BEFORE THE WASHINGTON STATE

UTILITIES AND TRANSPORTATION COMMISSION

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| In the Matter of the Petition ofPUGET SOUND ENERGY, INC. and NW ENERGY COALITIONFor an Order Authorizing PSE to Implement Electric and Natural Gas Decoupling Mechanisms and to Record Accounting Entries Associated with the Mechanisms. | )))))))))) | DOCKETS UE-121697and UG-121705 *(consolidated)* |
| WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v.PUGET SOUND ENERGY, INC., Respondent. | )))))))))))) | DOCKETS UE-130137and UG-130138 *(consolidated)*NW ENERGY COALITION’S POSITION ON REMAND PROCEEDINGS |

 1. On July 25, 2014, the Thurston County Superior Court held that “the Commission’s findings of fact with respect to the return on equity component of Puget Sound Energy, Inc.’s cost of capital in the context of a multi-year rate plan are unsupported by substantial evidence and the Commission improperly shifted the burden of proof on this issue from Puget Sound Energy, Inc. to the other parties in the proceeding below, contrary to RCW 34.05.461(4) and RCW 80.04.130(4).”

 2. On August 5, 2014, the Commission invited parties to submit proposals on the appropriate procedure for resolving issues on remand in response to the Court’s order.

 3. The NW Energy Coalition takes no position as to the appropriate return on equity for PSE in the context of the multi-year rate plan, and takes no position as to the appropriate procedure for addressing this question on remand. Assuming that the remand proceedings are limited to the question of determining the appropriate return on equity in the context of the multi-year rate plan, the NW Energy Coalition does not plan to participate in the remand proceedings.

 4. In Order 07[[1]](#footnote-1), the Commission concluded that the decoupling mechanism should not lead to a prospective reduction in PSE’s return on equity based on the existing evidence, but found that a later reduction in return on equity may be appropriate if future evidence demonstrates that the decoupling mechanism in fact reduces PSE’s cost of capital. The NW Energy Coalition takes the position that the Court’s order does not call into question this conclusion; instead, the Court’s opinion and order hold that the Commission must consider additional evidence before determining PSE’s return on equity in the context of a multi-year rate plan. If, however, the Commission intends to revisit the question of whether a prospective reduction in PSE’s return on equity due to the decoupling mechanism is appropriate, the NW Energy Coalition would participate in the remand proceedings to address only this limited question.

 Respectfully submitted this 12th day of August, 2014.

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1. Dockets UE-121697 and UG-121705 (consolidated) Order 07, Final Order Granting Petition (June 25, 2013). [↑](#footnote-ref-1)