



**STATE OF WASHINGTON**  
**UTILITIES AND TRANSPORTATION COMMISSION**  
*1300 S. Evergreen Park Dr. S.W., P.O. Box 47250 • Olympia, Washington 98504-7250*  
*(360) 664-1160 • www.utc.wa.gov*  
September 15, 2017

**NOTICE OF HEARING**  
**(Set for Friday, September 29, 2017, at 9:30 a.m.)**

**NOTICE OF DEADLINE FOR FILING TESTIMONY IN SUPPORT OF PROPOSED  
SETTLEMENT STIPULATION**  
**(Filing by electronic means required by 12:00 noon on Monday, September 18, 2017)**

**NOTICE OF OPPORTUNITY TO FILE STATEMENT OF ALTERNATIVE  
VIEWPOINT**  
**(Filing by electronic means required by 4:00 p.m. on Friday, September 22, 2017)**

RE: *Washington Utilities and Transportation Commission v. Puget Sound Energy*  
Dockets UE-170033 and UG-170034 (*Consolidated*)

TO ALL PARTIES:

On January 13, 2017, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-60, Tariff G, Electric Service in Docket UE-170033 and revisions to its currently effective Tariff WN U-2 Natural Gas Service in Docket UE-170034. The effect of these filings would be to increase rates and charges for electric service and decrease rates and charges for natural gas service provided to customers in the state of Washington. The Commission suspended the as-filed tariffs and set the matters for hearing.

On August 25, 2017, several parties, including PSE and Staff, informed the presiding administrative law judges that most parties had reached a settlement in principle concerning most of the issues in this proceeding. Ultimately, the Commission learned that all parties except the Public Counsel Unit of the Office of the Washington Attorney General (Public Counsel)<sup>1</sup>

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<sup>1</sup> Public Counsel remained unsure of its position on the settlement as of the evidentiary hearing on the unresolved issues concerning COS, rate spread, and rate design. On September 11, 2017, Public Counsel

supported the settlement in principle and would participate in its being reduced to writing and filed with the Commission along with supporting documentation, or would not oppose the settlement. According to the parties' informal communications to the presiding administrative law judges, most issues in the case were resolved insofar as the parties were concerned, but some issues, largely concerning COS, rate spread, and rate design, remained unresolved and would require Commission determination based on a full evidentiary record.

The Commission held public comment hearings in Bellevue, Washington on July 31, 2017, and in Olympia, Washington on August 31, 2017. The Commission and Public Counsel received numerous comments regarding the proposed rate increases from Washington customers that will be made part of the record in this proceeding.<sup>2</sup>

The Commission conducted evidentiary hearings at its headquarters in Olympia, Washington on August 30, 2017, on the contested issues concerning cost of service, rate spread, and rate design as identified to the Commission by Staff, with copies to all parties.

On September 15, 2017, presiding Administrative Law (ALJ) Judge Moss convened an informal conference with all parties via telephone to resolve procedural issues that arose in connection with the settling parties' anticipated filing of their settlement stipulation and supporting documentation on that date. Counsel for PSE stated that PSE, Staff, ICNU, FEA, Kroger, Energy Project, Sierra Club, NWEK/RNW/NRDC, and NWIGU planned to file their partial settlement proposing resolution of all issues except the expressly reserved contested issues heard on August 30, 2017, by 2:00 p.m.<sup>3</sup> The settling parties also planned to file by that time their joint narrative statement supporting the settlement as provided under WAC 480-07-740(2)(a). PSE, ICNU, NWIGU, and Sierra Club said they would file in addition testimony from one or more witnesses in support of the settlement. FEA, Energy Project, NWEK and Staff expect to file testimony on Monday. Given the shortness of time considering the rights of Public Counsel to respond and the need for the Commission to prepare for hearing, the presiding ALJ stated that the Commission would require parties filing testimony on Monday, September 18, 2017, to do so by noon that day.

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filed a letter with the Commission stating it would not join in the settlement and wished an opportunity to present an "alternative viewpoint."

The parties either supporting or not opposing the settlement, in addition to PSE and Staff, are Industrial Customers of Northwest Utilities (ICNU), Federal Executive Agencies (FEA), The Kroger Co. (Kroger), Nucor Steel Seattle, Inc. (Nucor Steel), Energy Project, Sierra Club, joint parties NW Energy Coalition, Renewable Northwest, and Natural Resources Defense Council (NWEK/RNW/NRDC), Northwest Industrial Gas Users (NWIGU), and the State of Montana.

<sup>2</sup> Exh. B-1.

<sup>3</sup> Nucor Steel did not join in the settlement but does not intend to contest it.

Public Counsel stated in its letter filed September 11, 2017, that:

We would appreciate the opportunity to respond to the settlement while making every effort to maintain the hearing schedule that has been set aside for this matter beginning on September 27. To that end, it would be ideal to have five business days to prepare our response for filing once the supporting documents have been filed.

This request is consistent with the rights of opponents of a proposed settlement, as stated in WAC 480-07-740(2)(c). The Commission appreciates Public Counsel's effort to maintain the hearing schedule on a date previously reserved on the Commission's calendar, which also reflects reservation of September 28 and 29, 2017, as previously discussed with the parties. Following discussion with the parties on September 15, 2017, indications from the parties that they anticipated little or no cross-examination of witnesses, and the presiding ALJ's agreement to allow certain Public Counsel witnesses to appear by telephone, led the presiding ALJ to conclude that a single day of hearing on September 29, 2017, would be sufficient and would maximize the time available for the parties and the bench to prepare for hearing.

**THE COMMISSION GIVES NOTICE That a hearing concerning the proposed settlement in this matter will be held on Friday, September 29, 2017, beginning at 9:00 a.m., in the Commission's Hearing Room 206, second floor, 1300 S. Evergreen Park Drive SW, Olympia, Washington.**

**THE COMMISSION GIVES FURTHER NOTICE That any settling parties who are unable to file supporting testimony by the close of business on September 15, 2017, are required to file and serve such testimony by noon on Monday, September 18, 2017.**

**THE COMMISSION GIVES FURTHER NOTICE That Public Counsel will have until 4:00 p.m. on Friday, September 22, 2017, to file and serve electronically its response to the settlement, allowing, as requested, five business days from the date of the parties' filing of their settlement stipulation and supporting documents.** Public Counsel will continue to have the same rights as other parties to file an initial brief and a reply brief in this proceeding.

The presiding officers will discuss with the parties at the conclusion of the hearing whether the current schedule for filing initial post-hearing briefs on October 2, 2017, and reply briefs on October 13, 2017, remains satisfactory.

DENNIS J. MOSS  
Administrative Law Judge