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***Filed Via Web Portal***

Mr. Mark L. Johnson, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE  
Lacey, WA 98503

**Re: Advice No. 2020-25  
PSE’s Electric Tariff Revision - Filed Electronically**

Dear Mr. Johnson:

Pursuant to RCW 80.28.060 and WAC 480-80-101 and WAC 480-80-105(1)(c), please find enclosed for filing the following proposed revisions to the WN U-60, Tariff for electric service of Puget Sound Energy (“PSE”):

- |   |                                |
|---|--------------------------------|
| 17 <sup>th</sup> Revision of Sheet No. 129    | Low Income Program             |
| 4 <sup>th</sup> Revision of Sheet No. 129-A.1 | Low Income Program (Continued) |
| 16 <sup>th</sup> Revision of Sheet No. 129-B  | Low Income Program (Continued) |
| 16 <sup>th</sup> Revision of Sheet No. 129-C  | Low Income Program (Continued) |
| 18 <sup>th</sup> Revision of Sheet No. 129-D  | Low Income Program (Continued) |
| 16 <sup>th</sup> Revision of Sheet No. 129-E  | Low Income Program (Continued) |
| 15 <sup>th</sup> Revision of Sheet No. 129-F  | Low Income Program (Continued) |
| 16 <sup>th</sup> Revision of Sheet No. 129-G  | Low Income Program (Continued) |
| 7 <sup>th</sup> Revision of Sheet No. 129-H   | Low Income Program (Continued) |
| 5 <sup>th</sup> Revision of Sheet No. 129-I   | Low Income Program (Continued) |

The purpose of this filing is to convey PSE’s annual low income compliance filing as provided for in, 1) Exhibit G to the Settlement Stipulation Agreement approved by the Commission in Dockets UE-011570 and UG-011571 (the “Settlement”), and 2) the Multiparty Settlement Stipulation in Docket U-072375 and the Partial Settlement in Dockets UE-072300 and UG-072301, and as ordered by 3) the Commission in Order 08 in Dockets UE-111048 and UG-111049 (“Order 08”), and 4) the Commission in Order 07 in Dockets UE-121697 and UG-121705 (Consolidated) issued jointly with Order 07 in Dockets UE-130137 and UG-130138 (Consolidated) (“Order 07”).

This filing proposes an increase in the total electric low income program electric revenue requirement of \$4,673,709. The change in revenue requirement results in an average overall increase to rates for electric customers of 0.23 percent. The typical Schedule 7 residential customer using 900 kWh per month would experience an increase of \$0.23 per month or 0.249 percent. The revised level of funding, revenue requirement and prior year collections are detailed in work papers provided with this filing.

The following unique items included in this year's filing require further explanation:

**1. Microsoft Transition Fee Volumetric True-Up**

As discussed in the cover letter dated May 31, 2019 in Docket UE-190449, PSE is including the residual balance of the Microsoft Transition Fee previously included in Schedule 95 in this filing. The residual balance included represents a payable to customers and as such is a decrease to the Schedule 129 revenue requirement in the amount of \$1.7 million.

**2. Increase to Low Income Funding Cap**

Pursuant to paragraph 34 of Final Order 08 in Dockets UE-190529 and UG-190539, et al, ("2019 GRC") a funding increase for low income should be included in the amount of \$1.4 million or twice the percentage increase of residential base rates, whichever is greater. PSE notes that the residential base rates increase in the 2019 GRC is the subject of a Petition For Judicial Review and a Motion To Stay Portions of Final Orders Pending Judicial Review ("Motion To Stay"), filed by PSE in King County Superior Court under cause No. 20-2-12279-3 SEA. Therefore, there are two potential residential base rates increases that could result from the Court's decision on PSE's Motion To Stay – those calculated under the Commission's Final Orders (Order Nos. 08 and 10) and those calculated under PSE's Motion To Stay. Accordingly, the amount of the residential base rates increase is not yet final. In accommodation of the need to file the annual update to the low-income tariff, the percentage increase to the cap that PSE has included in this filing is calculated based on the level of residential base rates increase as calculated under the Commission's Final Orders. This filing is made without prejudice to PSE's position in the Superior Court proceeding. Although PSE does not agree that the residential base rates under the Commission's Final Orders are appropriate, for purposes of this filing, PSE has calculated the increase to the low income cap using the higher of the two potential amounts<sup>1</sup>. PSE is not proposing to adjust this amount if the results of the Motion To Stay are known prior to the low income rates becoming effective.

