

BEFORE THE WASHINGTON STATE  
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND	)	DOCKET NO. UE-050870
TRANSPORTATION COMMISSION,	)	
	)	
Complainant,	)	ORDER NO. 04
	)	
v.	)	APPROVING AND ADOPTING
	)	SETTLEMENT AGREEMENT,
PUGET SOUND ENERGY, INC.,	)	AUTHORIZING AND REQUIRING
	)	COMPLIANCE FILING, AND
Respondent.	)	GRANTING OTHER RELIEF.
.....	)	

*Synopsis: The Commission approves and adopts the proposed Settlement Agreement among the Company, Commission Staff, Public Counsel, and ICNU as a full resolution of the issues in this proceeding. The settlement provides that PSE will be authorized to increase its rates to recover an additional \$55,571,666 in costs that are attributable largely to increased costs for natural gas required to fuel the Company’s gas turbine generation and other increased power costs. The additional revenue requirement also includes approximately \$5 million attributable to PSE’s acquisition of the Hopkins Ridge wind generation facility, the purchase of which the Commission finds prudent.*

1 **PROCEEDINGS:** On June 7, 2005, Puget Sound Energy, Inc., (PSE or the Company) filed revisions to its currently effective Tariff WN U-60. PSE proposed an effective date of July 8, 2005, upon which to change its rates recovering the cost of power as a result of increases in the projected price of natural gas during the rate year, annual cost increases in the Company’s existing long-term power purchase agreements, the Company’s decision to purchase a new wind-powered electric generation facility known as the Hopkins Ridge Project, and other reasons. This is a so-called power cost only rate case (PCORC). The form of filing was authorized by the Settlement Stipulation approved by the Commission in Docket Nos. UE-011570 and UG-011571.

2 The Parties filed a Settlement Agreement on August 30, 2005. The proposed settlement is uncontested and, if approved, would resolve all issues in this proceeding. On October 6, 2005, the Commission convened a hearing before Chairman Mark H. Sidran, Commissioner Patrick J. Oshie, Commissioner Philip B. Jones, and Administrative Law Judge Karen Caillé to receive public comment on the proposed Settlement Agreement and to question a panel of witnesses on the settlement proposal. The Commission heard public testimony from Mr. Charles Jones, a PSE customer from Lacey, Washington. In addition, the Commission received into evidence fifty-one written comments from ratepayers. The Commission heard testimony from a panel of witnesses in support of the Settlement Agreement, and received evidence in the form of prefiled testimony and exhibits.

3 **PARTY REPRESENTATIVES:** Kirstin S. Dodge, Perkins Coie LLP, Bellevue, Washington, represents PSE. S. Bradley Van Cleve and Matthew Perkins, Davison Van Cleve, P.C., Portland, Oregon, represent the Industrial Customers of Northwest Utilities (ICNU). Robert Cromwell, Assistant Attorney General, Seattle, Washington, represents the Public Counsel Section of the Washington Office of Attorney General. Robert D. Cedarbaum, Senior Assistant Attorney General, Olympia, Washington, represents the Commission's regulatory staff (Commission Staff or Staff).<sup>1</sup>

4 **COMMISSION DETERMINATIONS:** The Commission determines that its approval and adoption of the proposed settlement would be in the public interest. Rapidly escalating natural gas prices and other factors largely beyond

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<sup>1</sup> In formal proceedings, such as this case, the Commission's regulatory staff functions as an independent party with the same rights, privileges, and responsibilities as any other party to the proceeding. There is an "ex parte wall" separating the Commissioners, the presiding ALJ, and the Commissioners' policy and accounting advisors from all Parties, including Staff. RCW 34.05.455.

the Company's ability to control have caused PSE to incur increased power costs. In order that PSE's rates remain fair, just, reasonable, and sufficient, it is necessary to reflect these increased costs in rates. The Commission also determines that PSE's acquisition of the Hopkins Ridge wind generation facility is prudent. PSE's ownership and operation of the facility will bring additional diversity to the Company's generation asset mix and provide needed power at reasonable costs. PSE's acquisition of Hopkins Ridge is consistent with the Company's 2003 Least-Cost Plan, as acknowledged by the Commission, and the competitive bidding and resource acquisition based on that plan.

