

Puget Sound Energy

**Attachment A to Low Income Program Outcome Compliance Filing
Annual Report on Program Outcome of PSE's Low Income Program**

Of

**Electric and Natural Gas Schedules 129
Home Energy Lifeline Program (“HELP”)**

**For 2022 Program Year
October 2022 through September 2023**

Filed May 29, 2024

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Introduction and Background

Puget Sound Energy's ("PSE's") low income bill assistance program, the Home Energy Lifeline Program ("HELP") under the electric and natural gas Schedules 129, Low Income Program, provides energy bill-payment assistance to eligible PSE customers whose household is considered as a low-income household.

PSE's HELP bill-payment assistance is separate but supplemental to the federally-funded Low-Income Home Energy Assistance Program ("LIHEAP") that is available year-round to help eligible households paying for their home heating and cooling bills. For the 2022 program year, October 2022 through September 2023, eligible households may receive up to \$1,000 per year per customer in HELP credit to offset their PSE electricity or natural gas bills, which is the same maximum as the 2009 through 2022 program years. The maximum of \$1,000 HELP credit is consistent with the maximum LIHEAP benefit level as adopted by the Washington State Department of Commerce in its distribution of the LIHEAP benefit.¹

PSE's HELP was first implemented in accordance with Exhibit G to Settlement Stipulation Agreement ("Exhibit G") approved by the Washington Utilities and Transportation Commission ("Commission") in consolidated Dockets UE-011570 and UG-011571 Twelfth Supplemental Order dated June 20, 2002. As outlined in Paragraph 20 of the Exhibit G:

"Program outcomes will be monitored and analyzed through an annual report the Company will submit to the Commission no later than May 31st of each year in a form to be developed by the Low Income Agencies, NW Energy Coalition, Commission Staff, Public Counsel, and PSE. Such reports will be used to modify the LIP [Low Income Program] where indicated. At a minimum, the annual report shall include: number of participants, total amount of assistance paid, and average level of assistance per household."

HELP was further amended by the Partial Settlement Agreement approved by the Commission on January 5, 2007, in Dockets UE-060266 and UG-060267. The HELP settlement terms allow eligible low-income customers to receive bill-payment assistance with no limitation on how the HELP bill-payment assistances are applied to any amounts owed (past, present, and future) by these customers to PSE.

On October 8, 2008, the Commission approved three additional HELP changes in its Order 12 of the consolidated Dockets UE-072300 and UG-072301 ("2007 Order 12"). Appendix D to the 2007 Order 12 detailed of the three changes that became effective for program years starting 2008.

1. HELP funding is distributed to electric and natural gas customers at the fixed percentages of 75% and 25%, respectively.
2. The total annual HELP funding is increased from \$10.25 million to \$15 million.
3. Any HELP funds not distributed to customers in any single program year will be carried over to the next program year as supplemental HELP funding.

¹ Washington State 2023 LIHEAP State Plan:
<https://view.officeapps.live.com/op/view.aspx?src=https%3A%2F%2Fwww.commerce.wa.gov%2Fwp-content%2Fuploads%2F2022%2F07%2Fceo-liheap-draft-state-plan-2023.docx&wdOrigin=BROWSELINK>

With the merger of PSE and Puget Holdings LLC, these three changes above were further affirmed as Commitments 22, 23, and 42 of the Multi-Party Settlement Stipulation approved by the Commission on December 30, 2008, in Order 8 of Docket U-072375, Approving and Adopting Settlement Stipulation; Authorizing Transaction Subject to Conditions.

Additional funding has been available to low-income customers to mitigate the effect of PSE electric and natural gas rate changes (Supplemental HELP Funding Adjustment). This Supplemental HELP Funding Adjustment was described in PSE's Initial Brief in the PSE's 2009 General Rate Case ("2009 GRC") under the consolidated Dockets UE-090704 and UG-090705, as follows:

The company proposed to increase the annual level of low-income electric and natural gas bill assistance funding by the corresponding percent increase to the residential class that are approved by this Commission. The amount of this percentage increase would be added to the low income tariff in the next program year.

This Supplemental HELP Funding Adjustment has been incorporated into PSE's annual electric and natural gas Schedules 129 HELP funding requirement true-up for the HELP periods since the 2010 HELP year.

On May 7, 2012, per Order 8 of the consolidated Dockets UE-111048 and UG-111049, the base funding for the low-income bill assistance program was increased to \$20.2 million, based on 0.665 percent of PSE's 2010 operating revenues. Prior funding level reflected about 0.51 percent of PSE's 2010 operating revenues. The base HELP funding is distributed to electric and natural gas customers at the fixed ratio of 75% and 25%, respectively, as set forth in 2007 Order 12.

On June 25, 2013, as a condition for the Commission's approval of PSE's Expedited Rate Filing ("ERF") and Decoupling mechanisms², the Commission ordered an increase of HELP funding of \$1.0 million per year during the three-year rate plan for the two mechanisms. The additional \$1.0 million per year became the base HELP funding to \$21.2 million for the program years starting from October, 1 2013. In addition, per paragraph 177 on page 76 in Order 7 of ERF and Decoupling dockets (jointly Dockets UE-121697 and UG-121705 (Consolidated) and Dockets UE-130137 and UG-130138 (Consolidated)), HELP funding is increased in proportion to the residential bill impacts of decoupling.

In the low income filings for the 2016 program year, UE-161039 and UG-161047, the total annual funding cap became \$23.503 million, which was reflected in the total HELP funding for the 2017 program of October 1, 2017, through September 30, 2018.

For the 2018 program year of October 1, 2018, through September 30, 2019, additional HELP funding was made available and the associated allocation between electric and natural gas services became 80% and 20%, respectively. These funding changes were approved by the Commission in Order 08 of the consolidated Dockets UE-170033 and UG-1700340 ("Order 08"). Order 08 also adopted new HELP eligibility criteria that are based upon federal poverty level and approved a

² Order 7 of consolidated Dockets UE-121697 and UG-121705 (Decoupling) and consolidated Dockets UE-130137 and UG-130138 (Expedited Rate Filing)

two-year eligibility certification process for certain income-qualified customers. Both eligibility changes became effective on October 1, 2018.

Per the Commission’s approval of the HELP tariff schedule revisions in Dockets UE-210792 and UG-210793 on November 12, 2021, the following HELP changes become effective starting from the 2021 HELP year of October 2021 through September 2022:

1. Reallocation of HELP funding annual cap: The fixed funding allocation between electric and natural gas services became 90% and 10%, respectively.
2. Low-income Eligibility: Eligible HELP households were revised to be consistent with the “low-income households” as defined by RCW 19.405.020(25). That is, a household with an income not to exceed the highest of 80% of area median income in an area or 200% of federal poverty level adjusted for household size.

As described above, PSE’s electric and natural gas tariff Schedules 129 set forth the amount of HELP funding to be made available to eligible low-income customers via the Schedules 129 charges collected from all PSE customers. Another source of the HELP funding are the potential penalties associated with PSE not meeting its service quality index (“SQI”) benchmarks set forth in its Service Quality program. When the total annual penalty amounts are less than the equivalent of \$12 per customer, the applicable SQI penalty are allocated to the appropriate PSE HELP fund based upon the energy service affected by each missed SQI. For the SQI performance year of January 1, 2021, through December 31, 2021, PSE missed two SQIs: SQI #4 System Average Interruption Frequency Index and SQI #11 Electric Safety Response Time and incurred penalties of \$129,808 and \$613,636, respectively. Both SQI #4 and #11 pertain to electric service. For the SQI performance year of January 1, 2022, through December 31, 2022, PSE missed one SQI: SQI #5 Customer Access Center Answering Performance, which pertains to both PSE’s electric and natural gas services. The SQI #5 penalties allocated based upon the counts of electric and natural gas customers were \$432,092 and \$310,408, respectively. The total 2021 and 2022 SQI penalties of \$1,175,536 (\$1,485,944 electric and \$310,408 natural gas) were allotted in February 2024 to the eleven³ qualifying low-income agencies administering PSE’s HELP when these agencies needed additional funding.

The bill-payment assistance results and analyses presented in this report are limited to the original electric and natural gas Schedules 129 HELP. This report does not include the effect of PSE’s Crisis-Affected Customer Assistance Programs that were made available under the same schedules due to the COVID-19 pandemic.

³ Opportunity Council, Kitsap Community Resources, CA of Skagit Co., Pierce Co. Human Services, Multi-Service Center, MDC, Hope Source, Byrd Barr Place, Snohomish Human Services, CAC for Thurston/Lewis, and Hopelink.

