

1 **PROCEEDINGS.** On November 26, 2001, Puget Sound Energy, Inc. (“PSE” or the
“Company”) filed tariff revisions designed to effectuate a general rate increase for
electric and gas services. On December 3, 2001, PSE filed a request for an interim
electric rate increase. These proceedings were consolidated under Docket Nos. UE-
011570 and UG-011571. The Commission established procedural schedules for an
interim phase (electric) hearing and general rate phase (electric and gas) hearing.

2 The Commission approved and adopted an unopposed Settlement Stipulation on
March 28, 2002, to resolve the interim phase of these proceedings.¹ The interim
settlement agreement included commitments by the parties to conduct further
settlement negotiations via a series of collaboratives and stipulations among the
parties to certain facts pertinent to the determination of final rates.

3 On April 19, 2002, PSE filed on behalf of itself and one other party, King County, a
proposed “Stipulation of Settlement for King County.” PSE and King County filed a
revised Stipulation later on May 6, 2002, which the Commission approved.²

4 On June 6, 2002, PSE filed on behalf of itself and other parties a “Settlement
Stipulation for Electric and Common Issues and Application for Commission
Approval of Settlement” which the Commission approved with modifications in its
Twelfth Supplemental Order, entered on June 20, 2002. This settlement agreement
disposed of all outstanding issues in the electric rate case and all issues common to
both the electric and natural gas rate cases. Subsequent to Commission approval of
this “Electric and Common Settlement”, the parties continued to work in the
collaborative mode to resolve the issues remaining in the natural gas rate case.

5 On August 16, 2002, PSE filed on behalf of itself and other parties a “Settlement
Stipulation for Remaining Natural Gas Issues and Application for Commission
Approval of Settlement” (“Settlement Stipulation”).

¹ *WUTC v. PSE, Docket Nos. UE-011570/UG-011571 (consolidated), Ninth Supplemental Order (March 28, 2002).*

² *WUTC v. PSE, Docket Nos. UE-011570/UG-011571 (consolidated), Eleventh Supplemental Order (May 6, 2002).*

6 **PARTIES.** Markham Quehrn and Kirstin Dodge, Perkins Coie LLP, Bellevue, Washington, represent Puget Sound Energy, Inc. John A. Cameron and Traci Kirkpatrick, Davis Wright Tremaine, represent AT&T Wireless and the Seattle Times Company. Danielle Dixon, Policy Associate, Northwest Energy Coalition, represents that organization and the Natural Resources Defense Council. Carol S. Arnold, Preston Gates Ellis, Seattle, Washington, represents Cost Management Services, Inc., and the cities of Auburn, Des Moines, Federal Way, Redmond, Renton, SeaTac, Tukwila, Bellevue, Maple Valley, and Burien (“Auburn, *et al.*”). Ron Roseman, attorney at law, Seattle, Washington, represents the Multi-Service Center, the Opportunity Council, and the Energy Project; Charles M. Eberdt, Manager, Energy Project also entered his appearance for the Energy Project; Dini Duclos, CEO, Multi-Service Center, also entered an appearance for that organization. Angela L. Olsen, Assistant City Attorney, McGavick Graves, Tacoma, Washington, represents the City of Bremerton. Donald C. Woodworth, Deputy Prosecuting Attorney, Seattle, Washington, represents King County. Melinda Davison and S. Bradley Van Cleve, Davison Van Cleve, P.C., Portland, Oregon, represent Industrial Customers of Northwest Utilities. Elaine L. Spencer and Michael Tobiason, Graham & Dunn, Seattle, Washington, represent Seattle Steam Company. Edward A. Finklea, Energy Advocates, LLP, represents the Northwest Industrial Gas Users. Donald Brookhyser, Alcantar & Kahl, Portland, Oregon, represents the Cogeneration Coalition of Washington. Michael L. Charneski, Attorney at Law, Woodinville, Washington, represents the City of Kent. Norman J. Furuta, Associate Counsel, Department of the Navy, represents the Federal Executive Agencies (“FEA”). Michael L. Kurtz, Boehm, Kurtz & Lowry, Cincinnati, Ohio, represents Kroger Company. Kirk H. Gibson and Lisa F. Rackner, Ater Wynne LLP, Portland, Oregon, represent WorldCom, Inc. Elizabeth Thomas, Preston Gates Ellis LLP, Seattle, Washington, represents Sound Transit. Harvard M. Spigal and Heather L. Grossman, Preston Gates and Ellis LLP, Portland, Oregon, represent Microsoft Corporation. Simon ffitch, Assistant Attorney General, Seattle, Washington, represents the Public Counsel Section, Office of Attorney General. Robert D. Cedarbaum, Senior Assistant Attorney General, and Shannon Smith, Assistant Attorney General, Olympia, Washington, represent the Commission’s regulatory staff (Staff).

