

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND	)	DOCKETS UE-072300 &
TRANSPORTATION COMMISSION,	)	UG-072301(<i>consolidated</i>)
Complainant,)	
	)	DOCKET UG-080064
v.)	
	)	ORDER 06
PUGET SOUND ENERGY, INC.)	
	)	ORDER DENYING MOTION FOR
Respondent.	)	LEAVE TO NOTIFY SCHEDULE 57
	)	CUSTOMERS OR IN THE
	)	ALTERNATIVE FOR MORE
.....	)	COMPLETE NOTICE

MEMORANDUM

- 1 On December 3, 2007, Puget Sound Energy, Inc. (PSE), filed a general rate case with the Washington Utilities and Transportation Commission (Commission) seeking revisions to its currently effective Tariff WN U-60, Tariff G, Electric Service and Tariff WN U-2, Gas Service, Advice No. 2007-35, including tariff sheets governing Schedule 50, Compressed Natural Gas Service for Motor Vehicles. The Commission suspended the filing and set the matter for hearing.

- 2 On March 18, 2008, Seattle Steam Company (Seattle Steam) filed its Motion for Leave to Notify Schedule 57 Customers or in the Alternative for More Complete Notice. On March 24 and 25, 2008, the Northwest Industrial Gas Users (NWIGU), Staff, Public Counsel, and PSE filed responses. On March 26, 2008, Seattle Steam filed its Request for Permission to Reply, accompanied by its Reply. We find a reply unnecessary and will deny Seattle Steam’s request that we consider it.

I. Argument.

- 3 Seattle Steam discusses in its motion some of its concerns about PSE's proposed increase in rates to Schedule 57 customers, under which Seattle Steam receives service. Seattle Steam states:

The amount at issue for Seattle Steam, however, is not enough to allow it to justify retaining the sort of experts who are needed in order to be able to fully analyze Puget's work. Therefore it is important that Seattle Steam have the ability to communicate with other similarly situated companies which may wish to join with it in responding to Puget's proposal before this Commission.

The "similarly situated customers" to whom Seattle Steam refers are described in the motion as "seventeen current Schedule 57 customers who Puget assumes will either stay on Schedule 57 or migrate to Schedule 87T." We infer from the motion that these are the larger customers taking service under Schedule 57; customers for whom PSE transports more than one million therms of gas per year. According to PSE's response opposing the motion, these 17 customers are a relatively small subset of the full Schedule 57 customer list. Seattle Steam states that it learned the identity of these customers by examining confidential work papers provided by PSE in this proceeding under the terms of Order 02, a Protective Order entered in this proceeding on December 17, 2007.

- 4 Seattle Steam argues:

basic concepts of due process support making sure that before any class of customers is given the sort of rate increase that Puget proposes for its large interruptible customers currently served under Schedule 57, those customers be given notice and an opportunity to be heard. Seattle Steam's proposed letter would provide that notice, and unless the letter can be sent, most of those large industrial customers are unlikely to know of this proceeding or the proposed increase until it is too late for them to be heard.

- 5 Staff states that it does not expressly oppose Seattle Steam's motion because of Staff's general support for complete and accurate customer notice in connection with rate proceedings. Staff, however, discusses the adequacy of notice that has been and is being provided in this docket and questions the need for any additional notice to a

17-member subset of the customers who take service under Schedule 57. Staff points out, among other things, that in addition to Seattle Steam, both Nucor Steel Seattle and NWIGU timely sought and obtained status as intervenors in this proceeding. Nucor Steel Seattle is a Schedule 57 customer. Some NWIGU members are Schedule 57 customers and may be among the customers Seattle Steam seeks to solicit.¹ Staff also questions Seattle Steam's proposed use of confidential information in an effort to gain financial support for its litigation efforts.