## MEMORANDUM

### **I. Background and Procedural History**

5 The Commission resolved PSE's general rate case in June 2002 by approving and adopting an unopposed Settlement Stipulation that resulted from a collaborative process among numerous Parties.<sup>2</sup> The Settlement Stipulation established a power cost adjustment (PCA) mechanism designed to enhance the Company's financial stability by addressing concerns associated with potentially volatile wholesale power markets and fluctuations in hydropower availability due to uncertain weather conditions. In addition to providing that PSE may file annually to adjust for power cost variances, the PCA allows PSE to initiate a power cost only proceeding to add new resources to the Power Cost Rate. In either case, the Company must submit a Power Cost Only Rate filing proposing such change. Any such filing must be accompanied by testimony and exhibits that include the following:

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<sup>2</sup> *Washington Utilities and Transportation Commission v. Puget Sound Energy, Inc.*, Docket Nos. UE-011570 and UG-011571 (consolidated), Twelfth Supplemental Order: Rejecting Tariff Filing; Approving And Adopting Settlement Stipulation Subject To Modifications, Clarifications, And Conditions; Authorizing And Requiring Compliance Filing (June 20, 2002).

- Current or updated least cost plan
- Description of the need for additional resources (as applicable)
- Evaluation of alternatives under various scenarios
- Adjustments to the Fixed Rate Component
- Adjustments to the Variable Rate Component
- A calculation of pro forma production cost schedules that are consistent with this docket, including power supply and other adjustments impacting then current production costs.

6 On June 7, 2005, PSE filed with the Commission revisions to its currently effective Tariff WN U-60, designated as Twenty Seventh Revision of Sheet No. 95, Second Revision of Sheet No. 95-a, Third Revision of Sheet No. 95-b, Second Revision of Sheet Nos. 95-c through 95-e, and Original Sheet Nos. 95-f through 95-k. The stated effective date is July 8, 2005. PSE filed written testimony and exhibits with the revised tariff sheets and otherwise complied with the requirements for PCORC filings.

7 The Company proposes to change its rates recovering the cost of power as a result of the following factors, among others:

- Increases in the projected price of natural gas during the rate year
- Annual cost increases in the Company's existing long-term power purchase agreements
- The Company's decision to purchase a new wind-powered electric generation facility known as the Hopkins Ridge Project.

8 The Commission suspended the operation of the proposed tariff revisions by Order entered June 15, 2005, pending an investigation and hearing concerning the proposed changes and whether they are just and reasonable. The Commission, following a prehearing conference on June 22, 2005, set an

expedited procedural schedule, as requested by PSE without objection from other Parties.

9 On August 30, 2005, Staff filed on behalf of all Parties a “full settlement,” as defined in WAC 480-07-730(1). Because the settlement proposal would resolve all issues in this proceeding and is uncontested, the Parties requested suspension of the filing date for Response testimony and proposed to file joint testimony in support of the Settlement Agreement by September 9, 2005.

10 The Commission conducted hearing proceedings on October 6, 2005, at which time it heard public comment, received written public comments, heard testimony from a panel of witnesses in support of the Settlement Agreement, and received the Parties’ evidence.

## **II. Settlement Agreement.**

11 The proposed Settlement Agreement is a full settlement of all issues presented in this proceeding, executed by all Parties in the proceeding.<sup>3</sup> The proposed Settlement Agreement is attached to this Order as Appendix A, and is largely self-explanatory. Generally, the proposed Settlement:

- Sets the level of additional revenue required by PSE at the amount PSE originally filed, \$55,571,666 (net of the Production Tax Credit Tracker proposed as Schedule 95A);
- Confirms the manner in which the rate increase will be spread among PSE's electric customers;

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<sup>3</sup> The Company and Commission Staff agreed to disagree on Staff’s potential weather normalization issue and to address that issue in the ongoing weather normalization collaborative or in a future proceeding, if necessary. The Parties also agreed to cooperatively address the concerns raised by PSE about timing of its PCA Mechanism and expiration of the \$40 million cap.

- Provides that the effective date of the new rates will be November 1, 2005;
- Makes provision for the possibility that Hopkins Ridge will not be in service by November 1, 2005, and provides for a true-up of PSE's Hopkins Ridge cost projections to actuals in PSE's PCA Period 4 annual filing;
- Confirms that the Company's acquisitions of new resources and activities undertaken to manage its electric portfolio described in its original filing in this proceeding were prudent;
- Amends the PCA Mechanism by changing the annual PCA reporting periods to a calendar year period, beginning January 1, 2007, with provisions made for the resulting "gap period" of six months from July 1, 2006 through December 31, 2006, including the power cost updates described below;
- Provides for an update to PSE's power cost baseline rate and Schedule 95 surcharge through filing during May 2006 to be effective on July 1, 2006; which will be based on a specified methodology set forth in section IV.G. of the Settlement Agreement; and
- Mandates that PSE file a general rate case by mid-February 2006 so that a new Power Cost Baseline Rate will be effective on January 1, 2007.

