conversion  
13 area is that of a typical residential load. *See* Response at 7 ("the houses that tap off of the  
14 facilities to be converted to underground along South 170<sup>th</sup> Street in SeaTac ... are  
15 residential dwellings, with single-phase load ...").

16 The use of a three-phase feeder in an area with a residential load is not uncommon  
17 and has nothing to do with the applicability of Schedule 70. According to Mr. Bagnall, it  
18 can be expected that PSE has a number of three-phase circuits on its system that serve  
19 large areas that are almost exclusively residential. A three-phase circuit is able to supply  
20 3 times the amount of electric power as a single-phase circuit for a given current  
21 (amperage). PSE uses 600 amp, three-phase circuits for its backbone system; it then uses  
22 a single-phase 200-amp circuit for local distribution. On many systems, the 200-amp  
23 circuit is also three-phase. ¶ 5. The use of a backbone feeder is related to the size of the  
24 load being served, not whether the load within a conversion area is residential or  
25 commercial. Bagnall Decl. ¶ 10.

CITY OF SEATAC'S REPLY TO PSE'S RESPONSE  
TO SEATAC'S MOTION FOR SUMMARY  
DETERMINATION - 7

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1 Mr. Bagnall notes that there are about 40 residences that front S. 170<sup>th</sup> Street,  
2 representing an electrical load of 125 to 200 kW. At typical distribution voltages of less  
3 than 15 kV, this represents 8 to 9 amps of load. A 200-amp, distribution-voltage circuit  
4 could easily serve this load. Bagnall Decl., ¶ 8. Mr. Bagnall concludes that the feeder on  
5 S. 170<sup>th</sup> Street serves much more load than is represented by the approximately 40  
6 residences in the undergrounding project area. Bagnall Decl., ¶ 11.

7 The fact that PSE uses a three-phase feeder on South 170<sup>th</sup> Street, therefore, does  
8 not establish that the electrical load in the conversion area is “comparable with developed  
9 commercial areas” or that Schedule 71 rather than Schedule 70 applies to the underground  
10 conversion.

11 **III. There Is No Credible Evidence Of Commission Intent To Exclude**  
12 **Three-Phase Feeders From Schedule 70.**

13 PSE agrees with the City that the standards of tariff interpretation require the  
14 Commission to look to the plain language of the tariff to resolve the dispute between the  
15 parties. Response at 10. PSE nevertheless advances an inconsistent argument about the  
16 Commission’s intent in approving the tariff. This argument, irrelevant because the  
17 language of Schedule 70 is plain and unambiguous, is seriously flawed.

18 **A. Without Ambiguity, There Is No Reason To Look To Canons Of**  
19 **Construction.**

20 The Commission can decide the application of Schedule 70 as a matter of law  
21 without referring to extraneous evidence. “Where the language of a tariff is “plain, free  
22 from ambiguity, and devoid of uncertainty, there is no room for construction because the  
23 meaning will be discovered from the wording of the statute itself.” *People’s Org. for*  
24 *Wash. Energy Resources v. WUTC*, 101 Wn.2d 425, 429-30, 679 P.2d 922 (1984). Plain  
25 words do not require construction. *See Western Telepage, Inc. v. City of Tacoma Dep’t of*



1 *Fin.*, 140 Wn.2d 599, 609, 998 P.2d 884 (2000). *See also Washington v. Sullivan*, 143  
2 Wn.2d at 175 (“When a statute is unambiguous, it is not subject to judicial construction  
3 and its meaning must be derived from the plain language of the statute alone.”).

4 To avoid the plain language rule, PSE argues that Schedule 70 is ambiguous  
5 because “areas which are zoned and used exclusively for residential purposes” could refer  
6 to the types of dwellings or streets in an area or “PSE’s use of the area with respect to  
7 PSE’s electric system.” Response, at 14. As discussed, *supra*, PSE’s reading of Schedule  
8 70 is strained and inconsistent with the plain language of the tariff. A tariff is not  
9 ambiguous “simply because arguments regarding distinct interpretations of it are  
10 conceivable.” *Fraternal Order of Eagles, Tenino Aerie No. 564 v. Grand Aerie*,  
11 *Fraternal Order of Eagles*, 27 P.3d 1254 (Wn. App. 2001) (relying on plain language of  
12 statute). Where the language of a tariff supports only one reasonable interpretation, the  
13 fact that other, unreasonable, interpretations are possible does not make the tariff  
14 ambiguous.

15 PSE refers the Commission to the rule of construction that holds that one should  
16 not read out of existence a term in the tariff. Response at 15. However, as discussed,  
17 *supra*, PSE’s reading of the term “exclusively residential” is so narrow as to exclude the  
18 application of Schedule 70 to any residential area that happens to contain a through street  
19 that connects to a commercial area or that contains any PSE equipment used to serve  
20 commercial load or used for commercial purposes. To define the conversion area either  
21 by the ultimate destination of vehicle traffic or by the type of PSE’s equipment would  
22 result in the application of Schedule 71 rather than Schedule 70 to areas that are zoned and  
23 used exclusively for residential purposes, in derogation of the plain language of the tariff.  
24 The Commission cannot interpret the language of Schedule 70 in such a manner as to  
25

CITY OF SEATAC'S REPLY TO PSE'S RESPONSE  
TO SEATAC'S MOTION FOR SUMMARY  
DETERMINATION - 9

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1 reach such an unlikely, strained, or absurd conclusion. *See Washington v. Sullivan*, 143  
2 Wn.2d at 175 (interpretation should “avoid unlikely, absurd, or strained consequences.”).  
3 To determine the character of a conversion area by reference to traffic or PSE’s equipment  
4 grafts additional requirements that are not present in the clear language of Schedule 70.  
5 *See Washington v. Sullivan*, 143 Wn.2d at 175 (“We do not add to or subtract from the  
6 clear language of a statute unless that is imperatively required to make the statute  
7 rational.”). There is no reason, therefore, for the Commission to look to extrinsic  
8 evidence to construe Schedule 70.

