

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION
COMMISSION

| | | |
|----------------------------|---|----------------------|
| WASHINGTON UTILITIES AND |) | |
| TRANSPORTATION COMMISSION, |) | |
| |) | DOCKET UG-011571 |
| Complainant, |) | |
| |) | COMPLAINT AND ORDER |
| v. |) | SUSPENDING TARIFF |
| |) | REVISIONS, AND |
| PUGET SOUND ENERGY, INC. |) | INITIATING DISCOVERY |
| |) | |
| Respondent. |) | |
| |) | |
| |) | |

BACKGROUND

- 1 On November 26, 2001, Puget Sound Energy, Inc. (PSE) filed with the Commission revisions to its currently effective natural gas Tariff WN U-2, as listed in the appendix of this Order. The stated effective date of the proposed tariff revisions is December 27, 2001. The proposed revisions implement a general rate increase of 14.5%, modify facilities-extension standards and charges, and implement other changes to PSE's rules, rates and procedures included in its tariff. PSE proposed this filing in conjunction with a general rate case for its electric operations, Docket No. UE-011570.

- 2 The filing would increase charges and rates for natural gas service provided by PSE. Because those increases might injuriously affect the rights and interests of the public and PSE has not demonstrated that the increases would result in rates that are fair, just, and reasonable, the Commission suspends the tariff filing and will hold public hearings if necessary to determine whether the proposed increases are fair, just, and reasonable.

- 3 At the Commission's open public meeting on December 12, 2001, Staff stated that this proceeding is of the type described in WAC 480-09-480(2)(a) and requested the opportunity for discovery. The Commission agrees that the discovery rule WAC 480-09-480, should be invoked immediately.

- 4 As this proceeding deals with the general rates of PSE, both with respect to the level of charges and to the rules and procedures concerning service, Commission Staff also requested that this Order include a provision that places at issue whether all of the Company's existing natural gas tariffs produce rates, terms and conditions for natural

gas service that are fair, just, reasonable and sufficient. Staff's request is appropriate and should be granted

FINDINGS

- 5 (1) PSE is a gas company and is a public service company subject to the jurisdiction of the Commission.
- 6 (2) The tariff revisions filed by PSE on November 26, 2001, would increase charges and rates for natural gas service provided by PSE, and might injuriously affect the rights and interests of the public.
- 7 (3) PSE has not demonstrated that the increased rates and charges in its proposed tariff revisions would result in rates that are fair, just, and reasonable.
- 8 (4) As required by RCW 80.04.130, PSE bears the burden of proof to show that the proposed increases are fair, just, and reasonable.
- 9 (5) This proceeding is of the type described in WAC 480-09-480(2)(a) and Commission Staff requests the opportunity for discovery.
- 10 (6) The proposed tariff filing deals with the general provision of natural gas service with respect to rates, rules and procedures. It is, therefore, appropriate that we also place at issue whether all the Company's existing tariffs produce rates, terms and conditions for natural gas service are fair, just, reasonable and sufficient.
- 11 (7) In order to carry out the duties imposed on the Commission by law, and as authorized in RCW 80.20.20, the Commission believes it necessary to investigate PSE's books, accounts, practices and activities; to make a valuation or appraisal of PSE's property; and to investigate and appraise various phases of PSE's operations. PSE may be required to pay the expenses reasonably attributable and allocable to the investigation to the extent the requirements for such payment are consistent or authorized by chapter 80.20 RCW.

ORDER

12 THE COMMISSION ORDERS:

- 13 (1) The tariff revisions filed on November 26, 2001, are suspended.
- 14 (2) The Commission will hold hearings at such times and places as may be required.

- 15 (3) PSE must not change or alter the tariff revisions filed in this docket during the suspension period, unless authorized by the Commission.
- 16 (4) The Commission will institute an investigation of PSE's books, accounts, practices, activities, property and operations, as described above.
- 17 (5) The discovery rule, WAC 480-09-480, is invoked. Formal discovery may commence immediately. Parties are required to limit discovery to that necessary to their respective cases, and parties should cooperate to facilitate discovery and resolve informally any disputes.
- 18 (6) PSE shall pay the expenses reasonably attributable and allocable to the Commission's investigation to the extent the requirements for such payment are in accordance with the provisions of chapter 80.20 RCW.
- 19 (7) As required by WAC 480-90-193, PSE must supply a notice to all affected customers in the form and manner specified in WAC 480-80-125.

DATED at Olympia, Washington, and effective this 12th day of December, 2001.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

PATRICK J. OSHIE, Commissioner