

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	
)	DOCKETS UE-200780 and
PUGET SOUND ENERGY)	UG-200781
)	
For an Order Authorizing Accounting for)	AMENDED PETITION OF
Costs Associated with COVID-19 Public)	PUGET SOUND ENERGY TO
Health Emergency)	AMEND ORDER 02

I. INTRODUCTION

1. In accordance with WAC 480-07-370(3), Puget Sound Energy (“PSE” or “Company”) respectfully petitions the Washington Utilities and Transportation Commission (“Commission”) for an Order amending the Commission’s Order 02 in the above-referenced dockets, to allow the Company to extend the deferral period in order for PSE to true-up amounts currently deferred under Order Nos. 01 and 02 in these dockets for account balances from September 2020 through December 2023 that remain outstanding. Amounts that are currently deferred are based on bad debt accrual estimates. The actual amount of these outstanding accounts that will ultimately be written off¹ remains unknown at this time due to circumstances that are explained more fully below. This amended petition requests that the time period under which PSE can true up the accrued estimates to the final amount of actual write-offs be extended from December 31, 2023² to December 31, 2024.
2. Statutes and rules at issue in this Amended Petition include RCW 80.01.040, RCW

¹ See Docket U-200281, Appendix A to Order 6, Amended Fourth Revised Term Sheet page 6 second bullet.

² See UE-200780 and UG -200781, Order No. 02, paragraphs 11 and 21.

80.28.020, WAC 480-07-370 (3), WAC 480-90-203 and WAC 480-07-370.

3. PSE is a combined gas and electric utility that provides service to approximately 1,200,000 electric customers and 870,000 natural gas customers in Western Washington.
4. All correspondence related to this Amended Petition should be directed as follows:

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II. BACKGROUND

5. On October 20, 2020, the Commission issued Order 01 in Docket U-200281 (“Moratorium Docket”), adopting with modifications a Revised Term Sheet presented by Commission Staff (“Staff”). Included in the Order were several guiding principles related to COVID-19 deferred accounting for “use in evaluating the deferred accounting petitions the utilities have filed or intend to file with respect to their recovery of costs related to responding to the COVID-19 pandemic.”
6. On September 3, 2020, PSE filed a Petition for an Order Approving Deferral of Costs Associated with the COVID-19 Public Health Emergency under these dockets. The Company filed a revised petition on November 6, 2020 (Revised Petition), consistent with the requirements set out in the Revised Term Sheet. In its Revised Petition, PSE sought to defer, among other things, any amount of bad debt write-offs from the period 2020-2022³ above the bad debt baseline, defined as the amount currently being collected

³ Paragraph 32 in Order 01 in Dockets UE-200780 and UG-200781 allowed PSE to begin deferring September 2020.

from customers for bad debt. For 2020, PSE proposed to use the pro-rated amount from its 2017 and 2019 general rate cases, and the 2019 rate case amounts for 2021 and 2022.

7. On October 19, 2021, Staff opened a rulemaking in Docket U-210800 (“Rulemaking Docket”) to consider possible changes to customer notice, credit and collection rules, late fees, and disconnection fees, reconnection fees, and deposits.
8. On March 29, 2022, the Commission issued Order 06 in the Moratorium Docket, amending its previous Order 03 in the docket and exempting electric and natural gas companies from collecting a deposit from residential customers in certain circumstances under WACs 480-100-113 and 480-90-113. These exemptions were set to continue until 30 days after the Commission issued its final order adopting rules or otherwise determining the propriety of the fee and deposit rules in the Rulemaking Docket. The Commission’s amendments to Order 03 were to extend the suspension of fees and deposits, and to extend reporting requirements until this same timeframe. Staff’s Fourth Revised Term Sheet, provided as Appendix A to Order 06 in the Moratorium Docket, was reflective of these changes.
9. On December 8, 2022, as a result of the extensions contained within the Commission’s Order 06 in Moratorium Docket, PSE filed an Amended Petition in these dockets to request to modify the previously approved timeframe for its bad debt deferral (2020-2022) to extend to December 31, 2023.
10. On December 22, 2022, the Commission granted approval for PSE’s Amended Petition in Order 02 under these dockets. The Order extended PSE’s approved timeframe for its bad

debt deferral to December 31, 2023.⁴

11. Relatedly, PSE entered into a settlement agreement almost fifteen months ago in its 2022 general rate case to not change its existing credit and collection processes until the conclusion of the Rulemaking Docket.⁵
12. However, at this time, the Rulemaking Docket has not yet concluded and there is no known expected time for its resolution which results in uncertainty associated with practices that will be allowed for the collection of outstanding receivables once the Rulemaking Docket is concluded.
13. Because PSE's arrearage balances have grown to such an extent and there are no signs that the Rulemaking Docket will be resolved, it filed a Petition to Amend Final Order 24/10 in its 2022 general rate case docket to remove PSE's obligation to continue its existing credit and collection processes until the Rulemaking Docket is concluded. The resolution of PSE's Petition in its 2022 general rate case dockets is not expected until sometime after January 18, 2024.⁶
14. These various events have led to accounts receivable from September 2020 through December 2023 still being held on PSE's books and now require an additional extension be obtained in these dockets.

⁴ See UE-200780 and UG -200781, Order No. 02, paragraphs 11 and 21.

⁵ Appendix A to Order No. 24/10 in Dockets UE-220066 and UG-220067 at ¶ 40.

⁶ Appendix A to Order 29 in Dockets UE-220066 and UG-220067.

III. JUSTIFICATION FOR REQUESTED DEFERRED ACCOUNTING

15. Because the Rulemaking Docket and the Petition in PSE's 2022 general rate case are both unresolved, PSE is unable to seek to collect outstanding accounts receivable from September 2020 through December 2023 and therefore does not know the actual amount of accounts that will be written off from that period. Furthermore, the results of both proceedings are unknown at this time, as is the impact their resolution will have on PSE's credit and collections processes needed to collect outstanding balances from that time period. Therefore, the assumptions PSE has used to date for estimating the amounts above the bad debt baseline level to defer may change, causing the amount that is ultimately written off to be significantly different than the current estimated accruals. Additionally, PSE is not seeking to extend the period by referencing an undefined date, such as after the resolution of the Rulemaking Docket or the Petition in PSE's 2022 general rate case, as it is unknown how long it will take to know what the final level of write-offs will be after it is finally determined what collections practices PSE will be able to conduct. This amended petition only asks to extend the time period by which PSE can adjust the final deferred balances once the ultimate amounts written off are known. This petition does not seek to defer estimated bad debt accruals or write-offs for accounts receivable that will arise after December 2023, nor does it seek to address the recoverability of any deferral that results from these dockets.

IV. REQUEST FOR RELIEF

16. For the reasons discussed above, PSE respectfully requests the Commission issue an Order amending the Commission's Order 02 in these dockets, to allow the Company to extend the time period to December 31, 2024 to allow for PSE to defer the final amount

of write-offs above the baseline for accounts receivable balances that remain outstanding from the period September 2020 to December 2023.

DATED this 12th day of December, 2023.

Puget Sound Energy

By */s/ Susan Free*

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