

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of  
PUGET SOUND ENERGY

Petitioner,

Seeking Exemption from the Provisions  
of WAC 480-106-040 Relating to  
Calculation of Avoided Capacity Costs

DOCKET UE-210816

ORDER 01

GRANTING EXEMPTION FROM  
RULE; ALLOWING TARIFF TO  
GO INTO EFFECT BY  
OPERATION OF LAW

**BACKGROUND**

- 1 On October 29, 2021, Puget Sound Energy (PSE) filed with the Washington Utilities and  
Transportation Commission (Commission) a petition requesting an exemption from  
WAC 480-106-040(1)(b) in the same docket as its annual avoided cost tariff filing  
(Petition).
- 2 WAC 480-106-040(1)(b) requires electric companies to calculate the avoided cost of  
capacity based on its most recently acknowledged integrated resource plan (IRP). PSE's  
2017 IRP was its most recently acknowledged.
- 3 PSE requested the Commission allow it to calculate the avoided cost of capacity based on  
the information from its most recently filed IRP, submitted on April 4, 2021, in Dockets  
UE-200304 and UG-200305. This will allow PSE to use the most current information.
- 4 Commission staff (Staff) reviewed the request and recommends granting PSE's request  
for exemption and allowing the tariff filing to go into effect by operation of law.

**DISCUSSION**

- 5 We grant PSE's request for an exemption from WAC 480-106-040(1)(b). Under WAC  
480-106-003, the Commission may grant an exemption from the provisions of any rule in  
WAC 480-106 if doing so is consistent with the public interest, the purposes underlying  
regulation, and applicable statutes.

6 Due to the newly implemented rules effectuating the Clean Energy Transformation Act, the Company's April 4, 2021, IRP has the most up to date avoided cost of capacity. We therefore agree with Staff that PSE's request is reasonable because allowing the Company to use more recent information will yield the most accurate results. Accordingly, we find that granting the Company's request for an exemption is in the public interest and consistent with both the purposes underlying the rule and applicable statutes. We further agree the tariff filing should be allowed to go into effect by operation of law.

### FINDINGS AND CONCLUSIONS

- 7 (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 companies.
- 8 (2) PSE is engaged in the business of providing electric services within the state of Washington and is a public service company subject to Commission jurisdiction.
- 9 (3) PSE is subject to WAC 480-106-040(1)(b), which requires electric companies to calculate the avoided cost of capacity based on its most recently acknowledged integrated resource plan.
- 10 (4) Under WAC 480-106-003, the Commission may grant an exemption from the provisions of any rule in WAC 480-106 if doing so is consistent with the public interest, the purposes underlying regulation and applicable statutes. See also WAC 480-07-110.
- 11 (5) This matter came before the Commission at its regularly scheduled meeting on December 23, 2021.
- 12 (6) After review of the petition filed in Docket UE-210816 by PSE on October 29, 2021, and giving due consideration, the Commission finds that the exemption is in the public interest and is consistent with the purposes underlying the regulation and applicable statutes and should be granted. The tariff should be allowed to go into effect by operation of law.

**ORDER**

**THE COMMISSION ORDERS:**

- 13 (1) Puget Sound Energy is granted an exemption from WAC 480-106-040(1)(b). The tariff is allowed to go into effect by operation of law.
- 14 (2) The Commission retains jurisdiction over the subject matter and Puget Sound Energy to effectuate the provisions of this Order.

The Commissioners, having determined this Order to be consistent with the public interest, directed the Secretary to enter this Order.

DATED at Lacey, Washington, and effective December 23, 2021.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

AMANDA MAXWELL  
Executive Director and Secretary