

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,	)	Docket No. UE-090704
	)	
Complainant,	)	Docket No. UG-090705
	)	
vs.	)	SEATTLE STEAM COMPANY'S PETITION FOR INTERVENTION
	)	
PUGET SOUND ENERGY, INC.,	)	
	)	
Respondent.	)	
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1 Seattle Steam Company (“Seattle Steam”) hereby moves to intervene in the above-captioned proceeding pursuant to WAC 480-09-430. In support of its petition, Seattle Steam states as follows:

2 Seattle Steam owns and operates a steam district heating system, with over 175 customers in the downtown and First Hill areas of Seattle. The predecessors of Seattle Steam were founded in 1893. Through a steam distribution piping network under the streets of Seattle, Seattle Steam serves the space and water heating requirements of many of the office and government buildings in downtown Seattle, as well as hotels, colleges, hospitals and commercial establishments in an area extending from Elliott Bay on the west to Twelfth Avenue on the east, and from Qwest Field on the south to Virginia Street on the north. Because its business is providing heat, its largest business expense is energy. Seattle Steam is concerned in this proceeding not only with the costs to Seattle Steam, but also with the costs that will affect many of the businesses, institutions and non-profit organizations in downtown Seattle.

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DOCKET NO. UE-072300 AND UG-072301

3 Historically the predominant fuel source for Seattle Steam’s two steam plants has been natural gas, although it is able to quickly convert to burning residual fuel oil instead. This allows Seattle Steam’s use of natural gas to be interrupted any time there is a capacity restriction on either Puget Sound Energy, Inc.’s (“PSE”) or Northwest Pipeline’s system. While it has historically been one of PSE’s largest natural gas transportation customers, its “demand” – the amount of gas that it has required during periods when PSE needs to interrupt service to Seattle Steam, has been limited to 2 therms, which is essentially what is required to maintain the pilot lights on the boilers.

4 Seattle Steam has historically purchased interruptible natural gas transportation service from PSE under Schedule 57. In 2008 Seattle Steam transported more than seventeen million therms through PSE’s system. Because of the continual increase in both the cost of transporting natural gas through PSE’s system and the cost of the natural gas itself, Seattle Steam is in the midst of conversion of one of its boilers to be able to use urban wood waste as fuel instead of natural gas. That will result in a dramatic reduction in Seattle Steam’s demand for natural gas. Upon completion of the conversion of the boiler to being able to use urban wood waste, Seattle Steam will likely move to PSE’s Schedule 87.

5 Some customers within PSE’s interruptible rate classes are like Seattle Steam, in that when PSE needs to interrupt their service, they discontinue virtually all of their use of PSE’s system. Such customers provide significant benefit to the company because of the fact that their ability to be interrupted frees up substantial peak capacity for the company to meet peak demand by others. Other customers within those same classes have “firm demand” requirements that mean that they are only partially interrupted, or even not interrupted at all. Seattle Steam believes that there should be a different rate structure for truly interruptible demand than for demand by large customers that must be met during peak periods as well as

other periods. The current rate structure in effect causes truly interruptible customers to subsidize large customers that are not interruptible. Seattle Steam believes that sends the wrong price signals to large PSE customers, because the subsidy discourages large customers from making the investments that would allow them to interrupt their service, and thereby increases the pressure on PSE to increase its investments in capacity to meet peak demand.

6 PSE has both electric and gas operations, and uses gas in its electric generation. The price of gas is one of the primary justifications given for the increase in electric rates that PSE is seeking, and it is important for Seattle Steam to understand how PSE's use of gas may impact its apparent effort to discriminate against large gas transportation customers. There are also many services which are shared between gas and electric customers such as meter reading, billing, purchasing, accounting and customer service. Thus, there may become a question of the proper allocation of the costs of any shared services to be recovered in electric and gas rates. Therefore, Seattle Steam requests permission to intervene in both dockets.

7 At this time, Seattle Steam does not seek to modify or expand the issues before the Commission in this proceeding. Seattle Steam is not represented by any other party in this proceeding and intervention is necessary in order to adequately protect Seattle Steam's interests.

Seattle Steam's business address is:  
Seattle Steam Company  
1325 Fourth Avenue, Suite 1440  
Seattle, Washington 98101

8 For Seattle Steam, copies of all pleadings, correspondence and documents filed in these proceedings should be sent to:

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9 The name and address of Seattle Steam's attorneys in this proceeding are:

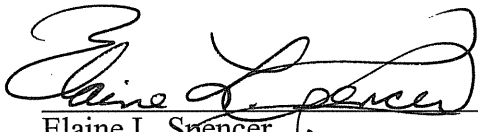
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10 Seattle Steam reserves its right to submit written testimony and exhibits, call witnesses, cross examine witnesses called by other parties and submit written arguments and/or motions.

11 WHEREFORE, Seattle Steam respectfully petitions the Commission for leave to intervene in this proceeding, and the right to participate in any hearings therein.

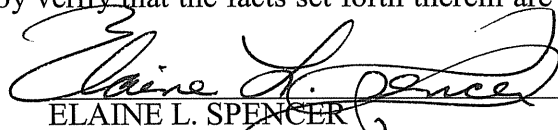
DATED: June 18, 2009

GRAHAM & DUNN PC

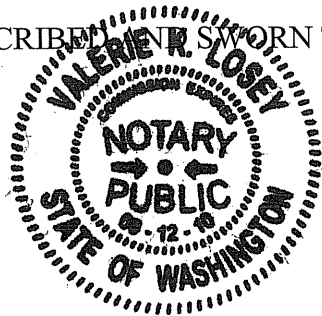
By   
Elaine L. Spencer

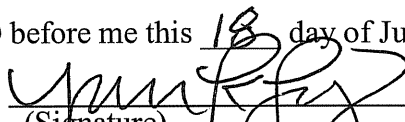
STATE OF WASHINGTON )  
  ) ss.  
COUNTY OF KING )

I, Elaine L. Spencer, being first duly sworn on oath, depose and say:  
I am the attorney for Seattle Steam Company, Intervenor herein. I have read the foregoing Petition for Intervention and I hereby verify that the facts set forth therein are true to the best of my knowledge.

  
ELAINE L. SPENCER

SUBSCRIBED AND SWORN TO before me this 18 day of June, 2009.



  
(Signature)  
Valerie R. Losey  
(Please print name legibly)  
NOTARY PUBLIC in and for the State of  
Washington, residing at Seattle, WA.  
My commission expires: 09/12/2010.

## CERTIFICATE OF SERVICE

I hereby certify that on this 18<sup>th</sup> day of June, 2009, I served a copy of **Seattle Steam Company's Petition for Intervention** in Docket Nos. UE-090704 and UG-090705 via electronic mail and by depositing the original and sixteen (16) copies of same via Federal Express, for expedited next-day delivery, at Seattle, King County, Washington, pursuant to WAC 480-07-150(6), to Mr. David Danner, Executive Director and Secretary, Washington Utilities and Transportation Commission, 1300 S. Evergreen Park Dr. SW, Olympia, WA 98504-7250 and by transmitting a copy of same via electronic mail and U. S. First Class Mail, postage prepaid, at Seattle, King County, Washington, pursuant to WAC 480-07-150(6), to all parties listed below:

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EXECUTED this 18<sup>th</sup> day of June, 2009, at Seattle, King County, Washington.

  
\_\_\_\_\_  
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Secretary to:

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