7 **COMMISSION:** The Commission approves and adopts an unopposed Settlement Stipulation filed by the gas collaborative participants as a full and final resolution of the remaining issues in Docket Nos. UE-011570/UG-011571. The Commission incorporates the Settlement Stipulation by reference and makes it a part of this Order.

Appendix A, infra. The Commission approves the PGA adjustment to PSE's gas rates in Docket No. UG-021059 to be implemented simultaneously with the approved Settlement rates from the general rate proceeding. The Commission authorizes and requires PSE to make any compliance filings required to effectuate the terms of the Settlement Stipulation and this Order.

MEMORANDUM

I. Introduction.

8 This Order marks the culmination of significant efforts by the parties, and by the Commission, to help restore the financial integrity of one of Washington State's major electric and gas utilities, and to help ensure that PSE's customers continue to receive reliable service at reasonable rates.

II. Background and Procedural History.

9 PSE filed a general rate case on November 26, 2002. The Company sought by its filing permanent increases in both electric and gas rates in the amounts of \$228.3 million per year and \$85.9 million per year, respectively, for an aggregate amount of \$314.2 million. On December 3, 2001, PSE filed both a Petition for Interim Rate Relief and an Electric Tariff Filing in Advice No. 2001-51. The Company sought by that filing to implement a temporary rate increase, subject to refund, to obtain immediate rate relief in the amount of \$170.7 million. PSE requested the Commission to approve Tariff Schedule 128, which would implement an Electric Energy Cost Surcharge rate of \$1.4568¢ per kWh.

10 Both the interim and general rate filings were docketed as Nos. UE-011570 and UG-011571. The Commission convened a prehearing conference in these proceedings on December 20, 2001, in Olympia, Washington, before Chairwoman Marilyn Showalter, Commissioner Richard Hemstad, Commissioner Patrick J. Oshie, and Administrative Law Judge Dennis J. Moss. The dockets were consolidated by the Commission's Second Supplemental Order: Prehearing Conference, entered on December 28, 2001. A procedural schedule for both the interim and general phases of these proceedings was set by the Second Supplemental Order, as later amended by the Commission's Fifth and Seventh Supplemental Orders.

- 11 The Commission conducted evidentiary hearings on the interim rate issues in Olympia from February 18, 2002, through February 22, 2002. The Commission heard public testimony in Olympia on the issues related to interim rate relief on February 21, 2002. The parties requested several continuances of the date established for filing briefs (*i.e.*, March 1, 2002) to permit them an opportunity to conduct settlement negotiations with the assistance of Administrative Law Judge C. Robert Wallis as mediator.
- 12 On March 20, 2002, Puget Sound Energy, Inc., the Commission's regulatory staff, Public Counsel, Industrial Customers of Northwest Utilities, Northwest Industrial Gas Users, Kroger Co., AT&T Wireless, Northwest Energy Coalition, Natural Resources Defense Council, and Seattle Steam Company filed a partial settlement in Docket Nos. UE-011570/UG-011571. These parties requested that the Commission enter an order by March 29, 2002, approving and adopting the settlement agreement as a full and final resolution of the interim rate issues, as a resolution of certain other issues pending in Docket Nos. UE-011570/UG-011571, and as full and final resolution of all issues pending in Docket No. UE-011411.³ The Commission conducted an evidentiary hearing on the proposed settlement agreement on March 25, 2002, and entered its Ninth Supplemental Order approving and adopting the settlement agreement on March 28, 2002.
- 13 On April 19, 2002, PSE filed on behalf of itself and King County a proposed Stipulation of Settlement for King County. On April 26, 2002, Commission staff filed comments to which it appended a document captioned "PSE-Staff Stipulation Regarding PSE's King County Settlement." On May 6, 2002, following hearing proceedings, PSE and King County filed and presented for the Commission's consideration a revised Stipulation of Settlement. On May 6, 2002, the Commission, by its Eleventh Supplemental Order, approved and adopted the settlement between PSE and King County and the related Stipulation between PSE and Staff.
- 14 Pursuant to the settlement agreement we approved by our Ninth Supplemental Order, the parties conducted a series of collaboratives during April and May, 2002 that

