

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

In the Matter of the Petition of)	DOCKET NO. UE-042019
)	
PUGET SOUND ENERGY, INC.,)	ORDER NO. 01
)	
Petitioner,)	
)	
For An Accounting Order)	
Authorizing Treatment of the Net)	
Gain from the Sale of the General)	
Office and Crossroads Buildings and)	
Determination that the Property is)	ORDER APPROVING
not Necessary or Useful)	PETITION
.....)	

BACKGROUND

1 On November 22, 2004, Puget Sound Energy, Inc., (“PSE” or “The Company”) filed a petition seeking an accounting order under WAC 480-07-370-(b)-(i) requesting the Commission determine that the General Office and Crossroads Office buildings are neither necessary nor useful to provide service, and for the Commission to approve the accounting treatment proposed by PSE. The Company states in its petition that both the General Office and Crossroads office properties will be replaced by properties of equal or greater usefulness and that the properties are now surplus assets and that customers will receive full value from the sale of the properties. PSE proposes that the gain from the sale of the General Office and Crossroads buildings will be recorded as salvage with the retired structure in FERC Acct. 108 (Accumulated Provision for Depreciation of Electric Utility Plant), consistent with the FERC Uniform System of Accounts instruction.

DISCUSSION

- 2 Staff has reviewed the petition in Docket UE-042019 including related work papers. Staff believes PSE's request for a determination by the Commission that the General Office and Crossroads properties will no longer be necessary or useful is reasonable. After discussions with Staff, the Company agreed that the gains from the sales of the properties are more appropriately deferred to FERC Account 254 (Other Regulatory Liabilities) instead of FERC Account 108 (Accumulated Provision for Depreciation of Electric Utility Plant), consistent with the FERC Uniform System of Accounts Sale of Plant instructions and the Stipulation and Order of Dismissal dated May 26, 1992, Washington Court of Appeals, No. 29404-1.
- 3 Staff is concerned about the potential for duplicating facilities in use if the properties for sale are still occupied and that the new facilities will also be included in rate base if a rate case is filed in the near future.

FINDINGS AND CONCLUSIONS

- 4 (1) The Washington Utilities and Transportation Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, rules, regulations, practices, accounts, securities, and transfers of public service companies, including electric companies. *RCW 80.01.040; Chapter 80.04 RCW and Chapter 80.28 RCW.*
- 5 (2) PSE is an electric company and is a public service company subject to the jurisdiction of the Commission.
- 6 (3) WAC 480-07-370(b)(i), allows companies to file a petition including that for which PSE seeks approval. In accordance with WAC 480-143-180.

- 7 (4) The gain from the sale of the properties are more appropriately deferred to FERC Account 254 (Other Regulatory Liabilities) consistent with the FERC Uniform System of Accounts Sale of Plant instructions and the Stipulation and Order of Dismissal dated May 26, 1992, Washington Court of Appeals, No. 29404-1.
- 8 (5) This matter was brought before the Commission at its regularly scheduled meeting on February 23, 2005.
- 9 (6) After examination of the petition filed in Docket UE-042019 by PSE on November 22, 2004, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Petition as revised should be approved.

ORDER

THE COMMISSION ORDERS:

- 10 (1) Puget Sound Energy, Inc.'s request to determine the Company's General Office and Crossroads Office properties will no longer be necessary or useful is approved.
- 11 (2) Puget Sound Energy, Inc., shall defer the gain from the sale of the properties in FERC Account 254 (Other Regulatory Liabilities), consistent with the FERC Uniform System of Accounts instruction and the Stipulation and Order of Dismissal dated May 26, 1992, Washington Court of Appeals, No. 29404-1.
- 12 (3) There shall be no duplication of facilities between the General Office and Crossroads Office properties and potential sites that replace these offices in rate base for ratemaking purposes.

- 13 (4) This Order shall in no way affect the authority of this Commission over rates, services, accounts, evaluations, estimates, or determination of costs on any matters whatsoever that may come before it, nor shall anything herein be construed as, an acquiescence in any estimate or determination of costs claimed or asserted.
- 14 (5) The Commission retains jurisdiction over the subject matter and Puget Sound Energy, Inc., to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Olympia, Washington, and effective this 23rd day of February, 2005.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

CAROLE J. WASHBURN, Secretary