

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

<p>WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION,</p> <p style="text-align: center;">Complainant,</p> <p>v.</p> <p>PUGET SOUND ENERGY,</p> <p style="text-align: center;">Respondent.</p>	<p>DOCKETS UE-240004 and UG-240005 (<i>consolidated</i>)</p>
<p>In the Matter of the Petition of</p> <p>PUGET SOUND ENERGY</p> <p style="text-align: center;">Petitioner,</p> <p>For an Accounting Order Authorizing deferred accounting treatment of purchased power agreement expenses pursuant to RCW 80.28.410</p>	<p>DOCKET UE-230810</p>
<p>WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION</p> <p style="text-align: center;">Petitioner,</p> <p>v.</p> <p>PUGET SOUND ENERGY,</p> <p style="text-align: center;">Respondent.</p>	<p>DOCKET UG-230968</p> <p>MOTION TO CONSOLIDATE PROCEEDINGS</p>

I. INTRODUCTION

I The Staff of the Washington Utilities and Transportation Commission (Staff) moves to consolidate Puget Sound Energy’s (PSE) current rate case, which has been docketed in Dockets UE-240004 and UG-240005, and PSE’s pending Climate Commitment Act (CCA) forecast filing, which has been docketed in Docket UG-230968.¹ Because these dockets

¹ The Commission previously consolidated Docket UE-230810 with the general rate case dockets. *WUTC v. Puget Sound Energy*, Dockets UE-240004, UG-240005 & UE-230810, Order 03/01: Consolidating Dockets

contain related facts and principles of law, the Commission should grant Staff's motion. Staff believes that the CCA filing can be efficiently consolidated with the rate case, and Staff does not seek any modification to the rate case procedural schedule.

II. RELIEF REQUESTED

2 Staff requests that the Commission consolidate PSE's general rate case in Dockets UE-240004 and UG-240005 with PSE's CCA filing in Docket UG-230968.

III. STATEMENT OF FACTS

3 On November 22, 2023, in Docket UG-230968, PSE filed revised tariff sheets for its natural gas Schedule 111 with rates reflecting the Company's forecasted CCA costs and revenues for 2024. PSE's Schedule 111 is an existing pass-through tariff with tracking and true-up functions that addresses PSE's CCA costs and revenues.² On December 22, 2023, the Commission issued Order 01 in Docket UG-230968 suspending PSE's Schedule 111 tariff revisions and moving the issue of a potential risk-sharing mechanism to adjudication.³ On February 15, 2024, PSE filed its rate case, seeking rate increases across two-year multiyear rate plans for both its electric and natural gas services and implementation of three new tracking mechanisms.

4 Under Schedule 111, PSE is able to track forecasted amounts, true up those amounts, and pass through costs and revenues to customers on an annual basis.⁴ While the

(March 29, 2024). For ease of reference, Staff only refers to the rate case dockets throughout this motion. If the Commission grants Staff's motion, the consolidated dockets would include UE-240004, UG-240005, UE-230810, and UG-230968.

² See, Dockets UE-240004 & UG-240005 (Consolidated), Direct Testimony of Susan E. Free, Exh. SEF-1T at 32:10-17 and 36:6-8.

³ *WUTC v. Puget Sound Energy*, Docket UG-230968, Order 01: Complaint and Order Suspending Tariff Revisions; Allowing Rates Subject to Later Review and Refund (Dec. 22, 2023).

⁴ Free, Exh. SEF-1T at 32:10-17 and 36:6-8.

Commission previously approved the tracker, certain important design elements are still at issue. Specifically, design of the risk-sharing mechanism remains to be litigated.⁵

5 In its rate case, PSE proposes three new trackers: Clean Generation Resources Tracker, Wildfire Prevention Tracker, and Decarbonization Tracker.⁶ Approval of these trackers and how they might operate are at issue in the rate case, along with whether the costs that are associated with the trackers should be collected through the trackers or through base rates.⁷

6 Consideration of all of the newly proposed trackers in the general rate case and the remaining design elements of Schedule 111 in the CCA risk-sharing mechanism docket raises broader policy questions that are relevant in both matters.

7 The Commission set similar procedural schedules in both the rate case and the CCA risk-sharing docket.⁸ Evidentiary hearings are scheduled on October 9, 2024 for the CCA risk-sharing docket and on November 4-5, 2024 for the general rate case. Public comment hearings are scheduled on October 8, 2024 for the CCA risk-sharing docket and on October 9, 2024 for the general rate case.

8 The Commission also has a pending policy docket addressing CCA issues in Docket U-230161. This Motion does not impact the progress or schedule of Docket U-230161, but any guidance that the Commission may issue in that docket would apply to issues raised in Docket UG-230968 as appropriate.

⁵ Free, Exh. SEF-1T at 34:1-5.

⁶ Free, Exh. SEF-1T at 7:16 - 25:2.

