

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION

WASHINGTON UTILITIES AND	)	
TRANSPORTATION COMMISSION,	)	
	)	DOCKET NO. UE-011570 and
Complainant,	)	UG-011571 (consolidated)
	)	
v.	)	ELEVENTH SUPPLEMENTAL
	)	ORDER:
PUGET SOUND ENERGY, INC.,	)	APPROVING SETTLEMENT
	)	STIPULATIONS
Respondent.	)	
.....	)	

*SYNOPSIS: The Commission approves a Stipulation of Settlement proposed by King County and Puget Sound Energy, Inc., and a related Stipulation between PSE and Staff, as a basis to resolve certain of King County’s interests in Puget Sound Energy, Inc.’s pending general rate proceeding.*

*1* **PROCEEDINGS:** On November 26, 2001, PSE filed tariff revisions designed to effectuate a general rate increase for electric and gas services. On December 3, 2001, PSE filed a request for an interim electric rate increase of \$170.7 million. These proceedings have been consolidated under Docket Nos. UE-011570 and UG-011571. King County intervened and has participated actively in hearing proceedings and Commission-endorsed<sup>1</sup> settlement negotiations among the parties. On April 19, 2002, PSE filed on behalf of itself and King County a proposed Stipulation of Settlement for King County. On April 26, 2002, Commission staff filed comments to which it appended a document captioned “PSE-Staff Stipulation Regarding PSE’s King County Settlement.” On May 6, 2002, following hearing proceedings, PSE and King County filed and presented for the Commission’s consideration a revised Stipulation of Settlement.

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<sup>1</sup> *WUTC v. PSE, Docket Nos. UE-011570/UG-011571 (consolidated), Ninth Supplemental Order (March 28, 2002) at 13-14.*

2 **PARTIES:** Markham Quehrn and Kirstin Dodge, Perkins Coie LLP, Bellevue, Washington, represent Puget Sound Energy, Inc. (PSE or the Company) in Docket Nos. UE-011570/UG-011571. Steven C. Marshall and William R. Maurer, Perkins Coie LLP, Seattle, Washington, represent PSE in Docket No. UE-011411. John A. Cameron and Traci Kirkpatrick, Davis Wright Tremaine, represent AT&T Wireless and the Seattle Times Company. Danielle Dixon, Policy Associate, Northwest Energy Coalition (NWEC), represents that organization and the Natural Resources Defense Council (NRDC). Carol S. Arnold, Preston Gates Ellis, Seattle, Washington, represents Cost Management Services, Inc., and the cities of Auburn, Des Moines, Federal Way, Redmond, Renton, SeaTac, Tukwila, Bellevue, Maple Valley, and Burien (Auburn, *et al.*). Ron Roseman, attorney at law, Seattle, Washington, represents the Multi-Service Center, the Opportunity Council, and the Energy Project; Charles M. Eberdt, Manager, Energy Project also entered his appearance for the Energy Project; Dini Duclos, CEO, Multi-Service Center, also entered an appearance for that organization. Angela L. Olsen, Assistant City Attorney, McGavick Graves, Tacoma, Washington, represents the City of Bremerton. Donald C. Woodworth AND Tom Kuffel, Deputy Prosecuting Attorneys, Seattle, Washington, represent King County. Melinda Davison and S. Bradley Van Cleve, Davison Van Cleve, P.C., Portland, Oregon, represent Industrial Customers of Northwest Utilities (ICNU). Elaine L. Spencer and Michael Tobiason, Graham & Dunn, Seattle, Washington, represent Seattle Steam Company. Edward A. Finklea, Energy Advocates, LLP, represents the Northwest Industrial Gas Users (NWIGU). Donald Brookhyser, Alcantar & Kahl, Portland, Oregon, represents the Cogeneration Coalition of Washington. Michael L. Charneski, Attorney at Law, Woodinville, Washington, represents the City of Kent. Norman J. Furuta, Associate Counsel, Department of the Navy, represents the Federal Executive Agencies (FEA). Michael L. Kurtz, Boehm, Kurtz & Lowry, Cincinnati, Ohio, represents Kroger Company. Kirk H. Gibson and Lisa F. Rackner, Ater Wynne LLP, Portland, Oregon, represent WorldCom, Inc. Elizabeth Thomas, Preston Gates Ellis LLP, Seattle, Washington, represents Sound Transit. Simon ffitich, Assistant Attorney General, Seattle, Washington, represents the Public Counsel Section, Office of Attorney General. Robert D. Cedarbaum, Senior Assistant Attorney General, and Shannon Smith, Assistant Attorney General, Olympia, Washington, represent the Commission's regulatory staff (Staff).<sup>2</sup>

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<sup>2</sup> In formal proceedings, such as this case, the Commission's regulatory staff (Staff) functions as an independent party with the same rights, privileges, and responsibilities as any other party to the

3       **COMMISSION:** The Commission approves the Settlement Stipulations between King County and PSE, and between Staff and PSE, as constituting a full and final resolution of the issues addressed by the settlements' terms, which are a subset of the issues in dispute among these parties in the context of the broader general rate proceedings.

### MEMORANDUM

4       The revised Stipulation of Settlement for King County provides in effect for termination of King County's Special Contract with PSE at 12:01 a.m. on May 7, 2002. At that moment in time, King County will return to core service as a PSE customer under Tariff Schedule 49, in accordance with the provisions of that rate schedule. The Stipulation between PSE and Staff, provides that this move of King County from service under the Special Contract to service under Schedule 49, will not shift any costs to other customers in the context of the pending general rate proceedings; PSE will absorb any reduced revenues that result from the change in King County's rates.

5       The Commission, considering the record before it, finds and concludes that it is in the public interest to approve these two Stipulations in accordance with their terms. The Commission grants its approval to this settlement package via this summary order today. However, the Commission may later memorialize the record in this matter and discuss such other aspects of the proceedings as it deems necessary in another order.

### ORDER

6       (1)     **THE COMMISSION ORDERS** That the revised Settlement Stipulation for King County, filed by the Parties on May 6, 2002, and made a matter of record in this proceeding as Exhibit No. 513 is incorporated by reference as if set forth in full in the body of this Order, and is approved and adopted.

- 7 (2) THE COMMISSION ORDERS FURTHER That the PSE-Staff Stipulation of Settlement Regarding PSE's King County Settlement, filed by the Parties on April 26, 2002, and made a matter of record in this proceeding as Exhibit No. 501 is incorporated by reference as if set forth in full in the body of this Order, and is approved and adopted.
- 8 (3) THE COMMISSION ORDERS FURTHER That it retains jurisdiction over the subject matter and the Parties to effectuate the provisions of this Order.

DATED at Olympia, Washington, and effective this 6<sup>th</sup> day of May 2002.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

MARILYN SHOWALTER, Chairwoman

RICHARD HEMSTAD, Commissioner

PATRICK J. OSHIE, Commissioner

**NOTICE TO PARTIES: This is a final order of the Commission with respect to certain issues resolved. In addition to judicial review, administrative relief may be available through a petition for reconsideration, filed within 10 days of the service of this order pursuant to RCW 34.05.470 and WAC 480-09-810, or a petition for rehearing pursuant to RCW 80.04.200 or RCW 81.04.200 and WAC 480-09-820(1).**