- 6 Public Counsel opposes Seattle Steam's motion citing both the adequacy of the notice already provided and the impropriety of using confidential PSE customer lists to contact Schedule 57 customers in violation of the Protective Order in this proceeding "for marketing purposes."
- 7 NWIGU opposes Seattle Steam's motion. However, NWIGU requests that PSE provide individual notice to all industrial customers on Schedules 57 and 87 through its customer representatives. NWIGU argues this is appropriate given the significant redesign PSE proposes for some rates and the "highly variable individual impact" these changes will produce, if approved. Finally, with respect to the solicitation aspect of Seattle Steam's motion, NWIGU argues that the Schedule 57 and 87 customers should be advised they can contact any of the industrial customer intervenors, including NWIGU, Nucor Steel Seattle, and Seattle Steam.
- 8 PSE objects to Seattle Steam's motion because: "the proposed solicitation is unnecessary and potentially violates the terms of the Protective Order entered in this case, PSE's privacy policy and WAC 480-90-153," which prohibits the company from disclosing customer identifying information for marketing purposes. PSE also argues that Schedule 57 customers already are on notice of the proposed tariff changes and are adequately represented in this proceeding by three intervenors: Seattle Steam, Nucor Steel Seattle, and NWIGU.

¹ See PSE Response ¶ 9, fn. 6; NWIGU Response ¶ 2.

II. Discussion and Disposition.

- 9 We will deny Seattle Steam's motion. As several parties point out, Seattle Steam's proposed use of confidential information obtained under the Protective Order entered in this proceeding would violate the terms of that order. It would be inappropriate, at best, for the Commission to undermine its own order to permit the use of PSE's gas customers' personal identifying information for the purpose of allowing an intervenor's attorneys to solicit business. This is, at bottom, what Seattle Steam proposes to do.
- 10 PSE has provided and continues to provide, notice of its proposed rate increases to all customers, including Schedule 57 customers, in accordance with statutory requirements and its obligations under the Commission's rules governing public notice.² The customer notice that PSE will include as a bill insert during March and April of this year was developed via consultation among PSE, Staff and Public Counsel.³ The proposed 24 percent average rate increase for Schedule 57 transportation customers is specifically itemized in the notice. The notice also includes a summary of PSE's transportation rate design proposal.
- 11 We find the bill insert now being included in customer bills is adequate notice in addition to that provided by PSE's public filing and required publication in various media.⁴ Seattle Steam has failed to establish any need for additional notice targeted to specific customers. We will require none.
- 12 Although we deny Seattle Steam's motion, we acknowledge that NWIGU, in its response opposing the motion, makes a useful suggestion that PSE may wish to follow for the sake of good customer relations, or for other reasons. Again, however,

² Principally, in this instance, WAC 480-90-194, -197 and WAC 480-100-194, -197.

³ The fact that this consultative process to develop a bill insert would ensue was discussed at the first prehearing conference in this proceeding. Seattle Steam did not express an interest in having the bill insert include any specific information concerning Schedule 57, nor did it express an interest in participating in development of the customer notice.

⁴ Seattle Steam's concern that the bill insert will go to an employee in the accounts payable department of a Schedule 57 customer and, thus, will be overlooked by management is sheer speculation. As Staff points out in its response: "The flow of mail through the hierarchy of a company is not an issue the Commission can or should address." Schedule 57 customers have the same notice and opportunity to participate as other customers. More than one such customer is already represented as an intervenor in this proceeding.

we will not require PSE to do so. The notices PSE has provided in accordance with the Commission's rules, including notices currently being provided to individual customers as bill inserts, are legally sufficient and adequate to inform customers concerning the pendency of this proceeding, how they may learn more about it, and how they may participate.⁵ We require nothing more.

ORDER

THE COMMISSION ORDERS:

- 13 (1) Seattle Steam Company's Request for Permission To Reply is denied.
- 14 (2) Seattle Steam Company's Motion for Leave To Notify Schedule 57 Customers or in the Alternative for More Complete Notice is denied.
- 15 (3) The Commission retains jurisdiction to effectuate the terms of this Order.

DATED at Olympia, Washington, and effective April 1, 2008.

WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

DENNIS J. MOSS
Administrative Law Judge

⁵ Although the opportunity for timely intervention has passed, customers continue to have the opportunity to file written comments or to appear and comment orally at one of the three public comment hearings scheduled in this matter as to which subsequent additional notice will be given. In addition, WAC 480-07-355(b) allows for late-filed petitions to intervene, which may be granted on a showing of good cause, including a satisfactory explanation of why the person did not timely file a petition.