12 **Amendments to Existing PCA Mechanism.** The Settlement Agreement makes some changes to the existing PCA Mechanism, which was established by the Commission's Twelfth Supplemental Order in PSE's 2000-01 general rate case, Docket Nos. UE-011570 and UG-011571 (consolidated). The Parties request that the Commission reopen Docket Nos. UE-011570 and UG-011571 for the limited purpose of amending the Commission's Twelfth Supplemental Order, pursuant

to RCW 80.04.210, in order to approve the provisions amending the PCA Mechanism found in Section F of the Settlement Agreement, paragraphs 16-19.<sup>4</sup>

13 **New Schedule 95A (Production Tax Credit Tracker).** The Company's PCORC filing includes costs projected to be incurred with respect to Hopkins Ridge, which is projected to be in service by the beginning of the proposed PCORC rate year, December 1, 2005. As a wind generating facility, Hopkins Ridge is eligible for federal Production Tax Credits (PTCs) that will ultimately offset some of the costs associated with generating power from Hopkins Ridge.<sup>5</sup> Mr. Story, PSE's witness, testified that the PTC is a subsidy provided by the Federal Government for generating electricity from wind. The amount of the subsidy is currently 1.9 cents per kilowatt hour for wind generation and will be subject over time to inflation adjustments. As of the date of this filing, this subsidy can be claimed for 10 years for a new wind project put into service prior to January 1, 2006. The use of the credit is restricted in that it can only be used to offset 25% of a company's current taxes payable. However, unused credits can be carried forward for up to 20 years.<sup>6</sup>

14 The Parties testified that integrating this PTC offset into a company's accounting and ratemaking is a challenge.<sup>7</sup> PSE's proposed solution to this challenge is to create a new Schedule 95A. This new tariff schedule provides for the pass through to ratepayers of all benefits of the PTC's for Hopkins Ridge, and for other PTC's that the Company may obtain through future resource acquisitions.<sup>8</sup>

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<sup>4</sup> PSE informed all Parties to its general rate case in Docket Nos. UE-011570 and UG-011571 of the agreed changes to the PCA Mechanism by sending a copy of the Settlement Agreement to the service list for that case, along with a cover letter that alerted the Parties to the agreed changes in the PCA Mechanism. No objections were heard.

<sup>5</sup> *Joint Testimony, Ex.1, p.3.*

<sup>6</sup> *Story, Ex 13 (JHS-1T), p. 23.*

<sup>7</sup> *Joint Testimony, Ex.1, p.3.*

<sup>8</sup> *Id.*

- 15 **Revised Schedule 95.** The proposed Settlement Agreement requires PSE to file by May 15, 2006, a revised Schedule 95, reflecting a new Power Cost Baseline Rate with an effective date of July 1, 2006. This filing is intended to satisfy the Company's obligation to reset its power cost baseline effective July 1, 2006, as set forth in the Order No. 06 in Docket Nos. UG-040640 *et al.* at Paragraph 100. It is also intended to ensure that the power cost baseline rate will be updated when the current \$40 million PCA cap expires.<sup>9</sup>
- 16 The July 1, 2006, update will be based on an update of PSE's projected power costs for the period July 1, 2006, through December 31, 2006, that is based on: (i) a run of the AURORA model that was used for PSE's June 7, 2005, PCORC filing, except that the run will include December 2006 and certain updated inputs, and (ii) an updating of power costs not in AURORA, all as detailed in Attachment A to the proposed Settlement.<sup>10</sup> The updated inputs used in the AURORA model run will include use of the three-month average natural gas price method approved in Order No. 06 in Docket Nos. UG-040640, *et al.* for the three months ending April 30, 2006.<sup>11</sup>
- 17 **Hopkins Ridge True Up.** The Parties agree as part of the proposed Settlement Agreement that costs of up to \$199,767,000 for the Hopkins Ridge acquisition would be determined to be prudently incurred. PSE agrees that the Company will bear the burden in its annual PCA true up filing for PCA Period 4 to show

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<sup>9</sup> *Joint Testimony, Ex. 1, p. 9.*

<sup>10</sup> Pages 1 and 2 of Attachment A to the Settlement Agreement provide an illustration of the methodology by which PSE will perform its power cost update for the May 2006 filing. Attachment A does not show the power cost baseline that will become effective July 1, 2006. Attachment A is intended to eliminate any dispute in the May 2006 filing regarding the manner in which PSE is to perform the power cost update for its compliance filing. *Joint Testimony, Ex. 1, p. 10.* All Parties have agreed to adhere strictly to this methodology and its underlying assumptions related to the AURORA run and non-power costs.

