

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

**Docket No. UE-040640
Docket No. UG-040641
(consolidated)**

**PUGET SOUND ENERGY, INC.'S
MOTION TO REOPEN DOCKETS AND
AMEND ORDER**

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1 Pursuant to WAC 480-07-375(1)(b) and WAC 480-07-875, Puget Sound Energy, Inc. ("PSE" or the "Company") hereby requests that the Washington Utilities and Transportation Commission (the "Commission") reopen consolidated Docket Nos. UE-040640 and UG-040641 and amend its Order No. 6, Final Order (the "Order"), with regard to PSE's Catastrophic Storms Automatic Deferral Authority. PSE asks this Commission to amend the Order to make clear that the \$7 million cumulative annual cost threshold, which triggers automatic deferral of catastrophic storm costs, continues beyond December 31, 2007. PSE is serving this motion on all parties in the underlying proceeding.

BACKGROUND

2 On February 18, 2005, the Commission issued the Order, which resolved four consolidated dockets affecting PSE's, rates, terms, and conditions of gas and electric service provided to customers in Washington. In particular, Docket Nos. UG-040640 and UE-040641 were general rate proceedings concerning, respectively, the Company's gas

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and electric rates.

- 3 Paragraph 231 of the Order points out that PSE had blanket authority to defer costs resulting from a catastrophic storm. However, in the Order the Commission accepted a proposal by Commission Staff and PSE to replace the current definition of catastrophic storm with the Institute of Electrical and Electronic Engineers ("IEEE") standard 1366-2003, modified to shorten the duration of a sustained interruption from 5 minutes to 1 minute. Order at ¶ 232.
- 4 The Order also addressed the cumulative annual thresholds which would trigger automatic deferral of catastrophic storm costs. PSE proposed a cumulative threshold of \$3.5 million for the partial calendar year 2005, and \$5 million for each calendar year thereafter. Staff proposed that the Company defer costs exceeding \$5 million for the period March through December of 2005, and \$7 million for each year thereafter. Staff further proposed that this threshold amount would be subject to Commission review after December 2007. Order at ¶ 235.
- 5 The Commission adopted Staff's proposed thresholds, but the Order is silent on the issue of reviewing the threshold amount after December 2007, or the process for such review if it is required. Paragraph 241 of the Order states as follows:

We find that Staff's proposed thresholds are more reasonable than those proposed by PSE. Staff's thresholds represent a more appropriate balance of risks between the Company and its customers. We note in this regard that there is nothing to prevent PSE from seeking authority to defer costs incurred in connection with events in the future by filing a petition for an accounting order. We conclude that Staff's thresholds should be adopted for purposes of this proceeding.

- 6 Although the Commission does not expressly order a review of the \$7 million threshold

after December 2007, as was proposed by Staff, or state that the \$7 million deferral will no longer be in effect after December 2007, the Company desires to avoid any uncertainty as to its ability to continue deferring catastrophic storm costs as it moves into the winter months. Thus, in an abundance of caution, PSE requests the Commission amend the Order to make clear that the \$7 million cumulative annual cost threshold for catastrophic storm deferral will remain in effect until the entry of the final order in PSE's next general rate case. PSE will continue to follow the reporting requirements set forth in the Order. PSE will address the threshold amount for catastrophic storm deferral in its testimony in the upcoming general rate case.

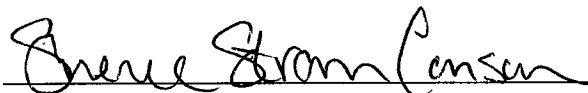
RELIEF REQUESTED

- 7 PSE requests the Commission reopen consolidated Docket Nos. UE-040640 and UG-040641 and amend Order No. 6 to extend PSE's \$7 million cumulative annual cost threshold for deferral of catastrophic storm costs through the final order entered by the Commission in PSE's next general rate case. PSE will continue to follow the reporting requirements set forth in the Order.
- 8 PSE requests that the Commission amend the Order no later than December 15, 2007.

DATED this 1 day of November, 2007.

Respectfully submitted

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CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing by mail, properly addressed with first class postage prepaid in accordance with WAC 480-07-150(6)(b).

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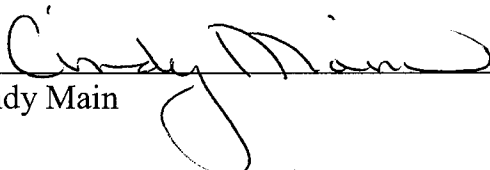
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Dated at Bellevue, Washington, this 1st day of November, 2007.


Cindy Main