1 2 3 BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION 4 5 In the Matter of the Petition of DOCKETS UE-121697 and UG-121705 (consolidated) 6 PUGET SOUND ENERGY, INC. and NW **ENERGY COALITION** 7 For an Order Authorizing PSE to Implement 8 Electric and Natural Gas Decoupling Mechanisms and to Record Accounting Entries) 9 Associated with the Mechanisms. 10 DOCKETS UE-130137 WASHINGTON UTILITIES AND and UG-130138 (consolidated) 11 TRANSPORTATION COMMISSION, 12 Complainant, NW ENERGY COALITION'S POSITION 13 ON REMAND PROCEEDINGS v. 14 PUGET SOUND ENERGY, INC., 15 Respondent. 16 17 1. On July 25, 2014, the Thurston County Superior Court held that "the 18 Commission's findings of fact with respect to the return on equity component of Puget Sound 19 Energy, Inc.'s cost of capital in the context of a multi-year rate plan are unsupported by 20 substantial evidence and the Commission improperly shifted the burden of proof on this issue 21 from Puget Sound Energy, Inc. to the other parties in the proceeding below, contrary to RCW 22 34.05.461(4) and RCW 80.04.130(4)." 23 2. On August 5, 2014, the Commission invited parties to submit proposals on the 24 Earthjustice 25 NW ENERGY COALITION'S POSITION ON 705 Second Ave., Suite 203

REMAND PROCEEDINGS - 1 -

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Dockets UE-121697 and UG-121705 (consolidated) Order 07, Final Order Granting Petition (June 25, 2013).

appropriate procedure for resolving issues on remand in response to the Court's order.

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.

not lead to a prospective reduction in PSE's return on equity based on the existing evidence, but

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

plan. If, however, the Commission intends to revisit the question of whether a prospective

Energy Coalition would participate in the remand proceedings to address only this limited

reduction in PSE's return on equity due to the decoupling mechanism is appropriate, the NW

additional evidence before determining PSE's return on equity in the context of a multi-year rate

found that a later reduction in return on equity may be appropriate if future evidence

The NW Energy Coalition takes no position as to the appropriate return on equity

In Order 07¹, the Commission concluded that the decoupling mechanism should

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Respectfully submitted this 12th day of August, 2014.

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