

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	DOCKETS UG-040640 and
TRANSPORTATION COMMISSION,)	UE-040641 (consolidated)
)	
Complainant,)	
v.)	
)	
PUGET SOUND ENERGY, INC.,)	
)	
Respondent.)	
.....)	
)	
In the Matter of the Petition of)	DOCKET UE-031471
PUGET SOUND ENERGY, INC.,)	(consolidated)
)	
For an Order Regarding the Accounting)	
Treatment For Certain Costs of the)	
Company's Power Cost Only Rate Filing)	
.....)	
)	
In the Matter of the Petition of)	DOCKET UE-032043
PUGET SOUND ENERGY, INC.,)	(consolidated)
)	
For an Accounting Order Authorizing)	ORDER 08: REOPENING DOCKET
Deferral and Recovery of Investment)	AND CLARIFYING ORDER 06
and Costs Related to the White River)	(FINAL ORDER)
Hydroelectric Project)	
.....)	

MEMORANDUM

1 **PROCEEDINGS:** The Washington Utilities and Transportation Commission (Commission) entered Order 06, its Final Order in these consolidated dockets, on February 18, 2005. On November 2, 2007, Puget Sound Energy, Inc. (“PSE” or “the Company”) filed its Motion To Reopen Dockets and Amend Order. PSE asks the Commission to clarify that the \$7 million cumulative annual cost threshold that triggers automatic deferral of catastrophic storm costs continues after December 31, 2007.

- 2 **MOTION AND ANSWERS:** Paragraph 231 of Order 06 points out that PSE has blanket authority to defer costs resulting from a catastrophic storm. The Order also addresses the cumulative annual thresholds that 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 subsequent calendar year. Staff proposed that the Company defer costs exceeding \$5 million for the period March through December of 2005, and \$7 million for each subsequent year. Staff further proposed that this threshold amount should be subject to Commission review after December 2007.¹
- 3 The Commission adopted Staff's proposed thresholds, but Order 06 is silent on the issue of reviewing the threshold amount after December 2007, or the process for such review, if it is required. Although the Commission does not expressly order a review of the \$7 million threshold after December 2007, as Staff proposed, or state that the \$7 million deferral will no longer be in effect after December 2007, the Company wants to avoid any uncertainty concerning its ability to continue deferring catastrophic storm costs as it moves into the winter months.
- 4 Thus, PSE requests that the Commission amend Order 06 to make clear that the \$7 million cumulative annual cost threshold for catastrophic storm deferral will remain in effect until the entry of a final order in PSE's next general rate case. PSE will continue to follow the reporting requirements set forth Order 06. PSE will address the threshold amount for catastrophic storm deferral in its testimony in its general rate case, now filed in Dockets UE-072300, UG-072301.
- 5 On November 6, 2007, Commission Staff filed an answer to PSE's motion. Staff does not object to the Company's request. Staff also waives any opportunity for hearing that may be required by RCW 80.04.210 regarding amendment of a Commission order.
- 6 On November 8, 2007, the Commission gave notice that it would accept responses to PSE's motion until November 14, 2007. All parties in the consolidated dockets were served. No responses were filed.
- 7 Order 06 in these dockets, as discussed above, does not impose any specific requirement for review of the threshold after December 31, 2007. Thus, it is left to

¹ Order 06 at ¶ 235.

the parties to propose any such review and suggest the means by which it is to be conducted. PSE proposes any review be part of its next general rate proceeding. That is acceptable to the Commission, but we will not preclude undertaking review in a separate docket if the question is raised in the meantime by appropriate pleadings.

- 8 Order 06 does not include a sunset date for the currently effective \$7 million threshold that triggers automatic deferral of catastrophic storm costs. Absent that, or some subsequent action on this issue by the Commission, the mechanism should continue to operate with the \$7 million threshold amount.

ORDER

THE COMMISSION ORDERS THAT:

- 9 (1) These consolidated dockets are reopened to the extent necessary to clarify that Order 06 in this proceeding does not require any specific process for review of the catastrophic storm cost deferral mechanism or the currently effective \$7 million threshold that triggers its operation. The currently effective \$7 million threshold will remain effective after December 31, 2007, subject to further action by the Commission in an appropriate proceeding.
- 10 (2) The Commission retains jurisdiction to effectuate the terms of this Order.

DATED at Olympia, Washington, and effective December 6, 2007.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner