

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

.....  
In the Matter of the Petition of

PUGET SOUND ENERGY

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

.....  
In the Matter of the Petition of

PUGET SOUND ENERGY

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.

.....  
In the Matter of the Petition of

PUGET SOUND ENERGY

For an Order Authorizing the Sale of  
Interests in the Development Assets  
Required for the Construction and  
Operation of Phase II of the Lower Snake  
River Wind Facility

DOCKET UE-130617

ORDER 12

DOCKET UE-130583

ORDER 08

DOCKET UE-131099

ORDER 08

DOCKET UE-131230

ORDER 08

GRANTING JOINT MOTION TO  
AMEND ORDER 11 AND  
SETTLEMENT STIPULATION

1 Puget Sound Energy (PSE), the Commission’s regulatory staff, and the Public Counsel  
Unit of the Attorney General’s Office of the State of Washington (collectively the parties  
or Joint Movants) filed with the Washington Utilities and Transportation Commission  
(Commission) their Joint Motion to Modify Settlement Agreement and Order 11 (Joint  
Motion) in the above-captioned dockets on February 3, 2017.

### BACKGROUND

2 On August 7, 2015, the Commission entered Order 11 approving and adopting the  
Multiparty Settlement Stipulation (Settlement) filed by the parties in Docket UE-130617  
*et al.*<sup>1</sup> Order 11 and the Settlement modified PSE’s Power Cost Adjustment (PCA)  
mechanism by, among other things, removing the Company’s Fixed Production Costs  
(FPCs). PSE was allowed to file an accounting petition requesting deferral of the revenue  
variances associated with the recovery of its FPCs from January 1, 2017, to March 1,  
2017. These dates recognized that the changes to the PCA mechanism would occur  
beginning on January 1, 2017, and continue to the date when rates from the next general  
rate case became effective, which was expected to be March 1, 2017.<sup>2</sup>

3 On March 17, 2016, the Commission in Docket UE-121697 *et al.* extended the date by  
which PSE would have to file its next general rate case from April 1, 2016, to January 17,  
2017, therefore changing that estimated rate effective date from March 1, 2017, to  
December 17, 2017.<sup>3</sup>

4 On September 30, 2016, PSE filed its FPC accounting petition, in Docket UE-161112.<sup>4</sup>  
The Commission granted the petition and also directed the parties to “file a joint motion  
in [Docket UE-130617 *et al.*] requesting modification of [the March 1, 2017] date in the  
settlement agreement and Order 11 to reflect the extension of the multi-year rate plan in  
Docket UE-121697 *et al.*”<sup>5</sup>

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<sup>1</sup> The Settlement was filed with the Commission on March 27, 2015.

<sup>2</sup> *WUTC v. Puget Sound Energy*, Dockets UE-121697 *et al.*, Order 07, ¶ 9 (June 25, 2013).

<sup>3</sup> *WUTC v. Puget Sound Energy*, Dockets UE-121697 *et al.*, Notice of Commission Action Amending Order 07 (March 17, 2016).

<sup>4</sup> *In the Matter of the Petition of Puget Sound Energy, Petitioner, For an Accounting Order Authorizing the Deferral of Fixed Production Costs Previously Recovered in PSE’s Power Cost Adjustment Mechanism*, Docket UE-161112, Order 01, ¶ 5 (November 10, 2016). PSE filed its next general rate case on January 13, 2017, in Dockets UE-170033 and UG-170034, and the rate case’s suspension date is on December 13, 2017.

<sup>5</sup> *Id.*, ¶ 6.

### DISCUSSION AND DECISION

5 The parties filed the Joint Motion in Docket UE-130617 *et al.* on February 3, 2017. Specifically, the Joint Movants request that the Commission modify Section III.F.4 of the Settlement as follows:

Implementation of changes to the PCA mechanism set forth in this agreement will occur on January 1, 2017. PSE may file, and the Settling Parties agree to support, an accounting petition to request deferral of revenue variances associated with the recovery of Fixed Production Costs to bridge the ~~two-month~~ period between implementation of the changes to the PCA mechanism on January 1, 2017 and the start of the rate year for PSE's next general rate case (~~estimated to be March 1, 2017~~) where the continuation of the electric decoupling mechanism will be considered.<sup>6</sup>

6 In addition, the Joint Movants request modification of paragraph 15 of Order 11 as follows:

~~Additionally, the Settlement estimates PSE's next general rate case will result in rates effective March 1, 2017.~~ The Settlement provides that PSE may file, and the Settling Parties agree to support, an accounting petition deferring revenue variances in Fixed Production Costs between January 1, 2017, when Fixed Production Costs are removed from the PCA per this Settlement, and ~~March 1, 2017~~ the date when rates from the general rate case become effective and Fixed Production Costs are placed in the decoupling mechanism, if PSE's decoupling program continues.<sup>7</sup>

7 The Commission requested that the Joint Movants seek these modifications in keeping with the previously approved rate case deadline extension in Docket UE-121697 *et al.* For administrative clarity, Order 11 and the Settlement in Docket UE-130617 *et al.* should be modified as requested. The Commission grants the Joint Motion and modifies Order 11 and the Settlement in Docket UE-130617 *et al.* as more fully described in paragraphs 5 and 6 above.

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<sup>6</sup> *Washington Utilities and Transportation Commission, Complainant, v. Puget Sound Energy, Respondent*, Docket UE-130617 *et al.*, Joint Motion, ¶ 5 (February 3, 2017).

<sup>7</sup> *Id.*

**ORDER**

**THE COMMISSION ORDERS THAT:**

- 8 (1) The Joint Motion filed by Puget Sound Energy, the Commission's regulatory staff, and the Public Counsel Unit of the Attorney General's Office of the State of Washington is granted.
- 9 (2) Section III.F.4 of the Settlement in Docket UE-130617 *et al.*, filed with the Commission on March 27, 2015, and approved and adopted on August 7, 2015, is modified as more fully described in paragraph 5 above.
- 10 (3) Paragraph 15 of Order 11, entered on August 7, 2015, is modified as more fully described in paragraph 6 above.
- 11 (4) The Commission retains jurisdiction over this subject matter and Puget Sound Energy to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective December 12, 2017.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

ANN E. RENDAHL, Commissioner

JAY M. BALASBAS, Commissioner