³ On October 8, 2001, the Public Counsel Section of the Attorney General's Office filed with the Commission a complaint against PSE in Docket No. UE-011411. The complaint alleges that PSE violated the Commission's Fourteenth Supplemental Order in the Puget/WNG Merger proceeding (Docket No. UE-960195) and the Rate Plan in the underlying merger settlement by failing to transfer the prior Bonneville Power Administration residential exchange credit to general rates on July 1, 2001.

resulted in PSE's filing, on June 6, 2002, a "Settlement Stipulation for Electric and Common Issues and Application for Commission Approval of Settlement" ("Electric and Common Settlement"). The Settlement Stipulation was signed by 32 of the 34 parties to this proceeding and was unopposed by any party.⁴ The Commission conducted evidentiary proceedings on June 13, 14, and 17, 2002 and held a public comment hearing on June 13, 2002. On June 20, 2002, the Commission entered its Twelfth Supplemental Order Approving and Adopting the Settlement Stipulation.

15 After the Commission approved the Electric and Common Settlement, parties interested in the remaining issues⁵ in dispute in the gas portion of the General Rate Case continued to participate in the earlier described collaborative process. On August 16, 2002, PSE filed a Settlement Stipulation for the remaining natural gas issues ("Natural Gas Settlement"). The Commission conducted an evidentiary hearing and a public comment hearing on August 27, 2002.

III. Governing Statutes and Rules.

16 The following statutory provisions and rules are most central to our discussion and decision:

RCW 80.01.040 General Powers and Duties of Commission.

The utilities and transportation commission shall:

* * *

(3) Regulate in the public interest, as provided by the public service laws, the rates, services, facilities, and practices of all persons

⁴ The so-called Participating Parties included PSE, the Commission's regulatory staff, the Public Counsel Section of the Attorney General's Office ("Public Counsel"), Industrial Customers of Northwest Utilities ("ICNU"), Kroger Company, Northwest Industrial Gas Users ("NWIGU"), AT&T Wireless Services ("AT&T"), Microsoft Corporation, WorldCom, Inc., Seattle Steam Company, Northwest Energy Coalition ("NWEC") jointly with Natural Resources Defense Council ("NRDC"), Multi-Service Center jointly with Opportunity Council and Energy Project, Cost Management Services, Inc., Federal Executive Agencies, Cogeneration Coalition of Washington, King County, Sound Transit, and the Cities of Auburn, Bremerton, Bellevue, Burien, Des Moines, Federal Way, Kent, Maple Valley, Redmond, Renton, SeaTac, and Tukwila. Although Cogeneration Coalition of Washington was listed as a Participating Party, it was not a signatory to the Settlement Stipulation. Seattle Times Company was neither a Participating Party nor a signatory to the Settlement Stipulation, but did not oppose its approval.

⁵ The parties to the August 16, 2002 Settlement Stipulation are PSE, Commission Staff, Public Counsel, NWIGU, Cost Management Services, Inc., and Seattle Steam Company.

engaging within this state in the business of supplying any utility service or commodity to the public for compensation, and related activities; including, but not limited to, gas companies . . .

RCW 80.04.130 Suspension of tariff change.

(1) Whenever any public service company shall file with the commission any schedule, classification, rule or regulation, the effect of which is to change any rate, charge, rental or toll theretofore charged, the commission shall have power, either upon its own motion or upon complaint, upon notice, to enter upon a hearing concerning such proposed change and the reasonableness and justness thereof, and pending such hearing and the decision thereon the commission may suspend the operation of such rate, charge, rental or toll for a period not exceeding ten months from the time the same would otherwise go into effect, and after a full hearing the commission may make such order in reference thereto as would be provided in a hearing initiated after the same had become effective. . . .

(2) At any hearing involving any change in any schedule, classification, rule or regulation the effect of which is to increase any rate, charge, rental or toll theretofore charged, the burden of proof to show that such increase is just and reasonable shall be upon the public service company.

RCW 80.28.010 Duties as to rates, services, and facilities.

(1) All charges made, demanded or received by any gas company, electrical company or water company for gas, electricity or water, or for any service rendered or to be rendered in connection therewith, shall be just, fair, reasonable and sufficient.

(2) Every gas company, electrical company and water company shall furnish and supply such service, instrumentalities and facilities as shall be safe, adequate and efficient, and in all respects just and reasonable.

