BEFORE THE WASHINGTON

**UTILITIES AND TRANSPORTATION COMMISSION**

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| WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant,v.PUGET SOUND ENERGY, Respondent. |  |  | DOCKETS UE-170033 and UG-170034 *(Consolidated)*ORDER 01COMPLAINT AND ORDER SUSPENDING TARIFF REVISIONS; ORDER OF CONSOLIDATION  |

# BACKGROUND

1. On January 13, 2017, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-60, Tariff G, Electric Service, as listed in the appendix attached to this Order. The effect of this filing is to increase rates and charges for electric service provided to customers in the state of Washington.
2. PSE requests an increase in base rates of approximately $149 million (7.6 percent) on an annual basis. The net impact to customers after applying various offsets is an increase in electric rates of approximately $87 million (4.1 percent). PSE also requests a new Electric Cost Recovery Mechanism to recover targeted reliability spending as outlined in its Electric Reliability Plan.
3. Also on January 13, 2017, PSE filed revisions to its currently effective Tariff WN U-2, Natural Gas, as listed in the appendix attached to this Order. The effect of this filing is to decrease rates and charges for natural gas service provided to customers in the state of Washington.
4. PSE requests an increase to base rates of $23 million (2.8 percent) on an annual basis. The net impact to customers after applying various offsets is a decrease in natural gas rates of approximately $22 million (-2.4 percent).
5. Because these tariff revisions might injuriously affect the rights and interests of the public and PSE has not demonstrated that the revisions would result in rates that are fair, just, reasonable, and sufficient, the Commission suspends the tariff filings and will hold public hearings, if necessary, to determine whether the proposed tariff revisions are fair, just, reasonable and sufficient.
6. The matters in the two dockets appear to involve related facts and principles of law. It is appropriate that they be consolidated for hearing and determination pursuant to WAC 480-07-320.

# FINDINGS AND CONCLUSIONS

1. (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, transfers of property, and affiliated interests of public service companies, including electric and natural gas companies.
2. (2) PSE is an electric company, a natural gas company, and a public service company subject to Commission jurisdiction.
3. (3) The tariff revisions PSE filed on January 13, 2017, would increase electric and decrease natural gas charges and rates for service provided by PSE and could, if left unexamined, injuriously affect the rights and interests of the public.
4. (4) PSE has not yet demonstrated that the tariff revisions would result in rates that are fair, just, reasonable, and sufficient.
5. (5) PSE’s rates and charges for electric or natural gas services shown on any tariffs that PSE does not propose to revise may also be investigated to determine if they are fair, just, reasonable, and sufficient.
6. (6) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 80.04.130, the Commission determines it is necessary to investigate PSE’s books, accounts, practices, and activities; to make a valuation or appraisal of PSE’s property; and to investigate and appraise various phases of PSE’s operations. The Commission finds that these dockets meet the criteria of WAC 480-07-400(2)(b)(i) and that discovery will be conducted pursuant to the Commissions discovery rules in WAC 480-07-400 – 425.
7. (7) As required by RCW 80.04.130(4), PSE bears the burden of proof to show that the proposed increases are fair, just, reasonable, and sufficient.
8. (8) PSE may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with RCW 80.20.020.

# ORDER

THE COMMISSION ORDERS:

1. (1) The tariff revisions Puget Sound Energy filed on January 13, 2017, are suspended.
2. (2) Dockets UE-170033 and UG-170043 are consolidated for hearing and determination under WAC 480-07-320.
3. (3) The Commission will give notice of, and hold, hearings at such times and places as may be required. Such hearings may also examine Puget Sound Energy’s rates and charges for electric or natural gas service shown on any tariffs that Puget Sound Energy does not propose to revise.
4. (4) Puget Sound Energy must not change or alter the tariffs filed in these dockets during the suspension period, unless authorized by the Commission.
5. (5) The Commission will institute an investigation of Puget Sound Energy’s books, accounts, practices, activities, property, and operations as described above.
6. (6) Discovery will be conducted pursuant to the Commission’s discovery rules in WAC 480-07-400 – 425.
7. (7) Puget Sound Energy shall pay the expenses reasonably attributable and allocable to the Commission’s investigation, consistent with RCW 80.20.020.

