

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND)	DOCKET UE-141505
TRANSPORTATION)	
COMMISSION,)	
)	
Complainant,)	ORDER 01
)	
v.)	
)	COMPLAINT AND ORDER
PUGET SOUND ENERGY, INC.,)	SUSPENDING TARIFF
)	REVISIONS AND INTERIM
Respondent.)	ORDER AUTHORIZING FILINGS
.....)	PURSUANT TO RCW 19.29A.090

BACKGROUND

- 1 On July 24, 2014, Puget Sound Energy, Inc. (PSE) filed with the Washington Utilities and Transportation Commission (Commission) a proposed tariff revision, Schedule 138, under its currently effective Tariff WN U-60, Electric Service, that would create a voluntary program for its nonresidential customers to purchase renewable energy credits (RECs) in large volumes. The proposed tariff schedule includes a banded rate of \$1 to \$12 per REC, and requires a minimum annual purchase of 10,000 RECs. On September 23, 2014, PSE filed substitute tariff pages that extended the effective date until October 17, 2014.
- 2 The proposed tariff revisions would provide eligible nonresidential PSE electric customers with the option to purchase RECs from renewable resources owned by PSE. In its initial filing, the Company proposes using a banded rate under RCW 80.28.075 and WAC 480-80-112(2), which would allow PSE and its customers to negotiate a mutually agreeable price for purchasing RECs based on fair market value.
- 3 Commission staff (Staff) reviewed the Company’s filing and has not yet determined whether it is appropriate to apply the banded rate provisions to the Company’s proposed tariff revisions, how those banded rate provisions would operate with the

specific provisions of RCW 19.29A.090,¹ or whether some other mechanism is more appropriate. Accordingly, Staff recommends suspending the filing to allow additional time to review options for the Company to sell its RECs.

4 In the interim, Staff believes the preferred approach is for the Company to file proposed rates, terms, and conditions for selling RECs to individual customers under the requirements set forth in RCW 19.29A.090(5).

5 At the October 16, 2014, open meeting, representatives from PSE and the Boeing Company orally agreed with Staff's recommendation. Those representatives also stated that they did not deem it necessary, at this time, to implement an expedited process by which the Executive Secretary would review and approve filings made under RCW 19.29A.090(5).

DISCUSSION

6 We agree with Staff that further analysis is necessary to determine whether the banded rate provisions of RCW 80.28.075 and WAC 480-80-112(2) should apply to the bulk sale of RECs to nonresidential customers, and therefore suspend the proposed tariff revisions.

7 However, the Company has made a persuasive case about the desirability of selling RECs in the near future. Accordingly, we agree that the Company may file proposed rates, terms, and conditions for the Commission's approval as allowed by RCW 19.29A.090(5), pending resolution of the issues raised by the Company's filing. The Company may designate information in those filings as confidential pursuant to WAC 480-07-160.²

FINDINGS AND CONCLUSIONS

8 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates,

¹ RCW 19.29A.090 describes with some specificity the process and requirements for utilities to sell so-called "green power," including the sale of RECs to utility customers.

² For purposes of this Order, and for the interim period, we deem the provisions of WAC 480-80-015, the special contract rule, inapplicable.

regulations, practices, accounts, securities, transfers of property, and affiliated interests of public service companies, including electric companies.

- 9 (2) PSE is an electric company and a public service company subject to Commission jurisdiction.
- 10 (3) This matter came before the Commission at its regularly scheduled meetings on September 24 and October 16, 2014.
- 11 (4) On July 24, 2014, PSE filed tariff revisions pursuant to banded rate provisions of RCW 80.28.075 and WAC 480-80-112(2). At this time, the Commission's initial review of the applicability of those provisions is inconclusive. Accordingly, the tariff revisions should be suspended to allow additional time for further analysis.
- 12 (5) Suspension of the tariff revisions does not preclude PSE from filing proposed rates, terms, and conditions for the sale of RECs to its non-residential customers for the Commission's approval under RCW 19.29A.090(5).
- 13 (6) Chairman Danner attended the October 16, 2014, open meeting telephonically, and agrees with the entry of this Order.

ORDER

THE COMMISSION ORDERS:

- 14 (1) The tariff revisions Puget Sound Energy, Inc., filed on July 24, 2014, are suspended, and any further action regarding those proposed revisions will be determined at a later date.
- 15 (2) Puget Sound Energy, Inc. may file proposed rates, terms, and conditions for the sale of RECs to its non-residential customers for the Commission's approval under RCW 19.29A.090(5), and may designate information within those filings as confidential pursuant to WAC 480-07-160.

DATED at Olympia, Washington, and effective October 16, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

PHILIP B. JONES, Commissioner

JEFFREY D. GOLTZ, Commissioner