9 **B. PSE Fails To Demonstrate Credible Evidence Of Any**  
10 **Commission “Intent” To Override The Clear Language Of**  
11 **Schedule 70.**

12 Even if consideration of extrinsic evidence were appropriate, PSE fails to  
13 demonstrate the Commission “intent” in approving Schedule 70. PSE argues that the  
14 Commission did not intend the Schedule 70 centerline foot rate to apply to three-phase  
15 feeders. Response, at 14 – 17. The basis of PSE’s argument centers on a July 1983 study  
16 submitted by PSE in 1984 to support a Schedule 70 rate increase. Response at ADD. 7 –  
17 15. The study was based on the average cost of four underground conversions completed  
18 in the early 1980’s. ADD. 9. For reasons never explained, the cost study excluded two  
19 examples of underground conversions that included feeders running through the area. *Id.*  
20 at ADD. 9.

21 Gleaning the Commission’s “intent” from the fact that PSE’s cost information did  
22 not include these two examples is an unreasonable stretch. The Commission’s order  
23 granting the tariff revisions does not even mention the exclusion of three-phase feeders  
24 from the cost study. If the Commission had intended to exclude three-phase feeders from  
25 Schedule 70, it could have so stated, but the Order is silent on the applicability of

1 Schedule 70 to three-phase feeders. *See* ADD. 17-18. Such flimsy evidence of  
2 Commission “intent” proves nothing and should be rejected.

3 PSE could just as well derive the Commission’s “intent” from its recent attempt to  
4 change Schedule 70 to exclude three-phase feeders. On February 20, 2001, PSE filed  
5 revisions to Schedule 70 with the Commission. *See* Appendix A. In the proposed revised  
6 tariff, the “Availability” provisions were changed to apply only when sufficient equipment  
7 and materials are available, the existing overhead electric distribution system is 7,200  
8 volts or less, and “the Conversion Area is zoned or used for residential purposes and  
9 contains a single phase electrical system.” Second Revised Sheet No. 70-b. The  
10 Commission neither acted upon nor approved the proposed revision to Schedule 70, and  
11 PSE withdrew the proposed tariff revision. *See* Commission Minutes (March 14, 2001).

12 As PSE well knows, the revision to Schedule 70 would not have been needed if the  
13 existing Schedule 70 excluded underground conversion in residential areas with three-  
14 phase feeders. PSE, however, decided to abandon the proposed revision to Schedule 70.  
15 If PSE had wanted to change the terms for underground conversion to explicitly exclude  
16 three-phase feeders, PSE should have pursued its tariff filing. Tariff changes must occur  
17 in an orderly proceeding in which the Commission and its Staff have the opportunity to  
18 review and investigate the proposed revision, not by reading words into the tariff.

19 PSE’s insistence that its current interpretation of Schedule 70 is consistent with its  
20 “institutional memory” and practice is not borne out by the facts. *See* Response at 16.  
21 SeaTac first discussed the South 170<sup>th</sup> Street Project with PSE in January 1999. *See*  
22 Declaration of Thomas W. Gut In Support Of Cities’ Motion For Summary Determination  
23 (“Gut Decl.”), ¶ 10. In March 2001, Tom Gut, Assistant Engineering Manager, asked  
24 why PSE had presented a Schedule 71 agreement for signature instead of a Schedule 70  
25

CITY OF SEATAC'S REPLY TO PSE'S RESPONSE  
TO SEATAC'S MOTION FOR SUMMARY  
DETERMINATION - 11

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1 agreement. *Id.* Mr. Gut testified, “PSE told me for the first time that since the project  
2 contained three-phase distribution, PSE was going to do the underground conversion  
3 under Schedule 71.” *Id.*

4 A more useful excerpt from PSE’s “institutional memory” might be the fact that  
5 PSE does not normally use three-phase feeders in a residential area. PSE’s Response  
6 states:

7 In general, PSE installs single-phase systems in areas that are purely  
8 residential, and does not install three-phase systems in a residential area  
9 unless load exists in the area that needs such a system. Normally,  
residential areas are served by a single-phase branch of PSE’s system that  
at some point ties into one phase of PSE’s three-phase distribution feeders.

10 Response, at 6. Since PSE does not normally install three-phase feeders in residential  
11 areas, the issue of whether Schedule 70 applies apparently does not arise often.

12 Significantly, PSE’s attempt to revise Schedule 70 occurred in February 2001,  
13 about the same time as the SeaTac dispute over Schedule 70. The SeaTac project may  
14 have brought home the fact that the underground conversion on South 170<sup>th</sup> Street would  
15 be more expensive than most residential conversions due to the presence of the three-  
16 phase feeder. However, if PSE believes that the increased cost of undergrounding three-  
17 phase feeders justifies a rate increase for underground conversion, PSE’s remedy is to  
18 make a tariff filing. Under the Commission’s rules, PSE could present up-to-date cost  
19 studies and other evidence so the Commission could determine if the proposed rates are  
20 fair and reasonable.

21 In short, PSE should not be permitted to charge SeaTac for the cost of  
22 underground conversion on South 170<sup>th</sup> Street based upon its own strained reading of  
23 Schedule 70 or upon its view of the Commission’s supposed “intent” in approving the  
24 tariff in 1983.

25 CITY OF SEATAC'S REPLY TO PSE'S RESPONSE  
TO SEATAC'S MOTION FOR SUMMARY  
DETERMINATION - 12

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1 **IV. Conclusion**

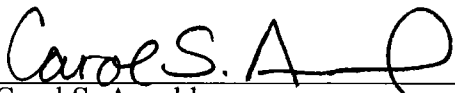
2 Schedule 70 clearly is available and applicable to SeaTac's 170<sup>th</sup> Street Project.  
3 The SeaTac conversion area is zoned and used exclusively for residential purposes. The  
4 fact that a street running through the conversion area is an arterial connecting to a  
5 commercial area does not change the character of the conversion area, nor does the fact  
6 that PSE operates a three-phase system along South 170<sup>th</sup> Street for service to customers  
7 outside the Conversion Area convert it into a commercial area.