DATED at Olympia, Washington, and effective January 19, 2017.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

ANN E. RENDAHL, Commissioner

**Appendix**

**Proposed Tariff Revisions
WN U-60, Tariff G, Electric Service**

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| 34th Revision | Sheet No. 7 | Residential Service  |
| 9th Revision | Sheet No. 7-B | Master Metered Residential Service (Continued) |
| 32nd Revision | Sheet No. 24 | General Service |
| 22nd Revision | Sheet No. 25 | Small Demand General Service |
| 14th Revision | Sheet No. 25-A | Small Demand General Service (Continued) |
| 23rd Revision | Sheet No. 26 | Large Demand General Service |
| 28th Revision | Sheet No. 29 | Seasonal Irrigation & Drainage Pumping Service |
| 34th Revision | Sheet No. 31 | Primary General Service |
| 27th Revision | Sheet No. 35 | Seasonal Primary Irrigation & Drainage Pumping Service |
| 9th Revision | Sheet No. 40 | Large General Service Greater Than 3 aMW |
| 6th Revision | Sheet No. 40-A | Large General Service Greater Than 3 aMW (Continued) |
| 5th Revision | Sheet No. 40-B | Large General Service Greater Than 3 aMW (Continued) |
| 5th Revision | Sheet No. 40-C | Large General Service Greater Than 3 aMW (Continued) |
| 24th Revision | Sheet No. 43-A | Interruptible Primary Service for Total-Electric Schools (Continued) |
| 33rd Revision | Sheet No. 46 | High Voltage Interruptible Service |
| 14th Revision | Sheet No. 46-A | High Voltage Interruptible Service (Continued) |
| 32nd Revision | Sheet No. 49 | High Voltage General Service |
| 32nd Revision | Sheet No. 50 | Limited Street Lighting Service  |
| 4th Revision | Sheet No. 50-B | Limited Street Lighting Service (Continued) |
| 3rd Revision | Sheet No. 51-B | LED (Light Emitting Diode) Lighting Service (Continued) |
| 3rd Revision | Sheet No. 51-C | LED (Light Emitting Diode) Lighting Service (Continued) |
| 3rd Revision | Sheet No. 51-D | LED (Light Emitting Diode) Lighting Service (Continued) |
| 2nd Revision | Sheet No. 51-F | LED (Light Emitting Diode) Lighting Service (Continued) |
| 22nd Revision | Sheet No. 52-A | Custom Lighting Service Company Owned (Continued) |
| 9th Revision | Sheet No. 52-B | Custom Lighting Service Company Owned (Continued) |
| 2nd Revision | Sheet No. 52-D | Custom Lighting Service Company Owned (Continued) |
| 20th Revision | Sheet No. 53-A | Street Lighting Service Sodium Vapor (Continued) |
| 17th Revision | Sheet No. 53-B | Street Lighting Service Sodium Vapor (Continued) |
| 11th Revision | Sheet No. 53-C | Street Lighting Service Sodium Vapor (Continued) |
| 6th Revision | Sheet No. 53-F | Street Lighting Service Sodium Vapor (Continued) |
| 3rd Revision | Sheet No. 53-G | Street Lighting Service Sodium Vapor (Continued) |
| 2rd Revision | Sheet No. 53-H | Street Lighting Service Sodium Vapor (Continued) |
| 1st Revision | Sheet No. 53-K | Street Lighting Service Sodium Vapor (Continued) |
| 34th Revision | Sheet No. 54 | Customer-Owned Street Lighting Energy Service Sodium Vapor |
| 9th Revision | Sheet No. 54-A | Customer-Owned Street Lighting Energy Service Sodium Vapor (Continued) |
