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*Via Electronic Mail*

June 27, 2018

Mark L. Johnson, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Dr. S.W.  
P.O. Box 47250  
Olympia, Washington 98504-7250

RE: *WUTC v. Puget Sound Energy (PSE 2018 ERF)*  
Dockets UE-180532 and UG-180533

Dear Mr. Johnson:

Staff files this letter to inform the Commission, in advance of the prehearing conference in these dockets, that it intends to file a motion to dismiss PSE's expedited rate filing early next week. Normally with a typical rate request, Staff would have had time to review PSE's filing and recommend rejection before it was suspended for adjudication. However, because the Commission suspended the Company's rate request in anticipation of the expedited schedule, Staff will more formally move for dismissal.

Three primary reasons give rise to Staff's motion: (1) PSE's initial filing fails to discharge its threshold burden of establishing that its current rates are not fair, just, reasonable, and sufficient (the filing demonstrates that PSE is significantly over-earning), thus preventing the Commission from granting the Company the rate relief it seeks; (2) the filing does not comply with the terms of the Multiparty Settlement Agreement in PSE's 2017 general rate case nor with Commission rules concerning Commission Basis Reports; and (3) the filing is virtually devoid of any evidence to support the prudence of its significant, proposed rate base additions. Moreover, although Staff will not offer this as a justification for its motion to dismiss, the Company has identified an error in its work papers that would require it to submit revised testimony and exhibits. Given this series of defects, Staff believes that the public interest would best be served by the Company withdrawing (or the Commission rejecting) the expedited rate filing without prejudice so that the Company may refile once it has corrected the several deficiencies.

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Several days ago, Staff asked PSE to withdraw its filing to fix these fundamental defects. The Company is still evaluating its options and is not prepared to make a decision at this time. If the Company does not withdraw its filing before Thursday afternoon, Staff proposes that the Commission hold its scheduled prehearing conference to take appearances, admit intervenors, and discuss other issues; however, Staff recommends that the Commission not establish a procedural schedule until it has ruled on Staff's motion and the parties know the scope of the defects that need to be cured. If necessary, the parties can develop a schedule on a paper record that is tailored to the Commission's decision for the Commission's approval.

Sincerely,

/s/ CHRISTOPHER M. CASEY, WSBA No. 46733

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CMC:klg

cc: Parties