

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKET UG-240884

FULL MULTIPARTY
SETTLEMENT STIPULATION

I. INTRODUCTION AND SETTLING PARTIES

1 Pursuant to WAC 480-07-740(3)(a), this full multiparty settlement stipulation (Settlement Stipulation) is entered into and submitted by Puget Sound Energy (PSE or Company), the regulatory staff of the Washington Utilities and Transportation Commission (Staff), and the Alliance of Western Energy Consumers (AWEC). The parties are hereinafter collectively referred to as “Settling Parties” and each individually as “Settling Party.” The Public Counsel Section of the Washington Attorney General’s Office (Public Counsel) is a party to this proceeding and is not a signatory to the Settlement Stipulation. However, counsel for Public Counsel has confirmed that the party does not support or oppose the Settlement Stipulation.

2 The Settlement Stipulation presented to the Washington Utilities and Transportation Commission (Commission) in this case is a “full multiparty settlement,” as that term is defined in WAC 480-07-730(3)(a), because the Settlement Stipulation is entered into by some, but not all, parties and resolves all disputed issues among them. The Settling Parties are also filing briefing in support of their agreement, pursuant to WAC 480-07-740(3)(a).

3 The Settling Parties request that the Commission review the Settlement Stipulation
and supporting documentation and approve the terms of the Settlement Stipulation in their
entirety and without condition.

4 Consistent with the requirements of WAC 480-07-740(2)(b), the Settling Parties
agree that this proceeding is a less complex matter and as such, are submitting this
Settlement Stipulation and supporting documentation for Commission review more than
thirty days prior to the statutory deadline for Commission action in this proceeding.

II. BACKGROUND

5 On November 15, 2024, in Docket UG-240884, Puget Sound Energy (PSE or
Company) filed with the Washington Utilities and Transportation Commission
(Commission) proposed revisions to rates charged under its natural gas Tariff WN U-2,
Schedule 111. On December 19, 2024, the Commission allowed the proposed rates to go
into effect subject to refund but set the matter for adjudication. On March 5, 2025, the
Commission held a prehearing conference at which it clarified that the scope of the
adjudication did not include PSE's petition for declaratory order filed in this docket or
related low-income customer issues. On April 10, 2025, the settling parties informed the
Commission that they had reached a settlement in principle.

III. AGREEMENT

6 This Settlement Stipulation and this Section III Agreement is based on the
Company's initial filing in this proceeding, with the adjustments and changes described
below. This Section III Agreement describes the Settling Parties' stipulated terms and
conditions. The Settling Parties agree to the conditions below.

A. Revised Schedule and Procedures for Gas Schedule 111 Filing

1. PSE agrees to an initial annual tariff revision filing (Initial Filing) due date of November 1, to take effect January 1. The Initial Filing must incorporate actuals for January through August of that year for the Capped Non-Volumetric Credits and January through September of that year for all other inputs (with September or October through December as forecasts.) PSE agrees to make an additional filing to update the tariffs and proposed rates from its Initial filing for changes to the State Carbon Reduction Charge, the State Carbon Credit, and the Revenue Requirement in December after the fourth quarter Department of Ecology auction results are known (Substitute Filing). The Substitute Filing must incorporate actuals for every month of the calendar year, to the extent the data is available, before the tariff takes effect. Provided, Capped Non-Volumetric Credits from August through December will not be incorporated in the Substitute Filing, but will be trued-up in the following year's filing. The Substitute Filing is not required to be made if the percent change from the initial filing in the bill impact for the typical residential customer using 64 therms per month is less than 2 percent.
2. PSE must submit a confidential annual report with a complete record of allowance market transactions by quarter with the report filed by the end of February of the year following the reported rate period along the lines of the below format, the ultimate form of the report, including determination of the type of transactions to include, will be finalized between PSE and Commission Staff and will adhere to Department of Ecology disclosure rules.

