

# ATTACHMENT A

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<b>Specific Portions of the Brief to be Stricken</b>	<b>Subject Matter Covered Therein</b>	<b>Reason for Striking</b>
Paragraph 3, text between "TOTE," and "in order"	PSE formation of a subsidiary	Beyond the Scope of the Briefs (and the two requests in PSE's Petition)
Paragraph 3, text after "LNG"	Creation of regulatory barriers	Not Supported by Evidence
Paragraph 4, last sentence text after "agreement"	Unregulated market transactions	Not Supported by Evidence
Paragraph 5, second sentence text between "bids to" and "provide"; text after "with LNG"; and fifth sentence strike "refine"	Description of service TOTE is seeking; description of activity to be performed at the Tacoma LNG Facility	Not Supported by Evidence
Paragraph 7, second sentence	Description of request PSE made in its Petition	Not Supported by Evidence
Paragraph 8	PSE's offer to provide non-regulated services from the LNG Facility	Beyond the Scope of the Briefs
Paragraphs 9 through 11	Description of level of authority the Commission would have over the TOTE Special Contract, how TOTE will pay under the TOTE Special Contract and lack of clarity as to whether it is consistent with PSE's tariff	Not Supported by Evidence  Beyond the Scope of the Briefs
Paragraph 12, first sentence	Description of TOTE Special Contract and Staff's opinion that TOTE is not taking retail service	Not Supported by Evidence
Last two sentences in Paragraph 13 and the first sentence in Paragraph 14	Characterization of the TOTE Special Contract, regulated service, and unregulated and market-based relationships	Not Supported by Evidence

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Paragraph 15 and the first three sentences in paragraph 16	Claim that regulated utility service is not provided for an established term and regarding the scope of Commission authority over price changes	Beyond the Scope of the Briefs and Not Supported by Evidence
Paragraph 17	Characterization of provisions in the TOTE Special Contract	Beyond the Scope of the Briefs and Not Supported by Evidence
Paragraph 18, last sentence	Description of level of authority the Commission would have over the TOTE Special Contract	Not Supported by Evidence
Paragraph 19	Characterization of provisions in the TOTE Special Contract	Beyond the Scope of the Briefs and Not Supported by Evidence
First sentence and the last three sentences in paragraph 20	Claim that Special Contracts are substitutes for applicable tariffs; claim the Commission will have no power over the Special Contract.	Not Supported by Evidence
Paragraph 21, including note 34	Claim that PSE seeks to keep the contract out of Commission purview	Not Supported by Evidence
Paragraphs 22 through 25	Misrepresents the Interim Gas Supply arrangements; characterization of an unregulated market, availability of alternative LNG supply sources, development of transportation-compatible LNG fuel supplies and granting a monopoly	Beyond the Scope of the Briefs and Not Supported by Evidence
Paragraph 26, second, third and fifth sentences	Staff “understands” the price in the TOTE Special Contract is not cost-based	Beyond the Scope of the Briefs

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Paragraph 27, third through seventh sentences	Staff's "understanding" of pricing during the delivery term; claim that allocation of costs to TOTE is different than for core gas customers	Beyond the Scope of the Briefs; Not Supported by Evidence
Paragraphs 28, third, fourth and fifth sentences	Cost estimates provided by PSE, actual construction costs and whether the allocation of fixed costs will be compensatory	Beyond the Scope of the Briefs
Paragraph 29	Relationship between recovery of costs to serve TOTE and recovery from unregulated LNG sales	Beyond the Scope of the Briefs; Not Supported by Evidence
Paragraph 30, first and last sentences	Staff's concern about under-recovery under the TOTE Special Contract and subsidization	Beyond the Scope of the Briefs; Not Supported by Evidence
Paragraph 31, last sentence	TOTE right to resell LNG appears to violate the WAC	Beyond the Scope of the Briefs;
Paragraph 32	Characterization of sales to TOTE affiliates	Not Supported by Evidence
Paragraph 33, second sentence	Staff opinion that LNG service is a competitive enterprise and regulation is not needed	Beyond the Scope of the Briefs; Not Supported by Evidence
Paragraph 34, first, second, third, fifth sixth and seventh sentences	PSE must provide a reason to regulate LNG; service to TOTE is behind-the-meter; PSE is moving forward to develop the Tacoma LNG Facility with or without regulation	Beyond the Scope of the Briefs; Not Supported by Evidence
Paragraph 37, first and last sentences	Regulatory compact does not apply to a regulated market; absent a monopoly, regulation is not necessary	Not Supported by Evidence

