



Rob McKenna

ATTORNEY GENERAL OF WASHINGTON

Utilities and Transportation Division

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November 21, 2012

David W. Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Dr. SW
P.O. Box 47250
Olympia, Washington 98504-7250

RE: *In the Matter of the Petition of PUGET SOUND ENERGY, INC. and NW ENERGY COALITION For an Order Authorizing PSE to Implement Electric and Natural Gas Decoupling Mechanisms and to Record Accounting Entries Associated with the Mechanisms, Dockets UE-121697/UG-121705*

Dear Mr. Danner:

This letter is sent in response to the Commission's November 23, 2012, Notice seeking comment on procedures for handling PSE's petition in these dockets.

First, Commission Staff notes that the Commission's Policy Statement on decoupling calls for decoupling requests to be filed in the context of a general rate case.¹ However, the Policy Statement is not a rule, and the Commission has handled gas decoupling for Avista outside a general rate case. Therefore, Staff recognizes the Commission's flexibility on process.

Commission Staff is comfortable with the open meeting/workshop process the Commission is currently using to evaluate PSE's decoupling petition. This format provides an opportunity to gather information and understanding of the decoupling proposal in a manner that can be more effective and efficient than the hearing process. Despite the less formal nature of the workshop process, there is an opportunity for informal discovery of the issues underlying the petition, and Staff has issued several informal data requests to PSE.

¹ *Re Investigation into Energy Conservation Incentives*, Docket UE-100522, Report and Policy Statement on Regulatory Mechanism, Including Decoupling (Nov. 4, 2010) at ¶ 28.

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Ultimately, it may become evident that the current process is insufficient to resolve the petitions, and the Commission will need to convene formal hearings. However, Commission Staff believes is too early reach that conclusion.

Sincerely,

A handwritten signature in black ink, appearing to read 'DTT', written over a faint, circular stamp or watermark.

DONALD T. TROTTER
Assistant Attorney General

DTT:klg
Enclosures
cc: Parties