

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY,**

**Respondent.**

**DOCKET UE-240087**

**MULTIPARTY SETTLEMENT  
STIPULATION AND AGREEMENT**

**I. INTRODUCTION**

1           This Settlement Stipulation and Agreement (“Settlement”) is entered into by and between the following parties in this case: (i) Puget Sound Energy (“PSE” or “Company”), and (ii) the regulatory staff of the Washington Utilities and Transportation Commission (“Commission Staff”),<sup>1</sup> as of April 19, 2024 (the “Settlement Date”). These parties are hereinafter collectively referred to as “Settling Parties” and individually as “Settling Party.” The Public Counsel Unit of the Attorney General’s Office has engaged in settlement discussions but takes no position in the Settlement.

2           Because this Settlement is entered into by some, but not all of the parties, and it resolves all issues in the case, it is a “multiparty settlement,” as that term is defined in WAC 480-07-730(3).

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<sup>1</sup> In formal proceedings, such as this, the Commission’s regulatory staff participates like any other party, while the Commissioners make the decision. To assure fairness, the Commissioners, the presiding administrative law judge, and the Commissioners’ policy and accounting advisors do not discuss the merits of this proceeding with the regulatory staff, or any other party, without giving notice and opportunity for all parties to participate. *See* RCW 34.05.455.

3            This Settlement is subject to review and disposition by the Washington Utilities and  
Transportation Commission (“Commission”). The Settlement is effective on the date  
executed except that Section III of the Settlement is effective on the date of the Commission  
order approving it (unless the Commission establishes a different date).

## II.        BACKGROUND AND NATURE OF THE DOCKET

4            PSE filed a general rate case on January 31, 2022, in Dockets UE-220066/UG-  
220067. PSE’s initial filing included proposed electric tariff revisions to two sheets in  
Schedule 52: Sheet 52-A (27<sup>th</sup> Revision) and Sheet 52-B (12<sup>th</sup> Revision). The case parties  
reached a multiparty settlement that included agreement over the proposed revisions to  
electric Schedule 52. On December 22, 2022, the Commission issued Order 24/10 approving  
of the settlement, with conditions; the approved settlement included revisions to electric  
Schedule 52, as proposed in PSE’s initial filing.

5            On December 27, 2022, PSE submitted a compliance filing in Docket UE-220066  
following issuance of Order 24/10. This filing contained the electric tariff sheets for  
Schedule 52, amongst other electric schedules. The filing was rejected, in part, in Order  
26/12, for reasons unrelated to Schedule 52. PSE refiled the compliance filing on January 9,  
2023, to correct the items identified in Order 26/12. This second compliance filing did not  
contain a Schedule 52, Sheet 52-B 12<sup>th</sup> Revision tariff sheet due to an inadvertent clerical  
filing error by PSE. The Commission approved the January 9, 2023 tariff filing, and electric  
rates became effective on January 11, 2023. PSE began charging the Sheet 52-B, 12<sup>th</sup>  
Revision rate to electric customers on January 11, 2023.

6            On January 24, 2024, PSE reached out to discuss with Commission Staff that the  
electric Schedule 52, Sheet-B 12<sup>th</sup> Revision tariff sheet was unintentionally left out of the

January 9, 2023 filing, but customers were still charged the rate. PSE had published the Schedule 52, Sheet 52-B 12<sup>th</sup> Revision tariff sheet on its website. PSE inquired how to resolve the issue. Responding to an informal request from Commission Staff, PSE noted that as of February 2024, 2,372 customers had been charged the 12<sup>th</sup> Revision rate each month since January 11, 2023. There is only one rate on Sheet 52-B.

7            On March 5, 2024, the Commission issued a Complaint and Notice of Prehearing Conference in Docket UE-240087 (“Complaint”). In the Complaint, Staff alleges that PSE violated RCW 80.28.080(1)(a) 26,982 times, RCW 80.28.050 392 times, WAC 480-100-028 392 times, and RCW 80.28.060(1) one time.

### III. AGREEMENT

8            The Settling Parties agree to the below terms as the basis for settling Commission Staff’s allegations against PSE. Staff and the Company agree that these terms are consistent with the public interest and should be approved without condition by the Commission.

#### A. Refunds to electric customers with interest.

9            PSE will issue refunds to all electric customers subject to the electric rate of Schedule 52, Sheet-B, between January 11, 2023 and March 7, 2024. The total refund that PSE will issue amounts to \$41,156.51, plus interest. Interest will be calculated in accordance with PSE’s Interest Credit Policy, which is attached to this Settlement as Exhibit A.

#### B. Compliance filing process.

10           PSE will implement a mitigation strategy on all future general rate case (“GRC”) compliance filings. This strategy will consist of adding additional review steps before the compliance filing is filed and after the compliance filing is approved. Before the compliance filing is filed, PSE will conduct an additional review to ensure all sheets are included. After

the compliance filing is approved, PSE will request from the Commission's Records Center a copy of the approved compliance filing tariff sheets. After receiving the approved copy, PSE will use the approved version obtained from the Records Center on its website.

