



**UE-230560,  
UG-230561**

## **ATTORNEY GENERAL OF WASHINGTON**

Public Counsel

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### **SENT VIA WEB PORTAL**

Amanda Maxwell  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P. O. Box 47250  
Olympia, WA 98504-7250

Re: ***Puget Sound Energy's Bill Discount Rate Tariff Revision,***  
**Dockets UE-230560 and UG-230561**

Dear Director Maxwell:

The Public Counsel Unit of the Washington State Attorney General's Office (Public Counsel) respectfully submits these comments in response to Puget Sound Energy's (PSE or Company) tariff revisions adding a new low-income program offering. If approved, the tariff revisions provide for an income-qualified bill discount rate (BDR) program, in addition to the current Home Energy Lifeline Program (HELP) bill grant.

Numerous interested parties worked alongside PSE to develop this new program. Public Counsel, the NW Energy Coalition (NVEC), The Energy Project (TEP), and representatives from Cascade's partner Community Action agencies actively participated in twice weekly meetings of the Advisory Group to reach consensus on the various components of BDR program design and implementation included in this filing. Public Counsel appreciates the Company's spirit of collaboration and cooperation throughout this process. As a result of this comprehensive process, Public Counsel is confident the proposed BDR program will more effectively serve income-eligible customers, deliver more affordable monthly bills, and offer critical arrearage relief. Through enrollment in the proposed program, PSE's customers will experience an additional program offering aimed at reducing energy burden to a sustainable, affordable level.

Public Counsel recommends that the Commission approve PSE's filing. In addition, Public Counsel highlights two important, forthcoming additions to PSE's bill assistance programs. Specifically, the Washington Utilities and Transportation Commission (Commission) should memorialize the Company's agreement to explore ways to maximize the use of federal Low Income Heating Assistance Program (LIHEAP) funds and plans to design and implement an arrearage management program (AMP) for qualifying customer.

ATTORNEY GENERAL OF WASHINGTON

To: Amanda Maxwell, Executive Director and Secretary  
Re: Puget Sound Energy's Bill Discount Rate Tariff Revision, Dockets UE-230560 and UG-230561  
Date: August 18, 2023  
Page 2 of 5

***Public Counsel's Recommendation***

The Commission should approve the Company's tariff filing. PSE's BDR represents an important step forward in providing more affordable bills to income-qualifying customers to better ensure they remain connected to utility service.

Income-qualifying PSE customers will have the ability to receive discounted bills, in addition to the other low-income programs offered if this tariff revision is approved. In accordance with the Settlement Agreement in PSE's most recent General Rate Case (Consolidated Dockets UE-220066 and UG-220067), the proposed BDR supplements the existing HELP bill grant.

Participants in the Advisory Group agreed that a five-tier bill discount program would be effective in delivering the appropriate amount of support to customers based on need. Bill discounts range between 5 percent and 45 percent,<sup>1</sup> depending on household income. Each of the tiers were designed with the intent to reduce customer energy burden to six percent or less, in tandem with LIHEAP and HELP assistance funds.<sup>2</sup>

This BDR also includes provisions to reduce barriers to program enrollment with the intention of enrolling more eligible customers to meet more of the need in PSE's service territory and maintain customer participation. Importantly, the proposal allows customers to self-attest to their household income, rather requiring an appointment with Community Action agency representatives to provide income documentation. That process proves to be too onerous for customers and prevents income-eligible customers from enrolling. The filing also provides that PSE, in partnership with Community Action agencies, may verify the income of up to five percent customers who have self-attested in the previous month.<sup>3</sup> This provides assurance that income-qualified customers are enrolled and that enrolled customers are receiving the appropriate level of benefit. For customers removed from the program due to ineligibility, the Company will not clawback any previously designated benefits.<sup>4</sup> Self-attestation for program enrollment has proved successful in California, finding that the vast majority of customers who self-attested to their income were eligible for program participation.

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<sup>1</sup> PSE Revised Tariff No. WN U-60 Tariff Sheet, and PSE's Revised Tariff No. WN U-2 Tariff Sheet (filed Aug. 15, 2023).

<sup>2</sup> *Id.*

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

ATTORNEY GENERAL OF WASHINGTON

To: Amanda Maxwell, Executive Director and Secretary  
Re: Puget Sound Energy's Bill Discount Rate Tariff Revision, Dockets UE-230560 and UG-230561  
Date: August 18, 2023  
Page 3 of 5

Public Counsel also appreciates PSE's commitment to partner with Community Action agencies in administering the BDR program. Community Action agency staff are experts in verifying income and connecting Washingtonians with critical assistance. Every customer that enrolls through self-attestation will also be referred to Community Action agencies if their income establishes eligibility for the federal Low-Income Heating Energy Assistance Program (LIHEAP) and other types of assistance.

Ultimately, the proposed changes to PSE's represent a very positive step forward in achieving consistently affordable utility service. PSE and interested parties have agreed to assess the outcomes of this program along several dimensions<sup>5</sup> with the intent to continuously improve the program and its ability to deliver affordable bills.

Public Counsel urges the Commission to approve the Company's filing in this Docket.

