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November 21, 2012

**VIA ELECTRONIC FILING AND OVERNIGHT MAIL**

Mr. David Danner  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive SW  
Olympia, Washington 98504-0128

**Re: Joint Petition for Decoupling  
Docket Nos. UE-121697 and UG-121705**

Dear Mr. Danner:

In response to the Notice Requesting Filing of Proposals and Additional Information dated November 13, 2012, Puget Sound Energy, Inc. ("PSE") and the NW Energy Coalition (the "Coalition") provide the following information to the Commission and interested stakeholders.

**Additional Information Requested by Commissioners**

In response to a request from Commissioner Oshie at the November 8, 2012 open meeting, enclosed please find PSE's Response to Informal Bench Request No. 1 and Attachment A thereto, depicting the operation of the proposed decoupling mechanisms for the years 2007 through 2011, if the decoupling mechanisms had been in place for those years. As requested, PSE is providing information that includes (i) the effects of rate cases on the proposed decoupling mechanisms, (ii) the interest calculation proposed by the Joint Parties, and (iii) the effects the proposed decoupling mechanisms would have had on electric and natural gas customers' bills during that time period.

**Informal Data Request Responses**

PSE has responded to additional requests for information made by stakeholders at the November 8, 2012 open meeting. PSE has also responded to most of the data requests from Commission Staff that were sent to PSE on November 14. Responses have been sent to the requesting parties.

## The Joint Parties' Proposed Procedure

PSE and the Coalition provided a proposed procedure in the petition. Specifically, PSE and the Coalition request that the Commission approve the decoupling mechanisms outlined in the petition through the open meeting process, and the Joint Parties request that the review be completed by December 31, 2012. In order to facilitate the review of the proposal, PSE and the Coalition are prepared to answer informal data requests, meet with parties, provide further discussion at open meetings, or engage in other collaborative and technical conferences. The Commission should set a reasonable time limit for this informal discovery. Discovery should not be used as a means to unnecessarily delay the petition.

As noted in the Joint Parties' petition, the Commission has undertaken extensive review of decoupling in general, and for PSE specifically, over the past several years. Most recently, in PSE's general rate case concluded in May, the Commission considered a decoupling proposal submitted by the Coalition that is very similar to the proposal the Joint Parties submitted in this petition. The Commission also conducted an exhaustive inquiry into decoupling in Docket U-100522, which culminated in the Commission's *Report and Policy Statement on Regulatory Mechanisms, Including Decoupling, To Encourage Utilities To Meet or Exceed Their Conservation Targets*, issued on November 4, 2010.

The Commission has approved decoupling proposals in the past outside of general rate cases, including in Docket UG-060518. Moreover, there is no requirement that a petition such as this be considered in an adjudicative proceeding. The Commission rules recognize that petitions do not always require adjudication. *See* WAC 480-07-305(3)(b) (noting that petitions constitute applications for adjudicative proceedings when the action sought requires adjudication.). The Joint Parties' petition does not request or require adjudication. There is no statute, rule, or law that requires adjudication of a petition for revenue decoupling. The Commission has discretion as to how to address this petition procedurally.

The Joint Parties appreciate the Commission's consideration of the attached information.

Very truly yours,



Sheree Strom Carson

SSC:cgm

Enclosures

cc: All Parties