

Agenda Date: March 24, 2011
Item Number: A1

Docket: UE-110380
Company Name: Puget Sound Energy

Staff: Michael Foisy, Regulatory Analyst
Alan Buckley, Regulatory Consultant
Thomas Schooley, Accounting Manager, Energy Section

Recommendation

Take no action, allowing the rates filed by PSE in Docket UE-110380 to go into effect on April 1, 2011, by operation of law.

Discussion

On February 25, 2011, Puget Sound Energy (PSE) filed to reduce rates in Schedule 133. This filing represents a reduction in revenues of \$4,334,360 (0.3 Percent).

In Docket Number UE-090704, the Commission directed that PSE establish a Tenaska Regulatory Asset account. The ruling was the result of staff and ICNU recognizing that the rate year net power cost projection included an annual \$38.3 million expense associated with the buy-down of the Tenaska fuel prices as determined in Dockets UE-971619 and UE-031725. The Commission acknowledged that a regulatory asset account should be established to eliminate the possibility that the buy-down cost would be embedded in rates beyond the end of the Tenaska amortization period, December 31, 2011. The associated expenses for this filing are \$30.5 million.

As stated by PSE, the purpose of this filing is to update the Regulatory Asset Tracker rates as provided in paragraph 6 of Schedule 133. PSE has taken into account the actual usage and the projected usage used to develop the rates, changes in amortization and true-up for any differences. Schedule 133 will terminate on December 31, 2011. Any remaining balance at that time will be reflected as an adjustment in the next general rate case or Power Cost Adjustment (PCA).

Conclusion

Staff has reviewed PSE's proposed true-up of Schedule 133 and finds it reasonable. The proposed change will reduce a residential bill for the typical customer using 1,000 kWh by \$0.22. Further once Schedule 133 ends, the typical residential customer using the 1,000 kWh will see a reduction in their monthly bill of \$2.47.

Recommendation

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