Quarterly Gas Schedule 111 Costs and Credits for Mitigation											
Compliance Period:											
Transaction			Cost (\$/Compliance)		Sales Price (\$/Compliance)		Inventory		Total Qty in		
Month	Date	Type	Quantity	Instrument	Instrument	Total Cost (\$)	Total Sales (\$)	Balance (\$)	Inventory	Rev Impact (\$)	Quarterly Credit Calculations
TOTAL Q1										<div>Quarter 1</div> <div>Consigned Price</div> <div>Revenues eligible for distribution</div> <div>Revenues actually distributed</div> <div>End of Quarter Revenue Impact</div>	
TOTAL Q2											
TOTAL Q3											
TOTAL Q4										<div>Quarter 4</div>	
<div>Sum of Quarterly Revenue Requirement</div> <div>Emissions Data Updated as of:</div>											

*Type should be clearly specified such as (allowance futures and forwards, and offsets and offset forwards, carbon allowance derivatives, and any agreements with counterparties to purchase compliance instruments in the future.

3. By July 31 of each year, PSE must submit a confidential compliance report with actuals through June of that year for State Carbon Reduction Charge, the State Carbon Credit, and the Revenue Requirement. The format to be used for the compliance report will follow Staff DR 8 from this Docket, which is attached as Appendix A for January through June and provide a narrative description of the drivers of the variance between forecasts used to set rates and actuals for January through June.

B. Forecasts for the Price of Allowances

- 7 For its forecasts for the price of allowances, PSE will use futures pricing from the ICE, Nodal Exchange or an equivalent other public, industry-recognized source.

IV. MISCELLANEOUS PROVISIONS

- 8 The Settling Parties agree to support the terms and conditions of this Settlement Stipulation as a settlement of all contested issues between them in the above-captioned proceeding.

9 This Settlement Stipulation represents an integrated resolution of all issues in PSE's tariff revision. Accordingly, the Settling Parties recommend that the Commission adopt and approve this Settlement Stipulation in its entirety, without conditions.

10 The Settling Parties shall cooperate in submitting this Settlement Stipulation promptly to the Commission for approval of Section III Agreement above and shall cooperate in developing supporting documentation as required in WAC 480-07-740(3)(a). The Settling Parties agree to support the Settlement Stipulation throughout this proceeding, provide witnesses to sponsor such Settlement Stipulation at a Commission hearing, and recommend that the Commission issue an order adopting the Settlement Stipulation in its entirety.

11 In the event the Commission rejects Section III Agreement of the Settlement Stipulation, the provisions of WAC 480-07-750(2)(c) shall apply. In the event the Commission approves Section III Agreement subject to conditions not proposed herein, each Party reserves the right, upon written notice to the Commission and all other Settling Parties to this proceeding within ten (10) days of the Commission order, to state its rejection of the conditions. In such event, the provisions of WAC 480-07-750(2)(b)(ii) shall apply. In any further proceedings triggered by this paragraph, the Settling Parties agree to cooperate to develop a hearing schedule that concludes such proceeding at the earliest possible date. Any further proceedings triggered by this paragraph shall not delay any compliance filing of Company ordered by the Commission and such compliance filing shall remain in effect pending any further proceeding.

12 Settling Parties enter into this Settlement Stipulation to avoid further expense, uncertainty, and delay associated with continued litigation. By executing this Settlement

Stipulation, no Party shall be deemed to have approved, admitted, or consented to the facts, principles, methods, or theories employed in arriving at the terms of this Settlement Stipulation except to the extent expressly set forth in this Settlement Stipulation. No Party shall be deemed to have agreed that this Settlement Stipulation is appropriate for resolving any issues in any other proceeding. No Party shall represent that any of the facts, principles, methods, or theories employed by any Party in arriving at the terms of this Settlement Stipulation are precedents in any other proceeding or as to any matter remaining in dispute in this proceeding.

13 The Settling Parties agree to the admission into evidence of all pre-filed written testimony and exhibits filed to date in this proceeding.

14 This Settlement Stipulation may be executed in counterparts, through original and/or facsimile signature, and each signed counterpart shall constitute an original document.

15 All Settling Parties agree:

1. To provide all other Settling Parties the right to review in advance of publication any and all announcements or news releases that any other Party intends to make about the Settlement Stipulation. This right of advance review includes a reasonable opportunity for a Party to request changes to the text of such announcements. However, no Party is required to make any change requested by another Party, and
2. To include in any news release or announcement a statement that Staff's recommendation to approve the settlement is not binding on the Commission itself. This subsection does not apply to any news release or announcement that otherwise makes no reference to Staff.

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Respectfully submitted this 8th day of May, 2025.

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