<sup>11</sup> *Joint Testimony, Ex. 1, p. 9.*

the prudence of any costs for Hopkins Ridge in excess of the \$199,767,000 cost projection.<sup>12</sup> Accounting items regarding Hopkins Ridge are further described below.

18 **Specific Accounting Items.** The Parties agree that the Commission should include in any order approving the proposed Settlement Agreement, a number of specific items for accounting purposes that are not explicitly set forth in the Settlement Agreement, but that are subsumed in the Parties' agreement to approve the Company's proposed Schedules 95 and 95A, and the prudence of the Hopkins Ridge acquisition.

- **BPA Transmission Upgrade Regulatory Asset.** The Parties request that the Commission specifically approve the Company's proposal to treat the prepayment made to BPA for transmission upgrades for Hopkins Ridge as a regulatory asset that would earn the Company's authorized rate of return, and to credit the interest paid by BPA on this amount to ratepayers.<sup>13</sup>
- **Production Tax Credit Tracker & Related PCA Mechanism Calculation.** The Parties request that the Commission approve the Company's proposed Production Tax Credit Tracker, Schedule 95A, as presented in Mr. Story's prefiled direct testimony.<sup>14</sup> This accounting, as specified in Mr. Story's testimony, will require that a regulatory asset account be created that will include the accumulation of the interest on the average monthly cumulative balance of the deferred tax asset account. This regulatory asset account is related to the Federal income tax benefits of Hopkins Ridge and is outside of the scope of the PCA mechanism. The

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<sup>12</sup> *Joint Testimony, Ex. 1, p. 8.*

<sup>13</sup> *See Story, Ex 13 (JHS-1T), page 16, line 7 through page 18, line 14.*

<sup>14</sup> *Id., page 22, line 4 through page 25, line 7.* Mr. Story's testimony is attached to this Order as Appendix B.

accounting for this regulatory asset would not be part of any PCA calculation, but would be included in the PTC Tracker calculation.

- **Accounting Details for the Hopkins Ridge True Up.** The Settlement Agreement makes provision for the event that Hopkins Ridge is not in service by November 1, 2005, when rates are adjusted. This will require that the Company adjust the Power Cost Rate approved in this proceeding for any days that Hopkins Ridge is not in-service. The costs associated with Hopkins Ridge would be removed from the Power Cost Rate and secondary purchases would be increased by the equivalent amount so that the Power Cost Rate does not change. This adjustment is necessary so that in the PCA calculation the Power Cost Rate will contain the same type of cost components as actual cost. In addition, it is expected that Hopkins Ridge capital costs will be adjusted for the first several months of operation as invoices are received and processed.

The Parties request that the Commission approve the adjustment required to the Power Cost Rate for the days that the new rates are in effect and the plant is not yet in-service, and allow the Company to adjust the Hopkins Ridge capital investment and associated depreciation as costs are finalized. In the interim power cost filing that is proposed for May 2006 the capital costs booked as of the end of March 2006 will be used to determine the recovery on and of Hopkins Ridge investment for the six month period, July through December 2006.

- **Updated PCA Mechanism Exhibits.** The Parties request that the Commission approve the updated pages of the PCA Mechanism exhibits that are provided as Exhibit 3C to the Joint Testimony filed in support of the Settlement Agreement, which set forth the power costs underlying the agreed revenue requirement in the proposed Settlement. Exhibit 3C,

attached to this Order as Appendix C, is a set of exhibit pages that are consistent with, but update, the exhibit pages that were included in the original PCA Settlement Stipulation in Docket No. UE-011570. These pages are to be used to calculate the PCA sharing mechanism beginning November 1, 2005, when the new rates proposed in the Settlement become effective.

