

SERVICE DATE

JUL 28 1999

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Proposal by)	
)	
PUGET SOUND POWER & LIGHT COMPANY)	DOCKET NO. UE-951270
)	
to Transfer Revenues from PRAM Rates to General Rates)	
.....)	
)	
In the Matter of the Application of)	
)	
PUGET SOUND POWER & LIGHT COMPANY and WASHINGTON NATURAL GAS COMPANY)	DOCKET NO. UE-960195
)	
for an Order Authorizing Merger of WASHINGTON ENERGY COMPANY and WASHINGTON NATURAL GAS COMPANY with and into PUGET SOUND POWER & LIGHT COMPANY, and Authorizing the Issuance of Assumptions of Obligations, Adoption of Tariffs, and Authorizations in Connection Therewith)	TWENTY-THIRD SUPPLEMENTAL ORDER ALLOWING RECORDING OF SALE PROCEEDS IN COMPANY BOOKS
.....)	

BACKGROUND

This is a consolidated proceeding in which the Commission has approved the merger of Puget Sound Power & Light Company and Washington Natural Gas Company into Puget Sound Energy. A merger joint stipulation was approved in the Fourteenth Supplemental Order. Paragraph 4.d. of the terms of approval in the joint stipulation provides, in general, that gains or losses on property sales made by the merged company are to be deferred, in the same manner as sales governed by an earlier settlement agreement, and considered in the company's next general rate case. One exception is allowed in Paragraph 4.d. If a property sale is a direct result of the merger, and if neither the Commission Staff nor Public Counsel objects to the sale, then Puget Sound Energy may directly record a gain or loss in the Company's books.

MEMORANDUM

By letter dated June 10, 1999, Puget Sound Energy informed the Commission that it plans to sell its Auburn Stores and Operating Base located at 1400 West Main Street, Auburn, Washington, no later than June 15, 1999. The company seeks permission to record the gain associated with this sale in current earnings of Puget Sound Energy.

The company notes that an exception in paragraph 4.d. of the terms of approval in the joint stipulation submitted and approved in the 14th Supplemental Order in this proceeding allows the company to include the gains or losses from property sales that are a direct result of the merger in current earnings. The company argues that this property falls within the exception for the following reasons: (1) this property was identified for disposal as a direct result of the merger in exhibit T-13; (2) this property was identified in a letter to staff dated September 10, 1997, letter to the Commission Staff; and (3) the natural gas construction and maintenance crews that resided at this facility were relocated and integrated into PSE's South King and Puyallup Service Centers in 1998.

Neither the Commission Staff nor Public Counsel has objected to inclusion of the gain in current earnings.

PSE should be allowed to record the gain from the sale to the Company's books, and include the gain in current earnings.

PSE also seek waiver, in accordance with WAC 480-143-100, of the requirement to file an application for Commission determination that the property is not necessary or useful, prior to disposing of the property. WAC 480-143-180 requires such an application.

The Commission will treat the June 10, 1999, letter as seeking an exemption from WAC 480-143-180, and will grant the exemption.

ORDER

THE COMMISSION ORDERS:

1. Puget Sound Energy may sell its Auburn Stores and Operating Base located at 1400 West Main Street, Auburn, Washington, and may record the gain from the sale in the Company's books.

2. Puget Sound Energy is granted an exemption from the requirement in WAC 480-143-180 that it file an application for Commission determination that the property is not necessary or useful prior to disposing of its Auburn Stores and Operating Base.

DATED at Olympia, Washington, and effective this ^{28th} day of
July 1999.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



CAROLE J. WASHBURN,
Secretary