

1 SUPPLEMENTAL TESTIMONY OF JAMES T. OWENS

2 **Q. Mr. Owens, have you reviewed the Supplemental Testimony of Heidemarie C.**  
3 **Caswell and Timothy J. Hogan?**

4 Y. Yes, I have.

5 **Q. Ms. Caswell remarks (p. 1, lines 10-18) that your background and experience do not**  
6 **contain the qualifications that would allow you to opine on whether Puget's**  
7 **continued curtailment was reasonable? Do you agree?**

8 A. No. I have been actively employed in the utility industry for twenty five years on behalf  
9 of both utilities and major natural gas customers. In addition to my experience in dealing  
10 with utilities, I hold a Master of Science degree in nuclear engineer from Purdue  
11 University and a Bachelor of Science degree in mathematics from the United States Naval  
12 Academy. In addition, I hold a Master of Business Administration degree from the  
13 University of Portland. I have extensive experience both in purchasing natural gas and  
14 arranging for natural gas transportation. My experience certainly qualifies me to opine on  
15 what constitutes adequate interruptible service. As I testified earlier, Puget's conduct in  
16 deciding on December 24, 1998 to continue the curtailment of interruptible service over  
17 the holidays with little or no review of that decision until December 28, 1998 is not  
18 adequate service.

19 **Q. Ms. Caswell observes that you have never managed a gas distribution system or**  
20 **been involved as an engineer in the operations and planning for a local distribution**  
21 **system. Does your training qualify you to offer an opinion on the distribution**  
22 **capacity of Puget's system?**

1 A. Yes. I have worked with compressible gas and fluid systems. My service in the US Navy  
2 included operation of high, medium and low pressure steam, pressure reduction, steam  
3 turbines, high pressure water and other systems. These systems operate on principals  
4 similar to those of the Puget gas distribution system. I want to emphasize that in  
5 preparing my testimony, I relied solely on the data which Puget provided in data requests.  
6 Specifically, I relied on the information which Puget supplied in response to Kimberly-  
7 Clark's data request for documents that Puget selected to demonstrate that "distribution  
8 capacity was insufficient" from December 24 to December 28, 1999.

9 The documents were Puget-supplied pen graphs, remote telemetry data, customer  
10 service call records, temperatures, and weather forecast information. Analysis of the  
11 pressures, temperatures, and forecast information contained on these documents required  
12 basic engineering and mathematical skills, not skills and knowledge unique to gas  
13 distribution systems. It is plain to see that conditions were returning to those experienced  
14 prior to the beginning of the curtailment by December 24<sup>th</sup>.

15 **Q. Ms. Caswell states in her Supplemental Testimony (p. 2, lines 21-22) that pen gauge**  
16 **or SCADA data must be combined with information from the Stoner models. Does**  
17 **this statement change your opinion that Puget's decision to continue the curtailment**  
18 **after December 24 was not well taken?**

19 A. No. It is my understanding that Stoner models are primarily used by natural gas  
20 distribution companies systems for planning purposes.

21 However, if Ms. Caswell is correct in stating that pen gauge and SCADA data  
22 must be used in combination with Stoner models, her statement confirms my opinion. It

1 appears that Puget did not use Stoner models to evaluate the condition of the distribution  
2 system between December 25 and December 28. In describing what occurred between  
3 December 25 and December 28, Mr. Riley's testimony (p. 11, line 21- p. 12, line 13) does  
4 not mention the use of Stoner models.

5 Nor does Ms. Caswell's testimony indicate that Stoner models were actually used  
6 between December 25 and December 28 to analyze the condition of the distribution  
7 system. Ms. Caswell's Direct Testimony (p. 10, lines 7-10) states that she used the  
8 Stoner model at some point after the curtailment to evaluate Puget's actions. Her Direct  
9 Testimony (p. 6, lines 6-7) simply states that the Stoner models were developed using  
10 "the same distribution system data available to Operations Planning in December 1998."  
11 She does not state that the Stoner models were actually prepared or used during the  
12 curtailment, which implies that they were developed after the curtailment. In her  
13 confidential deposition testimony at page 62, Ms. Caswell also testified about the Stoner  
14 models that Puget supplied in response to data requests, but she stated that she did not  
15 know what date the Stoner models were prepared.

