



Puget Sound Energy
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September 15, 2023

Filed Via Web Portal

Kathy Hunter, Acting Executive Director and Secretary
 Washington Utilities and Transportation Commission
 621 Woodland Square Loop SE
 Lacey, WA 98503

Received
 Records Management
 Sep 15, 2023

**Re: Advice No. 2023-40
 PSE's Natural Gas Tariff Filing - Filed Electronically**

Dear Executive Director Hunter:

Puget Sound Energy ("PSE") hereby submits proposed revisions to rates under natural gas Schedule 111, Greenhouse Gas Emissions Cap and Invest Adjustment. This tariff filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, includes the following natural gas tariff sheets:

WN U-2 - (Natural Gas Tariff):

1 st Revision	Sheet No. 1111-D	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)
1 st Revision	Sheet No. 1111-E	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)
1 st Revision	Sheet No. 1111-F	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)
1 st Revision	Sheet No. 1111-G	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)
1 st Revision	Sheet No. 1111-H	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)
1 st Revision	Sheet No. 1111-I	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)
1 st Revision	Sheet No. 1111-J	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)
1 st Revision	Sheet No. 1111-K	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)

The purpose of this tariff filing is to request cost recovery of the Climate Commitment Act ("CCA") allowance costs that have been or will be deferred from January 2023 through September 2023 ("the deferral period"). This tariff filing also apportions auction proceeds to be received by PSE in the latter half of 2023 to the deferral period to be passed back to customers as an offset to the CCA allowance costs. The establishment of these deferrals is consistent with the Commission-approved accounting petitions in Dockets UG-220975 and UG-230471. The rates in this filing have been determined in a manner similar to those approved in Docket UG-230470. To determine the amount of auction proceeds to attribute to the deferral period, the total annual amount of proceeds from allowances projected to be sold at auction (pursuant to RCW 70A.65)

is apportioned to each month of 2023 and the amounts apportioned to the deferral period are included in this filing. The auction proceeds were allocated consistent with how the monthly bill credits are provided to customers, seasonal for residential and small commercial customers and a fixed amount for all other customers.

As noted in the previous tariff filing made under UG-230470, in the interest of simplicity, PSE is proposing to collect or pass back the interest based on actual interest accrued, rather than based on a forecast. As such, this filing does not contain a component of interest as final actual interest for the deferral period is not yet known. The tariff filing for 2025 will be the first filing in which actual interest from 2023, including the deferral period, will be included. The calculation of the revenue requirement associated with credits to Identified Low-Income Customers assumed that 70,000 additional gas low-income customers would be enrolled in bill assistance by January 1, 2024.¹ To achieve this target set by the Commission, Identified Low- Income Customers receiving the volumetric credit over the proposed rate effective period may include estimated low-income customers.

Overall, this proposal represents a revenue requirement of \$27.2 million and an average increase for all customers affected by this tariff change of 2.13 percent in overall bills. A typical residential customer using 64 therms per month would experience an increase of \$2.36 per month or 2.38 percent.

Identified Low-Income Customers are eligible to receive a volumetric credit equal to the State Carbon Reduction Charge. As such, a typical Identified Low Income Customer, as defined by the tariff, taking residential service using 64 therms per month would experience no impact from this filing as their credits are designed to exactly offset their charges, resulting in an increase of \$0.00 per month or 0.0 percent. Additionally, bill assistance programs are available to qualified customers who need help with their energy bills. PSE customers can go to pse.com or call 1-888-225-5773 to learn if they are eligible. Payment plans are also available.

Please note that work papers submitted with this filing contain valuable commercial information. In accordance with Department of Ecology rule WAC 173-441-150(3), PSE requests that work paper tabs marked confidential be accorded confidential treatment. Pursuant to WAC 480-07-160, they have been marked “Shaded information is designated as confidential per WAC 480-07-160.”

Please note, this filing is not the same as the tariff filing PSE plans to file on November 1, 2023 (sometimes referred to in other documents as ‘the October filing’), which will update tariff schedule charges and credits to be effective on January 1, 2024.

The tariff sheets described herein reflect an issue date of September 15, 2023, and effective date of November 1, 2023. Posting of proposed tariff changes, as required by WAC 480-90-193, is being accomplished by posting the proposed tariff sheets on the PSE web site coincident with the

¹ Per Order 01 (August 3, 2023) in Docket UG-230470, PSE is required to enroll a targeted 70,000 customers into energy assistance or bill assistance programs by January 1, 2024.

Kathy Hunter, Acting Executive Director and Secretary

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date of this transmittal letter. Notice to the public under the provisions of WAC 480-90-194 will be provided within 30 days of the requested November 1, 2023 effective date.

Please contact Susan Free at (425) 456-2105 for additional information about this filing. If you have any other questions, please contact me at (425) 462-3946.

Sincerely,

/s/ Birud D. Jhaveri

Birud D. Jhaveri
Director, Regulatory Affairs
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cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie
Ed Finklea, AWEC

Attachments:

Natural Gas Tariff Sheets, listed above

Work Paper – Revenue Requirement (Confidential) & (Redacted)

Work Paper – Schedule 111