

Agenda Date: May 28, 2009
Item Number: A3

Docket: UG-090706
Company Name: Puget Sound Energy

Staff: Michael Foisy, Regulatory Analyst
Mike Parvinen, Assistant Director, Energy

Recommendation

Enter an order granting an exemption from notice requirements and allowing the substituted tariff revision to become effective June 1, 2009, on less than statutory notice.

Discussion

On May 8, 2009, Puget Sound Energy (PSE) filed a revision with the Utilities and Transportation Commission (commission) to its tariff schedule 106 that would decrease rates for residential and commercial customers. The proposed decrease reflects the effect of lower wholesale natural gas prices. The company subsequently filed a substitute tariff page, on May 20, 2009, after consultation with staff. The initial tariff filing proposed a four month amortization beginning June 1 and the revised tariff page proposes an annual amortization to more closely meet the typical deferral amortization process implemented by the commission.

Wholesale natural gas prices have continued to decline since PSE's most recent Purchased Gas Adjustment (PGA) was allowed to become effective in October 2008. Consequently, the deferred credit balance that is refundable to PSE's customers has grown to approximately \$21 million as of the end of March 2009. The company's filing proposes to adjust the amortization rates reflected in its tariff to allow a refund not contemplated under the prior PGA filing. The company's revised proposal would result in a monthly bill reduction of \$1.62 for an average residential customer using 68 therms per month.

Although the company filed the tariff with an effective date of June 8, 2009, consistent with commission rules, the company requests the commission allow the proposed tariff revision take effect June 1, 2009. Staff will review the prudence of the deferred gas costs in the company's next annual PGA filing.

PSE believes the commission should allow the tariff to become effective earlier than its filed effective date because it is important, given the present state of the economy and higher winter usage, that the requested reduction be passed on to its customers as soon as feasible.

RCW 80.28.060 and WAC 480-80-121 require thirty days' notice to the commission prior to the effective date of the tariff. The company requests the commission waive the statutory notice.

Conclusion

Staff has reviewed PSE's proposed revised deferral amortization calculation and finds it reasonable. Staff believes PSE has demonstrated good cause for its request for less than statutory notice and recommends the commission enter an order granting an exemption from notice requirements allowing the proposed tariff revision to become effective June 1, 2009, on less than statutory notice.