8 The only reasonable conclusion that can be drawn from these facts is that the  
9 SeaTac conversion area is "zoned and used exclusively for residential purposes" within  
10 the meaning of Schedule 70. The conversion area carries a typical residential electrical  
11 load, and there is no appropriate basis for applying Schedule 71. Summary determination  
12 is proper when reasonable minds could reach but one conclusion from the evidence. *See*  
13 *Central Wash. Bank v. Mendelson-Zeller, Inc.*, 113 Wn.2d 346, 353, 779 P.2d 697 (1989).

14 For all of these reasons, as well as those advanced in its Motion for Summary  
15 Determination, the City of SeaTac respectfully requests that the Commission grant its  
16 Motion for Summary Determination and deny PSE's Cross Motion for Summary  
17 Determination.

18 DATED this 31st day of August, 2001.

19 PRESTON GATES & ELLIS LLP

20  
21 By   
22 Carol S. Arnold, WSBA # 18474  
23 Laura K. Clinton, WSBA # 29846  
24 Attorneys for Petitioner  
25 City of SeaTac

CITY OF SEATAC'S REPLY TO PSE'S RESPONSE  
TO SEATAC'S MOTION FOR SUMMARY  
DETERMINATION - 13

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the CITY OF SEATAC'S  
REPLY TO PSE'S RESPONSE TO SEATAC'S MOTION FOR SUMMARY  
DETERMINATION, upon all parties of record in this proceeding, via facsimile, followed  
by U.S. mail, as follows:

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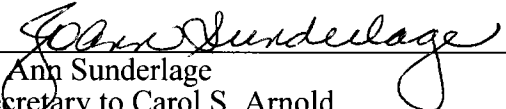
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Dennis J. Moss, Administrative Law Judge  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive S.W.  
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DATED at Seattle, Washington, this 31<sup>st</sup> day of August, 2001.

  
\_\_\_\_\_  
Jo Ann Sunderlage  
Secretary to Carol S. Arnold

CITY OF SEATAC'S REPLY TO PSE'S RESPONSE  
TO SEATAC'S MOTION FOR SUMMARY  
DETERMINATION - 14

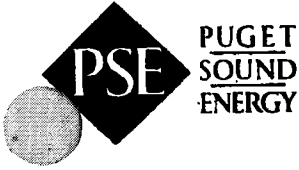
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SEATTLE, WASHINGTON 98104-7078  
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**APPENDIX A**

**000274**



February 20, 2001

Ms. Carole J. Washburn, Executive Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

RECEIVED  
FEB 21 2:19:53  
UTILITY DIVISION

RE: Docket No. UE-010168  
Substitute Tariff Sheets – **Please Do Not Re-Docket**

Dear Ms. Washburn;

Enclosed please find an original and three copies of tariff sheets and tariff attachments to substitute for the sheets included in our February 7, 2001, filing under Docket No. UE-010168 (our Advice No. 2001-2). The attachments were submitted under separate cover on February 15, 2001. The substitute sheets and attachments are:

WN U-60, Tariff G (Electric Tariff)

- Second Revised Sheet No.70 - Conversion to Underground Service In Residential Areas
- Third Revised Sheet No.70-a - Conversion to Underground Service In Residential Areas (Continued)
- Second Revised Sheet No.70-b - Conversion to Underground Service In Residential Areas (Continued)
- Original Sheets No.70-c through 70-j - Conversion to Underground Service In Residential Areas (Continued)
- Attachment "A" to Schedule 70 – Agreement with Municipality
- Attachment "B" to Schedule 70 – Agreement with Non-Municipal Customer
- Second Revised Sheet No.71 - Conversion to Underground Service In Commercial Areas
- Third Revised Sheet No.71-a - Conversion to Underground Service In Commercial Areas (Continued)
- Second Revised Sheet No.71-b - Conversion to Underground Service In Commercial Areas (Continued)
- Original Sheets No.71-c through 71-j - Conversion to Underground Service In Commercial Areas (Continued)
- Attachment "A" to Schedule 71 – Agreement with Municipality
- Attachment "B" to Schedule 71 – Agreement with Non-Municipal Customer

The purpose of these substitutions is to change the effective date to March 15, 2001, as discussed with commission staff. In addition, as a result of questions posed by commission staff, several minor changes were made for reasons of clarity. All changes were discussed with commission staff.

If you have any questions regarding the changes please contact Lynn Logen at (425) 462-3872.

Very truly yours,

Karl R. Karzmar  
Manager, Revenue Requirements

Enclosures  
cc: Simon J. ffitc  
Mark Quehrn

000225  
RM



**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 70**  
**CONVERSION TO UNDERGROUND SERVICE**  
**IN RESIDENTIAL AREAS**

1. **DEFINITIONS** - The following terms when used in this schedule shall have the meanings given below:

a. **Main Distribution System:** An underground electric distribution system exclusive of "Underground Service Lines" as defined herein. The Main Distribution System typically includes but is not limited to Primary voltage cables, secondary voltage cable located in the rights-of-way, connections, terminations, pad-mounted transformers, pad-mounted switches, conduit, vaults and other necessary associated components. The Main Distribution System shall be equivalent in all ways to the existing overhead distribution system, including the ability to expand such system.

(N)  
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(N)

b. **Underground Service Lines:** The underground electric service lines extending from service connections of the structure to the designated secondary service connection point of a Main Distribution System. For single-family residential customers, Underground Service Lines are provided, installed, owned and maintained by the Company in accordance with Schedule 86 of this tariff. For non-residential and multi-family residential customers, Underground Service Lines are provided, installed, owned and maintained by customer.

(T)  
(N)  
| (K)  
|  
(N)

c. **Conversion Area:** That geographical area wherein the Company's overhead electric distribution system is replaced by an equivalent Main Distribution System.

(K)  
(C)(K)  
(T)

d. **Trenching and Restoration:** Includes, but is not limited to, all breakup of sidewalks, driveways, pavement, and restoration thereof on public rights-of-way and private property. Also includes, but is not limited to, excavating for vaults, trenching for ducts, shoring, flagging, barricades, select backfill, concrete around ducts (if required), compaction and restoration, all in accordance with Company specifications.

