

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

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| In the Matter of the Petition of |) | DOCKET UE-141368 |
| |) | |
| |) | |
| PUGET SOUND ENERGY |) | ORDER 02 |
| |) | |
| |) | |
| To Update Methodologies Used to |) | PREHEARING CONFERENCE |
| Allocate Electric Cost of Service |) | ORDER; NOTICE OF HEARING |
| and For Electric Rate Design |) | (Set for Thursday, December 4, |
| Purposes. |) | 2014, at 10:00 a.m.) |
| |) | |

1 **PROCEEDING:** On July 1, 2014, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition to update methodologies used to allocate electric cost of service and for electric rate design purposes. PSE submits the petition pursuant to the Settlement Stipulation and the Commission’s Final Order Approving and Adopting Settlement Agreement in Docket UE-130617, et al. and pursuant to WAC 480-07-370(1)(b).

2 **CONFERENCE/PRESIDING OFFICER:** The Commission convened a prehearing conference in this proceeding at Olympia on August 18, 2014, before Administrative Law Judge Marguerite E. Friedlander, whom the Commission appoints as presiding officer in this proceeding.

3 **PARTY REPRESENTATIVES:** Sheree Strom Carson and Donna L. Barnett, Perkins Coie LLP, Bellevue, represent PSE. Simon J. ffitch, Senior Assistant Attorney General, and Lisa Gafken, Assistant Attorney General, Seattle, represent the Public Counsel Division of the Washington State Attorney General’s Office (Public Counsel). Sally Brown, Senior Assistant Attorney General, Olympia, represents the Commission’s regulatory staff (Commission Staff or Staff).¹

¹ In formal proceedings, such as this, the Commission’s regulatory staff participates like any other party, while the Commissioners make the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners’ policy and accounting advisors do

4 Jesse E. Cowell, Davison Van Cleve, P.C., Portland, Oregon, represents the Industrial Customers of Northwest Utilities (ICNU). Rita M. Liotta, Associate Counsel, Department of the Navy, San Francisco, California, represents the Federal Executive Agencies (FEA). Samuel L. Roberts, Hutchinson, Cox, Coons, Orr & Sherlock, P.C., Eugene, Oregon, represents Walmart Stores, Inc. (Walmart). Amanda W. Goodin, Earthjustice, Seattle, Washington, represents the NW Energy Coalition (NVEC). Kurt J. Boehm, Boehm, Kurtz & Lowry, Cincinnati, Ohio, represents The Kroger Co. (Kroger). Ronald L. Roseman, attorney, Seattle, Washington, represents The Energy Project.

5 **PETITIONS FOR INTERVENTION:** ICNU, the FEA, Walmart, NVEC, Kroger, and The Energy Project filed petitions to intervene in this matter. There were no objections to the petitions. The Commission finds that ICNU, the FEA, Walmart, NVEC, and the Energy Project demonstrated substantial interest in this proceeding and that their participation will be in the public interest. The petitions to intervene are granted. Kroger failed to appear at the prehearing conference and was not excused from appearing either telephonically or in person by the presiding officer. Kroger's intervention request was duly denied at the prehearing conference.

6 Kroger filed a motion for reconsideration later that day and explained that counsel for the company had been in oral arguments in another proceeding that morning. Kroger acknowledged that counsel had failed to make arrangements for another counsel to attend the prehearing conference or to request that the company be excused from the prehearing conference. The company pledged to more closely adhere to the Commission's rules and regulations in future. The Commission, on reconsideration, grants Kroger's intervention request.

7 **PROTECTIVE ORDER:** PSE has requested that the Commission enter a standard protective order in this docket. None of the parties objected. Pursuant to RCW 34.05.446, RCW 80.04.095, WAC 480-07-420 and WAC 480-07-423, a standard protective order will be entered to protect the confidentiality of proprietary information.

not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. *See* RCW 34.05.455.

8 **DISCOVERY:** Discovery will be conducted under the Commission’s discovery rules, WAC 480-07-400 – 425. The Commission urges the parties to work cooperatively together to avoid having to bring discovery matters forward for formal resolution.

9 **PROCEDURAL SCHEDULE:** The Commission adopts the procedural schedule set forth in Appendix A to this Order.

10 **EXHIBITS FOR CROSS-EXAMINATION:** Parties are required to file with the Commission, with a courtesy email sent to the presiding officer, all proposed cross-examination exhibits **by 3:00 p.m. on November 26, 2014**. The Commission requires eight (8) copies of the unredacted version of any exhibits containing confidential information and two (2) copies of a redacted set of any such exhibits.

11 Except as otherwise agreed between parties, proposed cross-examination exhibits must be served on all parties at the time they are filed with the Commission. Two copies must be furnished to the party sponsoring the witness the party intends to cross examine with the exhibits. Parties may waive the right to service of cross-examination exhibits in whole or in part. This may be appropriate, for example, when a proposed exhibit has been previously furnished during the discovery process.

12 The exhibits must be accompanied by an exhibit list and must be organized into sets that are **tabbed, labeled, and grouped** according to the witness the party intends to cross examine with the exhibits. Cross-examination exhibits not conforming to these requirements may be rejected. Each party’s cross-examination exhibit list must be filed with the Commission and served on all parties by 3:00 p.m. on November 26, 2014.

