

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

WASHINGTON UTILITIES AND)	DOCKET UG-110723
TRANSPORTATION COMMISSION,)	
)	ORDER 01
Complainant,)	
)	
v.)	COMPLAINT AND ORDER
)	SUSPENDING TARIFF REVISION
PUGET SOUND ENERGY, INC.,)	
)	
Respondent.)	
)	
.....)	

BACKGROUND

1 On April 26, 2011, Puget Sound Energy, Inc., (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-2, designated as the following:

Original	Sheet No. 1134	Pipeline Integrity Program
Original	Sheet No. 1134-A	Pipeline Integrity Program (Continued)

2 On June 29,2011, and July 14, 2011, PSE filed substituted tariff sheets.

3 The tariff sheets reflect an issue date of April 26, 2011, and an effective date of August 1, 2011. The purpose of the filing is to submit Schedule 134, Pipeline Integrity Program (PIP) which is a new cost recovery method intended to enhance pipeline safety by providing for the expedited recovery of the Company’s investment in new plant to implement certain reliability, integrity, and safety programs related to PSE’s natural gas delivery system. The amended scope of the PIP is limited and includes only the following programs: (1) Wrapped Steel Service Assessment; (2) Wrapped Steel Main Assessment; and (3) Older Polyethylene Pipe Replacement.¹

¹ The Company’s original filing included its Bare Steel Replacement Program in the tariff.

4 In this filing, PSE would increase natural gas service revenues under the new cost recovery method by approximately \$107,440 for the August 1 through October 31, 2011, initial program period. All subsequent program periods will be November 1 through October 31. The Company anticipates that the revenue requirement for the program period of November 1, 2011, through October 31, 2012, will be \$1.95 million. Because the new cost recovery method or resulting rate increases might injuriously affect the rights and interests of the public and PSE has not demonstrated that the method or resulting rates would result in rates that are fair, just, reasonable, and sufficient, the Commission suspends the tariff filing and will conduct such process as it finds necessary to determine whether the proposed cost recovery method and resulting rates are fair, just, reasonable, and sufficient.

FINDINGS AND CONCLUSIONS

- 5 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including gas companies.
[RCW 80.01.040](#), [RCW 80.04](#), [RCW 80.08](#), [RCW 80.12](#), [RCW 80.16](#) and [RCW 80.28](#).
- 6 (2) PSE is a gas company and a public service company subject to Commission jurisdiction.
- 7 (3) This matter came before the Commission at its regularly scheduled meeting on July 14, 2011.
- 8 (4) The substitute tariff revisions PSE filed on July 14, 2011, would establish a new cost recovery method and resulting increased rates for service provided by PSE, and might injuriously affect the rights and interest of the public.
- 9 (5) PSE has not yet demonstrated that the tariff revisions under the new cost recovery method would result in rates that are fair, just, reasonable and sufficient.
- 10 (6) In order to carry out the duties imposed upon the Commission by law, and as authorized in [RCW 80.04.130](#), the Commission believes it is necessary to investigate PSE's books, accounts, practices and activities; to make a valuation

or appraisal of PSE's property; and to investigate and appraise various phases of PSE's operations.

- 11 (7) As required by [RCW 80.04.130\(4\)](#), PSE bears the burden of proof to show that the new cost recovery method and resulting rate increases are fair, just, reasonable and sufficient.
- 12 (8) The tariffs filed in the docket do not exceed a three percent increase therefore the tariff filing does not meet the definition of a general rate case per WAC 480-07-505 and the filing requirements of a general rate case as enumerated in WAC 480-07-510 need not be met.
- 13 (9) PSE may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with [RCW 80.20](#).

ORDER

THE COMMISSION ORDERS:

- 14 (1) The substitute tariff revisions Puget Sound Energy, Inc., filed on July 14, 2011, are suspended.
- 15 (2) The Commission will hold hearings at such times and places as may be required.
- 16 (3) Puget Sound Energy, Inc., must not change or alter the tariffs filed in this docket during the suspension period, unless authorized by the Commission.
- 17 (4) The Commission will implement the process necessary to determine whether the new cost recovery method and resulting rates are fair, just, reasonable, and sufficient.
- 18 (5) The Commission will institute an investigation of Puget Sound Energy, Inc.'s books, accounts, practices, activities, property and operations as described above.

- 19 (6) Puget Sound Energy, Inc., shall pay the expenses reasonably attributable and allocable to the Commission's investigation, consistent with [RCW 80.20](#).

DATED at Olympia, Washington, and effective July 15, 2011.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

JEFFREY D. GOLTZ, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner