#### Agenda Date: May 9, 2013

#### Item Number: A2

**Docket: UE-130617**

Company: Puget Sound Energy, Inc.

Staff: Christopher Mickelson, Regulatory Analyst

Alan Buckley, Regulatory Consultant

David Gomez, Assistant Power Supply Manager

David Nightingale, Senior Regulatory Engineer

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# **Recommendation**

Issue a complaint and order suspending the tariff revisions filed by Puget Sound Energy, Inc., and set the matter for hearing.

**Discussion**

On April 25, 2013, Puget Sound Energy, Inc., (PSE or company) filed with the Washington Utilities and Transportation Commission (commission) revisions to its currently effective Tariff WN U-60, as listed in the appendix attached to this Memo. The stated effective date of the revised tariff sheets is May 26, 2013.

This power cost only rate case (PCORC) filing is authorized by the Settlement Stipulation approved by the commission in Dockets UE-011570 and UG-011571. This filing is a proposal by PSE to adjust the power cost baseline rate that is currently embedded in the PSE’s electric rates established in the most recent general rate case. The company proposes using projected normalized power costs for the proposed rate year for this PCORC: the 12-month period beginning November 1, 2013.

PSE also filed a motion along with this PCORC filing, requesting that the commission issue a protective order with highly confidential provisions. The company has marked several pages “confidential” or “highly confidential”; some of the documents designated as “confidential” relate to a transaction that is currently pending will no longer require “confidential” treatment once the transaction is executed.

PSE is requesting an extension of time to file its general rate case following the completion of this PCORC; this extension would coincide with the “stay-out” period PSE has agreed to in the Multiparty Settlement Agreement currently pending before the commission in Dockets Nos. UE-121373, UE-121697, UG-121705, UE-130137, and UG-130138.

In addition, on April 23, 2013, PSE filed a Petition for an Order Authorizing Accounting Treatment Related to Payments for Major Maintenance Activities related to the Mint Farm generating station. The recovery of the amortized expense associated with this major maintenance event in the rate year in this proceeding, as discussed in more detail in the testimony in this docket.

With this filing, the company requests a decrease in electric rates of $616,833 or 0.03 percent. The average electric residential customer using 1,000 kWh would see a decrease of 0.03 percent, or $0.03 per month for the proposed base rate change.

Staff finds that the filing would adjust charges and rates for service provided by PSE. Because these adjustments may be insufficient, the rights and interests of the public may be adversely affected. Additional analysis is needed. Therefore, PSE has not demonstrated that the adjustments would result in rates that are fair, just and reasonable. Staff recommends that the commission suspend the tariff filing and set the matter for hearing to determine whether the proposed decreases are fair, just and reasonable.

**Conclusion**

Issue a complaint and order suspending the tariff revisions filed by Puget Sound Energy, Inc., and set the matter for hearing.

**Appendix**

WN U-60, Tariff G – (Electric Tariff):

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| 32nd Revision of Sheet No. 95 | Schedule 95 Power Cost Adjustment Clause |
| 7th Revision of Sheet No. 95-a | Power Cost Adjustment Clause (Continued) |
| 9th Revision of Sheet No. 95-b | Power Cost Adjustment Clause (Continued) |
| 8th Revision of Sheet No. 95-c | Power Cost Adjustment Clause (Continued) |
| Original Revision of Sheet No. 95-c.1 | Power Cost Adjustment Clause (Continued) |
| Original Revision of Sheet No. 95-c.2 | Power Cost Adjustment Clause (Continued) |
| 7th Revision of Sheet No. 95-d | Power Cost Adjustment Clause (Continued) |
| 7th Revision of Sheet No. 95-e | Power Cost Adjustment Clause (Continued) |