

Agenda Date: June 30, 2011
Item Numbers: A1 and A2

Dockets: **UE-111048 and UG-111049**
Company: Puget Sound Energy, Inc.

Staff: Roland Martin, Regulatory Analyst
Kathryn Breda, Regulatory Analyst

Recommendation

Issue a complaint and order suspending the tariff revisions filed by Puget Sound Energy, Inc. in Dockets UE-111048 and UG-111049, consolidate the filings, and set the matter for hearing.

Background

On June 13, 2011, Puget Sound Energy, Inc. (PSE or company), filed both electric and natural gas general rate cases requesting additional revenues of \$160.7 million, about 8.1 percent for electric service, and \$31.9 million, about 3.0 percent for natural gas service. The tariffs bear an effective date of July 14, 2011.

In addition to the requested base rate increase, PSE is requesting a Conservation Savings Adjustment representing an additional rate year increase of \$7.4 million or 0.4 percent for electric service, and \$1.5 million or 0.1 percent for natural gas service.

If approved as filed, the average electric residential customer using 1,000 kilowatt-hours of electricity would see an increase of \$8.37 per month for the proposed base rate change and an increase of \$0.31 per month for the proposed Conservation Savings Adjustment. The average natural gas residential customer using 68 therms of natural gas would see an increase of \$2.84 per month for the proposed base rate change and \$0.11 per month for the proposed Conservation Savings Adjustment.

The company indicates the requested increases are primarily driven by new wind generation resources followed by investment in transmission and distribution, and compliance. PSE states this increase is based on their projected long term significant need to acquire resources, the Energy Independence Act requirements, and investment in new gas and electric delivery facilities as well as the cost of reliability, safety and compliance.

PSE serves about 1,078,493 electric customers and 750,674 natural gas customers in Washington.

Discussion

Staff reviewed the application and associated work papers for compliance with WAC 480-07-140, WAC 480-80-105 and WAC 480-07-510. Based on our initial review, it appears that the

company's filing is in compliance. Additional time is needed for staff to thoroughly review the filing in order to recommend rates that are fair, just, reasonable, and sufficient. Moreover, Consumer Protection staff intends to revisit the issue of timely resolution of stopped, mixed and lost electricity and natural gas meters, originally addressed by the Commission in Order 12, issued on October 8, 2008, in Docket Nos. UE-072300 and UG-072301.

The Company's filings in these dockets involve a change in rate levels for electricity and natural gas service. Therefore, in order to allow formal discovery to commence, Staff recommends that the Commission's suspension order find that these dockets meet the criteria of WAC 480-07-400(2)(b)(i) and that discovery will be conducted pursuant to the Commission's discovery rules in WAC 480-07-400 – 425.

Conclusion

Staff recommends the commission issue a complaint and order suspending the tariff revisions filed by PSE in Dockets UE-111048 and UG-111049, consolidate the filings, and set the matters for hearing.