

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PUGET SOUND ENERGY,

Petitioner,

For a Revision to Puget Sound Energy's
Tariffs WN U-60, and WN U-2 Schedule
129 – Low Income Program

DOCKETS UE-250648 and UG-250649

ORDER 01

APPROVING TARIFF REVISION
WITH CONDITIONS

BACKGROUND

- 1 In Puget Sound Energy's (PSE or Company) 2024 annual low-income filings,¹ rates were forecasted and set at \$74.553 million and \$10.707 million for electric and natural gas services, respectively. However, due to an increase in funding need from its Bill Discount Rate Program and enrollment becoming more saturated, the Company also had an out-of-cycle funding increase.
- 2 On March 28, 2025, in Dockets UE-250200 and UG-250201, PSE filed to increase its low-income funding by \$34.8 million and \$7.8 million for electric and natural gas service, respectively.
- 3 In the same filings, PSE noted in its cover letter: "...As PSE funding for ratepayer-funded low-income programs will exceed the 5 percent threshold for the next program year, PSE would appreciate a discussion and guidance from the Commission in advance of the its next low income filing, in September 2025, on what utilities should be expected to do when that calculation crosses the 5 percent limit."
- 4 Commission staff (Staff), The Energy Project, and the regulated utilities met several times regarding the "5 percent limit" mentioned by PSE.
- 5 On August 28, 2025, at the Washington Utilities and Transportation Commission's (Commission) regularly scheduled Open Meeting, Docket A-250549 was heard. The Commission chose to initiate a Policymaking Docket regarding Revised Code of Washington (RCW) 80.28.425(2). There is not yet a docket number available for this item.

¹ Dockets UE-240645 and UG-250646

- 6 On August 27, 2025, the Company filed with the Commission, in Dockets UE-250648 and UG-250649, revisions to its Tariffs WN U-60 and WN U-2 for electric and natural gas services, respectively.
- 7 This is PSE's annual low-income true-up filing, which also forecasts rates for the next year.
- 8 Docket UE-250648 proposes an increase to revenue requirement of \$41.059 million.
- 9 Docket UG-250649 proposes an increase to revenue requirement of \$19.377 million.
- 10 Each Docket includes a request for recovery for the portion of write-off balances which exceeds the amounts already included in base rates for 2022 and 2023, pursuant to Dockets UE-200780 and UG-200781, Order 04.
- 11 For electric, this amount is \$21.8 million and for natural gas it is \$4.3 million. These figures are included in the total revenue requirement increases listed above.
- 12 PSE notes in its filings, based on its interpretation of the 5 percent mentioned in RCW 80.28.425(2), that its recovery is being limited to 5 percent. The forecast provided by the Company shows a need of 5.03 percent of its revenue requirement for the amount to fully fund its program.
- 13 PSE has elected to adjust \$950,029 out of its electric low-income funding to remain under the 5 percent mentioned in statute while the Company awaits further guidance from the Commission with respect to its upcoming Policymaking Docket.
- 14 In addition to its standard filing and forecasted recovery spend, the Company also includes \$21.8 million and \$4.3 million for electric and natural gas services, respectively. PSE notes these are the final write-offs for 2022 and 2023 and are only for amounts above what is already included in base rates.
- 15 Due to the off-cycle increase and associated recovery in Dockets UE-250200 and UG-250201 only covering the remaining five-month period in the program year ending September 30, 2025, the impact of this rate filing is an increase to overall spend; however, a decrease to customer rates.

- 16 Electric customers using an average of 800 kWh per month will see a decrease of \$1.18 per month, or 0.87 percent.
- 17 Natural gas customers using an average of 64 therms per month will see a decrease of \$1.38, or 1.35 percent.
- 18 Staff has reviewed the filing and applicable workpapers; we find the requested increase to be reasonable. With respect to public interest, Staff urges the Commission to prioritize finalizing the Policymaking Docket regarding RCW 80.28.425(2).
- 19 Similarly, how the Company calculates the five percent is also subject to Commission interpretation. Staff does not have the necessary insight to make any recommendations regarding calculation methodology at this time; however, it looks forward to engaging in those discussions in future Open Meetings.
- 20 On September 10, 2025, The Energy Project submitted an informal Data Request to the Company regarding this filing. It states that PSE did provide the requested information; however, as it stands those documents do not have any bearing on the current matter of the filing.
- 21 This item was heard at the Commission's regularly scheduled Open Meeting on September 25, 2025. The Commission heard comments from Staff, PSE, Public Counsel, and The Energy Project.

DISCUSSION

- 22 We agree with Staff that the tariff revisions should be permitted to go into effect at this time. However, we are also cognizant of the fact that consideration of the five percent threshold in RCW 80.28.425(2) is an ongoing question before the Commission.
- 23 Accordingly, and because we are currently considering the five percent threshold in a separate docket, we find it appropriate to condition approval of PSE's tariffs on PSE making a filing within 30 days of the Commission issuing Policy Guidance regarding RCW 80.28.425(2). PSE should be required to file with the Commission an appropriate revision to the tariffs in this Docket.

FINDINGS AND CONCLUSIONS

- 24 (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.
- 25 (2) PSE is a public service company subject to Commission jurisdiction, providing service as an electric and natural gas company.
- 26 (3) Staff believes the requested relief is reasonable and is in the public interest to be approved.
- 27 (4) This matter came before the Commission at its regularly scheduled meeting on September 25, 2025.
- 28 (5) After reviewing the petition, PSE's letter in response to Staff's initial request, and Order 01 in Docket UG-230470 issued on August 29, 2024, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the requested relief should be granted.

ORDER

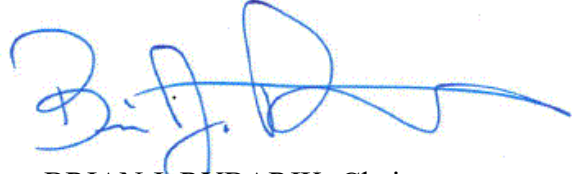
THE COMMISSION ORDERS:

- 29 (1) Within 30 days of the Commission issuing Policy Guidance regarding RCW 80.28.425(2), Puget Sound Energy will file with the Commission an appropriate revision to this Docket.
- 30 (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 Petition be construed as an agreement to any estimate or determination of costs, or any valuation of property claimed or asserted.
- 31 (3) The Commission retains jurisdiction over the subject matter and Puget Sound Energy to effectuate the provisions of this Order.

- 32 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 September 26, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



BRIAN J. RYBARIK, Chair



ANN E. RENDAHL, Commissioner



MILTON H. DOUMIT, Commissioner