***Public Counsel's Recommendation***

Public Counsel supports the Company's filing. In addition to approving the revised tariff filing, Public Counsel further recommends that the Commission recognize and memorialize two important agreements between interested parties and PSE.

Throughout the design and implementation plan for PSE's BDR, members of the Advisory Group agreed to several detail. In particular, Public Counsel highlights a request for the Commission to memorialize efforts to maximize the application of LIHEAP funds to customer bills and commitment to designing and building an AMP.

Interested parties have stressed the importance of maximizing the use of federal dollars and protecting ratepayer dollars in delivering the BDR program. Ultimately, Public Counsel and other participants in the Low Income Advisory Committee (LIAC) process hope that LIHEAP qualified customers will receive the grant and those funds will be fully exhausted before the bill discount, funded by ratepayers, is applied to their account. This process will ensure that available federal funding is maximized. At this juncture, the Company has stated that necessary billing system upgrades will not be ready by the BDR's October 2023 effective date. PSE's Cover Letter to this filing, however, includes an agreement to begin working on this issue in the first quarter of 2024.<sup>6</sup> Since this agreement between PSE and LIAC members is not included in the BDR tariff, it is

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<sup>5</sup> PSE Revised Tariff No. WN U-60 Cover Letter at 2 and PSE Revised Tariff No. WN U-2 Cover Letter at 2 (filed June 30, 2023). (hereinafter 'PSE's Gas & Electric Tariff Revisions Cover Letter').

<sup>6</sup> *Id.*

ATTORNEY GENERAL OF WASHINGTON

To: Amanda Maxwell, Executive Director and Secretary  
Re: Puget Sound Energy's Bill Discount Rate Tariff Revision, Dockets UE-230560 and UG-230561  
Date: August 18, 2023  
Page 4 of 5

critical that the Commission acknowledge and memorialize the agreement to keep it on track to the benefit of program enrollees and all PSE ratepayers.

In the General Rate Case Settlement (Dockets UE-220066 and UG-220067), PSE also agreed to file an AMP program design by July 1, 2023,<sup>7</sup> and have a program effective on October 1, 2024.<sup>8</sup> In this tariff filing, the Company seeks acknowledgement of its AMP program design and commits to working with the LIAC to work on a filing for the October 1, 2024, effective date.<sup>9</sup> Public Counsel appreciates the Company's commitment to establishing this program on time and supports the request for Commission acknowledgment. The Commission should memorialize this as a means to keep the progress toward an operational AMP on track.

***Equity Considerations***

PSE's BDR program, in concert with other bill assistance offerings, is intended to reduce customer energy burden. The program, however, is not intended to address documented racial inequities in utility service and practices.

Public Counsel is confident that the BDR program design represents a major step forward in delivering affordable service to energy burdened customers. The reduced barriers to enrollment further improve accessibility to qualifying customers. Energy burdened customers are at a greater risk of receiving fees for late payment and being subject to disconnection for non-payment than customers who are not energy burdened. Subsequently, these customers are also at greater risk of deposits and fees for reconnection. Research has repeatedly documented that communities of color are disproportionately burdened by disconnections and fees. These issues of inequity in utility services and practices are better addressed in the ongoing Credit and Collections Rulemaking, Docket U-210800.

Public Counsel acknowledges that PSE's BDR is new to its customers and is set to become effective at the same time as Cascade Natural Gas Company's and Avista's discount rate and arrearage management programs. Although all participants in this process endeavored to design the proposed program with the intent of producing the strongest possible program, there will be learning through the process of administering the program and assessing the performance of the program. As such, it is important that the Commission acknowledge the iterative nature of low-income assistance program design. As PSE's BDR and AMP are implemented, Public Counsel

<sup>7</sup> PSE's Settlement Stipulation and Agreement on Revenue Requirement ¶ 37, *Wash. Utils & Transp. Comm'n v. Puget Sound Energy*, Dockets UE-220066 & UG-220067 (consol.) (filed Aug. 26, 2022).

<sup>8</sup> *Id.*

<sup>9</sup> PSE's Gas & Electric Tariff Revisions Cover Letter at 3.

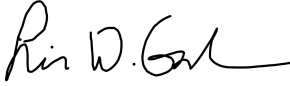
ATTORNEY GENERAL OF WASHINGTON

To: Amanda Maxwell, Executive Director and Secretary  
Re: Puget Sound Energy's Bill Discount Rate Tariff Revision, Dockets UE-230560 and UG-230561  
Date: August 18, 2023  
Page 5 of 5

commits to continue working closely with the Company and other interested parties to assess key program outcomes and working collaboratively to develop changes to improve program outcomes for future years.

Public Counsel appreciates the opportunity to submit these comments. Public Counsel will be present at the Open Meeting on August 24, 2023, to make comments and answer questions. If you have any questions about this filing, please contact Corey Dahl, (206) 464-6380 or [Corey.Dahl@ATG.WA.GOV](mailto:Corey.Dahl@ATG.WA.GOV), or Lisa Gafken, (206) 464-6595 or [Lisa.Gafken@ATG.WA.GOV](mailto:Lisa.Gafken@ATG.WA.GOV).

Sincerely,

/s/ 

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