

Agenda Date: October 28, 2010
Item Number: A8

Dockets: **UG-101644**
Company Name: Puget Sound Energy, Inc.

Staff: Roland C. Martin, Regulatory Analyst
Thomas Schooley, Accounting Manager – Energy
Rick Applegate, Regulatory Analyst
Roger Kouchi, Consumer Protection Staff

Recommendation

- Issue an order suspending and setting for hearing the tariff filing made by Puget Sound Energy, Inc., in Docket UG-101644.
- Grant Puget Sound Energy’s request that the parties be permitted to conduct discovery immediately pursuant to WAC 480-07-400, and require responses to data requests within five business days of receipt of any request.

Background

On October 1, 2010, Puget Sound Energy, Inc. (PSE or company) filed revisions to its natural gas tariffs in Docket UG-101644. The effect of the proposed filing is an increase in annual gas delivery revenues of approximately \$24.4 million (2.3 percent).

This filing increases the base rates for natural gas delivery and overhead expenses, not the rates for the gas itself.

PSE, a combined electric and natural gas utility, serves approximately 750,000 gas customers in parts of Snohomish, King, Pierce, Thurston, Lewis, and Kittitas counties in Washington.

A broad range of schedules covering all customer classes is affected. PSE proposes a 6.2 percent increase to the delivery charge for all customers, except one. The water heater rental class would receive a 2.9 percent increase. The water heater rental customers also pay the regular delivery and gas costs in addition to renting the water heater.

PSE requests the commission treat this filing not as a general rate case, but “as a tariff filing as provided in RCW 80.28.060 and WAC 480-80-121.” Staff notes that because the amount of the overall rate increase is less than three percent, the filing is not a general rate proceeding under WAC 480-07-505, which defines a general rate proceeding as one in which “the amount requested would increase gross annual revenue of the company from activities regulated by the commission by three percent or more.” The commission should address this procedural distinction in its Order on Prehearing Conference, in this docket.

PSE requests that discovery pursuant to WAC 480-07-400 be available immediately with a five day turnaround for responses to data requests.

Residential Bill Impacts

The typical residential customer with an average annual consumption of 790 therms will see an annual increase of \$24.39 or 2.6 percent. The average monthly bill would increase approximately two dollars per month.

Customer Comments

On October 1, 2010, the company notified its customers of the proposed rate increase by advertising in nine daily newspapers. The company issued a news release to the news editors of newspapers, television stations and radio stations within the company's service area. The notice was also forwarded to community action agencies and posted to the company's website. The commission received four customer comments on this filing. All four customers are opposed to the proposed increase. Consumer Protection staff advised customers that they may access company documents about this rate case at www.utc.wa.gov, and that they may contact Roger Kouchi at 1-888-333-9882.

Conclusion

Staff recommends the tariff filing made by Puget Sound Energy, Inc., in Docket UG-101644 be suspended and set for hearing. Staff also recommends that the parties be allowed to conduct discovery immediately pursuant to WAC 480-07-400, and staff and PSE further request that responses to data requests be provided within five business days of receipt of any request. Finally, staff recommends that the commission address the procedural distinction between a general rate proceeding and this filing in its Order on Prehearing Conference, in this docket.