

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

WASHINGTON UTILITIES AND	)	DOCKET UE-070565
TRANSPORTATION COMMISSION,	)	
	)	ORDER 04
Complainant,	)	
	)	
v.	)	GRANTING PUGET SOUND
	)	ENERGY, INC.'S MOTION FOR
PUGET SOUND ENERGY, INC.,	)	EXTENSION OF TIME TO FILE
	)	GENERAL RATE CASE SUBJECT
Respondent.	)	TO CONDITION
.....	)	

1 **PROCEEDINGS:** On March 20, 2007, Puget Sound Energy, Inc. (PSE or the Company), filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-60. The stated effective date of the revised tariff sheets is April 20, 2007. This filing is a proposal by PSE to increase electric rates to recover additional power costs and costs associated with the acquisition of a 277 MW gas-fired combined cycle electric generation facility in Goldendale, Washington.

2 This power cost only rate case (PCORC) filing is authorized by the Settlement Stipulation approved by the Commission in Dockets UE-011570 and UG-011571. Section 10 of Exhibit A to the Settlement Stipulation requires the Company to file a general rate case within three months of the effective date of any rate increase resulting from a Power Cost Only Rate Case. In this case, based on the current procedural schedule, PSE would be required to file a general rate case by about December 1, 2007.

3 **MOTION FOR EXTENSION OF TIME TO FILE GENERAL RATE CASE:** PSE's filing included the Company's Motion for Extension of Time To File General Rate Case. PSE's motion asks the Commission to waive the requirement that PSE file a general rate case within three months of the effective date of a rate increase resulting from this 2007 PCORC and extend the time for filing a general rate case to no later than April 15, 2008.

4 PSE states that since the parties entered into the Settlement Stipulation, PSE has regularly filed general rate cases with the Commission. Specifically, in the past six years, PSE has filed three general rate cases<sup>1</sup> and three PCORCs.<sup>2</sup> It has been less than three months since the Commission issued its Final Order in PSE's most recent general rate case, Dockets UE-060266 and UG-060267. Accordingly, PSE argues, it is reasonable to extend the time period for filing a general rate case beyond the three-month time period set forth in Section 10 of Exhibit A to the Settlement Stipulation.

5 **RESPONSES BY STAFF AND PUBLIC COUNSEL:** Staff and Public Counsel filed responses to PSE's motion on April 20, 2007.

6 Staff does not object to the Company's motion upon condition that PSE agrees not to file any additional PCORCs until its next general rate case is completed. Any new power resource acquisitions would be addressed in the direct testimony of the Company's next general rate case. Staff argues that its proposed condition is justified because it insures that the Company will not give priority to single issue ratemaking over general rate proceedings where all costs, revenues and rate base items are comprehensively examined.

7 Staff also argues that its proposed condition supports the Company's goal to reduce the frequency of rate proceedings going forward, given the recent history of repeated general rate cases and PCORCs. At the same time, the Company is not precluded from seeking to recover any new resource acquisitions, but it must make that proposal in its direct testimony in its next general rate case, rather than in an additional PCORC.

8 Public Counsel agrees with PSE's statement in the motion that the frequency and recency of the Company's general rate case activity diminishes the concerns underlying Section 10 at this point in time. Public Counsel states that while the relatively short extension PSE requests would not seriously undermine the intent of Section 10, the filing of an additional PCORC in the intervening time would be contrary to the purpose and intent of the settlement. Public Counsel, like Staff, does not oppose issuance of an order approving the PSE motion for extension if the order includes a bar to PSE filing a PCORC prior to the next GRC filing.

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<sup>1</sup> These are the 2001 general rate case, Dockets UE-011570 and UG-011571; the 2004 general rate case, Dockets UG-040640 and UE-040641; and the 2006 general rate case, Dockets UE-060266 and UG-060267.

<sup>2</sup> These are the 2003 PCORC, Docket UE-031725; the 2005 PCORC, Docket UE 050870; and the 2007 PCORC.

9 PSE filed a letter with the Commission on April 23, 2007, stating that the Company will not file another PCORC prior to the filing of its next general rate case. Later on April 23, 2007, Staff filed a letter arguing that PSE's commitment falls short of what is required because, as Staff argued in its response, PSE should not be allowed to file another PCORC until its next general rate *is completed*.<sup>3</sup> Thus, not only would the Company be prohibited from filing another PCORC before the next general rate case is filed, it would also not be allowed to file another PCORC while the next general rate case is pending.

10 **COMMISSION DETERMINATION:** PSE's motion asks the Commission to waive the requirement that PSE file a general rate case within three months of the effective date of any rate increase resulting from this 2007 PCORC and to extend the time for filing a general rate case to no later than April 15, 2008.<sup>4</sup> The purpose of Section 10 is to ensure that PSE does not file PCORC proceedings to the exclusion of general rate proceedings. As discussed above, PSE has been regularly before the Commission in general rate case proceedings and PCORC proceedings for the past several years. PSE filed general rate cases with the Commission in 2001, 2004, and most recently in 2006. PSE filed PCORC proceedings in 2003, 2005 and 2007. The Commission entered its Final Order in PSE's most recent general rate case less than three months ago. At that time the Commission had a full opportunity to thoroughly examine the Company's operations, expenses, revenues and performance.

11 General rate cases are expensive and time consuming not only for the Company, but also for Commission Staff, Public Counsel and intervening parties. Given PSE's recent and repeated general rate case filings, it is reasonable to extend the time period for filing a general rate case beyond the three-month time period set forth in Section 10 of Exhibit A to the Settlement Stipulation. It is reasonable also to condition our grant of waiver by requiring that PSE file its next general rate case no later than April 15, 2008, as the Company proposes. Finally, it is reasonable to impose a condition that PSE not file another PCORC until sometime after the conclusion of the Company's next general rate case. This last condition will be imposed with the

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<sup>3</sup> See, Staff Response at ¶¶ 2 and 5.

<sup>4</sup> Contrary to the suggestions in paragraph 7 of PSE's motion and the first paragraph in Public Counsel's response, PSE's motion does not implicate our authority to revise prior orders, including orders approving settlement agreements. As discussed, what PSE asks for is a waiver of a requirement, not its amendment or deletion from the requirements under the Settlement Stipulation. The requirement in section 10 of Exhibit A to the Settlement Stipulation remains in full force and effect.

understanding that PSE may include in its next general rate case requests for relief with respect to any intervening resource acquisitions.

**ORDER**

THE COMMISSION ORDERS:

- 12 (1) The requirement in section 10 of Exhibit A to the Settlement Stipulation approved by the Commission in Dockets UE-011570 and UG-011571 that PSE must file a general rate case within three months after the effective date of any rate increase authorized in this proceeding is waived.
- 13 (2) PSE's Motion for Extension of Time To File General Rate Case is granted, subject to the conditions that it make its next general rate case filing no later than April 15, 2008, and that the Company will not file its next PCORC until after the conclusion of its next general rate case. PSE may include requests for relief with respect to any intervening resource acquisitions in its next general rate proceeding.
- 14 (3) The Commission retains jurisdiction to enforce the terms of this order.

DATED at Olympia, Washington, and effective April 24, 2007.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

DENNIS J. MOSS  
Administrative Law Judge