

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PUGET SOUND ENERGY,

Petitioner,

For An Order Authorizing Puget Sound
Energy’s Deferred Accounting and
Ratemaking Treatment Related to the True
Up Provision in Schedule 129D – Bill
Discount Rate.

DOCKETS UE-230697 and UG-230698

ORDER 01

GRANTING DEFERRED
ACCOUNTING AND RATEMAKING
PETITION

BACKGROUND

- ¹ On July 25, 2021, the Washington State Legislature enacted Engrossed Substitute Senate Bill 5295 (SB 5295), codified in relevant part at RCW 80.28.068, pertaining to the Washington Utilities and Transportation Commission’s (Commission) regulation of electric and natural gas utilities’ rates. RCW 80.28.068 requires, among other provisions, that each gas or electrical company propose a low-income assistance program comprised of discount rates for low-income customers and other low-income assistance programs.¹ A company must use reasonable and good faith efforts to seek approval from its low-income and equity advisory groups for approval of proposals related to overall low-income program features, including but not limited to eligibility, program design, and funding. The Commission shall approve, disapprove, or approve with modifications each gas or electric company’s low-income assistance discount program.²
- ² On December 22, 2022, the Commission entered Final Order 24/10 in Consolidated Dockets UE-220066, UG-220067, and UG-210918 (Final Order 24/10), approving the Revenue Requirement Settlement with conditions related to the Company’s Bill Discount Rate (BDR). Final Order 24/10 required PSE to submit a compliance filing for approval of its BDR developed through the Low-Income Advisory Committee (LIAC) process by July 1, 2023.³

¹ RCW 80.28.068(1).

² *Id.*

³ In Final Order 24/10, the Commission required the Company to make a subsequent filing on July 1, 2023, seeking approval of the BDR and the AMP program design developed through the

3 PSE's LIAC includes representatives from the Company, Commission staff (Staff), The
Energy Project (TEP), Northwest Energy Coalition (NVEC), Public Counsel (PC), and
various Community Action Partners (CAP) within the Company's service territory. The
LIAC developed the BDR program in response to CETA requirements and Final Order
24/10.

4 On June 30, 2023, PSE submitted in Dockets UE-220066 and UG-220067, its BDR
program as compliance filing. After review, Staff recommended that the Company refile
each BDR program for the electric and natural gas sides of the Company's operations
separately rather than as a compliance filing.

5 In response, the Company made subsequent filings under Dockets UE-230560 and UG-
230561. On July 6, 2023, the Company filed its BDR program with an effective date of
August 11, 2023. In the Company's filing and consistent with Final Order 24/10, PSE
informed the Commission that it would establish electric Schedule 129D – BDR Rider, to
allow PSE to recover the costs associated with BDR, including administrative costs.

6 On July 24, 2023, PSE submitted a revision to its filing, changing the BDR program
effective date to August 25, 2023.

7 During the regularly scheduled open meeting on August 24, 2023, the Commission took
no action, thereby allowing the filed tariff sheets to become effective as a matter of law
recommending that the LIAC monitor the effectiveness of the program and suggest
revisions as necessary.

8 On August 30, 2023, PSE filed, pursuant to WAC 480-07-370(3), with the Commission a
petition (Petition) seeking an Order authorizing deferred accounting and ratemaking
treatment related to PSE's true-up amounts in Schedule 129D BDR Rider. In its Petition,
the Company seeks to defer the true-up amounts allowed under Schedule 129D as
debit/credit to a Regulatory Asset in Federal Energy Regulatory Commission (FERC)
Account 182.3 (Other Regulatory Asset) or in FERC Account 254 (Regulatory Liability)
through an offsetting entry to FERC Account 456 (electric) or 495 (natural gas). Further,
the Company seeks non-accrual of interest and submits that any under/over collection in
rates will be included in future annual tariff filings inclusive of the Schedule 129D true-
up provision. The Company requests that the accounting treatment remain in effect so
long as PSE's BDR and Schedule 129D are in effect.

