BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Application of) DOCKET UG-140088
PUGET SOUND ENERGY,)) ORDER 01
To Amend its Certificate of Public Convenience and Necessity to Operate))
a Gas Plant for Hire in City of)
Buckley.) ORDER GRANTING APPLICATION

BACKGROUND

- I On January 14, 2014, Puget Sound Energy (PSE or Company) filed an application with the Washington Utilities and Transportation Commission (Commission) to amend its Certificate of Public Convenience and Necessity to Operate a Gas Plant for Hire in the City of Buckley, Washington. On June 26, 2014, PSE submitted the final closing documents as required by the Commission.
- 2 PSE currently provides natural gas service in various areas in Pierce County. PSE is requesting to amend its certificate to include the City of Buckley, which is contiguous to PSE's current service area (see map in Exhibit B of the filing).
- In Exhibit A to its application, PSE provided supporting documentation of the economic feasibility for the purchase of the City of Buckley's natural gas distribution system. PSE states that it will acquire the City of Buckley's natural gas assets upon closing the Asset Purchase Agreement between the City of Buckley and PSE. PSE also states that this agreement will include the assignment of contracts from the City of Buckley to PSE as a condition of closing.
- 4 Upon closing of the Asset Purchase Agreement, this purchase will result in a continuation of gas service to the approximately 1,400 natural gas customers currently served by the City of Buckley. These customers will pay PSE's existing tariffed rates, which is a slight decrease to the rates most customers currently pay. PSE represents that the purchase will not result in higher rates for current PSE customers.
- Commission Staff has reviewed PSE's application and concludes that the certificate amendment requested by PSE will be required by the public convenience and necessity. Staff, therefore, recommends the Commission grant the application to amend PSE's Certificate of Public Convenience and Necessity to include the City of Buckley.

DISCUSSION

6 The Commission agrees with Staff that PSE's application in this docket should be granted. Customers in Buckley will continue to receive service at rates that are at or below the rates they currently pay, and, according to PSE, the purchase of this system will not adversely impact PSE's existing customers. The Commission nevertheless reserves for a future proceeding a determination of the reasonableness of the gas pipeline facility, costs, or rates to serve this additional area.

FINDINGS AND CONCLUSIONS

- 7 (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, and transfers of property of public service companies, including gas companies.
- 8 (2) PSE is a gas company and a public service company subject to the jurisdiction of the Commission.
- 9 (3) PSE provides gas service in areas of Pierce County pursuant to a Certificate of Public Convenience and Necessity.
- (4) PSE seeks to amend its Certificate of Public Convenience and Necessity to include the natural gas distribution system in the City of Buckley, which is contiguous to PSE's presently certificated area.
- (5) Commission Staff has reviewed PSE's application and recommends the Commission grant the application to amend PSE's Certificate of Public Convenience and Necessity to include the City of Buckley.
- (6) This matter came before the Commission at its regularly scheduled meeting on February 27, 2014.
- (7) After review of the request filed by PSE, having received the final closing documents, and giving due consideration, the Commission finds that it will be required by the public convenience and necessity to amend PSE's Certificate of Public Convenience and Necessity to include the City of Buckley.

O R D E R

THE COMMISSION ORDERS:

- 14 (1) The application of Puget Sound Energy to amend its Certificate of Public Convenience and Necessity to Operate a Gas Plant for Hire within the certificated area in the City of Buckley is granted contingent on the closing the Asset Purchase Agreement with the City of Buckley and the Certificate shall be amended in accordance with the legal description provided in the information filed on January 14, 2014 on Exhibit B-3.
- 15 (2) This Order makes no determination at this time as to the reasonableness of the gas pipeline facility to serve this addition to Puget Sound Energy's service area, and recognizes the right of the Commission to determine such reasonable services and expenditures, together with treatment of same, in any formal proceeding before the Commission dealing with Puget Sound Energy's results of operations for ratemaking purposes.
- 16 (3) The Commission retains jurisdiction over the subject matter and Puget Sound Energy to enforce the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Executive Secretary to enter this Order.

DATED at Olympia, Washington, and effective June 26, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING, Executive Director and Secretary