### III. Discussion and Decision

19 The matter before us requires the Commission to determine whether the proposed Settlement Agreement is lawful; the settlement terms are supported by an appropriate record; the rates are fair, just, reasonable and sufficient; and the result is consistent with the public interest. *WAC 480-07-750*. We resolve these questions by reviewing the Settlement Agreement, the Joint Testimony and exhibits in support of the Settlement Agreement, the Company's original filing of pre-filed testimony and exhibits, the presentations of the Parties at the settlement hearing, and the public comments.

20 The record establishes that the agreed revenue increase of \$55.6 million, while significant, strikes a reasonable balance between customer rate impacts and the recent volatility of natural gas fuel costs. The record shows that in August 2005, natural gas costs were significantly higher than they had been at the time PSE filed its case in June of 2005. Applying the three-month rolling average gas price projection methodology that the Commission approved in Docket Nos. UG-040640, *et al.* to August 2005, the Company calculated that power costs so-revised would exceed the projected rate year cost of \$55.6 million calculated for this proceeding.

21 In view of the current environment of rising fuel prices that PSE and its customers face, we recognize that it is important that utilities prudently and reasonably diversify their power supply portfolios. PSE has shown a

commitment to further diversify its portfolio in this regard through the proposed acquisition of Hopkins Ridge and its other resource decisions specified in the Settlement Agreement. The testimony of Mr. Henry McIntosh<sup>15</sup> in support of paragraph IV.E. of the Settlement Agreement establishes that the new resources identified in the Settlement Agreement were prudent and their associated costs reasonable for recovery in rates. Moreover, the addition of a wind generating facility to PSE's electric portfolio is expected to remove some volatility from power costs over the life of the project by reducing PSE's exposure to fuel-price and wholesale-market-price risks.

22 Finally, the Settlement Agreement provides some predictability to the timing of future rate changes, and reduces the costs of participating in one or more future proceedings by providing an orderly and streamlined process for updating the power cost baseline with the Company's planned filing by May 2006 in accordance with an agreed-upon methodology.

23 Based on the record before us, we find that the issues raised in this power cost only rate case are adequately addressed and resolved by the Settlement Agreement. Under the circumstances, we are satisfied that the proposed Settlement Agreement is fair and in the public interest, and should be approved and adopted as a full resolution of the issues pending in Docket No. UE-050870.

#### **FINDINGS OF FACT**

24 Having discussed above all matters material to our decision, and having stated general findings, the Commission now makes the following summary findings of fact. Those portions of the preceding discussion that include findings pertaining to the Commission's ultimate decisions are incorporated by this reference.

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<sup>15</sup> Ex. 4.

- 25 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington, vested by statute with authority to regulate rates, rules, regulations, practices, and accounts of public service companies, including electric companies.
- 26 (2) Puget Sound Energy, Inc. (PSE) is a “public service company” and an “electrical company” as those terms are defined in RCW 80.04.010, and as those terms otherwise are used in Title 80 RCW. PSE is engaged in Washington State in the business of supplying utility services and commodities to the public for compensation.
- 27 (3) PSE filed revisions to its currently effective Tariff WN U-60 on June 7, 2005. PSE proposed an effective date of July 8, 2005, upon which to change its rates recovering the cost of power as a result of increases in the projected price of natural gas during the rate year, annual cost increases in the Company’s existing long-term power purchase agreements, the Company’s decision to purchase a new wind-powered electric generation facility known as the Hopkins Ridge Project, and other reasons.
- 28 (4) The Commission suspended the operation of the proposed tariff revisions by Order entered June 15, 2005, pending an investigation and hearing concerning the proposed changes and whether they are just and reasonable.
- 29 (5) On August 30, 2005, PSE, Commission Staff, Public Counsel, and ICNU filed a Settlement Agreement that, if approved, would resolve all the issues in this docket.

- 30 (6) PSE's acquisition of a 100% interest in the Hopkins Ridge wind generating facility and the other new resources and resource related activities identified in paragraph IV.E. of the Settlement Agreement were prudent and their associated costs are reasonable for recovery in rates.
- 31 (7) The existing rates for electric service PSE provides are insufficient to yield reasonable compensation for the service rendered.
- 32 (8) Rates determined on the basis of the revenue deficiency set forth in the Parties' Settlement Agreement would be fair, just, reasonable, and sufficient.
- 33 (9) Rates determined on the basis of the revenue deficiency set forth in the Parties' Settlement Agreement would be neither unduly preferential nor discriminatory.
- 34 (10) The Commission finds that its approval and adoption of the Settlement Agreement would be in the public interest.

