

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	DOCKET UE-132032
TRANSPORTATION COMMISSION,)	
	)	ORDER 02
Complainant,)	
	)	ORDER ON CLARIFICATION;
v.	)	AUTHORIZING SECRETARY TO
	)	ACCEPT WITHDRAWAL OF
PUGET SOUND ENERGY,	)	PROPOSED REVISION TO
Respondent.	)	WN U-60 TARIFF G SHEET 292A
.....)	
)	

In the Matter of	)	DOCKET UE-132043
)	
PUGET SOUND ENERGY,	)	ORDER 02
)	
Report Identifying Its 2014-2023 Ten-	)	ORDER ON CLARIFICATION;
Year Achievable Electric Conservation	)	AUTHORIZING SECRETARY TO
Potential and Its 2014-2015 Electric	)	ACCEPT WITHDRAWAL OF
Biennial Conservation Target Under	)	PROPOSED REVISION TO
RCW 19.285.040 and WAC 480-109-	)	WN U-60 TARIFF G SHEET 292A
010)	
)	
.....)	

BACKGROUND

¹ The Energy Independence Act (EIA or Act)¹ requires electric utilities with 25,000 or more customers to set and meet energy conservation targets. The Washington Utilities and Transportation Commission (Commission) promulgated rules implementing the EIA, including a requirement for utilities to biannually file a report identifying a ten-year achievable conservation potential and a biennial conservation target.²

¹ RCW 19.285.040.

- 2 On November 1, 2013, Puget Sound Energy (PSE or Company) filed with the Commission its Biennial Conservation Plan (BCP) identifying the Company's 2014-2023 ten-year achievable conservation potential and its 2014-2015 biennial conservation target. On that same day, PSE also filed revisions to its tariff, in Docket UE-132032, which provide for continuation of its electric conservation programs, which were set to expire on December 31, 2013. The tariff changes did not impact then-current rates, but one of PSE's proposed revisions would have allowed for future recovery of expenditures related to the Company's Conservation Voltage Reduction (CVR) program.
- 3 On December 19, 2013, the Washington Utilities and Transportation Commission (Commission) entered Order 01 in Docket UE-132043, *Order Approving Puget Sound Energy's 2014-2023 Achievable Conservation Potential and Its 2014-2015 Biennial Conservation Target Subject to Conditions*. As relevant here, one condition prohibited recovery of CVR expenditures through the Company's Conservation Rider. In light of this condition, the Commission simultaneously entered Order 01 in Docket UE-132032, *Order Suspending Revision to WN U-60, Tariff G, Sheet 292-A* (collectively Order 01).

MOTION FOR CLARIFICATION

- 4 On December 30, 2013, PSE filed a Motion for Clarification of Order 01. The Company asserts that portions of paragraph 14 and 16 appear to be inconsistent. In paragraph 14 of Order 01, the Commission encouraged PSE to "work collaboratively with Staff and the other stakeholders to resolve the issue of incremental cost recovery of CVR labor expenditures." According to the Company, this language indicates the Commission has not predetermined whether recovery of CVR expenditures through PSE's Conservation Rider (Schedule 120) will be permitted.
- 5 However, in paragraph 16 of Order 01, the Commission refers to "condition 11(d) prohibiting recovery of CVR expenditures through the Company's Conservation Rider" and states its intent to suspend the relevant tariff revision (Sheet 292-A). The Company views this language as a Commission determination that PSE may not seek recovery of CVR expenditures through its Conservation Rider. The Company therefore questions

² WAC 480-109-010(3).

whether it could work collaboratively with the other parties on an issue that has already been decided.

6 PSE's motion requests that the Commission modify Order 01 by adding language to paragraphs 16 and 26 indicating that the Commission has not yet made a determination on the merits of the issue of incremental cost recovery of CVR labor expenditures.

7 Staff believes that Order 01 clearly prohibits the collection of CVR funds through Schedule 120, the Company's Conservation Rider, and that the Commission has already made a determination on the merits of cost recovery of CVR expenditures through Schedule 120. In its December 18, 2013, open meeting memo, staff urged recovery of these costs through general rates to account for any offsetting factors.

8 Staff agrees with PSE that Order 01 could be clarified, but not with the additional language recommended by the Company. Instead, Staff suggests striking the second sentence of paragraph 14, which encourages the parties to work collaboratively on the CVR expenditures issue. Staff believes this will make it clear that the Commission has prohibited recovery of CVR expenditures through PSE's Conservation Rider.

DISCUSSION AND DECISION

9 In November 2013, we approved PSE's 2014-2023 achievable conservation potential and its 2014-2015 biennial conservation target subject to conditions, including a condition prohibiting recovery of CVR expenditures through the Company's Conservation Rider. At that time, we also suspended the Company's proposed tariff revisions in WN U-60, Tariff G, Sheet 292-A, in order to allow PSE further opportunity to work with Staff and other stakeholders to resolve the issue of incremental cost recovery of CVR labor expenditures through some alternative approach.

10 We agree with PSE that Order 01 could be clarified, but not with the language suggested by the Company. We agree with Staff's recommendation to clarify Order 01 by eliminating the last sentence of paragraph 14.

11 As noted above, we have already determined that CVR expenditure recovery through the Company's Conservation Rider is not appropriate. We understand that Staff believes CVR-related expenses are already contemplated in existing rates and are subject to the cost-control aspects of the decoupling mechanism in Docket UE-121697.

12 We see no use in requiring continued negotiations over the suspended tariff filing,
which was explicitly designed to work in concert with Schedule 120. Therefore, we
will authorize the Secretary to accept a request to withdraw the suspended filing.

FINDINGS AND CONCLUSIONS

13 (1) The Washington Utilities and Transportation Commission is an agency of the
state of Washington vested by statute with the authority to regulate the rates,
rules, regulations, practices, accounts, securities, transfers of property and
affiliated interests of public service companies, including electric companies.

14 (2) Puget Sound Energy is an electric company and a public service company
subject to Commission jurisdiction.

15 (3) On December 19, 2013, the Commission approved with conditions PSE's ten-
year achievable conservation potential and revised biennial conservation target,
and suspended the tariff revisions to WN U-60, Tariff G, Sheet 292-A.

16 (4) On December 30, 2013, PSE filed with the Commission a Motion for
Clarification of Order 01.

17 (5) The Company's motion should be granted and Order 01 should be clarified.

18 (6) The Secretary should be authorized to accept the Company's request to
withdraw its proposed tariff revisions to WN U-60, Tariff G, Sheet 292-A.

ORDER

THE COMMISSION ORDERS:

19 (1) Puget Sound Energy's motion for clarification of Order 01 is granted.

20 (2) Order 01 is modified as follows: the second sentence in paragraph 14, which
reads

The Company is encouraged to work collaboratively with Staff and other stakeholders to resolve the issue of incremental cost recovery of CVR labor expenditures.

- is stricken. The remainder of Order 01 shall remain unchanged.
- 21 (3) The Commission authorizes the Secretary to accept the Company's request to withdraw its proposed tariff revisions in WN U-60, Tariff G, Sheet 292-A, filed on November 1, 2013, with a proposed effective date of January 1, 2014.
- 22 (4) The Commission retains jurisdiction over this matter for purposes of effectuating this order.

DATED at Olympia, Washington, and effective April 29, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chairman

PHILIP B. JONES, Commissioner

JEFFREY D. GOLTZ, Commissioner