16 **Q. Ms. Caswell states in her Supplemental Testimony (p. 3, lines 5-9) that pen gauges**  
17 **are "somewhat obsolete with the introduction of SCADA." Does this statement**  
18 **change your assessment of the pen gauge data?**

19 A. No. The remote telemetry unit (RTU) data is on Puget's SCADA system. A comparison  
20 of the RTU data with the pen gauge data demonstrates a close correlation. *See* Exhibit  
21 \_\_\_\_ (JTO-11) (pen gauge data) and Confidential Exhibit \_\_\_\_ (JTO-8A) (RTU data).

22 **Q. Ms. Caswell criticizes your testimony for referring to actual temperatures rather**

1 **than forecasts. Please comment.**

2 A. Actual temperatures are one indicator that problems may be occurring in natural gas  
3 distribution systems. This correlation between Puget's system pressures and  
4 temperatures is demonstrated by comparing Exhibit \_\_\_\_ (JTO-8A), which shows the  
5 RTU data indicating minimum pressures, and Exhibit \_\_\_\_ (JTO-8B), which displays the  
6 temperatures on Puget's system at the same locations at the time of the minimum  
7 pressures.

8 My Rebuttal Testimony discusses the relevance and accuracy of the weather  
9 forecast information available to Puget during the curtailment. By December 25, the  
10 Weathernet forecasts supplied by Puget showed a return to warmer, more normal  
11 temperatures.

12 **Q. In his Supplemental Testimony (p. 1, lines 10-16), Mr. Hogan testifies that he does**  
13 **not think your experience working for electric utilities qualifies you to opine on**  
14 **whether Puget provided adequate service to its interruptible customers. Do you**  
15 **agree?**

16 A. No. Both gas and electric utilities have a duty to provide adequate service to their  
17 customers. In this case, Kimberly-Clark is a Rate Schedule 57 interruptible and firm  
18 transportation customer. Rate Schedule 57 permits Puget to curtail interruptible  
19 transportation only when its distribution capacity is "insufficient to meet estimated  
20 requirements for all customers on interruptible sales and transportation service." *See*  
21 Exhibit \_\_\_\_ (JTO-13). In my view, the Puget had an obligation to promptly restore  
22 service to interruptible customers as soon during the December 1998 curtailment as

1 conditions improved. As I previously testified, Puget’s conduct in this regard fell short of  
2 its obligation to provide adequate service.

3 **Q. Mr. Hogan refers (Supplemental Testimony, pp. 2-3) to the part of your deposition**  
4 **testimony where you cited two examples in which electric utilities faced major**  
5 **outages that would affect firm customers. Were these examples appropriate?**

6 A. Yes. These examples were given in my deposition to illustrate the point that a utility  
7 “needs to do what has to be done to get service restored.” Puget had an obligation to do  
8 what needed to be done to restore service when conditions improved. Instead, Puget  
9 management permitted the curtailment to continue from December 25 to December 28  
10 even though the distribution system pressures and other indicators had for the most part  
11 returned to pre-curtailment conditions.

12 According to Puget documents, meter readers must read the meters of curtailed  
13 customers who do not have telemetering. Exhibit \_\_\_\_ (JTO-4). According to Mr.  
14 Hogan’s Direct Testimony (page 9), meter readers were available. However, Puget  
15 documents indicate that interruptible service could not be restored because meter readers  
16 had been given “holiday” status (*see* Exhibit \_\_\_\_ (JTO-4)), and a management decision  
17 had been made not to call in meter readers over the Christmas weekend “and take them  
18 away from their families.” *See* Exhibit \_\_\_\_ (JTO-5). In my opinion, a decision to  
19 continue the curtailment rather than spoil the holiday for Puget’s meter readers is not  
20 doing “what has to be done to get service restored.”

21 **Q. Does that conclude your testimony?**

22 A. Yes.