

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of
PUGET SOUND ENERGY, INC.

For an Accounting Order Authorizing
Accounting Treatment Related to Payments
for Major Maintenance Activities

DOCKET UE-130583

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.

Respondent.

DOCKET UE-130617

In the Matter of the Petition of
PUGET SOUND ENERGY, INC.

For an Accounting Order Authorizing
Accounting the Sale of the Water Rights and
Associated Assets of the Electron
Hydroelectric Project in Accordance with
WAC 480-143 and RCW 80.12

DOCKET UE-131099

MOTION FOR CONSOLIDATION

I Commission Staff seeks a Commission order consolidating three matters filed by Puget Sound Energy, Inc. ("PSE" or "the Company"): (1) Docket UE-130583 (Major Maintenance Accounting Petition); (2) the accounting and ratemaking issues in Docket UE-

131099 (Application Related to Property Transfer – Electron); and (3) Docket UE-130617 (Power Cost Only Rate Case (PCORC)). The issue of whether to approve the property transfer in Docket UE-131099 relating to the Electron project would remain in that docket for resolution by the Commission.

2 The applicable Commission rule is WAC 480-07-320 – Consolidation of Proceedings. Under that rule, the Commission may, in its discretion, consolidate “two or more proceedings in which the facts or principles of law are related.”

I. NATURE OF THE DOCKETS

3 **Docket UE-130617 (PCORC).** This docket is PSE’s PCORC filing, in which PSE is seeking a Commission determination of the Company’s power costs for ratemaking purposes. This docket is underway, and the parties are currently engaged in the discovery process.

4 **Docket UE-130583 (Major Maintenance Accounting Petition).** This docket was initiated by a petition PSE filed on April 23, 2013, seeking an accounting order allowing the Company to defer and amortize certain “major maintenance” costs associated with its Mint Farm Combined Cycle Generating Station (“Mint Farm Facility”). This docket has not yet been presented for action by the Commission.

5 **Docket UE-131099 (Property Transfer Application– Electron).** This docket was initiated by an application PSE filed on June 6, 2013, related to its pending sale of the Company’s Electron Hydroelectric Project (“Electron”). PSE seeks either a Commission order finding the sale is not subject to the transfer of property statute, RCW 80.12, or an order approving the sale pursuant to that same statute. In addition, PSE asks the

Commission to approve a specific “accounting and ratemaking treatment” for the sale,¹ which is described in more detail later in that Application. This docket has not yet been presented for action by the Commission.

II. THE THREE DOCKETS HAVE COMMON FACTS AND PRINCIPLES OF LAW

6 In the PCORC docket, PSE is seeking recovery for “major maintenance” costs related to PSE’s Mint Farm Facility² using the rate treatment PSE is requesting within its Major Maintenance Accounting Petition in Docket UE-130583. Thus, these two dockets share common facts. In addition, these two dockets share common principles of law, because whether to grant the accounting for “major maintenance” costs PSE requests and whether to implement such accounting for ratemaking purposes depend on the same legal and policy rationales.

7 In the PCORC docket, PSE is seeking recovery for the Electron sale.³ In its Property Transfer Application, Docket UE-131099, among other things, the Company is asking the Commission to prescribe accounting and ratemaking treatment for the Electron sale.⁴ Thus, these two dockets share common facts and principles of law regarding appropriate regulatory treatment.

III. CONSOLIDATION OF THESE DOCKETS PROMOTES EFFICIENCY

8 Consolidating these dockets promotes regulatory efficiency by resolving related factual and legal issues in the same proceeding. Otherwise, for example, if the Commission set the accounting petition for hearing in a separate docket, Staff would not address the ratemaking treatment PSE proposes for major maintenance in the PCORC, because that

¹ Docket UE-131099: Property Transfer Application – Electron at 1, ¶ 2.

² Docket UE-130617: PCORC; PSE witness Barnard, Exhibit No. ____ (KJB-9) at 24 – Adjustment 20.

³ Id. at 16 – Adjustment 12.

⁴ PSE’s Application Related to Property Transfer – Electron at 13, ¶ 37

depends on the propriety of the accounting, which is reserved for the accounting application in Docket UE-130583.

9 As PSE explains in its accounting petition, the Commission has stated that PSE may file an accounting petition to “protect itself from any arguable inability to recover such costs”,⁵ and PSE did so in Docket UE-130583. However, PSE is implementing the Company’s proposed accounting treatment in the PCORC, Docket UE-130617, before having Commission approval for that accounting. It only makes sense to decide the major maintenance accounting and ratemaking issues in one proceeding.

10 Moreover, in past PSE dockets,⁶ Staff has opposed deferred accounting for major maintenance, and the Company’s accounting petition provides nothing new that would change Staff’s position. Accordingly, a hearing is the appropriate vehicle for Commission resolution of this issue. Consolidation is the most efficient means of resolving this issue.

11 Regarding the sale of Electron, as we have described, the Company seeks approval of accounting and ratemaking treatment in both the transfer of property docket and the PCORC. The Commission should resolve the accounting and ratemaking issues in one docket: the PCORC, because the PCORC is the docket for addressing ratemaking treatment. The Commission rarely has addressed accounting and ratemaking treatment in a property transfer docket.

III. CONCLUSION

12 For the foregoing reasons, the Commission should consolidate Docket UE-130583 (Major Maintenance Accounting Petition) and the accounting and ratemaking issues in Docket UE-131099 (Application Related to Property Transfer – Electron) with Docket UE-

⁵ PSE’s Major Maintenance Accounting Petition, Docket UE-130583 at 7, ¶ 12.

⁶ Dockets UE-090704 and UE-111048.

130617 (Power Cost Only Rate Case). The issue of whether to approve the property transfer in Docket UE-131099 relating to the Electron project would remain in that docket for resolution by the Commission.

DATED this 17th day of July 2013.

Respectfully submitted,

ROBERT W. FERGUSON
Attorney General

A handwritten signature in black ink, appearing to read 'D. Trotter', written over a horizontal line.

DONALD T. TROTTER
Assistant Attorney General
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