



STATE OF WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION
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September 1, 2015

NOTICE OF PREHEARING CONFERENCE
(Set for September 8, 2015, at 1:30 p.m.)

RE: *In the Matter of the Petition of PUGET SOUND ENERGY, for (i) Approval of a Special Contract for Liquefied Natural Gas Fuel Service with Totem Ocean Trailer Express, Inc., and (ii) a Declaratory Order Approving the Methodology for Allocating Costs Between Regulated and Non-regulated Liquefied Natural Gas Services, Docket UG-151663*

TO ALL PARTIES AND INTERESTED PERSONS:

On August 11, 2015, Puget Sound Energy (PSE) filed with the Washington Utilities and Transportation Commission (Commission) a Petition for Approval of a Special Contract for Liquefied Natural Gas Fuel Service with Totem Ocean Trailer Express, Inc., and a Declaratory Order Approving the Methodology for Allocating Costs between Regulated and Non-regulated Liquefied Natural Gas Services.

The Commission gave notice of the Petition on August 13, 2015, as required by RCW 34.05.240 and WAC 480-07-930, and invited interested persons to submit statements of fact and law on the issues.¹ On August 27, 2015, PSE, the Commission's regulatory staff (Staff), and Northwest Industrial Gas Users (NWIGU), jointly with the Public Counsel Unit of the Washington Attorney General's Office (Public Counsel), filed statements of fact and law. Staff, NWIGU and Public Counsel recommend that the Commission initiate an adjudicative proceeding to consider PSE's request for approval of a special contract and ask that the Commission convert the form of PSE's requested declaratory order proceeding, treating the matter instead as an adjudicative proceeding under part III,

¹Notice of Receipt of Petition for Declaratory Order and Opportunity to Submit Statements of Fact and Law, and Notice of Opportunity to File Response to Motion for Amended Protective Order.

subpart A of the Commission's procedural rules.² Staff, in addition, argues there is good cause to extend the period of 90 days provided under RCW 34.05.240(5)(b) for the conduct of a converted proceeding.³

NWIGU and Public Counsel, like Staff, do not take any position on the merits of PSE's filing, but request sufficient time to investigate and review the filing and urge the use of an adjudicative process to develop a record upon which the Commission can make its determination. They suggest that the 90 day period for review allowed for declaratory judgments is insufficient considering the number and potential complexity of the issues it appears to raise.

RCW 34.05.240 and WAC 480-07-930 require the Commission, within 30 days of receiving a petition for declaratory order, to enter a declaratory order, notify the Petitioners that no order will be entered, set a date within 90 days of the date the petition was filed by which the Commission will enter an order, or set a date and time for a hearing to be conducted within 90 days of the date the Petition was filed. The Commission may extend either 90 day period for good cause. The Commission also may convert a declaratory order proceeding to an adjudication if a different procedure would be more appropriate to resolve the issues presented.

The Commission agrees with Staff's, and NWIGU and Public Counsel's assessments in their respective statements of fact and law that the Commission cannot resolve the issues presented based on the facts that have been provided to date and that an adjudicative proceeding will provide an opportunity for a more balanced and appropriate level of review than would be possible without such a proceeding. Accordingly, the Commission will initiate an adjudicative proceeding in this docket.

At the prehearing conference, of which notice is given here, the Commission will address procedural issues, including the nature and scheduling of the hearing, and opportunities for informal resolution of issues by alternative means, such as settlement negotiations in which all parties may participate. Administrative Law Judge Dennis J. Moss, from the Commission's Administrative Law Division, will preside at this prehearing conference and during the subsequent proceeding, as appropriate.

The Commission expresses no opinion at this time concerning the procedural schedule that may be required to conduct complete review of this matter. However, we will honor the Company's request for expeditious process to the extent of finding good cause to set

² See RCW 34.05.413 and RCW 34.05.240(5)(b); see also WAC 480-07-305 and WAC 480-07-930.

³ See RCW 34.05.240(6).

the date for the prehearing conference on shortened notice, as allowed under WAC 480-07-440(1)(a). Further, we urge the parties to work cooperatively together to develop a procedural schedule that will allow this matter to be brought to a timely conclusion considering both transactional requirements PSE faces and the parties' respective capacities to devote resources to this proceeding, and such other factors as may be pertinent to setting a date for hearing.

THE COMMISSION GIVES NOTICE that it will hold a prehearing conference in this matter at 1:30 p.m., on September 8, 2015, in the Commission's Hearing Room, Second Floor, Richard Hemstad Building, 1300 S. Evergreen Park Drive S.W., Olympia, Washington.

STEVEN V. KING
Executive Director and Secretary