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<sup>1</sup> The increase to the cap is approximately \$700,000 higher under the Commission's Final Orders than under the residential base rates increase that would result if the Court grants PSE's Motion To Stay.

**3. Increase for additional electric CACAP funding**

Under Docket No. UE-200672, PSE increased the electric cap associated with its Crisis Affected Customer Assistance Program to \$12.3 million. The original electric cap of \$7.8 million was chosen as it was set at the level of funding available from previously undistributed electric HELP funds that existed as of September 30, 2019. The funding source specified in the cover letter in Docket No. UE-200672 for amounts distributed above the original \$7.8 million electric cap was to be collected from electric customers during the rate period set in this filing. This collection was to be in addition to the funds collected for HELP. At the time customer notifications were due for this filing, PSE did not know the actual amount, if any, that CACAP electric distributions exceeded the original \$7.8 million cap. Therefore, rather than estimate the amount, PSE is including the full \$4.5 million excess cap in this filing which could be trued up to a more accurate estimate through a substitute filing in mid-September<sup>2</sup> when a better estimate may be known. Inclusion of this excess CACAP funding results in the electric revenue requirement being \$4.5 million higher than it otherwise would be<sup>3</sup>. In the following section, PSE provides an alternative proposal that would allow for funding of any excess electric CACAP distributions without having to raise electric customers' rates.

**Alternative proposal to fund the excess electric CACAP distributions without raising electric customers' rates**

Should the Commission desire to not raise rates for electric customers by up to \$4.5 million, it could authorize PSE to use undistributed gas CACAP funds to cover any excess electric CACAP distributions that exceed the original \$7.8 million electric CACAP cap. Aside from the obvious benefit of not raising electric rates<sup>4</sup>, this alternative method is simpler and easier to target the right amount of excess electric CACAP distributions that require funding. That is because, under the method discussed in #3 above, an estimated amount of excess electric CACAP distributions would have to be set in rates that would need to be trued-up next year. Under this alternative approach, because the gas CACAP funds have already been collected and are on the books, PSE can wait to find out the actual excess electric CACAP distributions to use for the book transfer from gas to electric that will effectuate the funding transfer. Another benefit of this alternative approach is that it is utilizing previously collected gas HELP funds that, even with CACAP, will not be fully distributed. As of August 11, 2020, there were \$14,592,270 in collected gas funds that have not been distributed from prior program years. As supplemental information in this filing, PSE has provided revenue requirement and cost of service work papers as well as example tariff sheets for this alternative approach so that the information is available to file should the Commission prefer

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<sup>2</sup> PSE is including the highest possible amount of \$4.5 million as it is not allowed to increase rates in a substitute filing.

<sup>3</sup> The revenue requirement change is almost \$0 without including the \$4.5 million excess electric CACAP funding and is a \$4.5 million increase if included.

<sup>4</sup> Although the alternative approach results in a revenue requirement decrease, there are very slight increases to the rates for a few customer classes.

this approach over that which was approved in UE-200672. PSE would not need to re-notice customers as this change would result in rates that are lower than what was noticed to customers. Finally, PSE does not believe that it requires an accounting petition to allow for the requested transfer of these gas CACAP funds that have gone undistributed, but the Commission may determine that an order is needed to be able to effectuate this proposal.

PSE has vetted this alternative proposal with the members of the Low Income Advisory Group. The only member who opposed the alternative proposal was Commission Staff. All other members of the advisory group who responded either supported the proposal or did not oppose it. Only three members did not respond, but based on previous conversations with these members, PSE believes that they would not oppose this alternative proposal. Public Counsel noted that its support is based on the extraordinary nature of this crisis, and the understanding that cross-subsidization in bill assistance programs will not become regular practice moving forward.

The tariff sheets described herein reflect an issue date of August 31, 2020, and effective date of October 1, 2020. Posting of proposed tariff changes, as required by law and the Commission's rules and regulations, is being completed through web, telephone and mail access in accordance with WAC 480-100-193. Notice to the public under the provisions of WAC 480-100-194 will be provided within 30 days of the October 1, 2020, effective date.

Please contact Veronica Martin at (425) 457-5624 or [veronica.martin@pse.com](mailto:veronica.martin@pse.com) for additional information about this filing. If you have any other questions, please contact me at (425) 456-2142.

Sincerely,

*/s/ Jon A. Piliaris*

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cc: Lisa Gafken, Public Counsel  
Sheree Carson, Perkins Coie

Attachments:  
Electric Tariff Sheets (listed above)  
Work Papers  
Exhibit A.1 – Tariff Sheets  
Exhibit A.2, A.3 – Work papers