(N)(K)  
(C)  
| (K)  
| (K)  
|  
(C)(K)  
|  
(K)

(K) Transferred to Sheet Nos. 70-b, 70-c, 70-c, 70-d Respectively

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By:



Steve Secrist

Director, Rates & Regulation

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 70**  
**CONVERSION TO UNDERGROUND SERVICE**  
**IN RESIDENTIAL AREAS**  
(Continued)

- e. Customer: The person, partnership, firm, corporation, municipality, cooperative organization, governmental agency, owners of property in the Conversion Area or the duly appointed agent of said property owners, etc., requesting conversion of the Company's existing electrical system from overhead to underground. A person or entity requesting conversion to underground because of zoning or building or other requirements imposed by governmental authorities shall be deemed to be the Customer, not the governmental authority requiring the conversion. (N)(K)
- f. Temporary Service: Temporary Service shall have the meaning set forth in the General Rules and Provisions of the Company's electric Tariff G and in addition shall mean limited overhead facilities left in place within the Conversion Area at the request of the Customer with the Company's approval and/or limited overhead or underground facilities installed concurrently with the installation of the Main Distribution System with the Company's approval, which are utilized to provide short term overhead service within the Conversion Area. Temporary Service shall be for a maximum duration of one and one half years from the date the Main Distribution System is energized, except in unusual circumstances approved by the Company (for example, to accommodate other demolition or construction projects within the Conversion Area). (K)
- g. Customer Requested Changes: Changes requested or otherwise caused by the Customer that are within the control of the Customer and increase the Cost of the Conversion, plus labor costs to redesign the Main Distribution System to accommodate such changes. Examples of Customer Requested Changes include, but are not limited to, changes in the design, route or location of the Main Distribution System, the use of different, non-standard or total underground equipment, the installation of equipment in vault rooms inside buildings due to inadequate space for the Company's equipment that is usually pad-mounted or (K)

(K) Transferred to Sheet Nos. 70-d, 70-d, 70-d Respectively  
(K) Transferred to Sheet Nos. 70-e, 70-d, 70-dh Respectively

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Steve Secrist

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**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 70**  
**CONVERSION TO UNDERGROUND SERVICE**  
**IN RESIDENTIAL AREAS**  
(Continued)

within buried vaults on private property, or the use of Customer provided contractors to perform work that would otherwise be performed by the Company under this schedule. Customer Requested Changes do not include a requested change in the length of the Conversion Area; the cost of such a change will be included in the Cost of the Conversion.

(N)(K)

- h. **Public Thoroughfare:** A public thoroughfare may be a municipal, county, state, federal, or other road open to the public over which the Company has adequate operating rights to accommodate the construction, operation, repair, and maintenance of the Main Distribution System and which has been clearly delineated, cleared of growth and obstructions, and brought to final grade prior to the construction of the Main Distribution System. A road on private property which meets the above requirements shall be deemed to be a public thoroughfare if such road provides public access to properties which may be served from the Main Distribution System. If, in the judgment of the Company, the permanency or definition of any road is questionable, it shall not be considered a public thoroughfare for the purposes of this schedule and it shall be the Company's option whether to install the Main Distribution System.

(K)

(K)

(K)

(K)

(K)

(K)

(K)

- i. **Operating Rights:** Operating Rights are defined in paragraph 5 of this schedule.

(N)

- 2. **AVAILABILITY** – The Company will provide and install a Main Distribution System and remove the existing overhead electric distribution system (together with Company-owned poles following removal of all utility wires therefrom) under this Schedule only when all of the following conditions are met:

(T)(M)

- a. Sufficient equipment and materials are available.
- b. The existing overhead electric distribution system is of 7,200 volts or less.
- c. The Conversion Area is zoned or used for residential purposes and contains a single phase electrical system.

(T)(M)

(K) Transferred to Sheet No. 70-f, 70-h, 70-i, 70-j Respectively

(M) Transferred from Sheet No. 70

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Steve Secrist

Director, Rates & Regulation

00278

**PUGET SOUND ENERGY  
Electric Tariff G**

**SCHEDULE 70  
CONVERSION TO UNDERGROUND SERVICE  
IN RESIDENTIAL AREAS  
(Continued)**

- d. The Company has the right to render service in the Conversion Area pursuant to a franchise in a form satisfactory to the Company.
- e. The Conversion Area is a minimum of one (1) city block in length. In the absence of city blocks, not less than six (6) contiguous building lots abutting each side of the public thoroughfare. In absence of city blocks or building lots, a block shall be a minimum of 440 feet in length.
- f. All real property including rights-of-way on both sides of each public street in the Conversion Area must receive underground Electric Service via Underground Service Lines or underground Primary voltage service from the Main Distribution System, unless a parcel receives or will receive electric service from a distribution system located on another street which is outside of the Conversion Area. In addition, a parcel may receive or continue to receive Temporary Service rather than converting immediately to underground.

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(N)(T)  
(N)  
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(T)  
(N)(T)  
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(M)

Conversions that meet the above requirements are not eligible for service under Schedule 71 of this tariff.

3. **NON-ELIGIBLE CONVERSIONS** – Conversions of existing distribution facilities located on an easement or by prescriptive right and conversions from an overhead to an underground electrical distribution system which do not meet the availability requirements in paragraph 2 above or of Schedule 71 will be accomplished only within the sole discretion of the Company and after payment of one hundred percent (100%) of the estimated cost of such conversion. If the actual cost of such conversion is less than the estimate by more than ten percent (10%) of the estimate or exceeds the estimate by more than ten percent (10%) of the estimate, the Company shall refund any excess payment or bill the Customer for the difference between the actual and the estimated cost. Non-eligible conversions shall be subject to paragraphs 5 - 16 of this schedule.