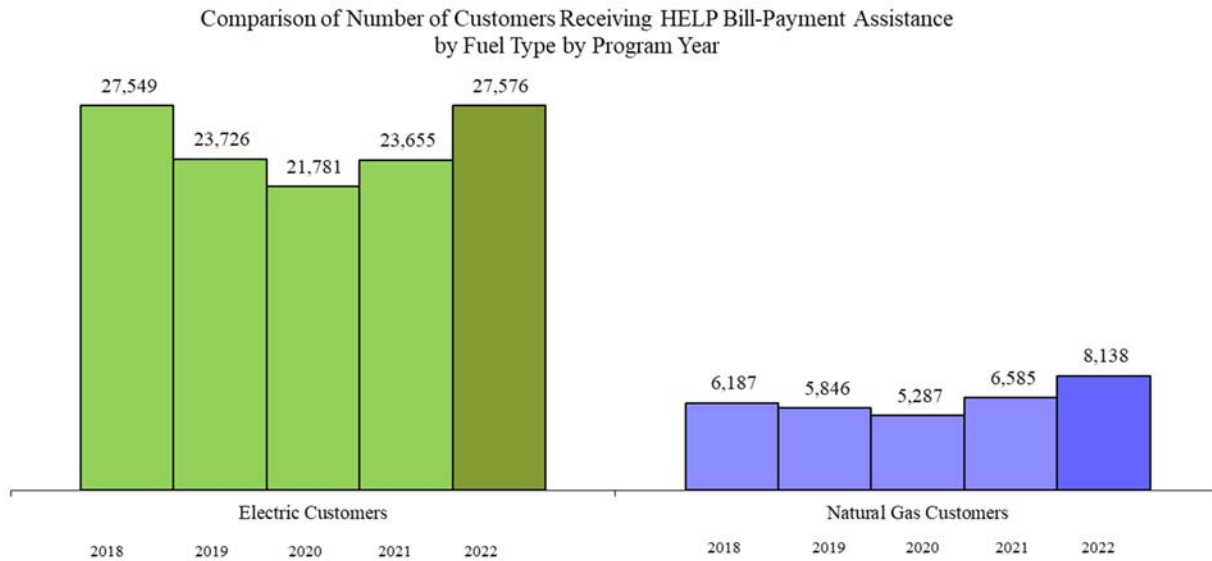
Description of HELP Bill-Payment Assistance

HELP Bill-Payment Assistance by Fuel Type and Program Year

The following table shows the number of PSE residential low-income customers who received bill-payment assistance from PSE’s HELP during the 2022 program year, the 12-month period of October 1, 2022, through September 30, 2023.

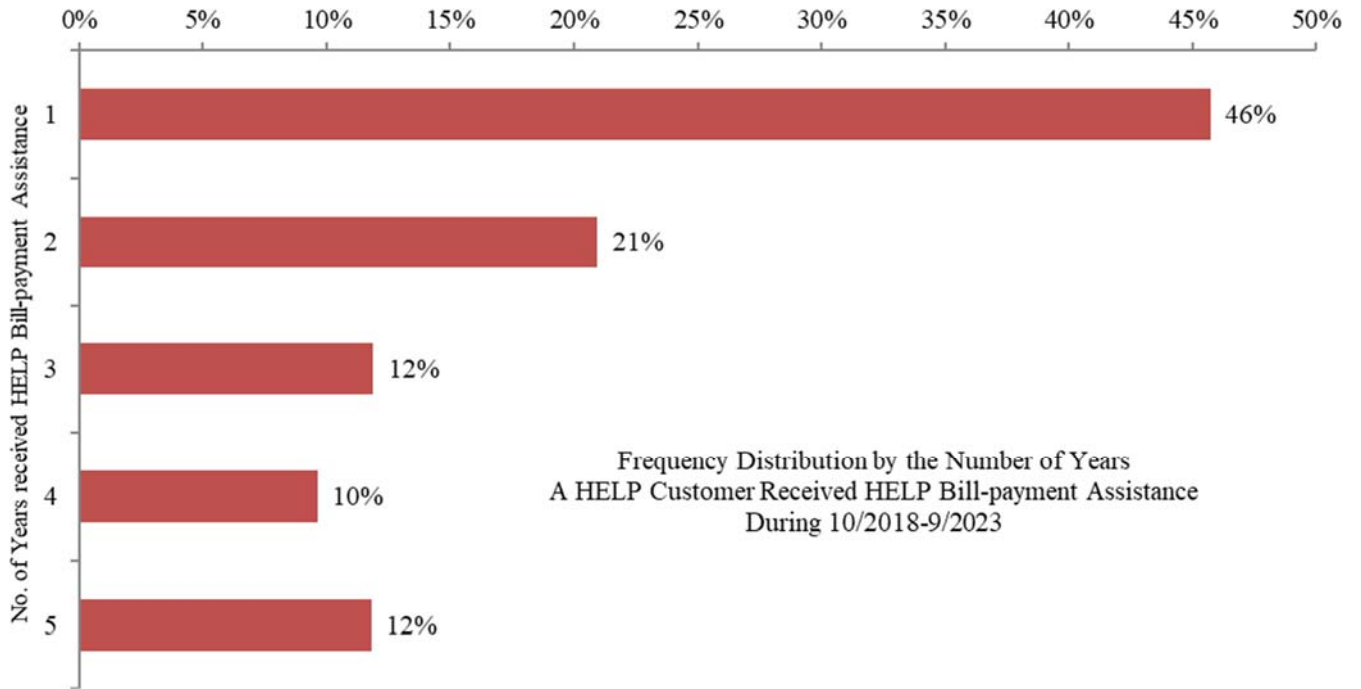
Electric customers: 27,576
Natural gas customers: 8,138

The number of eligible low-income households that received HELP bill-payment assistance is lower than the sum of the two numbers above since some households are both PSE natural gas and electric customers. The total number of low-income households that received bill-payment assistance is 30,871 (i.e., there are 4,843 HELP households that received both PSE electric and natural services during the period of October 1, 2022, through September 30, 2023). Of the electric customers who received bill-payment assistance, 18% were also natural gas customers. Of the natural gas customers who received bill-payment assistance, 60% were also electric customers. The chart below is a comparison of the number of customers who received bill-payment assistance since the 2018 HELP year by fuel type and by program year.



The number of eligible low-income customers that received HELP bill-payment assistance as percentage of the total number of residential customers by electric and natural gas is 2.6% (27,576 out of 1,074,386) and 1.0% (8,138 out of 814,178), respectively. Overall 1.9% of PSE residential customers received either or both electric and natural gas HELP bill-payment assistance.

The chart below shows the distribution of the number of years a customer received HELP bill-payment assistance for either their PSE electric or natural gas service or both during the 2018-2022 program years. 46% of the HELP customers received only one HELP bill-payment assistance during those years; while 14% of HELP customers received at least one HELP assistance every year during that 5-year period.



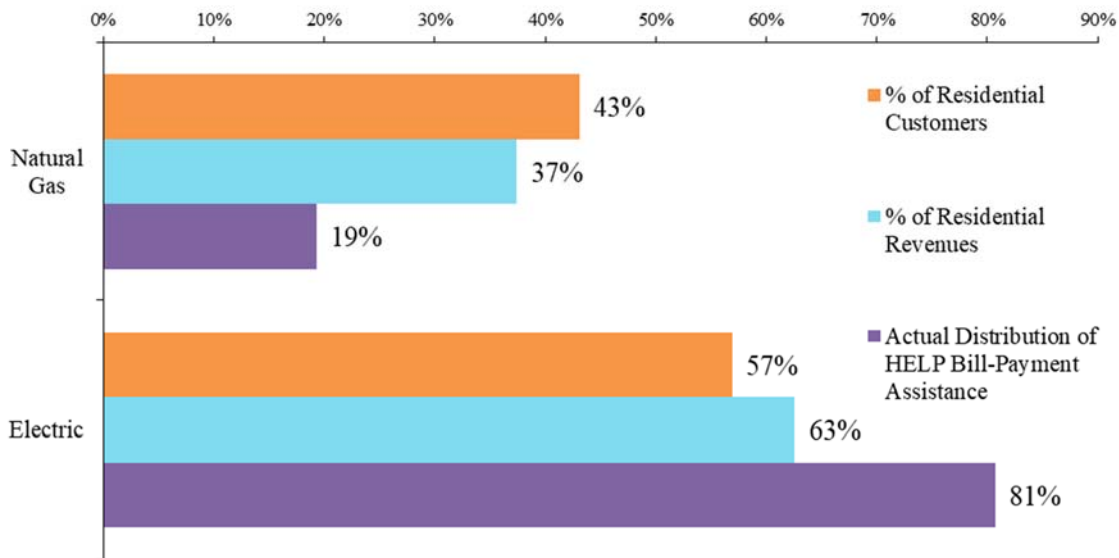
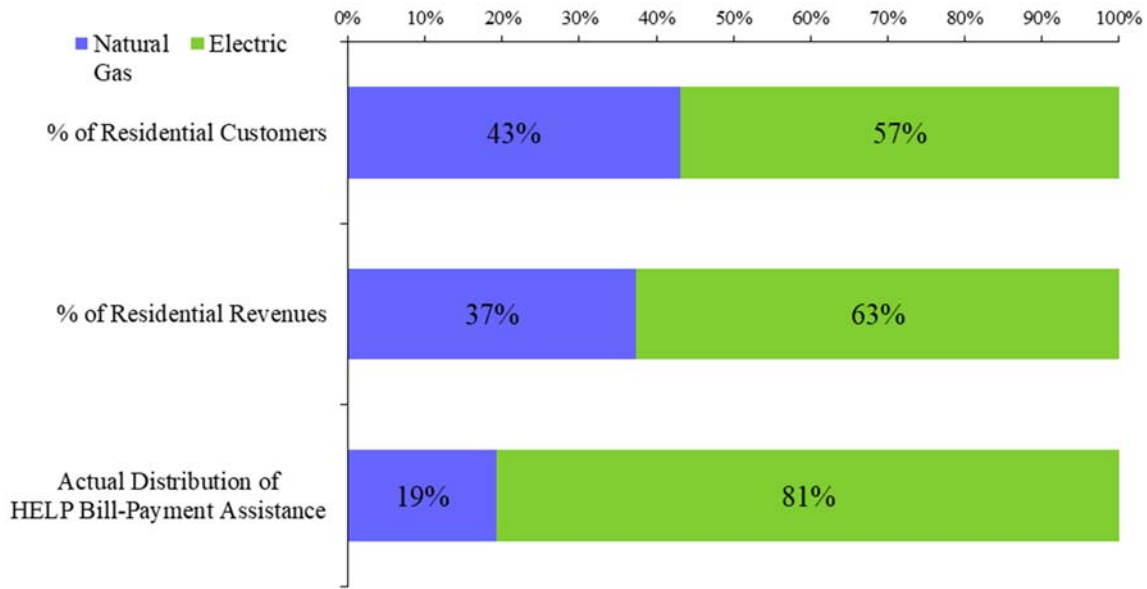
The total dollar amount of HELP bill-payment assistance distributed to customers during the 2022 program year was:

Electric	\$16,668,442
Natural Gas	\$3,957,228
Total	\$20,625,670

The total HELP funding provides for the bill-payment assistance to customers, PSE program costs, and the fees to agencies that administer HELP as outlined in PSE’s electric and natural gas tariff Schedules 129. The actual percentages of HELP bill-payment assistance distributed to the customers of each fuel type are 81% electric and 19% natural gas for the 2022 HELP year.

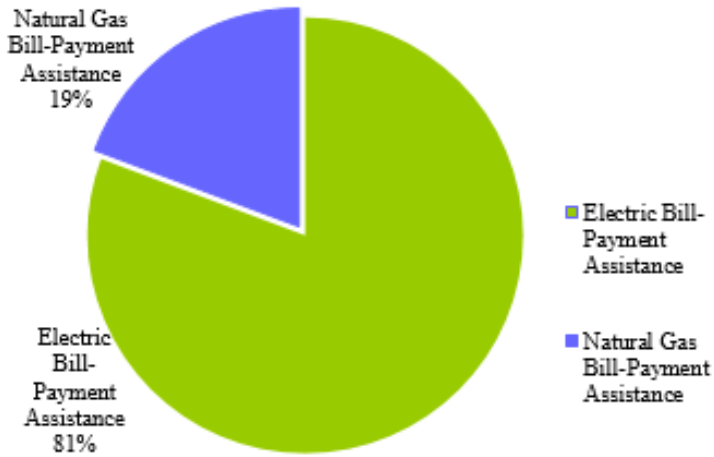
The table and charts below show a comparison, by fuel type, of the percentages of HELP bill-payment assistance distributed with the percentages of total residential customers and total residential revenues. Electric residential customers were allocated significantly more HELP payment assistance than natural gas residential customers based upon the proportion of total residential revenue and total residential customer count percentages.

2021 Program Year	% of Actual Total Distributed HELP Bill-Payment Assistance	% of Residential Customers	% of Residential Revenues
Electric	81%	57%	63%
Natural Gas	19%	43%	37%

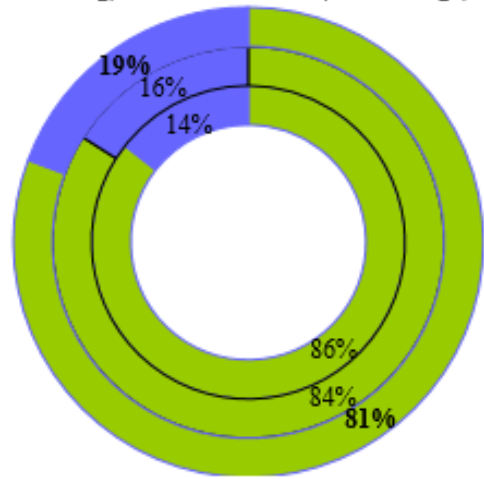


The following charts show the relative amount of bill-payment assistance distributed to eligible low-income electric and natural gas residential customers by program year.

2022 HELP Year (10/2022-9/2023) Comparison of HELP Bill-Payment Assistance by Fuel Type

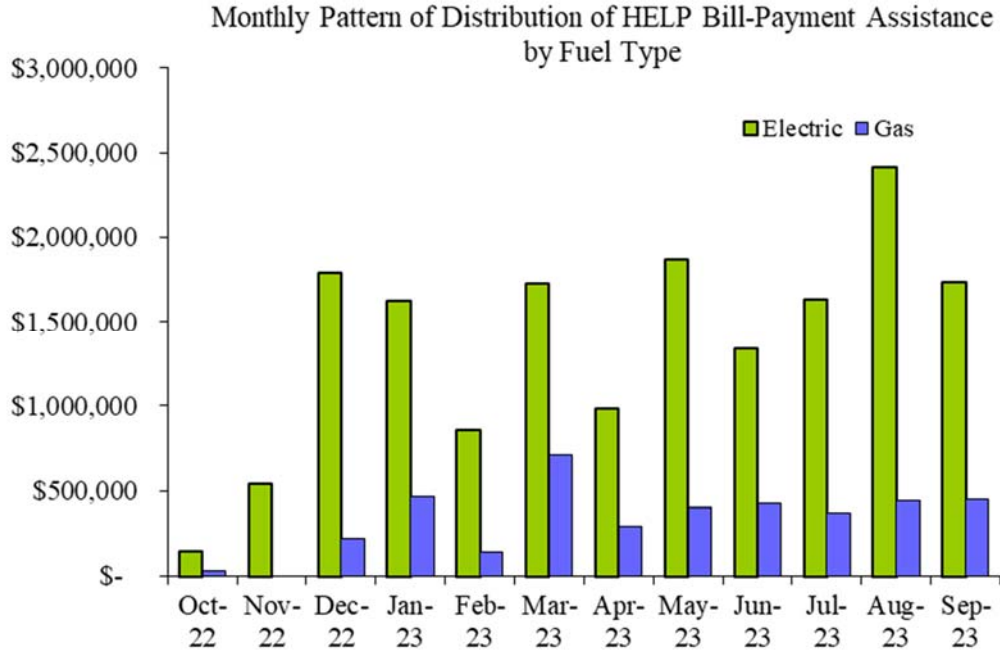


Comparison of HELP Bill-Payment Assistance by Program Year and Fuel Type 2022 (Outer Ring), 2021, and 2020 (Inner Rings)

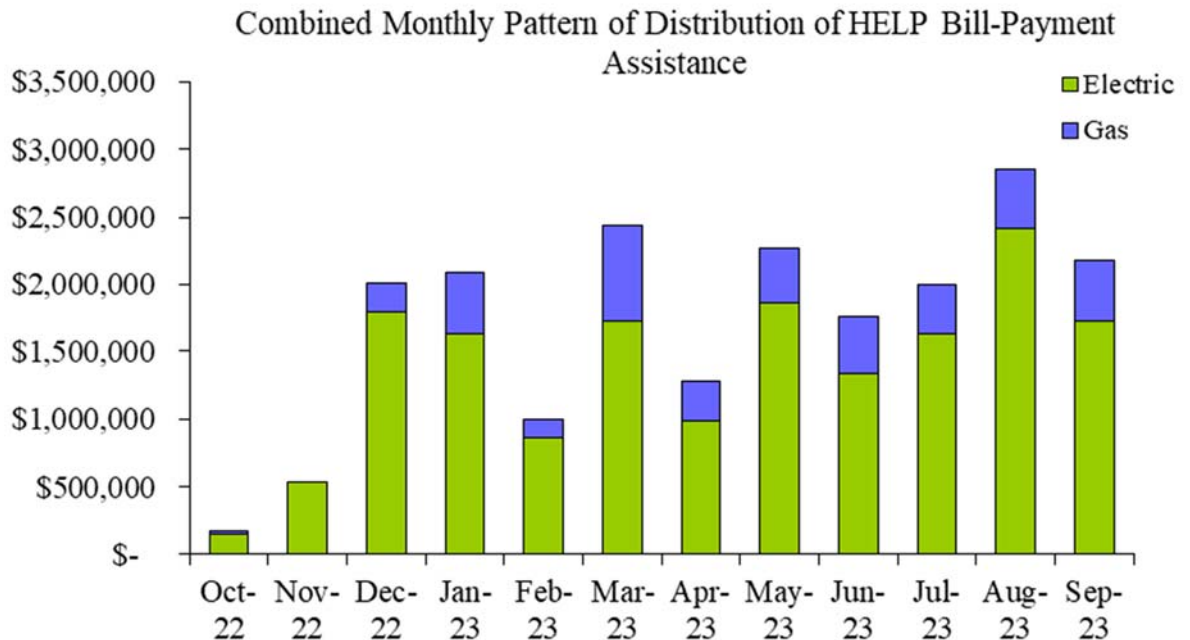


Monthly Pattern of Distribution of HELP Bill-Payment Assistance

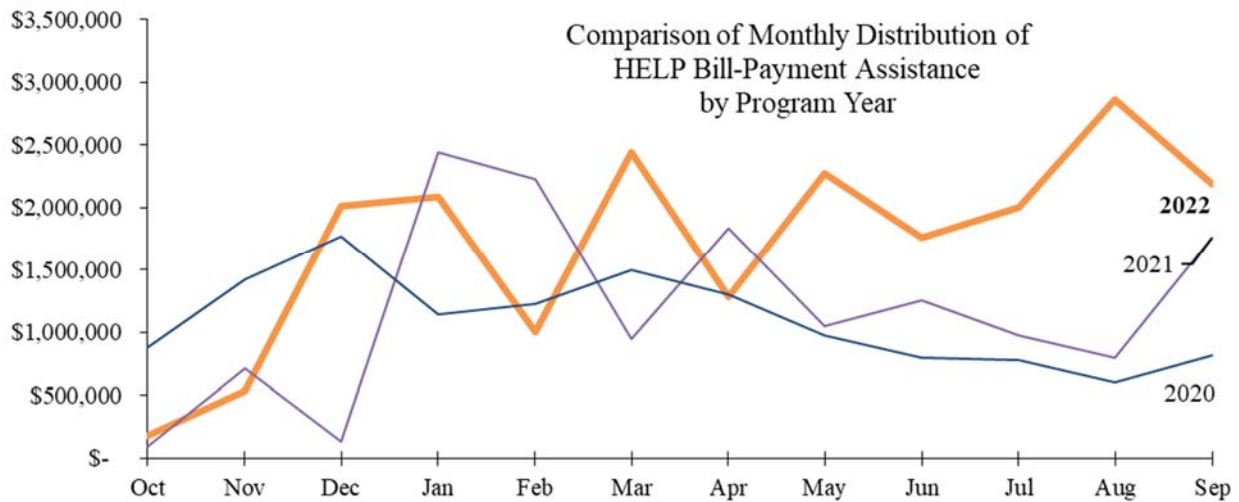
The following two charts show the monthly pattern of distribution of HELP bill-payment assistance to eligible low-income PSE customers during the 2022 program year by fuel type. The first chart is a side-by-side bar chart with both the electric and natural gas payment assistance.



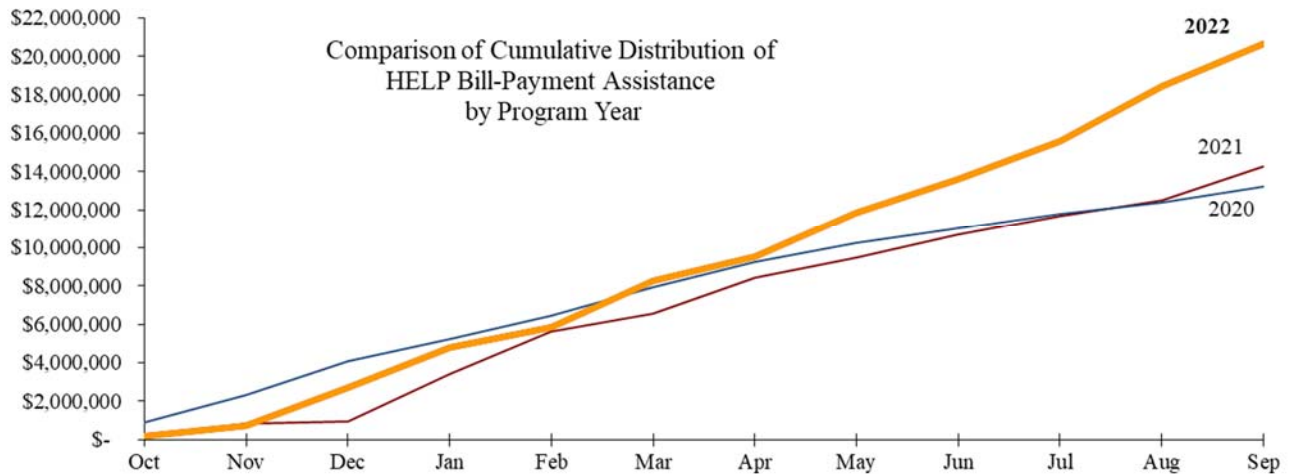
The second chart is a stacked bar chart with both the electric and natural gas payment assistance by month.



The chart below shows the combined electric and natural gas distributed HELP bill-payment assistance on a monthly basis for the 2022 program year (depicted by the heavy line) and the previous two program years (in light lines). As the qualifying low-income agencies exhaust the LIHEAP funding throughout the program year, the distribution of PSE HELP funding increased to make up the difference in the available low-income bill-payment assistance. The timing that the qualifying low-income agencies notified PSE of the eligible HELP customers also affected the monthly distribution pattern. For the 2022 HELP year of October 2022 through September 2023, 23% of the annual amount of HELP bill-payment assistance was distributed to the eligible very-low income customers in the first four months of, October through January, before and during the peak of winter heating season whereas that percentages for the 2021 and 2020 HELP years were 24% and 39%, respectively.

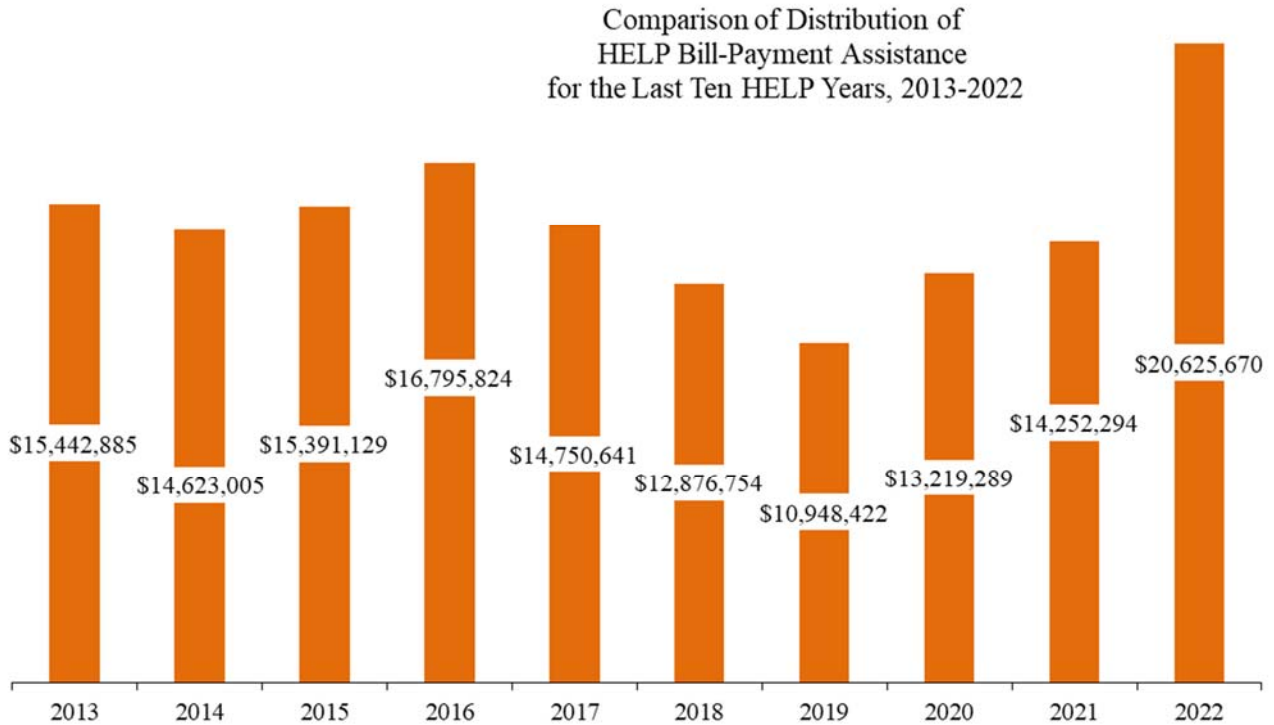


The chart below shows a comparison of the cumulative amount of distributed HELP bill-payment assistance on a monthly basis for the 2021 program year (shown in heavy line) and the previous two program years (in light lines). Among the 2019-2021 program years, the 2021 HELP year has the highest amount of distributed HELP bill-payment assistance -- an increase of 8% from the 2020 HELP year or 30% increase from the 2019 HELP year.



Among the HELP bill-payment distribution results for the past ten program years, the 2022 program year distribution of \$20,625,670 ranks the first in the annual results of the HELP bill-payment distribution.

The 2019 program year had the lowest amount of \$10,948,422 during the 2011-2021 HELP years. The 2016 HELP year had the highest amount of HELP bill-payment distribution of \$16,795,824.

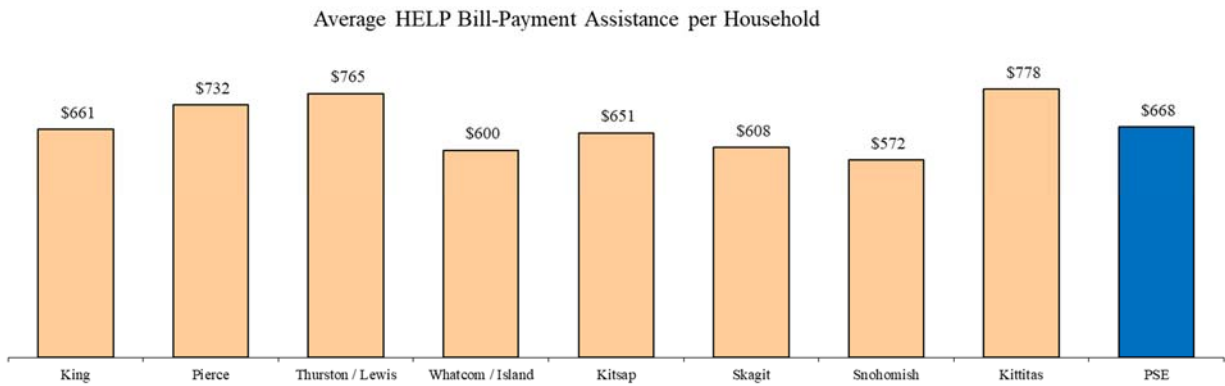


Demographics of Customer Households

HELP Bill-Payment Assistance by County Area

The average level of HELP bill-payment assistance to each eligible low-income household is \$668 for the 2022 program year ending September 31, 2023. The overall average HELP bill-payment assistance per PSE energy account that received HELP bill assistance is \$578 due to the fact that 4,843 households have both PSE electric and natural gas services. The average HELP bill-payment assistance per PSE electric account that received electric HELP bill assistance is \$604. The average HELP bill-payment assistance per PSE natural gas account that received natural gas HELP bill assistance is \$486.

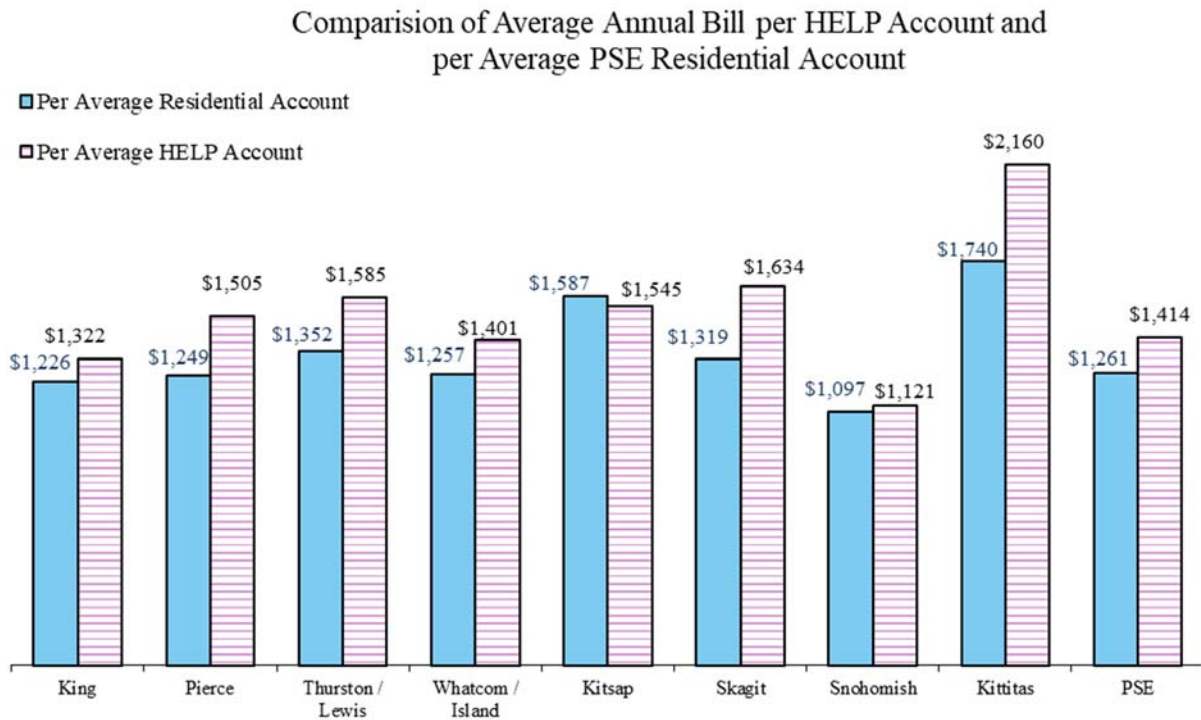
The chart below shows the average level of HELP bill-payment assistance per household for the various county areas in PSE’s service territory. Kittitas County and the combined Counties of Thurston and Lewis have the highest average of HELP bill-payment assistance per household whereas Snohomish County, where PSE provides mostly natural gas service, has the lowest average HELP assistance amount.



HELP Bill-Payment Assistance and Annual Bill by County Area

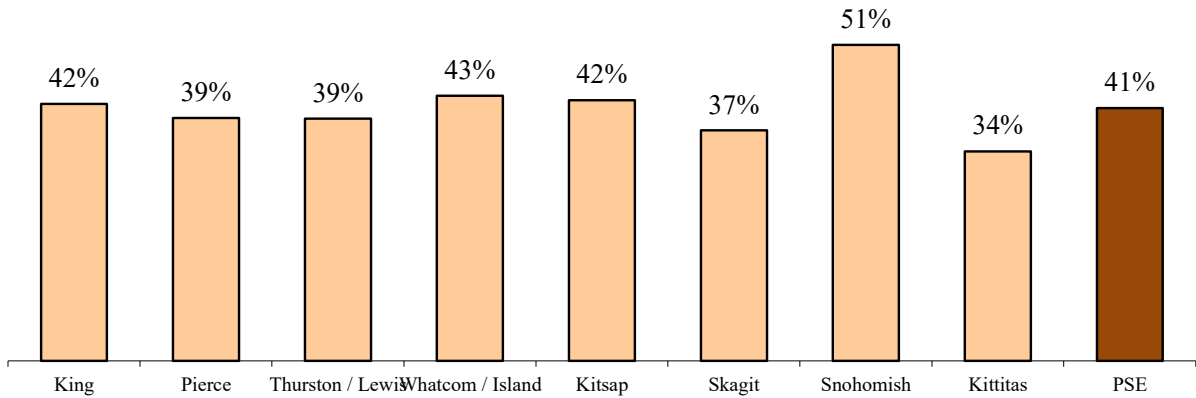
For the purpose of comparison among all the county areas, the average residential and the HELP customer annual bill information presented in the following charts and the customer count information used in the calculation is based upon 12 months ending September 30, 2023, to coincide with the 2022 HELP year.

The chart below shows a comparison by county area of the average annual bill per HELP account and per PSE residential account, thus comparing the average bill of a HELP customer to the average bill a general residential customer. For the 2022 program year, the customers who received HELP bill-payment assistance had, on average, annual PSE bills that were higher than that of average PSE residential customers. Most of the county areas show similar relationship except Kitsap and Snohomish Counties. These county area comparison results are consistent with results from the prior HELP years.



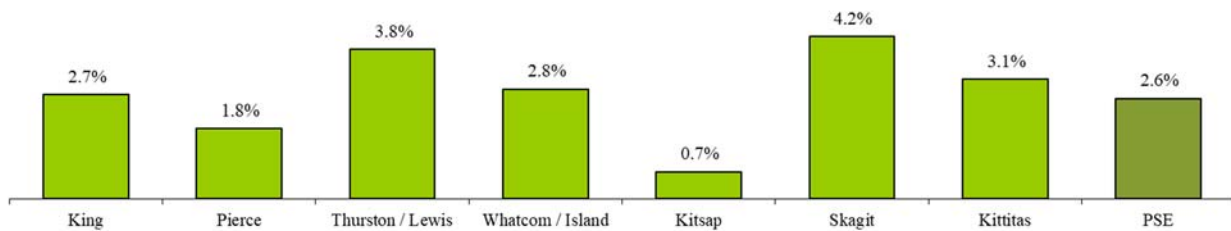
The chart below compares the ratio of average HELP bill-payment assistance per HELP account to the average annual bill per HELP account for the 2022 program year by county area. It demonstrates, on average, how much of an electric and/or natural gas PSE HELP customer's PSE annual energy bills was mitigated by PSE's HELP bill-payment assistance. The overall average ratio is 41%, i.e. the HELP bill-payment assistance alone could pay for 41% of a HELP customer's annual energy bills. Among the current PSE service areas, Snohomish County has the highest ratio of 51% and Kittitas County has the lowest ratio of 34%.

Ratio of Average HELP Bill-Payment Assistance per HELP Account to Average Annual Bill per HELP Account

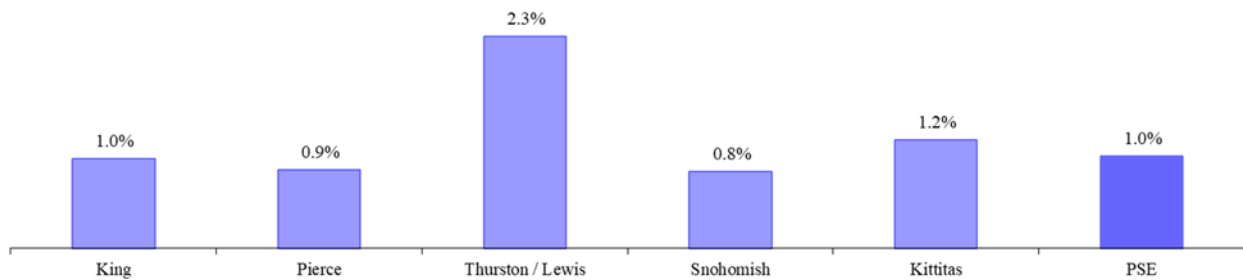


The following charts show the number of eligible low-income customers receiving HELP bill-payment assistance as percentage of the number of residential customers in a county area. The overall percentages for electric and natural gas are 2.6% and 1.0%, respectively.

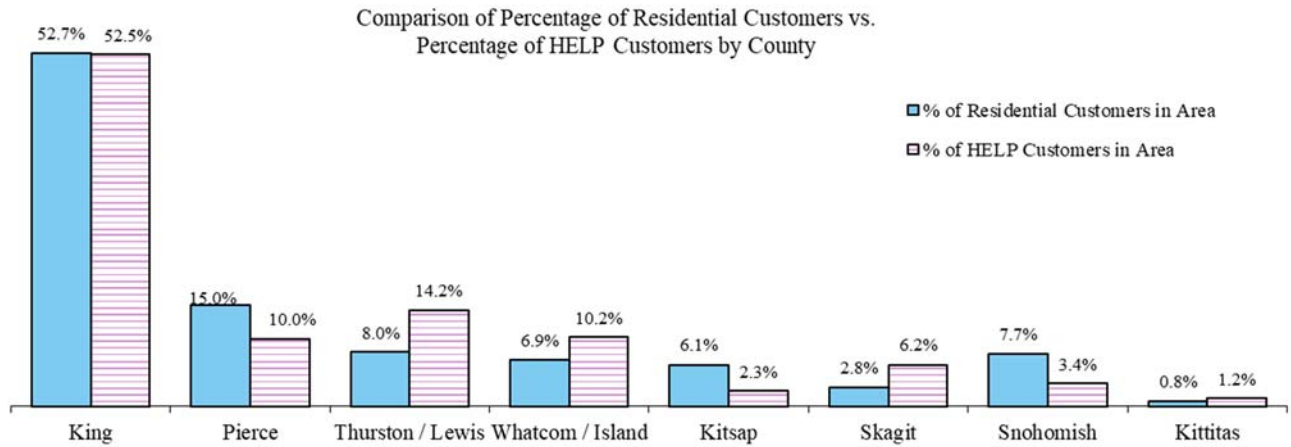
Percentage of Electric Residential Customers Received HELP Bill-Payment Assistance



Percentage of Natural Gas Residential Customers Received HELP Bill-Payment Assistance

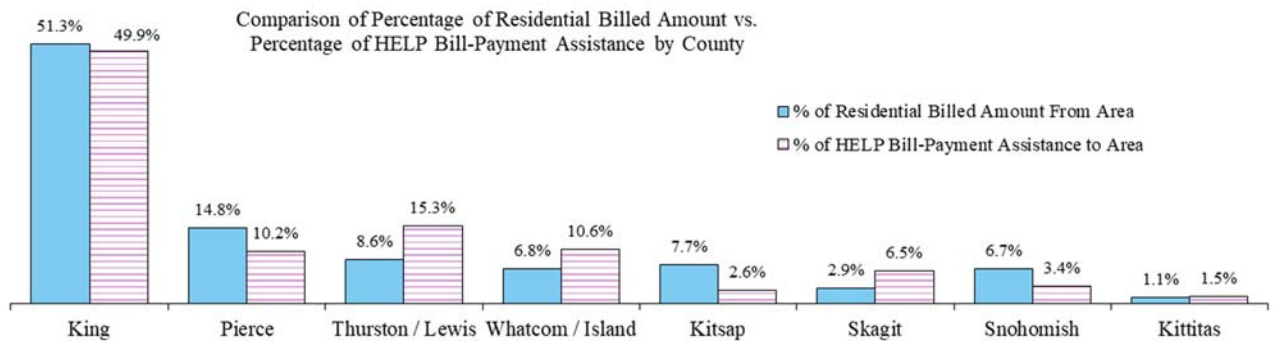


The chart below shows the percentage distribution of PSE residential customers, including both electric and natural gas, by county area along with the percentage of PSE HELP customers in that area during the same period of October 2022 through September 2023. Snohomish, Pierce, and Kitsap Counties have proportionally significantly less number of HELP customers than the rest of the county areas. Whereas Whatcom and Island Counties combined area, Thurston and Lewis Counties combined area, and Skagit County have higher percentage of PSE HELP customers in their areas in comparison to the percentage of the PSE HELP customers in those areas.



The chart below shows the percentage by county area of PSE total residential electric and natural gas billed amount in a county area compared to the percentage of PSE HELP bill-payment assistance distributed to that area.

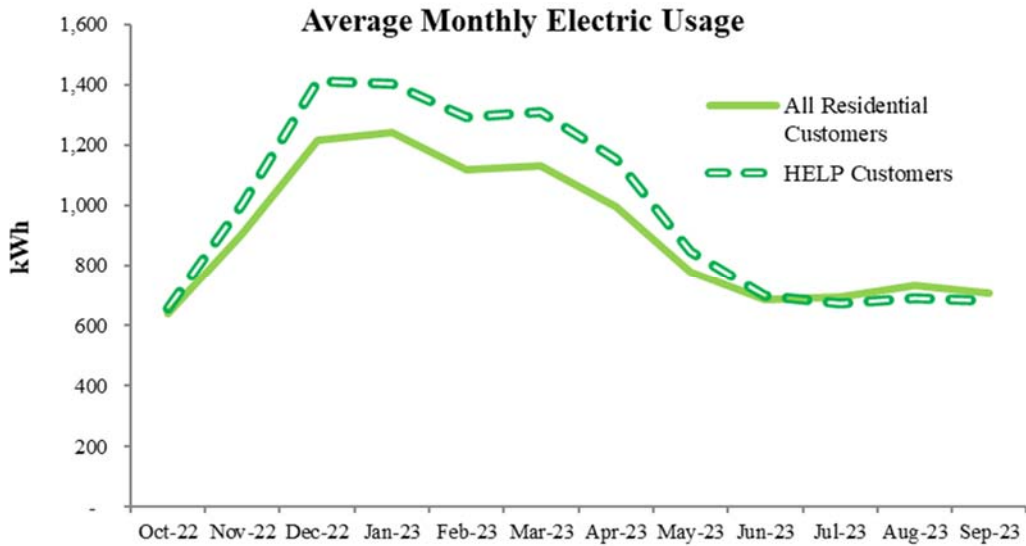
- King, Pierce, Kitsap, and Snohomish Counties received less HELP bill-payment assistance than the rest of the county areas in terms of the percentage of the residential billed amount.
- Thurston/Lewis, Whatcom/Island, and Skagit Counties received higher percentages of PSE HELP bill-payment assistance than that of PSE residential billed amount from these areas.



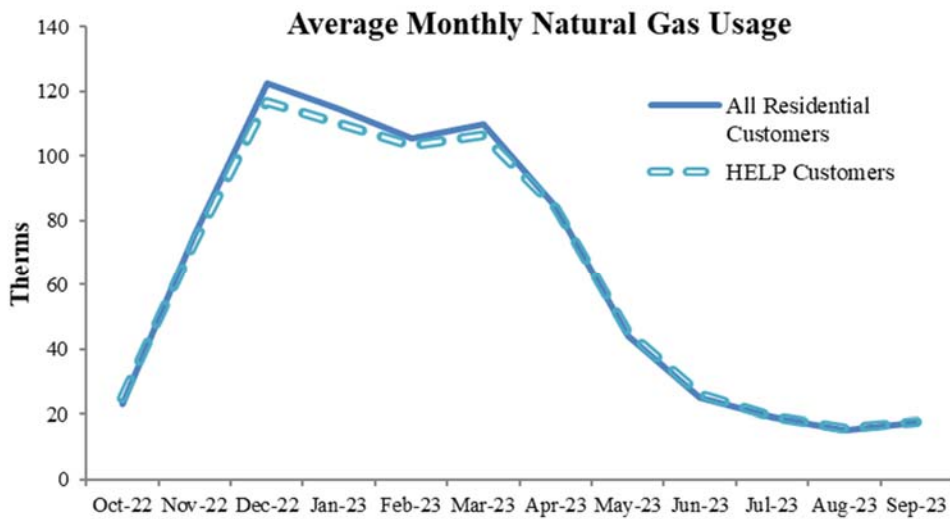
HELP Customers Average Monthly Energy Usage

The following charts show the patterns of the average monthly energy usage of PSE HELP customers in comparison with that of all PSE residential customers for the 2022 program year of October 1, 2022, through September 30, 2023, by electric and natural gas. These two charts are based upon the customers who received either electric and/or natural gas PSE HELP assistance/s during the 2022 HELP year. Both natural gas and electric usage of a PSE HELP customer are included in the analysis, e.g., the average natural gas monthly usage chart reflects the natural gas usage of both natural gas and electric PSE HELP bill-assistance customers.

For the 2022 program year, PSE HELP customers had higher average electric monthly usage than that of PSE residential customers except during the summer months.



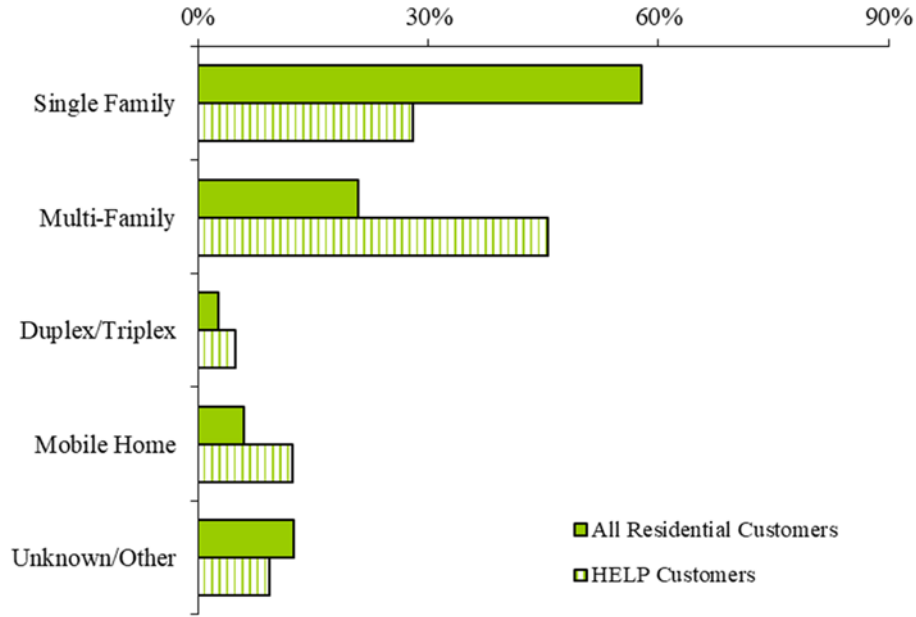
For the natural gas usage, the HELP customers' usage during the winter months was less than that of residential customers but about the same as that of PSE residential customers during other months.



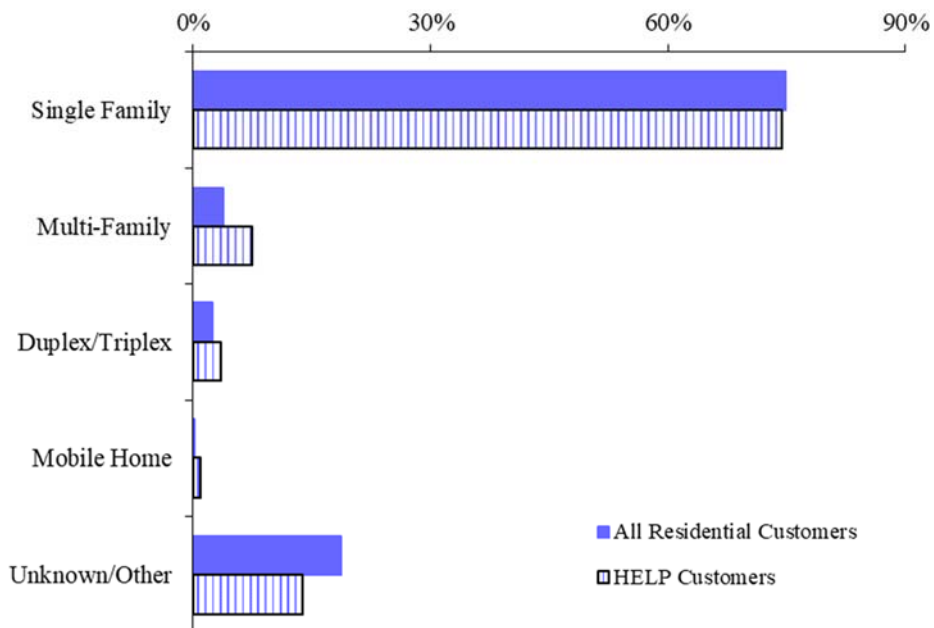
HELP Bill-Payment Assistance by Residential Housing Structure

The two charts below show comparisons by fuel type and residential housing structure type between PSE residential customers and the eligible low-income customers who received HELP bill-payment assistance during the 2022 program year. Electric HELP customers were more likely to live in a multi-family structure whereas natural gas HELP customers were mostly living in a single-family structure.

Electric Residential Structure Type Distribution

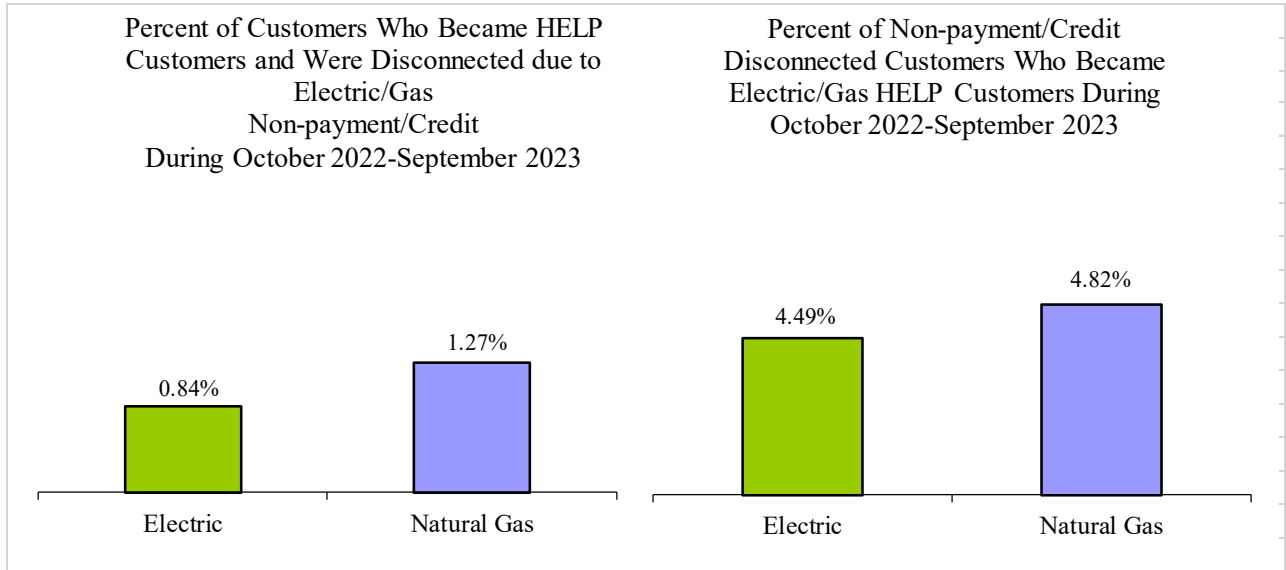


Natural Gas Residential Structure Type Distribution



HELP Bill-Payment Assistance Impacts

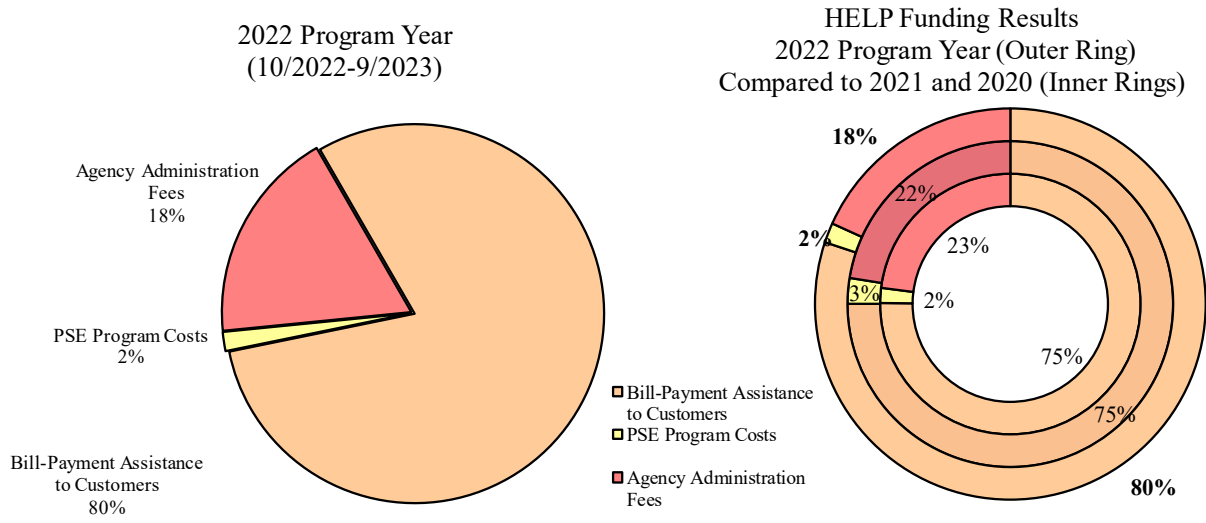
The charts below show the relationship between the low income customers who became eligible HELP customers during the 2022 program period of October 2022 through September 2023 and the non-payment/credit disconnections associated with these customers that occurred during the same period.



Administration of Program

During the 2022 program year, there were eleven⁴ qualifying low-income agencies administering PSE’s HELP and distributing bill-payment assistance to PSE customers. In addition to the distribution of the HELP bill-payment assistance to eligible low-income customers, these agencies also received allotment of funds from PSE as administrative fees to run the HELP and related support services such as customer education, eligibility evaluation, bill-assistance amount determination, and other services.

The charts below illustrate the amounts of the HELP administration costs and bill-payment assistance to customers by program year. For the 2022 program year, the overall agency administration fees comprised 18% of the total actual spending of the HELP and PSE’s own administrative program costs were 2%.



⁴ Opportunity Council, Kitsap Community Resources, CA of Skagit Co., Pierce Co. Human Services, Multi-Service Center, MDC, Hope Source, Byrd Barr Place, Snohomish Human Services, CAC for Thurston/Lewis, and Hopelink.

Marketing of PSE Home Energy Lifeline Program

During the 2022 program year of October 2022 through September 2023, Puget Sound Energy made customers aware of the HELP and through bill inserts, bill mailing envelopes, bill-print messages, and in-person conversations.

The samples below illustrate some of the communications used to raise awareness about PSE's Home Energy Lifeline Program.

1. November 2022: Bill message

November 2022 bill print messages Summary page

We're here to help

If you're having difficulty paying your PSE bill, consider setting up payment arrangements for smaller, multiple payments over time. Sign in to your account or contact us.

pse.com/paymentarrangement

2. December 2022: Monthly customer newsletter

Need help paying your energy bills?

If you, or someone you know, are worried about paying energy bills this winter, our Assistance Programs can help. Income-qualified customers can receive financial assistance through PSE's Home Energy Lifeline Program (HELP), the LIHEAP program, and The Salvation Army Warm Home Fund.

Income-qualified customers can also significantly reduce their monthly energy bills with free, energy-saving home upgrades through PSE's Weatherization Assistance Program. The Efficiency Boost program offers increased rebates to help you pay for home improvements such as space heaters, water heaters and more. Learn more about PSE's assistance programs at pse.com/assistance.

Payment arrangements can help you catch-up on a past due balance by setting a payment schedule that works for you. Also, signing up for our Budget Payment Plan evens out your energy costs throughout the year so you can avoid seasonal spikes on your bill. Log in to your PSE online account to find out more.

3. Jan 2023: Monthly customer newsletter

Get help with your energy bills through bill assistance and home weatherization

Our Home Energy Lifeline Program (HELP) provides funds to help pay your energy bill.

Our Home Weatherization Assistance Program can provide free home upgrades and repairs that will keep your bills low and your home comfortable all-year-long.

Here's how it works:

- Eligibility for both programs is based on your income and the number of people that live in your home
- You don't need to have a balance or be behind on your bill to qualify
- You may qualify for both programs even if you are already enrolled in the federal Low-Income Home Energy Assistance Program (LIHEAP)
- You can apply anytime and can reapply every year for HELP

Begin the process at pse.com/help and click on GET STARTED

4. **February 2023:** Monthly customer newsletter

Difficulty paying your bill?

Set up a payment arrangement to make smaller weekly, bi-weekly, or monthly payments, which will help you manage your energy costs and keep your account in good standing.

Learn more: Log in to your account at pse.com/login or call customer service at 1-888-225-5773.

5. **Feb 2023:** Bill message

We're here to help

If you're having difficulty paying your bill, please call us or go to your myPSE account for payment arrangements.

pse.com/mypse

6. **March 2023:** Monthly customer newsletter

Do you need help for high energy bills?

We have programs that can provide funds to help pay your bill or save energy with free home upgrades and repairs. Learn more and see if you are eligible for these programs at pse.com/support.

7. **March 2023:** Bill message

Get Help with your heating bill

Depending on income and household size, you may be eligible for free weatherization assistance as well as payment assistance.

pse.com/assistance

8. **May 2023:** Monthly customer newsletter

Difficulty paying your bill?

If you're having difficulty paying your PSE bill, consider setting up payment arrangements for multiple, smaller payments over time. This can help you better manage your energy costs and keep your PSE account in good standing. Visit pse.com and sign into your PSE online account or call us for more information.

9. May 2023: Bill message

We're here to help

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pse.com/paymentarrangement