

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	)	
	)	
PUGET SOUND ENERGY	)	Docket UE-220196
	)	Docket UG-220197
For an Amended Order Authorizing	)	
Accounting for Costs Associated with an	)	
Extended Interim Participatory Funding	)	SECOND AMENDED PETITION OF
Agreement Pursuant to RCW 80.28.430, the	)	PUGET SOUND ENERGY
Commission’s Policy Statement and Order No.	)	
02 in U-210595	)	
	)	

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**I. INTRODUCTION**

1. In accordance with WAC 480-07-370(3), Puget Sound Energy (“PSE” or “Company”) respectfully petitions the Washington Utilities and Transportation Commission (“Commission”) for an amended Order authorizing the deferred accounting detailed in this Petition related to the financial assistance distributed under the Washington Extended Interim Participatory Funding Agreement (“Extended Agreement”), approved by the Commission in Order 02 in Docket No. U-210595, and future Participatory Funding Agreements.
2. Statutes and rules at issue in this Petition include RCW 80.28.430, RCW 80.01.040, RCW 80.28.020, 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  
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## II. BACKGROUND

5. RCW 80.28.430 provides statutory authority for energy utilities to provide financial assistance to certain organizations participating in regulatory processes before the Washington Utilities and Transportation Commission (“the Commission”). The statute requires a gas or electrical company to enter into one or more written funding agreements with organizations that represent broad customer interests in regulatory proceedings before the Commission.
6. In response to RCW 80.28.430, on November 19, 2021, the Commission issued a policy statement under U-210595 entitled “Policy Statement on Participatory Funding for Regulatory Proceedings”.
7. On February 14, 2022 Joint Parties<sup>1</sup> filed a petition under U-210595 requesting approval of an Interim Agreement that was established by the Joint Parties. The Commission heard the matter at an open meeting held on February 24, 2022 and approved the agreement with modifications in Order 01 in that docket.
8. In its policy statement, the Commission set the initial level of funding for PSE at \$300,000 for the first year.<sup>2</sup> The Interim Agreement and Order 01 maintained this level of funding.<sup>3</sup>
9. On December 20, 2022 Joint Parties filed a petition under U-210595 requesting approval

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<sup>1</sup> Puget Sound Energy (“PSE”), Avista Corporation (“Avista”), PacifiCorp, Cascade Natural Gas Corporation (“Cascade”), Northwest Natural Gas (“NW Natural”), Alliance of Western Energy Consumers (“AWEC”), NW Energy Coalition (“NWEC”), The Energy Project (“TEP”), Sierra Club, Front & Centered, and Spark Northwest

<sup>2</sup> Docket U-210595, Policy Statement on Participatory Funding for Regulatory Proceedings, paragraph 49 page 15.

<sup>3</sup> Page 4 of Attachment A to Order 01 in U-210595 and paragraph 4 of Order 01.

of an Extended Interim Participatory Funding Agreement. On February 9, 2023 the Commission issued Order 02, and required a refiling of the modified agreement. On February 16, 2023 Joint Parties filed a revised Joint Petition for Approval of the Washington Extended Interim Participatory Funding Agreement.

10. The Extended Agreement has a two-year term, terminating on December 31, 2024. The Extended Agreement increases the funding for PSE from \$300,000 to \$400,000. The Extended Agreement includes a new provision, 4.2.4, a “safety valve” provision to increase sub-funds upon showing of good cause. The Commission issued Order 02 approving the Extended Agreement subject to the removal of paragraph 7.9, which pre-approved accounting treatment for the duration of the Interim Agreement. The Commission also clarified “that the current deferrals granted under Order 01 pertained only to funds distributed in 2022 and are not ongoing, so either new or amended petitions must be filed for funds distributed under the” Extended Agreement.<sup>4</sup> As it relates to PSE, the decision resulted in none of the \$300,000 funds for PSE approved in Order No. 01 to be used for participatory funding.
11. RCW 80.28.430 (3) provides that the Commission shall allow a utility to defer the amount of financial assistance provided if the utility so elects. In order to defer such costs, the Commission’s policy statement requires that utilities file an accounting petition requesting deferral treatment to FERC Account 182.3, Other Regulatory Assets.<sup>5</sup> Historically, petitions for deferral treatment do not address recovery of the deferrals. Therefore, this petition does not request the recoverability of the financial assistance. It

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<sup>4</sup> Order 02, paragraph 20.

<sup>5</sup> Policy Statement, at paragraph 69.

only requests the ability to defer those costs and the rate recovery of the deferral will be addressed in a separate proceeding.

12. This petition requests the Commission for an Amended Accounting Order, granting the Company to defer costs associated with providing financial assistance under the Extended Agreement and all future Participatory Funding Agreements. While the Commission approved of the proposed two year term of the Extended Agreement in Order No. 02, they directed Staff and the Joint Parties to work toward a permanent agreement.<sup>6</sup> Considering there is intention that a permanent agreement will replace the Extended Agreement, PSE is requesting approval from the Commission to utilize the deferred accounting requested in this petition for the future permanent agreement.

### **III. PROPOSED ACCOUNTING TREATMENT**

13. PSE seeks authorization to defer the financial assistance distributed in 2023 under the Washington Extended Interim Participatory Funding Agreement under RCW 80.28.430 in Order 02 of U-210595.
14. The Company proposes to record the deferral as a regulatory asset in FERC Account 182.3. The offsetting credit will be to FERC Account 407.4, Regulatory Credits. The Company proposes a carrying cost that will accrue on the deferred balance equal to the Company's actual cost of debt updated semi-annually until the deferred balance reaches zero.
15. PSE plans on filing an annual tariff adjustment to seek recovery of the deferral. Should the deferrals and tariff filings be granted, PSE requests in this petition that it be allowed

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<sup>6</sup> Order No. 02, paragraph 22.

to amortize the deferrals to FERC 407.3, Regulatory Debits, concurrent with rates recovering the deferral.

#### IV. REQUEST FOR RELIEF

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

DATED this 4th day of October, 2023

#### **Puget Sound Energy**

By */s/ Susan E. Free*

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