⁷ *Id.*

⁸ *WUTC v. Puget Sound Energy*, Docket UG-230968, Order 02: Prehearing Conference Order; Notice of Hearing (Feb. 12, 2024); *WUTC v. Puget Sound Energy*, Dockets UE-240004 & UG-240005 (Consolidated), Order 04: Prehearing Conference Order; Notice of Hearing (April 18, 2024).

IV. STATEMENT OF ISSUES

9 Should the Commission consolidate PSE's general rate case with its CCA risk-sharing docket when common facts and issues of law are present in the dockets?

V. EVIDENCE RELIED UPON

10 Staff relies on the materials on file in consolidated Dockets UE-240004 and UG-240005 and in Docket UG-230968.

VI. ARGUMENT

11 Under WAC 480-07-320, the Commission has discretion to consolidate proceedings that present related facts and principles of law. When considering whether to consolidate proceedings, the Commission contemplates whether consolidation would promote judicial economy and would not unduly delay resolution of one or all of the proceedings.⁹ Here, the common issues presented in the general rate case and the CCA risk-sharing docket meet the standard for consolidation. Additionally, consolidation will ensure that PSE's overall rates are fair, just, reasonable, and sufficient, and will promote judicial economy.

12 Utility trackers address costs and recovery pursuant to the tracker's design. PSE proposes three new major trackers in its general rate case, and the Commission is considering how to develop a risk-sharing mechanism within PSE's natural gas Schedule 111. Consolidation is appropriate here. The policy questions are fundamentally the same when considering how to design a risk-sharing mechanism for PSE's CCA tracker and whether to authorize the new trackers that PSE has proposed in its general rate case. In both cases, these issues revolve around the fact that trackers shift risk from PSE and onto ratepayers. In both cases, the Commission will need to consider the relationship of risk-

⁹ *Wash. Utils. & Transp. Comm'n v. Puget Sound Energy*, Dockets UE-111048 & UG-111049 (Consolidated) & UG-110723, Order 04, 4, ¶ 8 (Sept. 7, 2011).

shifting to risk-sharing as well policy standards to apply when considering whether a cost should be recovered through a tracker rather than through base rates.

13 Addressing risk-shifting and risk-sharing holistically will allow the Commission to address the broader public policy issues regarding the role of trackers, whether costs should be included in a tracker versus in base rates, and the circumstances that give rise to the need for a risk-sharing mechanism.

14 Additionally, whether a risk-sharing mechanism is needed and how to appropriately design a mechanism are complicated issues that would benefit from being considered in a broader context. Addressing PSE's tracker proposals in the general rate case will necessarily involve addressing risk-shifting and policy standards for trackers, including when a risk-sharing mechanism is appropriate. Each of PSE's proposed trackers would not exist in a vacuum, but rather would function in a broader rate architecture impacting what customers pay for utility services. As such, consideration within PSE's general rate case is appropriate.

15 Moreover, PSE witnesses testify that the proposed trackers reduce risk to the company, including improving the company's credit ratings, which is an example of reduced risk.¹⁰ Staff's response testimony in the rate case dockets and the CCA risk-sharing docket will likely be duplicative because of the overlapping issues. Considering all of the trackers in a consolidated matter would advance judicial economy by allowing the Commission to address the issues together in one proceeding.

16 The procedural schedules set forth for the general rate case and the CCA risk-sharing docket are substantially similar, which means that there would be no undue delay in either matter. The evidentiary hearings are approximately a month apart, with the CCA filing

¹⁰ Dockets UE-240004 & UG-240005 (Consolidated), Direct Testimony of Dan A. Doyle, Exh. DAD-1CT at 10:3-4 and 10:16-17; Direct Testimony of Cara G. Peterman, Exh. CGP-1CT at 40:15-19, 41:1, and 42:14-15.

hearing scheduled earlier. However, briefing for each case ends within two weeks, with final briefs being due on November 21, 2024 in the CCA filing and on Dec. 4, 2024 for the rate case. As a result, resolution of the CCA filing will not be unduly delayed by consolidation with the rate case. However, consolidation would avoid unnecessary duplication of hearing resources and filing deadlines. Overall, consolidating the filings will likely make the workloads associated with both matters more efficient for parties and the Commission.

17 One aspect of the two matters should be retained as scheduled, though. The public comment hearings are scheduled on consecutive days in October. PSE has drafted customer notices for both public comment hearings in consultation with Staff and Public Counsel. Those notices are in the process of being printed and sent to customers. As a result, to avoid customer confusion and additional logistical expenses, the public comment hearings scheduled for October 8, 2024 for Docket UG-230968 and for October 9, 2024 for the rate case should remain as scheduled.

VII. CONCLUSION

18 For the reasons discussed above, Staff requests that the Commission grant its motion to consolidate Dockets UE-240004 and UG-240005 with Docket UG-230968.

DATED this 8th day of May 2024.

Respectfully submitted,

ROBERT W. FERGUSON
Attorney General

/s/ Lisa W. Gafken, WSBA No. 31549
Assistant Attorney General
Office of the Attorney General
Utilities and Transportation Division
P.O. Box 40128
Olympia, WA 98504-0128
(206) 714-3551
lisa.gafken@atg.wa.gov