

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of) DOCKET UE-130583 (*Consolidated*)
)
PUGET SOUND ENERGY) ORDER 03
)
For an Accounting Order Authorizing)
Accounting Treatment Related to)
Payments for Major Maintenance)
Activities)
.....)
)
WASHINGTON UTILITIES AND) DOCKET UE-130617 (*Consolidated*)
TRANSPORTATION)
COMMISSION,) ORDER 07
)
Complainant,)
)
v.)
)
PUGET SOUND ENERGY)
)
Respondent.)
.....)
) DOCKET UE-131099 (*Consolidated*)
In the Matter of the Petition of)
) ORDER 03
PUGET SOUND ENERGY)
)
For an Accounting Order Authorizing)
Accounting the Sale of the Water)
Rights and Associated Assets of the)
Electron Hydroelectric Project in)
Accordance with WAC 480-143 and)
RCW 80.12.)
.....)

In the Matter of the Petition of)	
)	DOCKET UE-131230 (<i>Consolidated</i>)
PUGET SOUND ENERGY)	
)	ORDER 03
For an Order Authorizing the Sale of)	
Interests in the Development Assets)	
Required for the Construction and)	
Operation of Phase II of the Lower)	
Snake River Wind Facility)	
.....		

**ORDER GRANTING JOINT MOTION FOR MODIFICATION OF
SCHEDULE IN ORDER 06**

1 **Background.** On October 23, 2013, the Washington Utilities and Transportation Commission (Commission) entered a final order approving and adopting a settlement stipulation in Dockets UE-130583, UE-130617, UE-131099, and UE-131230 (Order 06).¹ Among other things, Order 06 provided for the creation of two collaborative processes in which Puget Sound Energy (PSE), the Commission’s regulatory staff (Staff),² the Industrial Customers of Northwest Utilities (ICNU), and the Public

¹ *In the Matter of the Petition of Puget Sound Energy, Inc., for an Accounting Order Authorizing Accounting Treatment Related to Payments for Major Maintenance Activities*, Docket UE-130583, Order 02; *WUTC, Complainant, v. Puget Sound Energy, Respondent*, Docket UE-130617, Order 06; *In the Matter of the Petition of Puget Sound Energy, for an Order Authorizing the Sale of the Water Rights and Associated Assets of the Electron Hydroelectric Project in Accordance with WAC 480-143 and RCW 80.12*, Docket UE-131099, Order 02; and *In the Matter of the Petition of Puget Sound Energy, for an Order Authorizing the Sale of Interests in the Development Assets Required for the Construction and Operation of Phase II of the Lower Snake River Wind Facility*, Docket UE-131230, Order 02, Final Order Approving and Adopting Settlement Agreement (October 23, 2013) .

² In formal proceedings, such as this, Staff participates like any other party, while the Commissioners make the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners’ policy and accounting advisors do not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. See RCW 34.05.455.

Counsel Division of the Washington Office of Attorney General (Public Counsel)³ would review: (1) power cost adjustment (PCA) mechanism and power cost only rate case (PCORC) related issues, and (2) electric cost of service, rate spread, and rate design issues.⁴ If the parties reached agreement on the issues raised within the collaborative group, they would propose implementation of the agreement's terms in PSE's next PCORC.⁵ If consensus was not reached, PSE would initiate a docket by July 1, 2014, to address PCA and PCORC-related issues, including whether either should continue as well as electric cost of service, rate spread, and rate design issues.⁶

- 2 **MOTION FOR MODIFICATION OF SCHEDULE.** On June 2, 2014, PSE, Staff, and Public Counsel (Joint Parties) filed a Joint Motion for Modification of Schedule in Order 06 (Motion). The Joint Parties state that the collaborative group began meeting in November 2013, but to date, they have not reached consensus on changes, if any, to the PCA mechanism or the PCORC.⁷ On May 15, 2014, Public Counsel presented a proposal to the collective which recommended certain modifications to the PCA mechanism.⁸ The Joint Parties maintain there is "sufficient interest in the proposal that additional time for further analysis and consideration was determined to be useful."⁹ As a result, the Joint Parties request a 90 day extension of the July 1, 2014, deadline for PSE to initiate a docket to address these issues.¹⁰ PSE has agreed

³ ICNU does not oppose the Motion. Motion, ¶ 2.

⁴ Order 06, ¶ 43 and Appendix A to Order 06 at 10.

⁵ Appendix A at 10.

⁶ *Id.* at 11 and Order 06, ¶ 44.

⁷ Motion, ¶ 4.

⁸ *Id.*, ¶ 5.

⁹ *Id.*

¹⁰ *Id.*

to notify the other parties by August 15, 2014, following its own review of Public Counsel's proposal, as to whether it is open to further consideration of the proposal.¹¹ Staff would also conduct an analysis of the proposal by August 15, 2014.¹²

3 Following the analyses, if the Joint Parties agree to move forward with the proposal, it is anticipated they will "work towards finalizing an agreement to be filed October 1, 2014, for review by the Commission."¹³ If agreement is not reached, PSE will notify the other parties that it plans to make an October 1, 2014, filing with the Commission, either supporting the existing PCA mechanism and PCORC processes or proposing its own modifications.¹⁴

4 **DISCUSSION AND DECISION.** The Commission stated in Order 06 that the issues surrounding the PCA mechanism and the PCORC processes "may be contentious, and it may be difficult for [PSE] and all parties to reach consensus on each power cost issue included in the PCORC."¹⁵ The Joint Parties' request for an extension of time to consider Public Counsel's proposal and to work toward an agreement on these issues is not unreasonable. The Commission determines that the Motion should be granted.¹⁶

¹¹ *Id.*

¹² *Id.*

¹³ *Id.*, ¶ 6.

¹⁴ *Id.*

¹⁵ Order 06, ¶ 44.

¹⁶ The Commission does not anticipate that the October 1, 2014, deadline extension will have any impact upon PSE's recently-filed PCORC, Docket UE-141141.

ORDER

- 5 **THE COMMISSION ORDERS That** the Joint Motion for Modification of Schedule in Order 06, filed by PSE, Staff, and Public Counsel is GRANTED.

Dated at Olympia, Washington, and effective June 13, 2014.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARGUERITE E. FRIEDLANDER
Administrative Law Judge

NOTICE TO PARTIES: This is an Interlocutory Order of the Commission. Administrative review may be available through a petition for review, filed within 10 days of the service of this Order pursuant to WAC 480-07-810.