(3) All rules and regulations issued by any gas company, electrical company or water company, affecting or pertaining to the sale or distribution of its product, shall be just and reasonable. . . .

RCW 80.28.020 Commission to fix just, reasonable, and compensatory rates.

Whenever the commission shall find, after a hearing had upon its own motion, or upon complaint, that the rates or charges demanded, exacted, charged or collected by any gas company, electrical company or water company, for gas, electricity or water, or in connection therewith, or that the rules, regulations, practices or contracts affecting such rates or charges are unjust, unreasonable, unjustly discriminatory or unduly preferential, or in any wise in violation of the provisions of the law, or that such rates or charges are insufficient to yield a reasonable compensation for the service rendered, the commission shall determine the just, reasonable, or sufficient rates, charges, regulations, practices or contracts to be thereafter observed and in force, and shall fix the same by order.

Additional parts of Chapters 80.01, 80.04, and 80.28 RCW and Chapters 480-09, 480-80, and 480-90 WAC apply generally.

IV. Terms of the Settlement Agreement.

17 The Settlement Stipulation now before us is the third agreement developed through the collaborative process that the Commission approved in its Ninth Supplemental Order in this proceeding. That process began in late March of 2002. The current Settlement Stipulation is proposed to resolve all remaining issues in the combined electric and natural gas general rate case.

18 We acknowledge that the collaborative process which resulted in the settlement of all issues in this rate case is a significant accomplishment that required an extraordinary effort by the parties, their representatives, and Administrative Law Judge C. Robert Wallis, who served as mediator to facilitate the collaborative process.

19 By this Settlement Stipulation, the Participating Parties request that the Commission approve an overall 5.77 per cent increase in natural gas rates and an additional \$4 million reduction to the revenue requirement agreed to in the Electric and Common Settlement, to reduce the natural gas revenue requirement to \$35,584,003. This reduction is the result of a revised allocation of costs common to PSE's electric and natural gas operations, as well as the following specific adjustments:

- An adjustment reducing net operating income by \$6,622,815 to \$64,008,513.
- An adjusted rate base of \$974,041,859.
- An overall rate of return of 8.76% (as determined in the Ninth Supplemental Order).
- Depreciation and amortization (except as indicated below) rates in accord with Exhibit No. 527 entered into the record during the hearing on the Electric and Common Settlement.
- Depreciation expense for rentals to continue at an annual rate of not less than \$8,284,422 until September 1, 2005.
- Amortization of rate case expenses of \$600,922 annually.
- Amortization of conservation assets of \$701,347 annually.

20 The Parties further agreed on a revised natural gas rate spread, based on cost of service methods approved by the Commission in UG-940814, that continues the effort to bring all customer classes to the point of paying their respective cost of service. The parties advocate a rate design that generally adheres to the current rate design but that implements increases in some monthly customer charges and institutes new monthly customer charges for some rate classes, so that now all rate classes have monthly customer charges.

21 The Settlement Stipulation includes detailed provisions outlining the agreement of the parties. In addition, we find adequate supporting evidence pertaining to the various parts of the Settlement Stipulation as follows:

- Natural Gas Revenue Requirements, Including Common Cost Allocation, and Line Extensions, Exhibit A to Gas Settlement Stipulation: Exhibits 603T and 604 (Karzmar, Parvinen, Lott)
- Natural Gas Rate Spread and Rate Design, Exhibit B to the Gas Settlement Stipulation, Exhibit 605T (Amen, Lott, Lazar, Schoenbeck)

22 We incorporate the Settlement Stipulation by reference, and include it as an Appendix to this Order. We intend that the Settlement Stipulation should speak for itself.

23 ***Commission Decision:*** We find that the Settlement Stipulation strikes an appropriate balance among the broad range of interests and issues represented in this proceeding. The parties provided testimony concerning the details of the proposed settlement and expressed the view that the proposed resolution of the issues addressed by the Settlement Stipulation are in the public interest. This testimony provides a record on the basis of which we find that the Settlement Stipulation results in rates that are fair, just, reasonable, and sufficient, and is, in all other respects, in the public interest. Accordingly, we approve the Settlement Stipulation and adopt it as the full and final resolution of the remaining issues pending in Docket Nos. UE-011570/ UG-011571.