(N)

4. **AGREEMENT PROVISIONS** - The Company will provide and install a Main Distribution System within the Conversion Area after execution of a Schedule 70 Underground Conversion Agreement (the "Agreement" herein) and upon the following terms:

(T)(M)  
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(T)(M)

(M) Transferred from Sheet No. 70 & 70 Respectively

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By: Steve Secrist  
Steve Secrist

Director, Rates & Regulation

000279

**PUGET SOUND ENERGY  
Electric Tariff G**

**SCHEDULE 70  
CONVERSION TO UNDERGROUND SERVICE  
IN RESIDENTIAL AREAS  
(Continued)**

- a. The Company and the Customer shall enter into an Agreement for the installation of such systems, which Agreement shall be consistent with this schedule and shall be in a form satisfactory to the Company, which shall be substantially in the form of Attachment A (for a municipal customer) or Attachment B (for a non-municipal customer), attached hereto. (T)(M)  
| (M)  
(T)(N)(M)  
|  
(N)
- b. The Agreement shall obligate the Customer to do the following: (T)(M)  
| |  
(T)(M)  
(N)
  - (1) Pay the Company at the rate of \$20.33 per centerline foot of all Public Thoroughfares within the Conversion Area.
  - (2) Pay the Company 100% of the cost of (i) cancellation as provided herein; (ii) facilities installed at the time of the conversion to provide Temporary Service; (iii) removal of any facilities installed to provide Temporary Service (less salvage value of removed equipment) (The cost of removal and salvage value of existing overhead facilities utilized to provide Temporary Service is included in the cost per centerline foot above.); (iv) Operating Rights or costs to obtain such rights; (v) any delay, except delays caused by the Company or the Company's contractors, in the installation of the Main Distribution System; and 100% of the incremental additional cost of (i) any Customer Requested Changes; and (ii) overtime labor costs not included in the initial estimate.
  - (3) Should a Temporary Service not be removed within the time approved by the Company, and the Customer is a municipality, the municipality shall exercise its authority under RCW 35.96.050 to order such Temporary Service disconnected. If the Customer is other than a municipality and a Temporary Service is not removed within the time approved by the Company, the Customer shall have the option of paying the Company either (i) 100% of the actual Cost of the Conversion, as defined in Schedule 71 of this tariff, if such amount is greater than the amount due under paragraph 4.b.(1) above, less amounts already paid under paragraph 4.b.(1) above; or (ii) 100% of the costs of converting the Temporary Service to underground. (N)
  - (4) Provide all Trenching and Restoration and job coordination required for the installation of the Main Distribution System and provide surveying for alignment and grades of vaults and ducts. The Customer shall provide the Company adequate assurances of its ability to fulfil these provisions upon request by the Company. (T)(M)  
(N)(M)  
(N)(M)  
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(T)(M)

(M) Transferred from Sheet No. 70, 70-a, 70-a, 70-a & 70-a Respectively

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By: Steve Secrist  
Steve Secrist

Director, Rates & Regulation

000280

**PUGET SOUND ENERGY  
Electric Tariff G**

**SCHEDULE 70  
CONVERSION TO UNDERGROUND SERVICE  
IN RESIDENTIAL AREA  
(Continued)**

c. The Agreement shall provide for payment to the Company on the following terms:

(1) If the conversion is accomplished pursuant to an Agreement with a municipality or county, all amounts shall be payable to the Company within thirty (30) days following the completion of construction of the conversion project. If the conversion is estimated to take more than six (6) months to complete from the time of initiation of construction, arrangements for periodic payment for completed portions shall be made.

(2) If the conversion is accomplished pursuant to an Agreement with any other person(s) or entity, the Customer shall make payment of all amounts due under paragraph 4.b.(1) and all amounts estimated under paragraph 4.b.(2) to the Company prior to the commencement of construction, or in lieu thereof, said amount shall, prior to the commencement of construction, be placed in escrow with an escrow agent satisfactory to the Company pursuant to written instruction obligating said escrow agent to pay all amounts to the Company within thirty (30) days following the date the Main Distribution System is energized. If the actual cost of any amounts under paragraph 4.b.(2) is different than the estimated amounts the Company shall refund any excess payment or bill the Customer for the difference, with such bill to payable within thirty (30) days.

d. If the Agreement is with a municipality, the Agreement shall obligate the municipality to notify all persons and entities within the Conversion Area that electric service to such persons and entities must be converted from overhead to underground within ninety (90) days following written notice from the City that service from underground facilities is available, in accordance with RCW 35.96.050. The municipality shall exercise its authority to order disconnection and removal of overhead facilities with respect to persons and entities failing to convert service lines from overhead to underground within the timelines provided in RCW 35.96.050.

(T)(M)

(T)(M)

(N)

(N)

(C) (M)

(C)

(T)

(T)(N)(M)

(N)

(M) Transferred from Sheet No. 70-a & 70-a Respectively

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By:



Steve Secrist

Director, Rates & Regulation

C00281

**PUGET SOUND ENERGY  
Electric Tariff G**

**SCHEDULE 70  
CONVERSION TO UNDERGROUND SERVICE  
IN RESIDENTIAL AREAS  
(Continued)**

5. OPERATING RIGHTS – The Company shall, at the Customer’s expense, obtain space for all underground facilities and appurtenances (e.g. above ground transformers) which, in the Company’s judgment, shall be installed on real property within the Conversion Area along with adequate legal rights for the construction, operation, repair, and maintenance of all facilities installed by the Company pursuant to this schedule. With the approval of the Company, the Customer may, at its expense, obtain such space and legal rights.

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(C)(M)

However, if owners of real property to be served from the Main Distribution System are participants in the conversion through a Local Improvement District (“LID”) or other process, said owners shall provide space and adequate legal rights for all underground and surface mounted electrical facilities to be installed on the property of said owners at no expense to the Company.

(N)

Should such space or rights not be able to be obtained in a timely manner, service under this Schedule shall be delayed, postponed or canceled.

