

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PUGET SOUND ENERGY

Petitioner,

For an Accounting Order Authorizing  
Deferred Accounting Treatment for Puget  
Sound Energy’s Increased Costs  
Associated with the Updated WUTC  
Regulatory Fee Approved in Senate Bill  
5634 (2022)

DOCKET UE-220407 and UG-220408

ORDER 01

GRANTING ACCOUNTING  
PETITION

**BACKGROUND**

- 1 On June 1, 2022, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) a petition, which was assigned to Docket UE-220407 for electric and Docket UG-220408 for natural gas, seeking an accounting order under WAC 480-07-370 authorizing PSE to utilize deferred accounting treatment for the Company’s increased costs associated with the updated Commission regulatory fees approved in Senate Bill 5634 (SB 5634) in 2022.
- 2 On December 20, 2022, PSE filed an amended petition (Amended Petition), which corrected an erroneous termination date for the deferral. In its Amended Petition, PSE clarifies that rates from the Company’s most recent General Rate Case in Dockets UE-220066 and UG-220067 (*Consolidated*) did not incorporate this regulatory fee increase. Accordingly, the Company changed the end date for the deferral. PSE also asks for interest in its Amended Petition.
- 3 SB 5634, codified as RCW 80.24.010, was signed into law on March 24, 2022, by Governor Jay Inslee, and became effective on June 9, 2022. This law raised the Commission’s regulatory fee from 0.2 percent to 0.4 percent of “gross operating revenue from intrastate operations for the preceding calendar year.” These amounts are payable to the Commission in May 2023. This increase in fees is not accounted for in current rates.
- 4 In the Amended Petition, PSE asks to track the costs of the updated regulatory fees in deferred Federal Energy Regulatory Commission (FERC) account 186 - and that interest

accrue on the deferral at the Company's actual cost of total debt, which will be updated semi-annually.

5 Deferrals will end in May 2023 for tariffs and riders with scheduled annual updates. Deferrals related to GRC revenues will end (1) in January 2024 for Power Cost related changes, which is when the power cost update occurs, and (2) for other revenue, after the next general rate case is filed.

6 The threshold for granting accounting petitions is a demonstration of extraordinary circumstances. PSE contends that the regulatory fee law is an extraordinary circumstance because it is beyond the Company's control, and the cost is material.

7 Commission staff (Staff) recommends that the Commission grant the request for the deferral of increased regulatory fees with interest accruing at the actual cost of debt, updated semi-annually on July 1 and January 1.

### DISCUSSION

8 We grant PSE's Amended Petition. We agree that this regulatory fee increase is an extraordinary circumstance because it creates a cost beyond the Company's control. We believe that tracking this cost in FERC account 186 is appropriate, and that incurring interest at the Company's cost of debt, updated semi-annually, is fair.

9 We also agree with Staff that the interest for this deferral should be updated semi-annually on July 1 and January 1, which will compensate the Company for the actual cost of acquiring the money.

### FINDINGS AND CONCLUSIONS

10 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric and natural gas companies.

11 (2) PSE is a public service company regulated by the Commission, providing service as an electric and natural gas company.

12 (3) The Commission has jurisdiction over the subject matter of this proceeding and over PSE.

- 13 (4) WAC 480-07-370(3) allows companies to file petitions including that for which PSE seeks approval.
- 14 (5) Staff has reviewed the Amended Petition in Dockets UE-220407 and UG-220408 including related work papers.
- 15 (6) Staff recommends the Commission grant the Amended Petition.
- 16 (7) This matter came before the Commission at its regularly scheduled meeting on January 26, 2023.
- 17 (8) After reviewing PSE's Amended Petition filed in Dockets UE-220407 and UG-220408 on December 2, 2022, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the Petition is consistent with the public interest and should be granted.

**ORDER**

**THE COMMISSION ORDERS:**

- 18 (1) Puget Sound Energy's Amended Petition for Accounting Orders Authorizing Deferred Accounting Treatment for Puget Sound Energy's Increased Costs Associated with the Updated UTC Regulatory Fee Approved in Senate Bill 5634 (2022) is granted.
- 19 (2) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it. Nor shall this Order granting Amended Petition be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.
- 20 (3) The Commission retains jurisdiction over the subject matter and Puget Sound Energy to effectuate the provisions of this Order.

DATED at Lacey, Washington, and effective January 26, 2023.

**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**DAVID W. DANNER, Chair**

**ANN E. RENDAHL, Commissioner**

**MILTON H. DOUMIT, Commissioner**