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2 **BEFORE THE**
3 **WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

4 WASHINGTON UTILITIES AND
5 TRANSPORTATION COMMISSION,

6 Complainant,

7 v.

8 PUGET SOUND ENERGY, INC.,

9 Respondent.

Docket No. UE-031725

PUGET SOUND ENERGY, INC.'S
MOTION FOR CLARIFICATION OF
ORDER NO. 12

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12 Pursuant to WAC 480-07-835, Puget Sound Energy, Inc. ("PSE") requests that
13 the Commission clarify Order No. 12 in this proceeding (entered on April 7, 2004).
14 Specifically, PSE seeks the following two clarifications so that approved revisions to
15 Rate Schedule 95 tariff sheets can be accurately prepared and the deferral amounts
16 within the Power Cost Adjustment ("PCA") mechanism can be accurately calculated:

- 17 (1) For ratemaking purposes, Order No. 12 approves Adjustments 1, 2, and
18 4 through 9¹ in Exhibit 318 (shown on lines 3, 4, and 6 through 11 of the
19 exhibit).²
- 20 (2) For purposes of calculating its PCA deferral account, PSE may use the
21 fixed-cost components of its contracts shown on "Exhibit E – Contract
22 Adjustments" in Exhibit 222C as of the date of Order No. 12, *i.e.*, April
23 7, 2004.

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25 ¹ The Commission has approved Adjustment 3 (shown on line 5 in Exhibit 318). This
26 adjustment concerns the costs that are associated with PSE's acquisition of the interest in the
Frederickson 1 facility. *See, e.g.*, Order No. 12 at ¶¶ 63, 67-68, and 73.

27 ² The resolution of the Tenaska and Encogen issues could conceivably affect the final
28 calculation of the eight adjustments. The final amount of these adjustments, therefore, will depend
upon the action that the Commission takes with respect to the Tenaska and Encogen issues.

1 **Discussion**

2 PSE seeks the first clarification because Order No. 12 did not expressly approve
3 Adjustments 1, 2, and 4 through 9 in Exhibit 318.³ Except for the one issue that ICNU
4 raised concerning PSE’s proposed baseline fuel cost, these adjustments were agreed to
5 or not contested by the parties.⁴ Accordingly, PSE requests that the Commission
6 approve these adjustments so that PSE can prepare revised tariff sheets for Rate
7 Schedule 95.

8
9 PSE seeks the second clarification in order to accurately reflect how the fixed
10 costs of contracts are reflected in the calculation of the PCA deferral account. PSE
11 requests clarification that it may use, for purposes of calculating its PCA deferral
12 account, the fixed-cost components of its contracts reflected on “Exhibit E – Contract
13 Adjustments” of Exhibit 222C as of the date of Order No. 12, *i.e.*, April 7, 2004.

14 This second clarification is necessitated by the Commission’s decision, in Order
15 No. 12, to let rates go into effect after the closing of the Frederickson 1 acquisition, as
16 opposed to April 1, 2004 (the date that PSE originally proposed). While PSE does not
17 seek to put rates into effect to recover its fixed contract costs as of the date of Order
18 No. 12, it does want its unrecovered costs (estimated at approximately \$450,000 for the
19 month of April 2004) to be accounted for in the calculation of the PCA deferral account
20 pending the final resolution of the Tenaska and Encogen issues. These fixed costs are a
21 component of Schedule E as set forth in the PCA Settlement, and are used in Exhibit B
22 to the PCA Settlement: Power Costs Subject to PCA Sharing, Row 6, titled “Other
23 Fixed Costs.”

24 PSE has conferred with Commission Staff regarding the clarifications discussed
25 above. PSE understands that Commission Staff does not object to the clarifications for

26 ³ The Commission discussed the adjustments in the body of Order No. 12 (at ¶ 14), but did not
27 expressly approve them in the Order’s Findings of Fact, Conclusions of Law, or ordering paragraphs.

28 ⁴ See Order No. 12 at ¶ 14. With regard to the issue that ICNU raised, the Commission found
PSE’s approach “adequate for purposes of this proceeding.” See Order No. 12 at ¶ 55.

1 the stated purposes.

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4 DATED: April 14, 2004

Respectfully Submitted,

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Attorneys for Puget Sound Energy, Inc.

1 **CERTIFICATE OF SERVICE**

2 The undersigned hereby certifies that I have this day served PSE’s Motion for
3 Clarification of Order No. 12 upon all parties of record in this proceeding, by U.S.
4 mail, postage prepaid and/or fedex overnight delivery:

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18 Signed at Seattle, Washington this 13th day of April, 2004.

19 /s/
20 _____

21 **TODD G. GLASS**