### CONCLUSIONS OF LAW

35 Having discussed above in detail all matters material to our decision, and having stated general findings and conclusions, the Commission now makes the following summary conclusions of law. Those portions of the preceding detailed discussion that state conclusions pertaining to the Commission's ultimate decisions are incorporated by this reference.

- 36 (1) The Washington Utilities and Transportation Commission has jurisdiction over the subject matter of, and Parties to, these proceedings. *Title 80 RCW.*

- 37 (2) The existing rates for electric service PSE provides in Washington State are insufficient to yield reasonable compensation for the service rendered. *RCW 80.28.010; RCW 80.28.020.*
- 38 (3) PSE requires relief with respect to the rates it charges for electric service provided in Washington State. *RCW 80.01.040; RCW 80.28.060.*
- 39 (4) The Settlement Agreement filed by the Parties to this proceeding on August 30, 2005, if approved, would result in rates for PSE that are fair, just, reasonable, and sufficient. *RCW 80.28.020.*
- 40 (5) The Settlement Agreement attached to this Order as Appendix A, and incorporated by reference as if set forth in full in the body of this Order, should be approved and adopted by the Commission as a reasonable resolution of the issues presented. *WAC 480-07-730 through 750.*
- 41 (6) The Commission should reopen Docket Nos. UE-011570 and UG-011571 for the limited purpose of amending the Commission's Twelfth Supplemental Order in those proceedings to the extent necessary to implement changes to PSE's PCA Mechanism as set forth in Section F of the Settlement Agreement, paragraphs 16-19. *RCW 80.04.210.*
- 42 (7) The Commission should approve the accounting treatment of the specific items discussed in paragraph 18 of this Order.
- 43 (8) PSE should be authorized and required to make such compliance and subsequent filings as are necessary to effectuate the terms of the Settlement Agreement. *WAC 480-07-880 – 885.*
- 44 (9) The Commission should retain jurisdiction to effectuate the terms of this Order. *Title 80 RCW.*

ORDER

THE COMMISSION ORDERS THAT:

- 45 (1) The Settlement Agreement filed by the Parties on August 30, 2005, which is attached to this Order as Appendix A and incorporated by reference as if set forth in full in the body of this Order, is approved and adopted.
- 46 (2) PSE is authorized and required to file tariff sheets following the effective date of this Order that are necessary and sufficient to effectuate its terms, with rates designed to recover a revenue deficiency of \$55,571,666. The tariff sheets must bear an effective date of November 1, 2005.
- 47 (3) Docket Nos. UE-011570 and UG-011571 are reopened for the limited purpose of amending the Commission's Twelfth Supplemental Order, pursuant to RCW 80.04.210. The referenced Order is amended to the extent necessary to authorize changes to PSE's PCA Mechanism as set forth in Section F of the Settlement Agreement, paragraphs 16-19.
- 48 (4) The accounting treatment of the specific items discussed in paragraph 18 of this Order is approved.
- 49 (5) PSE is authorized and required to file a revised Schedule 95 by May 15, 2006, reflecting a new Power Cost Baseline Rate with an effective date of July 1, 2006, as provided in section IV.G. of the Settlement Agreement. The Commission conditions this Order by requiring that this filing will be in the form of a "subsequent filing" in accordance with WAC 480-07-880(2) and 885.

- 50 (6) PSE is authorized and required to file a general rate case by mid-February 2006 that, among other things, will result in a new or restated Power Cost Baseline Rate to be effective on January 1, 2007.
- 51 (7) The Commission Secretary is authorized to accept by letter, with copies to all Parties to this proceeding, such filings as PSE makes to comply with the terms of this Order.
- 52 (8) The Commission retains jurisdiction to effectuate the terms of this Order.

DATED at Olympia, Washington, and effective this 20th day of October, 2005.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARK H. SIDRAN, Chairman

PATRICK J. OSHIE, Commissioner

PHILIP B. JONES, Commissioner

**NOTICE TO PARTIES: This is a final order of the Commission. In addition to judicial review, administrative relief may be available through a petition for reconsideration, filed within 10 days of the service of this order pursuant to RCW 34.05.470 and WAC 480-07-850, or a petition for rehearing pursuant to RCW 80.04.200 or RCW 81.04.200 and WAC 480-07-870.**

[Service Date October 20, 2005]

**APPENDIX A**

[Service Date October 20, 2005]

**APPENDIX B**

[Service Date October 20, 2005]

## APPENDIX C