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Paragraph 38, last two sentences	The regulatory compact does not apply if a utility provides service under an arms-length contract	Not Supported by Evidence
Paragraph 39	The LNG business is a competitive enterprise	Not Supported by Evidence
Paragraph 40, first sentence	Staff believes Commission regulation is not required	Beyond the Scope of the Briefs
Paragraph 40, fifth through eleventh sentences	LNG business is competitive; PSE executed TOTE Special Contract without engaging the Commission; and Commission regulation is not necessary for PSE to provide service to TOTE	Not Supported by Evidence
Paragraphs 41 through 48	Interpreting recent legislative activity regarding natural gas as a transportation fuel to mean the legislature thought the fueling service would be unregulated	Not Supported by Evidence
Paragraph 49, first, second, third, fourth, sixth and seventh sentences	Staff's understanding of responses to the TOTE RFP; distribution of LNG as transportation is unregulated; regulating LNG service would suppress market entrants and the legislature's guidance is for LNG fueling service to be unregulated	Not supported by Evidence
Paragraph 52, first, second, third and fifth sentences	PSE will not deliver natural gas to TOTE; liquefying natural gas is refining it; Commission has not regulated other forms of natural gas; transportation fuels are not used for power	Not Supported by Evidence
Paragraph 53, second and third sentences	PSE is not delivering LNG to TOTE for use as power	Not Supported by Evidence

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Paragraph 54, first sentence	Gas plant cannot be construed to include marine propulsion	Not Supported by Evidence
Paragraph 55, second, third and fourth sentences	Marine fuels are not economically regulated because the cost of delivery is not burdensome or capital intensive enough to warrant regulation; the same is true for LNG	Not Supported by Evidence
Paragraph 56, first, second third, fourth and sixth sentences	PSE will not deliver natural gas to TOTE; PSE will refine natural gas into LNG; TOTE will not use the LNG for power; providing LNG to TOTE should be unregulated	Not Supported by Evidence
Paragraph 57, last sentence	Staff believes regulating LNG for use as marine fuel is beyond the Commission's authority to regulate natural gas	Not Supported by Evidence
Paragraph 61, first and third through fifth sentences	Supplying LNG to TOTE cannot be characterized as utility service;  Alternatives to LNG exist	Not Supported by Evidence  Beyond the Scope of the Briefs
Paragraph 62, third through fifth sentences	There are several LNG providers in the region; no other bidders sought to provide regulated service; sale of LNG as fuel is not a utility service	Not Supported by Evidence
Paragraph 65	PSE's proposed service to TOTE fails the public use test; a portion of the TOTE LNG Facility will be dedicated to one particular customer or individual	Not Supported by Evidence

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Paragraph 66, second and fourth sentences	The Commission should not conclude the TOTE service is jurisdictional; no customers other than TOTE are requesting LNG service	Not Supported by Evidence
Paragraph 66, sixth, seventh and tenth sentences	PSE is proposing unregulated LNG services; Staff cannot distinguish between the regulated and unregulated services and it seems to Staff the unregulated business is more akin to a regulated service	Beyond the Scope of the Briefs
Paragraph 67, sixth and seventh sentences	The TOTE Special Contract does not fit the Commission's framework for special contracts	Not Supported by Evidence
Paragraph 70, third and fourth sentences	Designating a special contract as highly confidential suggests a competitive marketplace and not a traditional utility function	Not Supported by Evidence
Paragraph 73	PSE was not facing a bypass threat	Not Supported by Evidence
Paragraphs 74-75	A contract between two sophisticated entities is a commercial agreement and needs no regulation by the Commission	Not Supported by Evidence
Paragraph 78, first and second sentences	Claims that each gas or electric customer receives the same service and service does not change with a customer's usage	Not Supported by Evidence
Paragraph 76 through 83	Commission should not consider the environmental benefits associated with TOTE's use of LNG as material evidence	Beyond the Scope of the Briefs

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Paragraphs 85-89	Conclusions drawn from Staff Brief	Beyond the Scope of the Briefs and  Not Supported by Evidence