



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
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July 12, 2013

NOTICE OF PROCEDURAL CONFERENCE
(Set for Monday, July 15, 2013)

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 and UG-121705 (Consolidated)*

Washington Utilities and Transportation Commission v. Puget Sound Energy, Inc., Dockets UE-130137 and UG-130138 (Consolidated)

TO THE PARTIES:

The Commission entered and served in these dockets on June 25, 2013, Order 07, its Final Order in these proceedings that were considered jointly. On July 5, 2013, the Northwest Industrial Gas Users (NWIGU), Kroger Co., on behalf of its Fred Meyer Stores and Quality Food Centers divisions (Kroger), and Nucor Steel Seattle, Inc. (Nucor) filed their respective petitions for reconsideration. NWIGU urges the Commission to reconsider Order 07 so that it can address on the merits whether the Decoupling Mechanism should apply to non-residential customers that take service under PSE's Tariff Schedules 85, 85T, 87 and 87T. Nucor Steel requests that the Commission reconsider Order 07 with respect to its decisions to include Schedules 85, 85T, 87, and 87T in the revenue decoupling mechanism and not to reduce PSE's return on equity (ROE) to reflect the reduction in risk attributable to the adoption of revenue decoupling. Kroger asks the Commission to reconsider its decision to include larger non-residential electric customers in the revenue decoupling mechanism and its decision not to reduce PSE's return on equity (ROE) to reflect the reduction in risk attributable to the adoption of revenue decoupling.

In Order 07, the Commission expressed its concern over the presence of factors that contribute to the “significant heterogeneity in the non-residential customer class” and that, with respect to this class, “raise questions about the suitability of decoupling that relies exclusively on average revenue per customer.”¹ Considering the record, the Commission determined that it:

[S]hould not at this time exclude from the decoupling mechanisms non-residential customers other than electric lighting and retail wheeling customers, and gas lighting, gas water heater rentals and special contracts. However, we strongly encourage customers such as Kroger and Nucor Steel, and trade organizations such as ICNU and NWIGU, to engage in meaningful dialogue with PSE, Staff and others who take an interest, and with the Commission, to monitor carefully how decoupling is working out in practice. It may be that there are alternatives for some, or all, non-residential customers that are better suited to meeting decoupling’s goals than are the current decoupling mechanisms. The Commission remains open to hearing fully supported alternative proposals for fixed cost recovery from the non-residential class of customers, or subsets of the class.²

The pending petitions for reconsideration open the possibility that this “meaningful dialogue” might occur sooner, rather than later, possibly leading to an alternative approach, or alternative approaches, for some, or all, non-residential customers that are better suited to meeting decoupling’s goals than are the current decoupling mechanisms. The Commission wishes to discuss with the parties on the record whether it should, and how it might best procedurally, facilitate such efforts. The Commission will convene a procedural conference for this purpose.

NOTICE IS HEREBY GIVEN That a procedural conference in this matter will be held on Monday, July 15, 2013, at 1:30 p.m., in the Commission’s main hearing room. The conference will be conducted before Administrative Law Judge Dennis J. Moss. Parties may participate via the Commission’s teleconference bridge line: (360) 664-3846.

DENNIS J. MOSS
Administrative Law Judge

¹ Order 07 ¶ 127.

² *Id.* ¶ 129.