- a. Adequate legal rights are rights for the construction, operation, repair, and maintenance of the Main Distribution System installed under this schedule over, under, across, or through all property, including property within the Conversion Area owned or not owned by the Customer. All rights shall be in a form acceptable to the Company and shall be at no cost to the Company.
- b. The cost to the Company of obtaining any such space and rights on any property other than public rights-of-way shall be reimbursed in full by the Customer. The cost to the Company to obtain space and rights shall include, but not be limited to, the actual amount paid for any space and rights, staff costs (including overheads), the actual cost of any easement, fee, permit, attorney fee, court cost, permit fee, and any survey fee.

(N)

(M) Transferred from Sheet No. 70-b

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By:

Steve Secrist

Director, Rates & Regulation

C00282

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 70**  
**CONVERSION TO UNDERGROUND SERVICE**  
**IN RESIDENTIAL AREAS**  
(Continued)

- c. The Company, in its sole discretion, will install cable and conduit within the rights-of-way under its franchise within the Conversion Area, but will require all other underground and pad-mounted electrical facilities, including, but not limited to, vaults for junctions, vaults for pulling cable, transformers and associated vaults, and switches and associated vaults, to be installed on private property. (N)
- d. The Company's standard easement provides an adequate legal right for facilities that will be placed on private property. A franchise in a form satisfactory to the Company provides an adequate legal right for cable and conduit that will be placed within rights-of-way. Where zoning or other land use regulations allow for limited or zero set-back of structures from the property line, thereby leaving inadequate space for the Company's equipment that is usually installed on private property, the Company, in its sole discretion, may request that the space and rights be within the structure and meet the Company's specifications.
- e. Where the Company determines that it is not physically or economically feasible to obtain space and/or adequate legal rights on private property for facilities that are required to be installed on private property, such facilities may, in the sole judgment of the Company, be installed on public rights-of-way under the following conditions: (1) there is, in the sole judgment of the Company, sufficient area within the public rights-of-way to allow for the safe maintenance and operation of the equipment; and (2) the governmental authority owning or controlling the rights-of-way has provided assurances deemed adequate by the Company that the location will continue to meet the Company's standards by not allowing any encroachments unless approved by the Company; and (3) the governmental authority owning or controlling the rights-of-way has agreed to pay one hundred percent (100%) of the cost of any future relocation of facilities located on rights-of-way under this provision. (N)

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By:

  
Steve Secrist

Director, Rates & Regulation

00283



**PUGET SOUND ENERGY  
Electric Tariff G**

**SCHEDULE 70  
CONVERSION TO UNDERGROUND SERVICE  
IN RESIDENTIAL AREAS  
(Continued)**

**6. GENERAL**

a. **Ownership of Facilities:** The Company shall own, operate, and maintain all facilities which it installs or provides pursuant to this schedule.

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(T)(M)

b. **Prior Contracts:** Nothing herein contained shall affect the rights or obligations of the Company under any contract or Agreement for the conversion of electrical facilities from overhead to underground which was entered into prior to the effective date hereof. In addition, nothing herein contained shall affect the rights or obligations of the Company under any previous agreements pertaining to existing or future facilities of greater than 15,000 Volts within any Conversion Area.

(M)  
(T) |  
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(N)(M)

7. **USE OF CUSTOMER-PROVIDED TRENCHES BY OTHER UTILITIES:** Other utilities may be permitted by the Customer to use the Customer-provided trenches for the installation of their facilities, so long as such facilities or the installation thereof do not interfere with the Company's Main Distribution System or the installation or maintenance thereof. Any change to the Company's design to accommodate such use will be considered a Customer Requested Change. All of the cost to the Company of any delay caused by any other use of the trench will be billed to the Customer allowing use of the trench.

8. **POSTPONEMENT OF SERVICE:** Service under this schedule can be delayed or postponed for the following reasons: (i) Adequate Operating Rights, pursuant to paragraph 5 of this schedule, have not been provided to the Company, or (ii) equipment, materials or labor force are not available, or (iii) Trenching and Restoration is delayed or not to Company specifications, or (iv) any of the Customer's obligations reflected in paragraph 4 of this schedule are delayed or incomplete. The Company shall not be subject to any cost or liability for any such Postponement of Service.

(N)

(M) Transferred from Sheet No. 70-a

(M) Transferred from Sheet No. 70-b

Issued: February 7, 2001

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**Issued By Puget Sound Energy**

By:



Steve Secrist

Director, Rates & Regulation

000284

**PUGET SOUND ENERGY  
Electric Tariff G**

**SCHEDULE 70  
CONVERSION TO UNDERGROUND SERVICE  
IN RESIDENTIAL AREAS  
(Continued)**

9. **CANCELLATION:** Should a Customer cancel a project undertaken under this Schedule, the Customer shall pay the Company all of its costs incurred to the date of such cancellation, plus any future costs that cannot be avoided. A project where construction has not commenced within one (1) year of providing an estimated cost shall be considered cancelled. All payments relating to cancellation shall be made to the Company within 30 days of such cancellation.

(N)  
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(N)

10. **STREET LIGHTING INSTALLATIONS** - Separate arrangements must be made for removal of street lighting units not owned by the Company, and installation or replacement of all street lighting units at the time of conversion.

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11. **UNDERGROUND SERVICE LINES** - Underground Service Lines shall be installed, owned, and maintained as provided in Schedule 86 of this tariff.

(C)(M)

12. **DESIGN AND COST** - The Company, in its sole judgment, shall determine the appropriate location, design, phase, voltage and capacity for the Main Distribution System and, where applicable, determine costs utilizing its cost estimating system in conjunction with sound engineering practices. Upon request, the Company shall provide monthly, or less frequently, reports of progress identifying work completed to date, work yet to be completed and an estimate regarding whether the conversion is on target with respect to budget and schedule. The Company will attempt to provide accurate estimates, however, estimates will be provided for planning purposes only, and may differ from the actual total cost of the conversion.

(N)  
-----

13. **STANDARD PRACTICES:** The manner and type of construction of any Main Distribution System or Underground Service Lines installed under this schedule shall be determined by the Company in its sole judgement consistent with its standard practices. In the event that applicable governmental authority or law requires any manner or type of construction that results in any increase in costs over the costs that would have been incurred for construction pursuant to the Company's standard practices, all such increases in costs shall be paid in full by the Customer requesting conversion to underground under this Schedule to the extent such increased costs are not reimbursed by an agency of the government or other person or entity.