13 **NOTICE OF HEARING:** The Commission will hold evidentiary hearings in this matter beginning **December 4, 2014, at 10:00 a.m.**, in the Commission’s Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington. The Commission may alter this schedule by subsequent notice.

- 14 **DOCUMENT PREPARATION AND FILING REQUIREMENTS:** Parties must file the original plus **8** copies of the unredacted versions of all pleadings, motions, briefs, and other prefiled materials. Parties must also file the original and two copies of any redacted version(s). These materials must conform to the format and publication guidelines in WAC 480-07-395 and WAC 480-07-460. The Commission prefers that materials be three-hole punched with *oversized* holes to allow easy handling. The Commission may require a party to refile any document that fails to conform to these standards.
- 15 All filings must be mailed or delivered to the Executive Director and Secretary, Washington Utilities and Transportation Commission, P.O. Box 47250, 1300 S. Evergreen Park Drive S.W., Olympia, Washington 98504-7250. Both the post office box and street address are required to expedite deliveries by the U.S. Postal Service.
- 16 An electronic copy of all filings must be provided through the Commission's Web Portal (www.utc.wa.gov/e-filing) or by e-mail delivery to (records@utc.wa.gov). Alternatively, parties may furnish an electronic copy by delivering with each filing a 3.5-inch IBM-formatted high-density diskette or CD including the filed document(s). Parties must furnish electronic copies in MS Word 6.0 (or later) supplemented by a separate file in .pdf (Adobe Acrobat) format. Parties must follow WAC 480-07-140(5) in organizing and identifying electronic files.
- 17 **ELECTRONIC SUBMISSION OF DOCUMENTS:** The Commission grants a one-day extension of the paper-filing requirement under WAC 480-07-145(6), allowing electronic submission of documents with the Commission on the deadlines established by the procedural schedule. Parties must submit documents through the Commission's Web Portal (www.utc.wa.gov/e-filing) or by e-mail to (records@utc.wa.gov), and file an original, plus **8** paper copies, of the documents with the Commission by the following business day. Parties must provide courtesy copies of their electronic submissions to the presiding administrative law judge and the parties to the proceeding.
- 18 **ALTERNATE DISPUTE RESOLUTION:** The Commission supports the informal settlement of matters before it. Parties are encouraged to consider means of resolving disputes informally. The Commission does have limited ability to provide dispute

resolution services; if you wish to explore those services, please call the Director, Administrative Law Division, at 360-664-1355.

- 19 **NOTICE TO PARTIES: A party who objects to any portion of this Order must file a written objection within ten (10) calendar days after the service date of this Order, pursuant to WAC 480-07-430 and WAC 480-07-810. The service date appears on the first page of the order in the upper right-hand corner. Absent such objection, this Order will control further proceedings in this matter, subject to Commission review.**

Dated at Olympia, Washington, and effective August 19, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARGUERITE E. FRIEDLANDER
Administrative Law Judge

APPENDIX A
PROCEDURAL SCHEDULE
DOCKET UE-141368

| EVENT | DATE |
|---|---|
| Settlement Conference (parties only) | September 22, 2014, at 1:00 p.m. |
| Staff/Public Counsel/Intervenor Response Testimony and Exhibits | October 22, 2014 ² |
| Company Rebuttal Testimony and Exhibits; Staff/Public Counsel/Intervenor Cross Answering Testimony and Exhibits | November 12, 2014 |
| Discovery cutoff | November 21, 2014 |
| Pre-filed cross-examination exhibits | November 26, 2014, by 3:00 p.m. |
| Evidentiary Hearing | December 4, 2014, beginning at 10:00 a.m. |
| Simultaneous Initial Briefs | January 9, 2015 |
| Simultaneous Reply Briefs | January 30, 2015 |

² Discovery responses will be due on a 5 business day turn around after October 22, 2014.

APPENDIX B

PARTIES' REPRESENTATIVES
DOCKET UE-141368

| PARTY | REPRESENTATIVE | PHONE | E-MAIL |
|---------------------|--|--------------|--|
| PSE | Sheree Strom Carson Perkins Coie LLP 10885 NE Fourth Street Suite 700 Bellevue, WA 98004-5579 | 425-635-1400 | scarson@perkinscoie.com |
| | Kenneth Johnson Director, State Regulatory Affairs Puget Sound Energy, Inc. P.O. Box 97034 Bellevue, WA 98009-9734 | 425-456-2110 | ken.s.johnson@pse.com |
| | Donna Barnett | | dbarnett@perkinscoie.com |
| | Jason Kuzma | | jkuzma@perkinscoie.com |
| | <i>Electronic Correspondence and Courtesy Copies</i> | | psedrs@perkinscoie.com |
| Commission Staff | Sally Brown Senior Assistant Attorney General Office of the Attorney General Utilities and Transportation Division 1400 S. Evergreen Park Dr. SW P.O. Box 40128 Olympia, WA 98504-0128 | 360-664-1193 | sbrown@utc.wa.gov |
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|-----------------|--|--------------|--|
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| | Steve W. Chriss Wal-mart Stores, Inc. 2001 SE 10 th Street Bentonville, AR 72716 | | Stephen.chriss@wal-mart.com |
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