

Service Date: June 1, 2016



STATE OF WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION  
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June 1, 2016

**NOTICE OF STATUS CONFERENCE**  
**(Set for July 29, 2016, at 9:30 a.m.)**

RE: *In the Matter of the Petition of PUGET SOUND ENERGY, INC., for (i) Approval of a Special Contract for Liquefied Natural Gas Fuel Service with Totem Ocean Trailer Express, Inc., and (ii) a Declaratory Order Approving the Methodology for Allocating Costs Between Regulated and Non-regulated Liquefied Natural Gas Services, Docket UG-151663*

TO ALL PARTIES AND INTERESTED PERSONS:

On August 11, 2015, Puget Sound Energy, Inc. (PSE) filed with the Washington Utilities and Transportation Commission (Commission) a Petition for Approval of a Special Contract for Liquefied Natural Gas Fuel Service with Totem Ocean Trailer Express, Inc., and a Declaratory Order Approving the Methodology for Allocating Costs between Regulated and Non-regulated Liquefied Natural Gas Services. We refer to this matter in short form as the PSE Tacoma LNG Project.

The Commission conducted a hearing on May 29, 2016, planning to hear argument on certain “foundational issues” identified by PSE. Commission Regulatory Staff (Staff), The Public Counsel Unit of the Washington Attorney General’s Office (Public Counsel), and other parties, agreed it would be appropriate to address these issues, though they, and the Commission, expected it might be possible to give only conditional determinations to provide guidance. An inquiry from the Bench asking whether such a conditional result might be acceptable initiated a discussion that led to a proposal by PSE to set aside a two-month period during which the parties could participate in mediated negotiations in an effort to develop parameters for the PSE Tacoma LNG Project that would be acceptable to all parties and the Commission.

The Bench invited all parties to comment on PSE’s proposal. Staff, through counsel, expressed its view that there would be little prospect for success in such an undertaking considering the

extensive negotiations already held in this proceeding without material success. Staff suggested that PSE was either unable, or unwilling, to compromise on several fundamental matters as to which Staff had firm, although not necessarily totally unyielding, positions. Staff outlined these matters in some detail.

Public Counsel took a similar view of PSE's proposal for mediation. Northwest Industrial Gas Users (NWIGU) and Industrial Customers of Northwest Utilities (ICNU) also lacked enthusiasm for further negotiation, sharing the views of Staff and Public Counsel that the prospects for success were small, while the demand on resources would be significant.

Staff, Public Counsel, NWIGU, and ICNU nevertheless expressed, more or less, that they were not close-minded to proceeding as PSE suggested; if PSE acknowledged that it understood the concerns Staff and others expressed and would make a conscientious, good-faith effort to meet these fundamental concerns during the proposed mediation. PSE offered such assurances and the Commission determined that it would be appropriate to provide a two month window of opportunity for the process to take place. The Commission also determined that absent success, or at least very significant progress toward success, during the two month period, it should establish such process and procedural schedule as necessary to bring this proceeding to a timely conclusion. In furtherance of this, the Commission here gives notice of a status conference and prehearing conference to be held on July 29, 2016, at 9:30 a.m.

**THE COMMISSION GIVES NOTICE that it will hold a status conference and prehearing conference in this matter at 9:30 a.m., on July 29, 2016, in the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.**

DENNIS J. MOSS  
Senior Review Judge