V. Purchased Gas Adjustment

24 We considered PSE's Purchased Gas Adjustment (PGA) filing made on August 21, 2002 in Docket No. UG-021059 at the Commission's Open Meeting on August 28, 2002. The PGA reflects recent projections for lower costs of gas purchased for retail sale to PSE natural gas customers. The PGA would reduce the average customer's gas bills by 7.7 percent, based on a commodity rate reduction of \$0.28 per therm. The Commission approves the PGA⁶ for implementation on a less than statutory notice basis, pursuant to RCW 80.28.060, and orders that the PGA rates will be made effective on September 1, 2002, the same date that PSE's compliance rates following this Order should become effective.⁷ Thus the public will derive the benefit of a net decrease in gas bills for the next billing period.

FINDINGS OF FACT

25 Having discussed above all matters material to our decision, and having stated general findings, the Commission now makes the following summary findings of fact.

⁶ At the Open Meeting on August 28, 2002, we adopted the PGA rates reflected in Appendix B to this Order.

⁷ We assume, of course, that PSE will promptly file tariff sheets that fully comply with the terms of this order, providing the Commission an adequate opportunity to review and approve the compliance filing so that the tariff sheets may become effective on September 1, 2002.

Those portions of the preceding discussion that include findings pertaining to the Commission's ultimate decisions are incorporated by this reference.

- 26 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington, vested by statute with authority to regulate rates, rules, regulations, practices, and accounts of public service companies, including natural gas companies.
- 27 (2) Puget Sound Energy, Inc., is a "public service company" and a "gas company" as those terms are defined in RCW 80.04.010, and as those terms otherwise may be used in Title 80 RCW. Puget Sound Energy, Inc., is engaged in Washington State in the business of supplying utility services and commodities to the public for compensation.
- 28 (3) Puget Sound Energy, Inc., filed on November 26, 2001, certain tariff revisions that were suspended by Commission Orders entered in Docket Nos. UE-011570 and UG-011571 on December 12, 2001. The general rates proposed by Puget Sound Energy, Inc.'s as-filed tariff revisions are the principal subject matter of the Commission's inquiry in these proceedings. We find that the rates proposed by tariff revisions filed by Puget Sound Energy, Inc., on November 26, 2001, and suspended by prior Commission order, are not fair, just or reasonable.
- 29 (4) Puget Sound Energy, Inc., on behalf of itself and other parties to this proceeding, filed a proposed Settlement Stipulation on August 16, 2002 by which the parties propose to resolve the remaining issues in Docket Nos. UE-011570/UG-011571.
- 30 (5) On August 21, 2002, Puget Sound Energy, Inc., filed a Purchased Gas Adjustment by which it proposed to reduce its gas rates by \$0.28 per therm. The Commission approved the Purchased Gas Adjustment filing as shown in Appendix B to this Order at its Open Meeting on August 28, 2002, and stated that if the Commission approved the then-pending Settlement Stipulation in Docket Nos. UE-011570/UG-011571, then the Commission would adjust the implementation date for the PGA to September 1, 2002, a date anticipated to coincide with the effective date for compliance rates following Commission approval of the Settlement Stipulation.

- 31 (6) The existing rates for natural gas service provided in Washington State by Puget Sound Energy, Inc., are insufficient to yield reasonable compensation for the service rendered. Puget Sound Energy, Inc., requires prospective relief with respect to the rates it charges for natural gas service provided in Washington State.
- 32 (7) The rates, terms, and conditions of service that result from adoption of the Settlement Stipulation that is attached to this Order as Appendix A and incorporated into the body of this Order as if set forth in full, are fair, just, reasonable, and sufficient.
- 33 (8) The rates, terms, and conditions of service that result from adoption of the Settlement Stipulation, are neither unduly preferential nor discriminatory.
- 34 (9) The Settlement Stipulation, considered as a whole, is in the public interest.

CONCLUSIONS OF LAW

- 35 Having discussed above in detail all matters material to our decision, and having stated general findings and conclusions, the Commission now makes the following summary conclusions of law. Those portions of the preceding detailed discussion that state conclusions pertaining to the Commission's ultimate decisions are incorporated by this reference.
- 36 (1) The Washington Utilities and Transportation Commission has jurisdiction over the subject matter of, and parties to, this proceedings. *Title 80 RCW.*
- 37 (2) The rates proposed by tariff revisions filed by Puget Sound Energy, Inc., on November 26, 2001, and suspended by prior Commission order, are not fair, just or reasonable and should be rejected. *RCW 80.28.010.*
- 38 (3) The existing rates for natural gas service provided in Washington State by Puget Sound Energy, Inc., are insufficient to yield reasonable compensation for the service rendered. *RCW 80.28.010; RCW 80.28.020.*

