

October 23, 2012

NOTICE OF PREHEARING CONFERENCE
(Set for Monday, October 29, 2012, at 10:00 a.m.)

Re: In the Matter of the Petition of Puget Sound Energy, Inc. for a Determination of Emissions Compliance, Docket UE-121594

TO ALL PARTIES:

On October 3, 2012, Puget Sound Energy, Inc. (PSE) filed with the Washington Utilities and Transportation Commission (Commission) a petition for an Emissions Performance Determination (Petition). PSE requests an order determining that the Tenaska Ferndale Cogeneration Station (Ferndale Generation Station), which it intends to acquire, complies with the greenhouse gas emissions performance standards in Chapter 80.80 RCW, Greenhouse Gas Emissions.¹ PSE requests expedited process, asking that the Commission endeavor to enter an order by November 2, 2012, to meet the business needs of the Company and its counterparty, Tenaska Washington Partners LP, from whom it intends to acquire the Ferndale Generation Station.

During hearing proceedings conducted on October 12, 2012, Staff stated it required additional information to fully evaluate PSE's Petition. Staff also related that it was consulting with the Department of Ecology, as required by RCW 80.80.060(7) and WAC 173-407-310, concerning whether the Ferndale Cogeneration Station meets the state's emissions standards.² The presiding officer, at the parties' suggestion, recessed the hearing to give the parties an opportunity to conduct a technical conference. Following

¹ Consistent with the requirements of RCW 80.80.060(5), PSE states in its Petition that the Company is not requesting that the Commission address: (1) the prudence of PSE's acquisition of the Ferndale Generation Station; or, (2) the final rate treatment for recovery of PSE's revenue requirement related to the deferral of fixed costs, total net variable costs and carrying charges for the Ferndale Generation Station. PSE will present its case on these issues in its next rate proceeding.

² Mr. Alan R. Newman, Senior Air Quality Engineer, Washington State Department of Ecology, participated with the parties in a technical conference, described below, bringing his expertise to bear on this matter.

the technical conference, the parties informed the presiding officer that they had agreed to a process by which PSE would provide additional information identified by Staff, in consultation with the Department of Ecology consulting engineer, as being necessary to a full evaluation of PSE's Petition.

It now appears that there may be a need to establish firm procedural dates to move this process forward. It accordingly is appropriate to give notice of a prehearing conference to ascertain the status of this matter and establish a procedural schedule. If, on the other hand, the parties are close to concluding their less formal exchange of information and are confidently approaching finality that will result in an agreed outcome via stipulation, the parties should so inform the presiding officer and the prehearing conference of which notice is given here can be cancelled.

THE COMMISSION GIVES NOTICE That it will hold a prehearing conference in this matter at 10:00 a.m., on Monday, October 29, 2012, in the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington. If you are unable to attend the prehearing conference in person, you may attend via the Commission's teleconference bridge line at (360) 664-3846. Please appear on the teleconference bridge five minutes before the conference is scheduled to begin.

DENNIS J. MOSS
Administrative Law Judge