

Agenda Date: June 27, 2013
Item Numbers: A1 and A2

Dockets: UE-130495 and UG-130496
Company: Puget Sound Energy

Staff: Joanna Huang, Regulatory Analyst
Kendra White, Regulatory Analyst

Recommendation

Reject the revised tariffs filed in Dockets UE-130495 and UG-130496.

Background

On April 9, 2013, Puget Sound Energy (PSE or the company) filed a petition with the Washington Utilities and Transportation Commission (commission) to revise WN U-60, Tariff G for electric service along with a companion petition to revise WN U-2 for natural gas service. The petitions request the approval of the 16th Revision of Sheet No. 81-b and the 22nd Revision of Sheet No. 101-B, respectively. The revised tariff sheets have an effective date of July 1, 2013.

The tax adjustment rates filed by PSE are related to a tax assessment of \$544,838.49 paid to the city of Federal Way on December 19, 2012, and a tax assessment of \$44,775.08 paid to the city of Burien on January 18, 2013.

Discussion

In a filing made on June 1, 2012, in Dockets UE-120805 and UG-120806, the company revised Schedule 81, Sheet 81-d to include a section entitled "Timing of Collections of Refunds." This section outlines the terms and conditions for passing through taxes that municipalities levy on PSE. Included in this section is language that requires the company to make timely filings if it is to pass through municipal taxes to customers of the taxing municipality. The timeliness of filings is important given the inherent inequities in retroactive tax assessments. To mitigate the inequities, commission staff suggested that the tariff schedule require the filings be made within 75 days of the payment of the assessments. The current tariff reads, "The tariff filing for recovery of assessments or other related charges or pass through of refunds paid or received after June 1, 2012 shall be made within 75 days of such payment or refund."

The commission should reject these tariffs, per WAC 480-80-132, as the company did not comply with the filing guidelines outlined in the tariff. The time between the payment of Federal Way's assessment and the April 9 filing date was 111 *calendar* days. The time between the payment of the Burien assessment and the April 9 filing date was 81 *calendar* days.

In the company's cover letter, PSE state that the tariff allows for 75 *business* days after the payment of the assessment. PSE's interpretation of the 75 days to mean 75 business days is inconsistent with WAC 480-07-130, which states that "'Day' means calendar day whenever used

in this chapter, unless otherwise specified.” WAC 480-80-150(2) states that “Tariff filings must comply with the requirements set forth in chapter 480-07 WAC, where applicable.”

The company also states that they discussed the timing of their filings with commission staff on January 22, 2012. That conversation is not pertinent to these dockets as commission staff cannot authorize deviation from commission rules.

Conclusion

Reject the revised tariffs filed in Dockets UE-130495 and UG-130496.