- 39 (4) Puget Sound Energy, Inc., requires relief with respect to the rates it charges for natural gas service provided in Washington State. *RCW 80.01.040; RCW 80.28.060.*
- 40 (5) The Commission must determine the fair, just, reasonable, and sufficient rates to be observed and in force under Puget Sound Energy, Inc.'s, tariffs that govern its rates, terms, and conditions of service for providing natural gas to customers in Washington State. *RCW 80.28.020.*
- 41 (6) The Settlement Stipulation filed by the parties on August 16, 2002, which is attached to this Order as Appendix A and incorporated by reference as if set forth in full in the body of this Order, considered as a whole, is in the public interest. The Settlement Stipulation should be approved and adopted by the Commission as a reasonable resolution of the issues presented by its terms. *WAC 480-09-465; WAC 480-090-466.*
- 42 (7) The Purchased Gas Adjustment approved by the Commission in Docket No. UG-021059 on August 28, 2002, and as contained in Appendix B to this Order is a reasonable adjustment to customer's gas rates, reflecting recent projections of lower costs of gas purchased for retail sale, and should be allowed to become effective, with less than statutory notice, on September 1, 2002, to expedite the incorporation of these lower costs into customers' bills. *RCW 80.28.020; RCW 80.28.060.*
- 43 (8) The rates, terms, and conditions of service that result from this Order are fair, just, reasonable, and sufficient. *RCW 80.28.010; RCW 80.28.020.*
- 44 (9) The rates, terms, and conditions of service that result from this Order are neither unduly preferential nor discriminatory. *RCW 80.28.020.*
- 45 (10) The Commission's prior orders in this proceeding, and in any related proceedings discussed in the body of this Order, should be amended to the extent necessary, or rescinded to the extent required, to effectuate the provisions of this Order. *RCW 80.04.210; WAC 480-09-815.*

- 46 (11) The Commission Secretary should be authorized to accept by letter, with
copies to all parties to this proceeding, a filing that complies with the
requirements of this Order. *WAC 480-09-340.*
- 47 (12) The Commission should retain jurisdiction over the subject matters and the
parties to this proceeding to effectuate the terms of this Order. *Title 80
RCW.*

ORDER

- 48 (1) THE COMMISSION ORDERS That the proposed tariff revisions filed by
Puget Sound Energy, Inc., on November 26, 2001, and suspended by prior
Commission order, are rejected.
- 49 (2) THE COMMISSION ORDERS FURTHER That the Settlement Stipulation
filed by the parties on August 16, 2002, which is attached to this Order as
Appendix A and incorporated by reference as if set forth in full in the body of
this Order, is approved and adopted as a full and final resolution of the
remaining issues in this general rate proceeding.
- 50 (3) THE COMMISSION ORDERS FURTHER That Puget Sound Energy, Inc., is
authorized to implement the Purchased Gas Adjustment approved by the
Commission at its Open Meeting on August 28, 2002, as contained in
Appendix B to this Order, effective September 1, 2002, on less than statutory
notice.
- 51 (4) THE COMMISSION ORDERS FURTHER That Puget Sound Energy, Inc., is
authorized and required to file tariff sheets following the effective date of this
Order that are necessary and sufficient to effectuate its terms. The required
tariff sheets shall bear an effective date of September 1, 2002.
- 52 (5) THE COMMISSION ORDERS FURTHER That the Commission Secretary is
authorized to accept by letter, with copies to all parties to this proceeding, a
filing that complies with the requirements of this Order.

53

(6) THE COMMISSION ORDERS FURTHER That it retains jurisdiction over the subject matter and the parties to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective this 28th day of August 2002.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner

NOTICE TO PARTIES: This is a final order of the Commission with respect to certain issues resolved. In addition to judicial review, administrative relief may be available through a petition for reconsideration, filed within 10 days of the service of this order pursuant to RCW 34.05.470 and WAC 480-09-810, or a petition for rehearing pursuant to RCW 80.04.200 or RCW 81.04.200 and WAC 480-09-820(1).

APPENDIX A

SETTLEMENT STIPULATION

APPENDIX B

**PURCHASED GAS ADJUSTMENT
APPROVED AT AUGUST 28, 2002 OPEN MEETING**