

Agenda Date: April 28, 2011
Item Number: A4

Docket: UE-110550
Company: Puget Sound Energy, Inc.

Staff: Joanna Huang, Regulatory Analyst

Recommendation

Take no action, thereby allowing Puget Sound Energy's proposed tariff filing in Docket UE-110550 to become effective on April 30, 2011, by operation of law.

Background

On March 30, 2011, Puget Sound Energy, Inc. (PSE or company) filed tariff revisions to its electric Schedule 137, Temporary Customer Change or Credit. Schedule 137, Temporary Customer Change or Credit was established per Order 06 in Docket UE-070725 and Order 01 in Docket UE-101581 (consolidated Order).

The proposed tariff revisions to Schedule 137 drop the credit to zero for all customers.

Discussion

According to Order 06 in Docket UE-070725 and Order 01 in Docket UE-101581 (consolidated Order), the commission directed PSE to provide customer bill credits during the period November 2010 through March 2011 for the Renewable Energy Credits generated through November 30, 2009. The REC proceeds received by PSE after November 2009 through December 2011 were directed to be used to offset the Production Tax Credit (PTC) that has been credited to customers through a PTC tracker. The remainder of the REC proceeds received after November 30, 2009, would then be treated as a regulatory liability account against PSE's rate base for ratemaking purposes.

The total amount directed to be refunded to customers was \$27,683,364, based on proceeds PSE received from sales of Renewable Energy Credits (RECs) through November 30, 2009. Appendix A (Agreed Proposal Concerning the Crediting Method For REC Proceeds and Request for Amendment of Order 03) in Order 06 in Docket UE-070725 and Order 01 in Docket UE-101581 (consolidated Order) indicated that the company has to make a request that Schedule 134 be terminated when the amount refunded to customers is expected to be equal to, or exceeds, the total revenue requirement. Note that Schedule 137 was used instead of Schedule 134 later on.

Schedule 137 was established to allocate \$27,683,364 to all rate schedules using a peak credit weighted allocation factor resulting from PSE's compliance filing Docket UE-090704. As of March 31, the company's current estimated refund in Account 25400241 is \$27,527,848. That leaves \$155,516 to still be refunded to customers in April. The company estimates that during April customers will receive an additional \$3,954,144.

The impact of this filing for an average residential customer on Schedule 7 with consumption of 1000 kilowatt hours will be an increase of about \$2.63 per month.

Order 06 in docket No. UE-070725 and Order 01 in Docket No. UE-101581 (consolidated Order) states that “Any remaining balances associated with this refund, either over or under credited, will be cleared to the REC liability account.” Therefore, extending Schedule 137 one month more than indicated in the commission Order has little overall impact.

Conclusion

Staff recommends the commission take no action, thereby allowing Puget Sound Energy, Inc.’s tariff filing in Docket UE-110550 become effective on April 30, 2011, by operation of law.