LIAC process. *In the Matter of Authorized Deferred Accounting Treatment and Share of Costs
for PSE*. Dockets UE-220066, UG-220067, and UG-210918 (Consolidated), Final Order 24/10 ¶
263 (December 22, 2022).

9 Staff has reviewed the Company's Petition and recommends that it be granted to allow the Company to true-up actual amounts to the amounts set in rates during the period to which they relate under its Schedule 129D-BDR Rider. Staff believes that, if granted, the Petition would allow the Company to continue serving its low-income customers by providing energy that is affordable, safe, equitable, and sustainable. Staff finds the rationale of the Company's accounting treatment of true-up amounts reasonable.

DISCUSSION

10 We agree with the Company and with Staff that the proposed deferred accounting and ratemaking treatment is reasonable and that it is appropriate for the Company to not accrue interest on any deferred balances, as proposed in the Petition.

11 We find the rationale behind the Company's justification for deferred accounting treatment appropriate. The Company's BDR tariff provides for a true-up of actual amounts to the amounts set in rates for the following categories:⁴

- 1) Discount amounts provided in electric Schedule 7BDR and gas schedule 23BDR;
- 2) Administrative costs of the program; and
- 3) Amounts collected through Schedule 129D.

12 The Company will true-up amounts for Schedule 129D either as a debit, in which FERC Account 182.3 (Other Regulatory Asset) is used, or, contrarily, a credit, in which FERC Account 254 (Other Regulatory Liability) through an offsetting entry to FERC 456 (electric) or 495 (natural gas) would be applicable. Appropriately recording true-up amounts in the period to which they relate would be in the best interest for the Company and public.

13 We likewise find the Company's proposed deferred accounting treatment and non-accrual of interest on the deferred balance so long as PSE's BDR and Schedule 129D are in effect are reasonable and consistent with the public interest.

⁴ Docket UE-230697, *Petition for an Order Authorizing Puget Sound Energy Accounting and Ratemaking Treatment related to PSE's True up Provision in Schedule 129D – BDR*. (August 30, 2023).

FINDINGS AND CONCLUSIONS

- 14 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property, and affiliated interests of public service companies, including electric and natural gas companies.
- 15 (2) PSE is a public service company subject to Commission jurisdiction, providing combined electric and natural gas services.
- 16 (3) WAC 480-07-370(3) allows companies to file petitions including that for which PSE seeks approval.
- 17 (4) WAC 480-07-370(b) requires that petition be in writing and must clearly and concisely set forth the grounds for the petition, the relief requested, and the commission's jurisdiction to grant the requested relief.
- 18 (5) Staff has reviewed the Petition filed concurrently in Dockets UE-230697 and UG-230698.
- 19 (6) Staff believes the proposed deferred accounting and ratemaking treatment PSE requests in its Petition is reasonable and should be granted.
- 20 (7) This matter came before the Commission at its regularly scheduled meeting on September 28, 2023.
- 21 (8) After reviewing PSE's Petition filed in Dockets UE-230697 and UG-230698 on August 30, 2023, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Petition should be granted.

ORDER

THE COMMISSION ORDERS:

- 22 (1) Puget Sound Energy's Petition for Deferred Accounting and Ratemaking Order Authorizing the Company's Accounting and Ratemaking Treatment related to the True-Up Provision in Schedule 129D – Bill Discount Rider is granted.
- 23 (2) This Order shall not affect the Commission's authority over rates, services, accounts, variations, estimates, or determination of costs, on any matters that may

come before it. Nor shall this Order granting Petition be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.

24 (3) The Commission retains jurisdiction over the subject matter and Puget Sound Energy to effectuate the provisions of this Order.

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

DATED at Lacey, Washington, and effective September 28, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

KATHY HUNTER
Acting Executive Director and Secretary