

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,	)	DOCKET UG-131589
	)	
Complainant,	)	ORDER 01
	)	
v.	)	
	)	
PUGET SOUND ENERGY, INC.,	)	COMPLAINT AND ORDER
	)	SUSPENDING TARIFF REVISIONS
Respondent.	)	
	)	
.....	)	

**BACKGROUND**

- 1     On August 28, 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-2, Natural Gas Service, as listed in the appendix attached to this Order, designating a new Schedule No. 54, *Optional Gas Compression Service*. The stated effective date of the tariff sheets was October 1, 2013.<sup>1</sup> In this filing, PSE proposes an optional service to install gas compression facilities for eligible, non-residential natural gas customers on the customer’s premises to enable fueling of natural gas vehicles (NGVs) with compressed natural gas (CNG).
- 2     On September 3, 2013, PSE filed with the Commission substitute tariff revision sheets for all those originally filed on August 28, 2013, correcting the stated effective date to November 1, 2013.
- 3     The Commission received comments in support and opposition to PSE’s proposed tariff revision.
- 4     Commission Staff believes that the Company’s filing raises significant policy issues concerning the role of regulated gas utilities in the development of NGV fueling infrastructure statewide. Primarily, Staff questions whether provision and sale of CNG

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<sup>1</sup> The Company’s transmittal letter indicated that PSE was requesting an effective date of November 1, 2013.

for the NGV market is a natural monopoly that the Commission should regulate. Staff also questions whether the Company's proposed CNG pricing model unfairly prejudices customers with smaller NGV fleets. Finally, Staff wishes to further analyze the risk to ratepayers of stranded investments if a CNG compression service customer defaults on a contract with the Company. Staff recommends suspending the tariff and setting the matter for hearing.

### **DISCUSSION**

- 5 PSE must demonstrate that its NGV fueling program is in the public interest and if so, that the Company's proposed rates for that service are fair, just, reasonable, and sufficient. The Company has not yet made that demonstration. Therefore, the Commission suspends the tariff filing and may hold public hearings, if necessary, to determine whether PSE's proposal to offer CNG filling services to certain customers with NGV fleets is in the public interest and if so, whether the Company's proposed rates are fair, just, reasonable, and sufficient.

### **FINDINGS AND CONCLUSIONS**

- 6 (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, and practices of public service companies, including gas companies.
- 7 (2) PSE is a gas company and a public service company subject to Commission jurisdiction.
- 8 (3) This matter came before the Commission at its regularly scheduled meeting on October 30, 2013.
- 9 (4) The tariff revisions PSE filed on August 28, 2013, and updated on September 3, 2013, would create an optional service to install gas compression facilities for eligible, non-residential natural gas customers on the customer's premises to enable fueling of natural gas vehicles with compressed natural gas.
- 10 (5) PSE has not yet demonstrated that its natural gas vehicle program is in the public interest or that the tariff provisions governing that service would result in rates that are fair, just, reasonable, and sufficient.

- 11 (6) The Commission should investigate whether PSE should be authorized to establish a program for the on-site fueling of its customers' natural gas vehicles. The Commission should also investigate PSE's books, accounts, practices, activities, property, and operations to determine whether the tariff revisions result in fair, just, reasonable, and sufficient rates.
- 12 (7) As required by RCW 80.04.130, PSE bears the burden of proof to show that its program is in the public interest and that the proposed tariff revisions are fair, just, reasonable, and sufficient.

**O R D E R**

**THE COMMISSION ORDERS:**

- 13 (1) The tariff revisions Puget Sound Energy, Inc. filed on August 28, 2013, and September 3, 2013, are suspended.
- 14 (2) The Commission may hold hearings at such times and places as may be required.
- 15 (3) The Commission will investigate Puget Sound Energy, Inc.'s books, accounts, practices, activities, property, and operations as described above.

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

DATED at Olympia, Washington, and effective October 30, 2013.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

STEVEN V. KING, Executive Director and Secretary

**Appendix**

**WN U-2:**

Original Sheet No. 154	Schedule No. 54	Optional Gas Compression Service
Original Sheet No. 154-A	Schedule No. 54	Optional Gas Compression Service (Continued)
Original Sheet No. 154-B	Schedule No. 54	Optional Gas Compression Service (Continued)
Original Sheet No. 154-C	Schedule No. 54	Optional Gas Compression Service (Continued)
Original Sheet No. 154-D	Schedule No. 54	Optional Gas Compression Service (Continued)
Original Sheet No. 154-E	Schedule No. 54	Optional Gas Compression Service (Continued)
Original Sheet No. 154-F	Schedule No. 54	Optional Gas Compression Service (Continued)
Original Sheet No. 154-G	Schedule No. 54	Optional Gas Compression Service (Continued)
Original Sheet No. 154-H	Schedule No. 54	Optional Gas Compression Service (Continued)
Original Sheet No. 154-I	Schedule No. 54	Optional Gas Compression Service (Continued)
Original Sheet No. 154-J	Schedule No. 54	Optional Gas Compression Service (Continued)
Original Sheet No. 154-K	Schedule No. 54	Optional Gas Compression Service (Continued)
Original Sheet No. 154-L	Schedule No. 54	Optional Gas Compression Service (Continued)
Original Sheet No. 154-M	Schedule No. 54	Optional Gas Compression Service (Continued)
Original Sheet No. 154-N	Schedule No. 54	Optional Gas Compression Service (Continued)
Original Sheet No. 154-O	Schedule No. 54	Optional Gas Compression Service (Continued)
Original Sheet No. 154-P	Schedule No. 54	Optional Gas Compression Service (Continued)
Original Sheet No. 154-Q	Schedule No. 54	Optional Gas Compression Service (Continued)
Original Sheet No. 154-R	Schedule No. 54	Optional Gas Compression Service (Continued)
Original Sheet No. 154-S	Schedule No. 54	Optional Gas Compression Service (Continued)
Original Sheet No. 154-T	Schedule No. 54	Optional Gas Compression Service (Continued)