(N)

(M) Transferred from Sheet No. 70-b  
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Advice No. 2001-02

Effective: March 15, 2001

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By: Steve Secrist  
Steve Secrist

Director, Rates & Regulation

000285

**PUGET SOUND ENERGY  
Electric Tariff G**

**SCHEDULE 70  
CONVERSION TO UNDERGROUND SERVICE  
IN RESIDENTIAL AREAS  
(Continued)**

- 14. **ENGINEERING FEES** – If any person or entity requests estimated costs for a conversion under the provisions of this schedule, the Company may, at its option, require the requesting person or entity to pay in advance the estimated costs of providing such estimate. If the requesting person or entity requests a conversion under this schedule within one (1) year of the Company's provision of the estimate, the Company will apply the payment for the estimate toward the payments due from the Customer. When changes in the Customer's plans for the Conversion Area cause significant changes to the Company's engineering plans, one hundred percent (100%) of the cost of re-engineering will be paid by the Customer. (N)
  
- 15. **RELOCATION OF THE MAIN DISTRIBUTION SYSTEM** – The cost of relocation of any facilities installed on public rights-of-way under this schedule, other than facilities installed on public rights-of-way under the provisions of paragraph 5e of this Schedule, prior to the expiration of twenty (20) years after completion of a conversion shall be born by the party requesting or requiring such relocation. The cost of any future relocation of any facilities installed on property other than public rights-of-way shall be born by the party requesting or requiring such relocation. (N)
  
- 16. **GENERAL RULES AND PROVISIONS** - Service under this schedule is subject to the General Rules and Provisions contained in this tariff. (T)(M)  
(M)

(M) Transferred from Sheet No. 70-b

Issued: February 7, 2001

Effective: March 15, 2001

Advice No. 2001-02

Issued By Puget Sound Energy

By: Steve Secrist  
Steve Secrist

Director, Rates & Regulation

C00286

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BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CITY OF SEATAC,  
  
Petitioner,  
  
v.  
  
PUGET SOUND ENERGY, INC.,  
  
Respondent.

Docket No. UE-010891  
(Consolidated)

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STATE OF WASH.  
UTIL. AND TRANSP.  
COMMISSION

.....  
  
CITY OF CLYDE HILL,  
  
Petitioner,  
  
v.  
  
PUGET SOUND ENERGY, INC.,  
  
Respondent.

Docket No. UE-011027  
(Consolidated)

DECLARATION OF CURTIS L.  
BAGNALL IN SUPPORT OF THE  
CITY OF SEATAC'S MOTION FOR  
SUMMARY DETERMINATION

Curtis L. Bagnall, P.E. declares as follows:

1. I am currently employed as Vice President and Electric Utility Engineer for CH2M Hill. I am a senior project manager and senior engineer with almost 30 years of experience in planning, analysis, design and construction related to electric utility

DECLARATION OF CURTIS L. BAGNALL IN  
SUPPORT OF THE CITY OF SEATAC'S MOTION  
FOR SUMMARY DETERMINATION - 1

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000287

**ORIGINAL**

PRESTON GATES & ELLIS LLP  
701 FIFTH AVENUE  
SUITE 5000  
SEATTLE, WASHINGTON 98104-7078  
TELEPHONE: (206) 623-7580  
FACSIMILE: (206) 623-7022

1 operations, power supply, transmission, distribution, financing and operations. A copy of  
2 my resume is attached.

3 2. I have been asked by the City of SeaTac to review certain materials  
4 submitted to the Washington Utilities and Transportation Commission by Puget Sound  
5 Energy ("PSE") in Docket UE-010891 relating to the operation of the three phase circuit  
6 on South 170<sup>th</sup> Street.

7 3. Standard practice for electric systems is to operate using three phases. This  
8 arrangement provides a good combination of economy and capacity. A three-phase  
9 circuit is able to supply 3 times the amount of electric power as a single-phase circuit for a  
10 given current (amperage).

11 4. Standard utility underground system design practice is to use a "backbone"  
12 feeder to carry power from one area to the next. This system is tapped periodically to  
13 provide a local feeder for serving the local loads. This is very similar to a freeway and  
14 frontage road arrangement.

15 5. Puget Sound Energy (PSE) uses 600 amp, three-phase circuits for its  
16 backbone system; it then uses a single-phase 200-amp circuit for local distribution. On  
17 many systems, the 200-amp circuit is also three-phase.

18 6. Essentially all residential customers are served with a single-phase service  
19 drop. This normally provides more than adequate capacity for residential loads.

20 7. An aerial photograph of the area along S. 170<sup>th</sup> Street between 37<sup>th</sup> Avenue  
21 S. and Military Road S. indicates there are about 40 residences that front S. 170<sup>th</sup> Street.  
22 This represents a load of from 125 to 200 kW. At typical distribution voltages of less than  
23 15 kV, this represents 8 to 9 amps of load. A 200-amp, distribution-voltage circuit can  
24 easily serve this load.

25  
DECLARATION OF CURTIS L. BAGNALL IN  
SUPPORT OF THE CITY OF SEATAC'S MOTION  
FOR SUMMARY DETERMINATION - 2

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**000288**

PRESTON GATES & ELLIS LLP  
701 FIFTH AVENUE  
SUITE 5000  
SEATTLE, WASHINGTON 98104-7078  
TELEPHONE: (206) 623-7580  
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8. The loads served within the section of S. 170<sup>th</sup> Street being undergrounded are exclusively residential.

9. It can be expected that PSE has a number of three-phase circuits on its system that serve large areas that are almost exclusively residential. These feeders would have characteristics that are essentially the same as the feeder along S. 170<sup>th</sup> Street, that is, there is a backbone feeder with local feeders. The use of backbone feeder is related to the size of the load being served, not whether the load is residential or commercial.

