

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of PUGET SOUND ENERGY, Petitioner, For an Order Approving Deferral of Costs Associated with the COVID-19 Public Health Emergency	DOCKETS UE-200780 and UG-200781 ORDER 03 GRANTING PETITION TO AMEND ORDER 02
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BACKGROUND

- 1 On April 17, 2020, Governor Inslee issued Proclamation 20-23.2, which prohibits all energy companies from (1) disconnecting residential service due to nonpayment, (2) refusing to reconnect residential customers who were disconnected due to nonpayment, and (3) charging late fees or reconnection fees. Proclamation 20-23.4, issued on May 29, 2020, also requires utilities to develop COVID-19 Customer Support Programs consistent with state guidance from the Governor’s office and that will address payment plan options for residential customers who are in arrears due to the COVID-19 pandemic.
- 2 On September 3, 2020, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) a Petition for an Order Approving Deferral of Costs Associated with the COVID-19 Public Health Emergency.
- 3 In June 2020, the Commission formed a COVID-19 response workgroup of interested persons in Docket U-200281 to facilitate the development of guidelines for ensuring that customers experiencing economic hardship as a result of the COVID-19 pandemic maintain access to essential services after Proclamation 20-23 expires and the moratorium on disconnections and late fees is no longer in effect.
- 4 On October 20, 2020, the Commission entered Order 01 in Docket U-200281,¹ in which the Commission expressly adopted four guiding principles identified in Commission Staff’s (Staff) Revised Term Sheet. The Commission also determined that it would

¹ *In the Matter of Response to the COVID-19 Pandemic*, Docket U-200281, Order 01 ¶ 23 (Oct. 20, 2020).

consider each utility’s deferred accounting petition in the docket in which it was filed, and that “[u]ltimately, the Commission will consider each petition on its merits and render a decision based on the record compiled in each docket.”²

5 The Revised Term Sheet provided guidance to all the utilities on how to calculate the amount of bad debt they would be allowed to defer for 2020, 2021, and 2022 above their existing bad debt baseline.

6 The Company filed a revised petition on November 6, 2020, consistent with the requirements set out in the Revised Term Sheet.

7 On December 10, 2020, in Order 01, the Commission approved PSE’s revised petition, allowing the Company to defer several COVID-19 related expenses, including any amount of bad debt incurred in 2020 to 2022 above its bad debt baseline.

8 On July 2, 2021, the Commission issued Order 04 in Docket U-200281, extending the disconnection moratorium to September 30, 2021, aligning with Governor Inslee’s proclamation 20-23.16, and authorizing companies to begin charging waived fees on April 1, 2022.

9 On October 19, 2021, Staff opened a rulemaking in Docket U-210800 to consider possible changes to customer notice, credit and collection rules, late fees, disconnection fees, reconnection fees, and deposits.

10 On March 29, 2022, the Commission issued Order 06 in Docket U-200281, amending Order 03, exempting gas and electric companies from WAC 480-90-113 and WAC 480-100-113, respectively.³ The Commission’s order extended the suspension of fees and deposits until 30 days after the Commission issues its final order in U-210800.

11 On December 8, 2022, PSE filed an amended COVID-19 deferral petition (Amended Petition) in response to the Commission’s decision in Docket U-200281. The Amended Petition requests approval to modify the previously approved timeframe for its bad debt deferral (2020 to 2022) to now extend to December 31, 2023.

² *Id.* at ¶ 26.

³ *See generally* Docket U-200281, Order 06 (March 29, 2022).

12 On December 22, 2022, in Order 02, the Commission approved PSE's revised petition, allowing the Company to defer several COVID-19 related expenses, including any amount of bad debt incurred in 2020 to 2023, above its bad debt baseline.

13 On December 12, 2023, PSE filed an amended petition to amend Order 02 (Amended Petition to Amend Order 02) in response to the Commission's decision in Docket U-200281. The Amended Petition to Amend Order 02 requests approval to modify the previously approved timeframe for its bad debt deferral (2020 to 2023) to now extend to December 31, 2024.

DISCUSSION

14 In light of the Commission's order extending the suspension of fees and deposits and the ongoing rulemaking in Docket U-210800, PSE's approved bad debt deferral should be extended to account for the anticipated duration of the extended suspension. Accordingly, we grant the Company's Amended Petition to Amend Order 02. Order 02 is hereby amended 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.

FINDINGS AND CONCLUSIONS

15 (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 companies.

16 (2) Puget Sound Energy is a public service company subject to Commission jurisdiction, providing service as an electric and natural gas company.

17 (3) WAC 480-07-370(3) allows regulated companies to file petitions, including the Additional Petition PSE filed in these Dockets.

18 (4) Staff has reviewed the Amended Petition to Amend Order 02 in Dockets UE-200780 and UG-200781.

- 19 (5) Staff recommends the Commissioner grant the Amended Petition to Amend Order 02.
- 20 (6) This matter came before the Commission at its regularly scheduled meeting on December 21, 2023.
- 21 (7) After reviewing PSE's Amended Petition to Amend Order 02 filed in Docket UE-200780 and Docket UG-200781, on December 21, 2023, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Amended Petition to Amend Order 02 should be granted.

ORDER

THE COMMISSION ORDERS:

- 22 (1) Puget Sound Energy's Amended Petition to Amend Order 02 is granted.
- 23 (2) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, 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.

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 December 21, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Kathy Hunter
Acting Executive Director and Secretary