

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

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

Docket UE-141368

JOINT MOTION TO AMEND  
ORDER 03 AND SETTLEMENT  
AGREEMENT

**I. RELIEF REQUESTED**

1 Pursuant to RCW 80.04.210, WAC 480-07-375, and WAC 480-07-875, Puget Sound Energy (“PSE”), the regulatory staff (“Staff”) of the Washington Utilities and Transportation Commission (“Commission”), the Public Counsel Unit of the Washington Office of the Attorney General (“Public Counsel”), and The Energy Project, move for an order amending Order 03 in Docket UE-141368 and the Settlement Agreement, Appendix A to Order 03, in order to remove the proposal for a three-tiered block rate structure for residential service.

**II. STATEMENT OF FACTS**

2 PSE, Staff, Public Counsel, and The Energy Project (collectively the “Moving Parties”), along with The Industrial Customers of Northwest Utilities (“ICNU”), the Federal Executive Agencies (“FEA”), Wal-Mart Stores, Inc. (“Wal-Mart”), and The Kroger Company (“Kroger”) (collectively the “Non-Moving Parties”), entered into a Settlement Stipulation dated October 26, 2014 (“Settlement Agreement”), to resolve electric rate design issues in Docket UE-141368.

The Moving Parties and the Non-Moving Parties were collectively the parties (“Parties”) to the Settlement Agreement.

3 As part of the Settlement Agreement, the Parties agreed that PSE would propose a three-tiered block rate structure for residential service, as outlined on page 6 of the Settlement Agreement.<sup>1</sup> The Settlement Agreement obligated PSE to propose rates for this three-tiered block rate structure in its next general rate case.

4 The Commission, in Order 03, approved and adopted the Settlement Agreement, specifically stating that the “actual rate for the third tier is not specified in the Settlement. PSE will propose a specific inverted rate for the third tier in its direct testimony in its next rate case.”<sup>2</sup>

5 PSE proposed such rates in its 2017 general rate case filing. The Moving Parties conferred on June 9, 2017, and agreed that mandating adoption of the three-tiered block rate structure at this time does not achieve the parties’ intended goals and the proposed rate does not send the anticipated price signals to customers. The Moving Parties support amendment of the Settlement Agreement and the Commission Order to remove the requirement for a three-tiered block rate structure proposal. The Moving Parties agree that any party remains free to propose any rate design the party wishes. The Moving Parties agreed to bring this joint motion asking the Commission to amend Order 03 and the Settlement Agreement to remove the proposal for a three-tiered block rate structure for residential service.

6 The Non-Moving Parties were notified of the intent to ask the Commission to modify Order 03 and the Settlement Agreement, and the Non-Moving Parties stated that they do not oppose the Motion, provided that the amendment to the Settlement Agreement and Order 03 is

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<sup>1</sup> Appendix A, Order 03, Docket UE-141368.

<sup>2</sup> Order 03, ¶ 14, Docket UE-141368.

limited to the residential rate design only. The three-tiered block rate structure only impacts residential customers, and the Non-Moving Parties' interests lie with non-residential customers.

### III. REQUESTED MODIFICATION

7 The Moving Parties respectfully request that the Commission modify the Settlement Agreement and Order 03 by making the following changes:

8 (1) Delete paragraph 14 of Order 03 as follows:

*~~H. Rate spread and rate design.~~*

~~The Settling Parties propose the creation of a third rate tier for PSE's residential customer class. The third tier would apply to customers using 1801 kilowatt hours (kWh) and above per month. Based on Staff's analysis, approximately 90 percent of residential customers and approximately 87 percent of low-income customers would be unaffected by the creation of a third block starting at 1801 kWh. The Energy Project agrees, stating that the start of the third tier is high enough to exclude a sufficient number of low-income customers. The actual rate for the third tier is not specified in the Settlement. PSE will propose a specific inverted rate for the third tier in its direct testimony in its next rate case.~~

9 (2) Delete paragraph 15 of the Settlement Agreement as follows:

**B. Rate Spread/Design**

~~The Settling Parties agree to a three-tiered block rate structure for residential service, outlined below. PSE will file a proposal for a tiered block structure consistent with the following in its initial filing in its next general rate case:~~

~~1) The Settling Parties agree to the creation of a third block using an inverted rate structure described below:~~

Blocks (in kWh)
<del>0-800</del>
<del>801-1800</del>
<del>1801+</del>

### IV. AUTHORITY

10 Under RCW 80.04.210 and WAC 480-07-875, the Commission may at any time amend any of its orders once notice has been provided to the public service company and to all parties in

the underlying proceeding. Here, all parties to the Settlement Agreement have been notified of this Motion and either join the Motion, in the case of the Moving Parties, or do not oppose the Motion, in the case of the Non-Moving Parties.

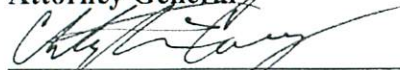
## V. CONCLUSION

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The Moving Parties request that the Commission amend Order 03 and the Settlement Agreement as described above, to eliminate the proposal for a three-tiered block rate structure. A proposed order is provided as Attachment A to this Motion.

Respectfully submitted this 29<sup>th</sup> day of June 2017.

**ROBERT W. FERGUSON**  
**Attorney General**



Christopher Casey, WSBA No. 46733  
Assistant Attorney General  
Counsel for Commission Staff  
Office of the Attorney General  
Utilities and Transportation  
Commission Division  
1400 S. Evergreen Park Dr. SW  
P.O. Box 40128  
Olympia, WA 98504-0128  
Telephone: (360) 664-1189  
Email: ccasey@utc.wa.gov

**PUGET SOUND ENERGY**



Sheree S. Carson, WSBA No. 25349  
Donna L. Barnett, WSBA No. 36794  
The PSE Building  
10885 N.E. Fourth Street, Suite 700  
Bellevue, WA 98004-5579  
Telephone: (425) 635-1400  
Facsimile: (425) 635-2400  
Email: SCarson@perkinscoie.com  
Email: DBarnett@perkinscoie.com

Attorneys for Puget Sound Energy

**ROBERT W. FERGUSON**  
**Attorney General**

Lisa Gafken, WSBA No. 31549  
Assistant Attorney General  
Public Counsel Unit Chief  
800 Fifth Avenue, Suite 2000  
Seattle, WA 98104  
Email: lisa.gafken@atg.wa.gov

**THE ENERGY PROJECT**

Simon ffitch, WSBA No. 25977  
321 High School Rd. NE, Suite D3  
Box No. 383  
Bainbridge Island, WA 98110  
Telephone: (206) 669-8197  
Email: simon@ffitchlaw.com

Attorney for The Energy Project

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## V. CONCLUSION

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The Moving Parties request that the Commission amend Order 03 and the Settlement Agreement as described above, to eliminate the proposal for a three-tiered block rate structure. A proposed order is provided as Attachment A to this Motion.

Respectfully submitted this 27th day of June 2017.

**ROBERT W. FERGUSON**  
Attorney General

**PUGET SOUND ENERGY**

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Christopher Casey, WSBA No. 46733  
Assistant Attorney General  
Counsel for Commission Staff  
Office of the Attorney General  
Utilities and Transportation  
Commission Division  
1400 S. Evergreen Park Dr. SW  
P.O. Box 40128  
Olympia, WA 98504-0128  
Telephone: (360) 664-1189  
Email: ccasey@utc.wa.gov

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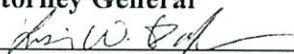
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The PSE Building  
10885 N.E. Fourth Street, Suite 700  
Bellevue, WA 98004-5579  
Telephone: (425) 635-1400  
Facsimile: (425) 635-2400  
Email: SCarson@perkinscoie.com  
Email: DBarnett@perkinscoie.com

Attorneys for Puget Sound Energy

**ROBERT W. FERGUSON**  
Attorney General

**THE ENERGY PROJECT**

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Lisa Gafken, WSBA No. 31549  
Assistant Attorney General  
Public Counsel Unit Chief  
800 Fifth Avenue, Suite 2000  
Seattle, WA 98104  
Email: lisa.gafken@atg.wa.gov

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Simon ffitch, WSBA No. 25977  
321 High School Rd. NE, Suite D3  
Box No. 383  
Bainbridge Island, WA 98110  
Telephone: (206) 669-8197  
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## V. CONCLUSION

11 The Moving Parties request that the Commission amend Order 03 and the Settlement Agreement as described above, to eliminate the proposal for a three-tiered block rate structure. A proposed order is provided as Attachment A to this Motion.

Respectfully submitted this 29th day of June 2017.

**ROBERT W. FERGUSON**  
**Attorney General**

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Christopher Casey, WSBA No. 46733  
Assistant Attorney General  
Counsel for Commission Staff  
Office of the Attorney General  
Utilities and Transportation  
Commission Division  
1400 S. Evergreen Park Dr. SW  
P.O. Box 40128  
Olympia, WA 98504-0128  
Telephone: (360) 664-1189  
Email: ccasey@utc.wa.gov

**ROBERT W. FERGUSON**  
**Attorney General**

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Lisa Gafken, WSBA No. 31549  
Assistant Attorney General  
Public Counsel Unit Chief  
800 Fifth Avenue, Suite 2000  
Seattle, WA 98104  
Email: lisa.gafken@atg.wa.gov

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