| 5th Revision | Sheet No. 54-B | Customer-Owned Street Lighting Energy Service Sodium Vapor (Continued) |
| 1st Revision | Sheet No. 54-D | Customer-Owned Street Lighting Energy Service Sodium Vapor (Continued) |
| 34th Revision | Sheet No. 55 | Area Lighting Service  |
| 15th Revision | Sheet No. 55-A | Area Lighting Service (Continued) |
| 3rd Revision | Sheet No. 55-B | Area Lighting Service (Continued) |
| 30th Revision | Sheet No. 57 | Continuous Lighting Service |
| 29th Revision | Sheet No. 58 | Flood Lighting Service  |
| 18th Revision | Sheet No. 58-A | Flood Lighting Service (Continued) |
| 4th Revision | Sheet No. 58-B | Flood Lighting Service (Continued) |
| 5th Revision | Sheet No. 58-C | Flood Lighting Service (Continued) |
| 35th Revision | Sheet No. 95 | Power Cost Adjustment Clause |
| 10th Revision | Sheet No. 95-A | Power Cost Adjustment Clause (Continued) |
| 12th Revision | Sheet No. 95-B | Power Cost Adjustment Clause (Continued) |
| 11th Revision | Sheet No. 95-C | Power Cost Adjustment Clause (Continued) |
| 4th Revision | Sheet No. 95-C.1 | Power Cost Adjustment Clause (Continued) |
| 4th Revision | Sheet No. 95-C.2 | Power Cost Adjustment Clause (Continued) |
| 11th Revision | Sheet No. 95-D | Power Cost Adjustment Clause (Continued) |
| 11th Revision | Sheet No. 95-E | Power Cost Adjustment Clause (Continued) |
| 2nd Revision | Sheet No. 95-E.1 | Power Cost Adjustment Clause (Continued) |
| 3rd Revision | Sheet No. 141-A | Expedited Rate Filing Rate Adjustment (Continued) |
| 3rd Revision | Sheet No. 141-B | Expedited Rate Filing Rate Adjustment (Continued) |
| 2nd Revision | Sheet No. 141-C | Expedited Rate Filing Rate Adjustment (Continued) |
| 1st Revision | Sheet No. 141-D | Expedited Rate Filing Rate Adjustment (Continued) |
| 1st Revision | Sheet No. 141-E | Expedited Rate Filing Rate Adjustment (Continued) |
| 1st Revision | Sheet No. 141-F | Expedited Rate Filing Rate Adjustment (Continued) |
| 1st Revision | Sheet No. 141-G | Expedited Rate Filing Rate Adjustment (Continued) |
| 1st Revision | Sheet No. 141-H | Expedited Rate Filing Rate Adjustment (Continued) |
| 1st Revision | Sheet No. 141-I | Expedited Rate Filing Rate Adjustment (Continued) |
| 1st Revision | Sheet No. 141-J | Expedited Rate Filing Rate Adjustment (Continued) |
| 2nd Revision | Sheet No. 141-K | Expedited Rate Filing Rate Adjustment (Continued) |
| 2nd Revision | Sheet No. 141-L | Expedited Rate Filing Rate Adjustment (Continued) |
| 1st Revision | Sheet No. 141-M | Expedited Rate Filing Rate Adjustment (Continued) |
| 1st Revision | Sheet No. 141-N | Expedited Rate Filing Rate Adjustment (Continued) |
| Original | Sheet No. 149 | Electric Reliability Cost Recovery Mechanism (ERCRM) |
| 12th Revision | Sheet No. 448-I | Power Supplier Choice (Continued) |
| 13th Revision | Sheet No. 449-I | Retail Wheeling Service (Continued) |
| 3rd Revision | Sheet No. 458 | Back-Up Distribution Service |
| 3rd Revision | Sheet No. 458-A | Back-Up Distribution Service (Continued) |
| 3rd Revision | Sheet No. 459 | Back-Up Distribution Service |
| 3rd Revision | Sheet No. 459-A | Back-up Distribution Service (Continued) |

**Proposed Tariff Revisions
WN U-2, Natural Gas**

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| 4th Revision | Sheet No. 33 | Rule No. 21: Firm Service Priority |
| 4th Revision | Sheet No. 37-A | Rule No. 23: Interruptible Sales and Transportation Service Priority (Continued) |
| 2nd Revision | Sheet No. 37-B | Rule No. 23: Interruptible Sales and Transportation Service Priority (Continued) |
| 2nd Revision | Sheet No. 43 | Rule No. 29: Terms of Distribution System Transportation Service |
| 12th Revision | Sheet No. 116-A | General Gas Lighting and Street Lighting Service (Optional) (Continued) |
| 57th Revision | Sheet No. 123 | Residential General Service |
| 53rd Revision | Sheet No. 131 | Commercial and Industrial General Service |
| 7th Revision | Sheet No. 131T | Distribution System Transportation Service (Firm-Commercial and Industrial) |
| 59th Revision | Sheet No. 141 | Large Volume High Load Factor Gas Service (Optional) |
| 20th Revision | Sheet No. 141-A | Large Volume High Load Factor Gas Service (Optional) (Continued) |
| 7th Revision | Sheet No. 141T | Distribution System Transportation Service (Firm-Large Volume High Load Factor) |
| 7th Revision | Sheet No. 141T-A | Distribution System Transportation Service (Firm-Large Volume High Load Factor) (Continued) |
| 13th Revision | Sheet No. 153-B | Propane Service (Continued) |
| 15th Revision | Sheet No. 185 | Interruptible Gas Service with Firm Option  |
| 49th Revision | Sheet No. 185-A | Interruptible Gas Service with Firm Option (Continued) |
| 16th Revision | Sheet No. 185-B | Interruptible Gas Service with Firm Option (Continued) |
| 20th Revision | Sheet No. 185-C | Interruptible Gas Service with Firm Option (Continued) |
| 20th Revision | Sheet No. 185-D | Interruptible Gas Service with Firm Option (Continued) |
| 7th Revision | Sheet No. 185T | Distribution System Transportation Service (Interruptible with Firm Option) |
| 5th Revision | Sheet No. 185T-A | Distribution System Transportation Service (Interruptible with Firm Option) (Continued) |
| 2nd Revision | Sheet No. 185T-B | Distribution System Transportation Service (Interruptible with Firm Option) (Continued) |
| 2nd Revision | Sheet No. 185T-C | Distribution System Transportation Service (Interruptible with Firm Option) (Continued) |
| 20th Revision | Sheet No. 186-C | Limited Interruptible Gas Service with Firm Option (Optional) (Continued) |
| 17th Revision | Sheet No. 186-D | Limited Interruptible Gas Service with Firm Option (Optional) (Continued) |
| 5th Revision | Sheet No. 186T | Distribution System Transportation Service (Interruptible with Firm Option) |
| 6th Revision | Sheet No. 186T-A | Distribution System Transportation Service (Interruptible with Firm Option) (Continued) |
| 21th Revision | Sheet No. 187-D | Non-Exclusive Interruptible Gas Service w/ Firm Option (Continued) |
| 5th Revision | Sheet No. 187T | Distribution System Transportation Service (Non-Exclusive Interruptible with Firm Option) |
| 6th Revision | Sheet No. 187T-A | Distribution System Transportation Service (Non-Exclusive Interruptible with Firm Option) (Continued) |
| 3rd Revision  | Sheet No. 1141-A | Expedited Rate Filing Rate Adjustment (Continued) |
| 1st Revision  | Sheet No. 1141-B | Expedited Rate Filing Rate Adjustment (Continued) |
| 1st Revision  | Sheet No. 1141-C | Expedited Rate Filing Rate Adjustment (Continued) |
| 1st Revision  | Sheet No. 1141-D | Expedited Rate Filing Rate Adjustment (Continued) |
| 1st Revision  | Sheet No. 1141-E | Expedited Rate Filing Rate Adjustment (Continued) |