

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

WASHINGTON UTILITIES AND)	DOCKET UE-091703
TRANSPORTATION COMMISSION,)	
)	ORDER 02
Complainant,)	
)	
v.)	ORDER DISMISSING THE
)	COMPLAINT AND ORDER
PUGET SOUND ENERGY, INC.,)	SUSPENDING TARIFF
)	REVISIONS AND ALLOWING
Respondent.)	TARIFF REVISIONS
.....)	

BACKGROUND

- 1 On October 30, 2009, 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, Tariff G, Schedule 95A- Production Tax Credit Tracker (Tracker), effective January 1, 2010, as listed in the appendix attached to Order 01 in Docket UE-091703. The purpose of the filing is to update the Tracker as provided for in Order 04 in Docket UE-050870. The filing would decrease the amount of the credit passed through to customers under the Tracker, which results in an increase in overall rates of approximately \$8.8 million in annual revenues or .46 percent.
- 2 On December 23, 2009, the Commission entered a Complaint and Order Suspending Tariff Revisions pending an investigation to determine whether the revisions are fair, just, reasonable, and sufficient.
- 3 On May 28, 2010, PSE filed tariff sheets to replace, in their entirety, the tariff sheets filed on October 30, 2009. PSE requests that the Commission issue an order rejecting the suspended tariff sheets and allowing the replacement tariff sheets to go into effect on July 1, 2010. The replacement tariff sheets revise the Tracker rates to zero, resulting in an increase in overall rates of approximately \$34.4 million in annual revenues or 1.65 percent. PSE has been unable to realize in recent federal income tax filings the production tax credits (PTCs) that it has been and is currently passing through the Tracker. The revision of Tracker rates to zero, which is a departure from the original Tracker mechanism approved by the Commission, will cease greater accumulation of interest-bearing cash balance advanced by PSE to the customers. To address the existing balance and to craft a workable mechanism to pass realized PTCs and Treasury grant

benefits to the customers, PSE commits to work with Commission staff and other interested parties to undertake necessary modification of the pass-through mechanism. The zeroing out of Tracker rates serves as a practical undertaking by PSE considering the expected delayed benefit of generated PTCs and pending resolution of the balance owed the Company.

FINDINGS AND CONCLUSIONS

- 4 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property, and affiliated interests of public service companies, including electric companies. *RCW 80.01.040, RCW 80.04, RCW 80.08, RCW 80.12, RCW 80.16 and RCW 80.28.*
- 5 (2) PSE is an electric company and a public service company subject to Commission jurisdiction.
- 6 (3) This matter came before the Commission at its regularly scheduled meeting on June 24, 2010
- 7 (4) The zeroing out of Tracker rates, which is a departure from the original mechanism approved by the Commission, serves as a practical undertaking by PSE considering the expected delayed benefit of generated PTCs and pending resolution of the balance owed the Company. The Commission finds and concludes that the Complaint and Order suspending tariff revisions should be dismissed and the replacement tariff sheets filed by PSE on May 28, 2010, should be allowed to become effective July 1, 2010, by operation of law.

ORDER

THE COMMISSION ORDERS:

- 8 (1) The Complaint and Order Suspending Tariff Revisions in Docket UE-091703, dated December 23, 2009, is dismissed.

- 9 (2) Puget Sound Energy Inc.'s replacement tariff revisions, filed in Docket UE-091703 on May 28, 2010, are allowed to become effective July 1, 2010, by operation of law.
- 10 (3) The Commission retains jurisdiction to effectuate the terms of this Order.

DATED at Olympia, Washington, and effective June 24, 2010.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner