

WN U-2

Original Sheet No. 1111

**PUGET SOUND ENERGY
Natural Gas Tariff**

**SCHEDULE 111
GREENHOUSE GAS EMISSIONS CAP AND INVEST ADJUSTMENT**

(N)

APPLICABILITY: This rate adjustment shall be applied to the rate(s) shown on each schedule for Gas Service for all Customers during a month when this schedule is effective, with the exception of those Customers identified in the Special Terms and Conditions section below.

PURPOSE: The purpose of this schedule is to implement a surcharge to recover the costs and to provide benefits through credits to certain Customers from the Company’s implementation of the Washington State Greenhouse Gas Emissions Cap and Invest Program as prescribed in Chapter 70A.65 Revised Code of Washington (“RCW”). Interest is also provided or charged based on the Company’s actual cost of debt, updated semi-annually.

DEFINITIONS:

Covered Entity means a Customer that is designated by the Washington State Department of Ecology (“Department of Ecology”) as subject to RCW 70A.65.060 through 70A.65.210 as noted in RCW 70A.65.010(23), that has completed the process of registration with the Department of Ecology, and has provided such evidence to and has been verified by the Company.

Compliance Period means the four-year period for which the Compliance Obligation, as defined in RCW 70A.65.010(19), is calculated for a Customer that is a Covered Entity or Opt-In Entity. The first four-year Compliance Period contains the emissions years 2023 through 2026. The second four-year Compliance Period of RCW 70A.65 contains the emissions years 2027 through 2030.

Emissions-Intensive Trade-Exposed or Emissions-Intensive Trade-Exposed

Manufacturing Facility (per WAC 173-446A-030) (“EITE”) means a Customer owning facilities identified by the Department of Ecology as an emissions-intensive, trade-exposed industry entity under RCW 70A.65.110, where there is such evidence that is available or made available to the Company. It is the responsibility of the Customer to ensure that the Company has received such evidence of the Customer’s status as an EITE.

(N)

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**SCHEDULE 111
GREENHOUSE GAS EMISSIONS CAP AND INVEST ADJUSTMENT (Continued)**

(N)

DEFINITIONS: (Continued)

Identified Connected Location Customer is a Customer at a location that was originally connected to the Company's system on or before July 25, 2021. Location: means the premise where a Customer is taking Gas Service. Connected to a natural gas utility's system: means that the Company has installed natural gas service equipment at the location. A location that is not connected to the Company's natural gas system due to a temporary suspension of service is considered connected, as long as its initial connection was on or before July 25, 2021. A temporary suspension can be due to or result from, but is not limited to: a facility relocation made at the Customer's request, a PSE system improvement, or the utility-directed disconnection of service as described in WAC 480-90-128. An Identified Low-Income Customer is always considered an Identified Connected Location Customer, for the purpose of receiving the State Carbon Reduction Credit.

Identified Low-Income Customer is a Customer whose household income, as defined by the Department of Commerce or Washington State Utilities and Transportation Commission as low-income, provided that the definition may not exceed the higher of 80 percent of area median household income or two hundred percent of the federal poverty level, adjusted for household size (consistent with RCW 19.405.020(25)); who is also 1) currently taking service under an applicable Bill Discount Rate schedule; or 2) receiving bill assistance under Schedule 129 – Low Income Program or has received bill assistance under Schedule 129 within the last 24 months.

National Security Entity means a Customer at a facility that meets the criteria of RCW 70A.65.080(7)(f); a facility with a confirmed North American Industry Classification System Code of 928110 (National Security). It is the responsibility of the Customer to verify that the Company has received such evidence of the Customer's status as a National Security Entity.

Opt-In Entity means a Customer that is designated by the Department of Ecology as subject to RCW 70A.65.060 through 70A.65.210 as noted in RCW 70A.65.010(23), that has completed the process of registration with the Department of Ecology, as a voluntary participant as authorized under RCW 70A.65.090(3), and has provided such evidence to and has been verified by the Company. It is the responsibility of the Customer to verify that the Company has received such evidence of the Customer's status as an Opt-In Entity.

(N)

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**PUGET SOUND ENERGY
Natural Gas Tariff**

SCHEDULE 111

(N)

GREENHOUSE GAS EMISSIONS CAP AND INVEST ADJUSTMENT (Continued)

SPECIAL TERMS AND CONDITIONS:

- 1. Both monthly rates under this schedule, the State Carbon Reduction Charge and the State Carbon Reduction Credit, are applicable, except for the following Customers:
 - a. A Customer with emissions from facilities with North American industry Classification System code 928110 (National Security);
 - b. A Customer who has provided evidence to the Company that the Customer is registered as a Covered Entity, Opt-In Entity, National Security Entity or EITE that is also either a Covered Entity or an Opt-In Entity. A Customer who provides such evidence, or has provided it to the Company by the Department of Ecology 90 days before the beginning of the start of a new Compliance Period will not be charged or receive credits under this schedule at the beginning of the following Compliance Period. For the Compliance Period beginning in January 1, 2023, a Customer must provide such evidence within 90 days of the initial effective date of this tariff to not be charged or receive credits under this schedule beginning on the date of verification. It is ultimately the responsibility of the Customer to verify that the Company has received such evidence of the Customer's correct status, before the start of a new Compliance Period.
- 2. The State Carbon Reduction Credit is applicable only to a Customer that has been determined eligible.
- 3. A Customer taking optional service under Supplemental Schedule 137, Carbon Offset Service will not receive any participation credits for rates under this schedule.
- 4. Schedule 138 - Voluntary Renewable Natural Gas ("RNG") participants will be eligible to receive a RNG Participation Credit to be calculated by multiplying the number of therms per block of RNG reflected in Schedule 138 by the total number of blocks the Customer purchases each month, and then multiplied by the State Carbon Reduction Charge. This will have the effect of acting like a credit to reduce the State Carbon Reduction Charge equal to the amount of Renewable Natural Gas therm purchases comparable to the purchased block(s).

(N)

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**PUGET SOUND ENERGY
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SCHEDULE 111

(N)

GREENHOUSE GAS EMISSIONS CAP AND INVEST ADJUSTMENT (Continued)

SPECIAL TERMS AND CONDITIONS: (Continued)

- 5. The State Carbon Reduction Credit will provide a credit to the Customer as applicable based upon the benefits from allowances consigned to auction. The State Carbon Reduction Credit will be available as applicable only to Identified Connected Location Customers and Identified Low-Income Customers.
- 6. Identified Low-Income Customers will be eligible to receive a volumetric credit equal to the State Carbon Reduction Charge.
- 7. When applicable, the State Carbon Reduction Credit is available to all Identified Low-Income Customers, regardless of whether they are also Identified Connected Location Customers.
- 8. The State Carbon Reduction Credit is not available to a customer that provided evidence to the Company that it is registered as a Covered Entity, Opt-In Entity, or EITE.

TRUE-UP:

- a. **True-Up for State Carbon Reduction Charge:** Each year the Company estimates the amount of costs for the Company to comply with the Greenhouse Gas Emissions Cap and Invest Program pursuant to RCW Chapter 70A.65, as well as provides for a true-up of amounts from prior periods.
- b. **True-Up for State Carbon Reduction Credit:** Each year the Company estimates the amount of revenues from allowances sold at auction pursuant to RCW Chapter 70A.65, as well as provides for a true-up of amounts from prior periods.
- c. **General Revenue True-Up:** A true-up will be included for the difference between what was expected to be collected when rates were set the previous year versus the amount actually collected.

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**PUGET SOUND ENERGY
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**SCHEDULE 111
GREENHOUSE GAS EMISSIONS CAP AND INVEST ADJUSTMENT (Continued)**

(N)

STATE CARBON REDUCTION CREDIT MONTHLY RATE: (Continued)

SCHEDULE 23 – Identified Low-Income Customers			
Month	Base Rate	Deferral Rate	Total Rate
	\$ per Customer per Month		
August 2023	\$0.00	\$0.00	\$0.00
September 2023	\$0.00	\$0.00	\$0.00
October 2023	\$0.00	\$0.00	\$0.00
November 2023	\$0.00	\$0.00	\$0.00
December 2023	\$0.00	\$0.00	\$0.00
January 2024	\$0.00	\$0.00	\$0.00
February 2024	\$0.00	\$0.00	\$0.00
March 2024	\$0.00	\$0.00	\$0.00
April 2024	\$0.00	\$0.00	\$0.00
May 2024	\$0.00	\$0.00	\$0.00
June 2024	\$0.00	\$0.00	\$0.00
July 2024	\$0.00	\$0.00	\$0.00
August 2024	\$0.00	\$0.00	\$0.00
September 2024	\$0.00	\$0.00	\$0.00

(N)

(Continued on Sheet No. 1111-H)

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**SCHEDULE 111
GREENHOUSE GAS EMISSIONS CAP AND INVEST ADJUSTMENT (Continued)**

(N)

STATE CARBON REDUCTION CREDIT MONTHLY RATE: (Continued)

SCHEDULE 31			
Month	Base Rate	Deferral Rate	Total Rate
	\$ per Customer per Month		
August 2023	(\$34.89)	\$0.00	(\$34.89)
September 2023	(\$40.82)	\$0.00	(\$40.82)
October 2023	(\$67.51)	\$0.00	(\$67.51)
November 2023	(\$97.29)	\$0.00	(\$97.29)
December 2023	(\$121.18)	\$0.00	(\$121.18)
January 2024	\$0.00	\$0.00	\$0.00
February 2024	\$0.00	\$0.00	\$0.00
March 2024	\$0.00	\$0.00	\$0.00
April 2024	\$0.00	\$0.00	\$0.00
May 2024	\$0.00	\$0.00	\$0.00
June 2024	\$0.00	\$0.00	\$0.00
July 2024	\$0.00	\$0.00	\$0.00
August 2024	\$0.00	\$0.00	\$0.00
September 2024	\$0.00	\$0.00	\$0.00

(N)

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**SCHEDULE 111
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(N)

STATE CARBON REDUCTION CREDIT MONTHLY RATE: (Continued)


SCHEDULE 31T			
Month	Base Rate	Deferral Rate	Total Rate
	\$ per Customer per Month		
August 2023	(\$187.26)	\$0.00	(\$187.26)
September 2023	(\$239.10)	\$0.00	(\$239.10)
October 2023	(\$280.73)	\$0.00	(\$280.73)
November 2023	(\$400.03)	\$0.00	(\$400.03)
December 2023	(\$437.99)	\$0.00	(\$437.99)
January 2024	\$0.00	\$0.00	\$0.00
February 2024	\$0.00	\$0.00	\$0.00
March 2024	\$0.00	\$0.00	\$0.00
April 2024	\$0.00	\$0.00	\$0.00
May 2024	\$0.00	\$0.00	\$0.00
June 2024	\$0.00	\$0.00	\$0.00
July 2024	\$0.00	\$0.00	\$0.00
August 2024	\$0.00	\$0.00	\$0.00
September 2024	\$0.00	\$0.00	\$0.00

(N)

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**SCHEDULE 111
GREENHOUSE GAS EMISSIONS CAP AND INVEST ADJUSTMENT (Continued)**

(N)

STATE CARBON REDUCTION CREDIT MONTHLY RATE: (Continued)

	Base Rate	Deferral Rate	Total Rate
	\$ per Customer per Month		
<u>Schedule 41</u>	(\$920.44)	(\$0.00)	(\$920.44)
<u>Schedule 41T</u>	(\$3,840.30)	(\$0.00)	(\$3,840.30)
<u>Schedule 85</u>	(\$5,623.33)	(\$0.00)	(\$5,623.33)
<u>Schedule 85T</u>	(\$13,038.68)	(\$0.00)	(\$13,038.68)
<u>Schedule 86</u>	(\$863.99)	(\$0.00)	(\$863.99)
<u>Schedule 86T</u>	(\$3,753.55)	(\$0.00)	(\$3,753.55)
<u>Schedule 87</u>	(\$10,800.13)	(\$0.00)	(\$10,800.13)
<u>Schedule 87T</u>	(\$78,306.03)	(\$0.00)	(\$78,306.03)
<u>Special Contracts</u>	(\$34,268.23)	(\$0.00)	(\$34,268.23)

ADJUSTMENTS: Rates in this schedule and those rates reflected in the schedules for natural gas service to which the charges and credits in the Monthly Rate sections above apply, are subject to adjustment by such other schedules in this tariff as may apply.

GENERAL RULES AND PROVISIONS: Service under this schedule is subject to the General Rules and Provisions in this tariff as they may be modified from time to time and other schedules of such tariff that may from time to time apply as they may be modified from time to time.

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