10. The feeder on S. 170<sup>th</sup> Street serves much more load than is represented by the approximately 40 residences in the undergrounding project area.

I declare under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct:

EXECUTED this 31<sup>st</sup> day of August, 2001 at Portland, Oregon

Curtis L. Bagnall  
CURTIS L. BAGNALL, P.E.

DECLARATION OF CURTIS L. BAGNALL IN SUPPORT OF THE CITY OF SEATAC'S MOTION FOR SUMMARY DETERMINATION - 3

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CERTIFICATE OF SERVICE

I HEREBY CERTIFY that I have this day served the DECLARATION OF CURTIS L. BAGNALL, P.E. IN SUPPORT OF CITY OF SEATAC'S MOTION FOR SUMMARY DETERMINATION, upon all parties of record in this proceeding, via facsimile, followed by U.S. mail, as follows:

Kirstin S. Dodge  
Perkins Coie  
411 108th Avenue N.E., Suite 1800  
Bellevue, WA 98004

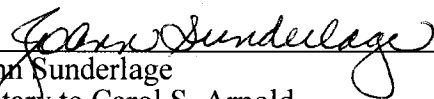
Simon ffitch  
Office of the Attorney General  
900 Fourth Avenue, Suite 2000  
Seattle, WA 98164-1012

Mary M. Tennyson  
Office of the Attorney General  
1400 South Evergreen Park Drive S.W.  
P. O. Box 40128  
Olympia, WA 98504-0128

Greg A. Rubstello  
John D. Wallace  
Ogden Murphy Wallace P.L.L.C.  
1601 Fifth Avenue, Suite 2100  
Seattle, WA 98101-1686

Dennis J. Moss, Administrative Law Judge  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive S.W.  
P. O. Box 47250  
Olympia, WA 98504-7250

DATED at Seattle, Washington, this 31<sup>st</sup> day of August, 2001.

  
\_\_\_\_\_  
Jo Ann Sunderlage  
Secretary to Carol S. Arnold

DECLARATION OF CURTIS L. BAGNALL IN  
SUPPORT OF THE CITY OF SEATAC'S MOTION  
FOR SUMMARY DETERMINATION - 4

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# **Curtis L. Bagnall, P.E.**

Vice President, Senior Project Manager, Electric Utility Engineer

## **Education**

B.A., Business Administration, Washington State University

B.S., Electrical Engineering, Washington State University

## **Professional Registrations**

Professional Engineer: Oregon, Washington

## **Relevant Experience**

Mr. Bagnall is a senior project manager and senior engineer with almost 30 years of experience in planning, analysis, design and construction related to electric utility operations, power supply, transmission, distribution, financing and operations. His experience includes project management, feasibility, permitting and licensing, financing, contract negotiations, design, and services during construction for generation projects; transmission and distribution system planning, design and construction; cost-of-service, revenue requirements, and rate design; preparation of engineer's reports in support of bond sales for distribution, transmission and generation projects; and acting as the Owner's Engineer throughout project development.

Mr. Bagnall has prepared a number of electric distribution and transmission system plans for electric utilities to provide them with a schedule for improvement to the system because of load growth, system capacity constraints, and reliability considerations. On an ongoing basis he assists utility clients in discussions with large new loads regarding serviced requirements, power supply and system configuration issues. His work has included outage research and analysis, assessment of system condition and maintenance practices; review of distribution construction methods; load forecast preparation and review; load flow, fault, and stability analysis; improvement alternatives development, analysis and selection; and preparation of financial forecasting models.

He often provides clients with technical and analytical assistance in the development of facilities and system improvements, representing the client's interests in negotiations and discussions.

He recently managed the design of an upgrade of a 230 kV substation, consisting of adding two power transformers, 50/67/83 MVA and 12/16/20 MVA, and provided services during construction to the Owner. The project was completed on time and under budget.

Mr. Bagnall has negotiated long-term power purchase and sales contracts. This work has included load analysis, cost-of-service analysis, wholesale power supply review, economic and engineering analysis of alternatives, and negotiations with the power supplier or purchaser.

He has prepared a number of cost-of-service and retail rate design studies for electric distribution system utilities. These studies have addressed wholesale power supply costs,

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## **Curtis L. Bagnall**

transmission charges, and system costs of doing business. In this work, he has reviewed capital improvement planning and funding, work order and inventory processes, customer billing systems, financial forecasting, facility management and accounting, and audited utility management functions.

Mr. Bagnall evaluated a utility system for its ability to provide cost competitive electric service if it lost several of its major customers. This analysis considered wholesale power supply, cost of system management and administration, operations and operations practices, and projected system improvements and additions. Financial forecasting models were developed to project the cost of power, to test sensitivity of the results to various assumptions and capital structures, and to compare the results with those of potential take-over utilities.

He has prepared numerous engineer's reports in support of bond sales for distribution and transmission systems and power supply projects. These reports typically include a review of the system's condition; planned future improvements; management, administration and operations; reliability; and financial performance. Retail rate comparisons are usually made with neighboring utilities.

He was the Owner's Engineer on a 10 MW design/build hydroelectric installation and a 30 MW cogeneration project. His involvement extended from project feasibility through construction, testing, startup and closeout. For the hydroelectric project, Mr. Bagnall represented the Owner in all aspects of the Project's development: feasibility, negotiations with the interested regulatory agencies and the Corps of Engineers, licensing and permitting, preparation of an Engineer's Report to support the bond sale, preparation of the Request for Proposal for design/builders including the contract documents, evaluation and selection of the design/builder, construction oversight and contract management. For the same client, Mr. Bagnall was the project manager for the feasibility, licensing and permitting, design and services during construction for a similar 5 MW hydroelectric project.

The 30 MW cogeneration project involved two public utilities, which formed a state intergovernmental agency to finance the development of the cogeneration project. The host company acted as the engineering-procurement-construction contractor for the project and is now operating the project. Mr. Bagnall, as the Owner's Engineer, participated in the conceptual development of the project, development of contracts between the parties, the project financing, design review, provided construction oversight, and is the ongoing Consulting Engineer for the Owner.

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