



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
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March 11, 2016

NOTICE OF HEARING
(Set for Thursday, March 17, 2016, at 9:30 a.m.)

RE: *In the Matter of the Petition of Puget Sound Energy and NW Energy Coalition For an Order Authorizing PSE to Implement Electric and Natural Gas Decoupling Mechanisms and to Record Accounting Entries Associated with the Mechanisms, Dockets UE-121697 and UG-121705 (Consolidated)*

Washington Utilities and Transportation Commission v. Puget Sound Energy, Dockets UE-130137 and UG-130138 (Consolidated)

TO ALL PARTIES:

In Order 07 in these dockets, the Washington Utilities and Transportation Commission (Commission) authorized, for Puget Sound Energy (PSE), a multi-year rate plan with an annual escalation factor, also referred to as the K-factor. The Commission also “approve[d] the NWEC/PSE Amended Decoupling Petition and allow[ed] the proposed electric and natural gas decoupling mechanisms to become effective as filed.”¹ The Amended Decoupling Mechanisms included a rate case stay out period providing that:

The mechanism will remain in place, at a minimum, until the effective date of new rates set in PSE’s next general rate case. PSE will file a general rate case no sooner than April 1, 2015, and no later than April 1, 2016, unless otherwise agreed to by the parties to PSE’s last general rate case.”²

On March 9, 2016, PSE, Commission Regulatory Staff (Staff), the Public Counsel Unit of the Office of Attorney General (Public Counsel), Industrial Customers of Northwest Utilities, Northwest Industrial Gas Users, The Energy Project, NW Energy Coalition (NWEC), Federal Executive Agencies and the Sierra Club (collectively Joint Petitioners), filed their “Joint Petition

¹ Order 07 ¶ 136.

² Order 07 ¶ 9, fn. 9 (citing Amended Decoupling Petition ¶ 20).

to Modify Order 07” by extending the date by which PSE must file a general rate case until no later than January 17, 2017. The remaining parties in these dockets, Nucor Steel, Kroger, and Cost Management Services do not oppose the relief requested, according to the Joint Petition.³

The Joint Petition states the relief requested is in the public interest for several reasons, including that:

- PSE is continuing to work towards developing a plan to address the future of Colstrip Units 1 and 2 and the additional nine months will provide time for PSE to work with stakeholders and prepare a proposal to include in its 2017 general rate case filing to address the future of these coal fired generation plants.
- A filing in January 2017 will alleviate some of the workload pressures Staff, Public Counsel, and other intervenors face considering the several other rate cases and other significant filings that are currently pending with the Commission.

Accomplishment of these purposes may be in the public interest. However, the Commission seeks clarity about certain statements contained in the petition.

Among other things, we observe that while paragraph 8 subsection d of the Joint Petition states that “[t]he Joint Petitioners agree that there will be no extension of the rate plan beyond what the Commission has previously authorized.” This assertion appears to be at odds with the facts that rates under the “previously authorized” rate plan would be effective through early 2016 at the latest (*i.e.*, during the pendency of the general rate case proceeding PSE is required under Order 07 to file no later than April 1, 2016), but the Joint Petition explains that “the filings in this docket include monthly allowed revenue per customer values through December 2017.” It appears that this continuation of the rate plan through 2017 will include further escalation of rates as discussed in paragraph 8, subsection d, and as set out in Attachment A to the Joint Petition. It is unclear from the face of the Joint Petition and Attachment A how the values in these updated Revenue Per Customer tables for gas and electric rates were determined. Nor is there any explanation of what rationale supports the Joint Petitioners proposal to increase rates each month during 2017.

The Commission seeks clarity on these provisions, and concludes it is necessary to conduct a hearing at an early date to allow an opportunity for colloquy between the Commissioner and the parties prior to the Commission acting on the Joint Petition.

³ Joint Petition ¶ 2.

THE COMMISSION GIVES NOTICE That it will conduct a hearing on the parties' Joint Petition To Modify Order 07 on Thursday, March 17, 2016, beginning at 9:30 a.m. in the Commission's hearing room, Room 206, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.

DENNIS J. MOSS
Administrative Law Judge