

[Service Date October 8, 2010]

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

WASHINGTON UTILITIES AND)	DOCKETS UE-011570, UG-011571,
TRANSPORTATION COMMISSION,)	and UE-100177
)	
Complainant,)	ORDER 06
v.)	
)	ORDER GRANTING REQUEST FOR
PUGET SOUND ENERGY, INC.,)	CLARIFICATION
)	
Respondent.)	
.....)	

1 **PROCEDURAL HISTORY.** Docket UE-100177 involves the ten-year achievable conservation potential and biennial conservation target report (Report) originally filed by Puget Sound Energy, Inc. (PSE) with the Washington Utilities and Transportation Commission (Commission) on January 29, 2010, and re-filed on June 18, 2010 (Revised Report). On September 3, 2010, the Commission’s regulatory staff¹ (Commission Staff or Staff), the Public Counsel Section of the Washington Office of the Attorney General (Public Counsel), NW Energy Coalition (NVEC), PSE, and Industrial Customers of Northwest Utilities (ICNU) filed an all-party settlement agreement (EIA Settlement). The EIA Settlement recommended that the Commission approve PSE’s Revised Report, subject to conditions, including the modification of the Twelfth Supplemental Order in Dockets UE-011570 and UG-011571.

¹ In formal proceedings, such as this, the Commission’s regulatory staff participates like any other party, while the Commissioners make the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners’ policy and accounting advisors do not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. *See RCW 34.05.455.*

2 On September 17, 2010, the parties filed a Joint Motion to Modify the Twelfth Supplemental Order in consolidated Dockets UE-011570 and UG-011571. On September 28, 2010, the Commission entered Order 05, *Final Order Consolidating Dockets for Limited Purpose; Approving and Adopting Settlement Agreement; Approving PSE'S Revised Report Identifying its Ten-Year Conservation Potential and Biennial Target, Subject to Conditions; and Granting Joint Motion to Modify Twelfth Supplemental Order in Dockets UE-011570 and UG-011571*. On October 5, 2010, the Commission Staff filed a Request for Correction and Modification of Order 05 (Staff's Request).²

3 **REQUEST FOR CORRECTION AND CLARIFICATION.** Commission Staff requests one correction and three individual clarifications to Order 05. Staff states that Paragraphs 19, 39, and 44 of the Order inadvertently reference the proposed language to modify the Twelfth Supplemental Order as set forth in "Paragraph 14" when the modification is actually contained in "Paragraph 13" of Order 05.³

4 Commission Staff also requests modification of Paragraph 24 to include the numerical values of PSE's Ten-Year Achievable Conservation Potential and Biennial Conservation Targets as specified in PSE's Revised Report.⁴ Staff asserts that having the order specifically state the numerical values will help when the Commission determines whether the biennial conservation targets have been met in 2012.⁵ Staff proposes adding the following underlined language to Paragraph 24:

On June 18, 2010, PSE re-filed its Report (Revised Report), identifying a ten-year achievable conservation potential of 3,748,773 megawatt-hours at the customer meter level, and a 2010-2011 biennial conservation target of 622,000 megawatt-hours at the customer meter level.⁶

² Pursuant to WAC 480-07-835(3), it is within the Commission's discretion whether to allow the parties to respond to Staff's request for clarification since Staff is not seeking to alter the outcome of the Commission's rulings.

³ Staff's Request, at 1.

⁴ *Id.*

⁵ *Id.*

⁶ *Id.* at 2.

- 5 Staff also asks that the Commission clarify, in Paragraph 27, the avoided cost calculation methodology being replaced relates to electric conservation.⁷ Staff suggests the following modifications to Paragraph 27, as indicated below:

The EIA Settlement would replace the electric avoided cost calculation methodology and eliminate the electric penalty mechanism established in the conservation settlement agreement (Conservation Settlement) in Dockets UE-011570 and UG-011571. With respect to electric conservation, the The EIA Settlement would also delete certain portions of the Conservation Settlement as obsolete.⁸

- 6 Finally, Commission Staff proposes that the Commission modify the language in Paragraph 42 to make it consistent with the language in similar orders addressing other utilities' ten-year achievable conservation potential and biennial conservation targets.⁹ Staff proposes the following clarification:

Puget Sound Energy, Inc.'s (PSE's) ~~Report Identifying PSE's Ten-Year Achievable Conservation Potential and Biennial Conservation Target, as identified in PSE's Revised Report~~ filed on June 18, 2010, is approved subject to the conditions in the EIA Settlement.

- 7 **DISCUSSION AND DECISION.** Staff's request for the corrections to Paragraphs 19, 39, and 44 is granted. WAC 480-07-875(2) allows the Commission to correct "obvious or ministerial errors." The reference in each of these paragraphs was inadvertently and incorrectly listed as "Paragraph 14" when the reference clearly should have been to "Paragraph 13."

⁷ *Id.*

⁸ *Id.*

⁹ *Id.* citing to *In re Pacific Power & Light Co.*, Docket UE-100170, Order 02 (July 29, 2010) and *In re Avista Corp.*, Docket UE-100176, Order 01 (May 13, 2010).

8 Staff's request for clarification of Paragraph 24 of the Order is also granted. Pursuant to WAC 480-07-835(1), any party may request clarification of a final order "so that compliance may be enhanced, so that any compliance filing may be accurately prepared and presented." Paragraph 24, while not incorrect, does not include the numerical values of both PSE's ten-year conservation potential and the company's biennial target. The EIA Settlement references PSE's ten-year achievable conservation potential and biennial conservation target as listed in the company's Revised Report, and the Revised Report contains the applicable values. Staff's proposal to include these figures in the Order will enhance compliance and provide greater clarity in the upcoming 2012 review. Accordingly, we adopt Staff's proposed language for this paragraph.

9 We also grant Staff's request for clarification of Paragraph 27. The Twelfth Supplemental Order in consolidated Dockets UE-011570 and UG-011571 addresses both electric and natural gas issues. Order 05 thus could be read to modify both the electric *and* natural gas conservation avoided cost calculation methodologies. That would not be consistent with either the EIA Settlement or our intent. Having reviewed the language of Paragraph 27 further, we find that the addition of "conservation" to the first sentence of Staff's suggested language will more accurately reflect the Conservation Stipulation. Thus, the revised paragraph should read as follows:

The EIA Settlement would replace the electric conservation avoided cost calculation methodology and eliminate the electric penalty mechanism established in the conservation settlement agreement (Conservation Settlement) in Dockets UE-011570 and UG-011571. With respect to electric conservation, the ~~The~~ EIA Settlement would also delete certain portions of the Conservation Settlement as obsolete.

10 Finally, we also grant Staff's request to revise Paragraph 42. WAC 480-109-010(4)(c) authorizes the Commission to "approve, approve with conditions, or reject the utility's ten-year achievable conservation potential and biennial conservation target." Paragraph 42 approves with conditions PSE's Revised Report which *contains* its potential and target, but without more, this statement may produce confusion. Thus, we grant Staff's proposal and adopt its suggested language.

Dated at Olympia, Washington, and effective October 8, 2010.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner