

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	
)	Dockets UE-220407 and UG-220408
PUGET SOUND ENERGY)	
)	AMENDED PETITION OF
For an Order Authorizing Deferred Accounting)	PUGET SOUND ENERGY
Treatment for Puget Sound Energy’s Increased Costs)	
Associated With the Updated WUTC Regulatory Fee)	
<u>Approved in Senate Bill 5634 (2022)</u>)	

I. INTRODUCTION

1. In accordance with WAC 480-07-370(3), Puget Sound Energy (“PSE” or “the Company”) respectfully petitions the Commission for an Order authorizing the accounting detailed in this Amended Petition related to the costs associated with the increase in the Commission’s regulatory fee to 0.4 percent that was approved in Senate Bill 5634 (2022) and signed into law by Governor Jay Inslee on March 24, 2022. This Amended Petition updates PSE’s original Petition filed on June 1, 2022 to reflect changes to the deferral time period as described below.

2. Statutes and rules at issue in this Petition include RCW 80.01.040, RCW 80.28.020, RCW 80.24.010, WAC 480-90-203, WAC 480-100-203 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 860,000 natural gas customers in Western Washington.

4. All correspondence related to this Petition should be directed as follows:

Puget Sound Energy
Attn: Susan Free
Director of Revenue Requirements and Regulatory Compliance
P.O. Box 97034, BEL10W
Bellevue, WA 98009-9734
Telephone: (425) 456-2105
E-mail: susan.free@pse.com

II. REASONS FOR REQUEST FOR DEFERRED ACCOUNTING

5. Newly enacted Senate Bill 5634, which is effective June 9, 2022 and amends RCW 80.24.010, increased the Commission regulatory fee from 0.2 percent of revenues to the newly approved level of 0.4 percent. Based on RCW 80.24.010, as this new rate applies to “gross operating revenue from intrastate operations for the preceding calendar year”, it will apply to all of calendar year 2022 applicable revenues and will become payable to the Commission in May 2023.
6. PSE’s current rates are calculated using a rate of 0.2 percent applied to all revenues, all post-test year adjustments made to revenues to which the regulatory fee applies, and in the conversion factor as approved in PSE’s last general rate case, dockets UE-190529 and UG-190530. The updated rate enacted by Senate Bill 5634 will effectively double the regulatory fee PSE pays to the Commission and, thus, PSE’s revenues will no longer be set at a level to recover this additional cost.

III. PROPOSED ACCOUNTING TREATMENT

7. PSE seeks authorization to defer the increased regulatory fee expense resulting from the approval of Senate Bill 5634. The calculation of the deferral would be determined by multiplying PSE's revenues that are subject to the regulatory fee, as defined by RCW 80.24.010, which do not include the increased regulatory fee by .002, which is the difference between the new regulatory fee of 0.4% and old regulatory fee of 0.2%. The result reflects the additional expense PSE will incur as a result of the increase to the regulatory fee. As PSE updates its various tariff schedules with the new regulatory fee rate, the revenues received for the updated tariff schedules will be excluded from the base used to calculate the deferral.
8. The deferral, effective commensurate with Senate Bill 5634 on June 9, 2022, will continue until new rates, based on the increased regulatory fee, are approved in PSE's various tariff filings. Recently, PSE reached a settlement in its multiyear rate plan filed under Docket Nos. 220066 and 220067.¹ The revenue requirement included in the settlement did not incorporate the updated regulatory fee. Therefore, if the settlement is approved, PSE's GRC revenues will still not include the updated regulatory fee. Accordingly, PSE proposes to cease the deferral related to GRC revenues once those revenues have been updated with the new regulatory fee. If the settlement is approved, this is anticipated to occur in two steps; 1) when the power cost revenues are updated in

¹ Settlement Stipulation and Agreement on Revenue Requirement and All Other Issues Except Tacoma LNG and PSE's Green Direct Program filed August 26, 2022 ("the settlement").

January 2024 under paragraph 28b in the settlement and will be determined based on the updated regulatory fee; and 2) for the remainder of the GRC revenues, upon the rate effective date of the company's next general rate case when the updated regulatory fee is incorporated, anticipated to be in January 2026.

9. And, for non-GRC revenues, PSE proposes it will cease the deferral on May 1, 2023, the effective date of Schedules 120, 140 and 142, for all other rate schedules, at which point the vast majority of PSE's schedules and riders beyond base rates will be updated with the increased regulatory fee rate. As previously stated, PSE intends to update the regulatory fee rate in tariff filings subsequent to the submission of this amended accounting petition and PSE will only defer the incremental regulatory fee for calendar years 2022 through the effective date of PSE's next GRC associated with revenues which have not been updated in a subsequent tariff filing.
10. The Company proposes to defer the incremental increase in regulatory fee expense as a debit to a regulatory asset in FERC Account 186, Other Deferred Debits. The offsetting credit will be to FERC Account 407.4, Regulatory Credits. The Company proposes that interest will accrue on the deferred balance until fully amortized and that the accrual rate will be at its actual cost of total debt which will be updated semi-annually.

IV. REQUEST FOR RELIEF

11. For the reasons discussed above, PSE respectfully requests the Commission issue an Order approving the deferred accounting as set forth in this Amended Petition.

DATED this 20th day of December, 2022.

Puget Sound Energy

By */s/ Susan Free*

Susan E. Free
Director of Revenue Requirements and
Regulatory Compliance
Puget Sound Energy
PO Box 97034, BEL10W
Bellevue, WA 98009-9734
425-456-2105
susan.free@pse.com