**C. Suspended penalty.**

11 PSE agrees to a suspended penalty of \$106,182. This penalty will be suspended until after the Commission approves the compliance filing for the tariff sheets in the current PSE GRC (Dockets UE-240004 and UG-240005). If there are no missing tariff sheets in PSE's approved initial compliance filing after a final order is issued, and all the tariff sheets on PSE's website are those approved in the compliance filing for Dockets UE-240004 and UG-240005, Staff will support eliminating the suspended penalty.

**D. Compliance filing.**

12 While not a condition of settlement, PSE has also indicated it will file a supplemental compliance filing in Docket UE-220066 to add in the missing 12<sup>th</sup> Revision of Sheet 52-B and revert the rate to the 12<sup>th</sup> Revision rate approved by the Commission in Docket UE-220066. Commission Staff reserves the right to respond or object to the filing if it is not what the Commission approved in Docket UE-220066.

13 If PSE's supplemental compliance filing to add in the missing tariff sheet described above is approved, PSE will also make a substitute tariff filing in the 2024 GRC to replace the 12<sup>th</sup> Revision of Schedule 52, Sheet 52-B, in the 2024 GRC, with the 13<sup>th</sup> Revision.

**IV. GENERAL PROVISIONS**

14 Entire Agreement. This Settlement is the product of negotiations and compromise amongst the Settling Parties and constitutes the entire agreement of the Settling Parties. Accordingly, the Settling Parties recommend that the Commission adopt and approve the

Settlement in its entirety as a full resolution of contested issues in this docket. This Settlement will not be construed against any Settling Party on the basis that it was the drafter of any or all portions of this Settlement. This Settlement supersedes any and all prior oral and written understandings and agreements on such matters that previously existed or occurred in this proceeding, and no such prior understanding or agreement or related representations will be relied upon by the Settling Parties to interpret this Settlement or for any other reason.

15            Confidentiality of Negotiations. The Settling Parties agree that this Settlement represents a compromise in the Settling Parties' positions. As such, conduct, statements, and documents disclosed during the negotiation of this Settlement are not admissible in this or any other proceeding and will remain confidential. Notwithstanding the foregoing, the Settlement itself and its terms do not fall within the scope of this confidentiality provision, and each Settling Party is free to publicly disclose the basis for its own support of the Settlement.

16            Precedential Effect of Settlement. The Settling Parties enter into this Settlement to avoid further expense, uncertainty, inconvenience, and delay. The Settling Parties agree that this Settlement Agreement does not serve to bind the Commission when it considers any other matter not specifically resolved by this Settlement in future proceedings. Nothing in this Settlement compels any Settling Party to affirmatively intervene or participate in a future proceeding.

17            Positions Not Conceded. In reaching this Settlement, the Settling Parties agree that no Settling Party concedes any particular argument advanced by that Settling Party or accedes to any particular argument made by any other Settling Party. Nothing in this

Settlement (or any testimony, presentation or briefing supporting this Settlement) shall be asserted or deemed to mean that a Settling Party agreed with or adopted another Settling Party's legal or factual assertions in this proceeding. The limitations in this paragraph 17 will not apply to any proceeding to enforce the terms of this Settlement or any Commission order adopting this Settlement in full.

18           Manner of Execution. This Settlement is executed when all Settling Parties sign the Settlement. A designated and authorized representative may sign the Settlement on a Settling Party's behalf. The Settling Parties may execute this Settlement in counterparts. If the Settlement is executed in counterparts, all counterparts shall constitute one agreement. A Settlement signed in counterpart and sent by facsimile or emailed as a pdf is as effective as an original document. A faxed or emailed signature page containing the signature of a Settling Party is acceptable as an original signature page signed by that Settling Party. Each Settling Party shall indicate the date of its signature on the signature page. The date of execution of the Settlement will be the latest date indicated on the signature page(s).

19           Approval Process and Support of Settlement. Each Settling Party agrees to support in this proceeding the terms and conditions of this Settlement as a full and final resolution of all contested issues between them in the above-captioned docket. Each Settling Party agrees to support the Settlement during the course of whatever proceedings and procedures the Commission determines are appropriate for approval of the Settlement.

20           Commission Approval with Conditions. In the event the Commission approves this Settlement, but with conditions not proposed in this Settlement, the provisions of WAC 480-07-750(2)(b) will apply. If a Settling Party rejects a condition, this Settlement is deemed rejected and void and the Settling Parties will jointly and promptly request the Commission

convene a prehearing conference to address procedural matters, including a procedural schedule for resolution of the case at the earliest possible date.

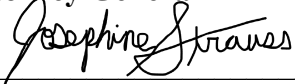
21            Commission Rejection. In the event the Commission rejects this Settlement, the provisions of WAC 480-07-750(2)(c) will apply. In that event, the Settling Parties agree to jointly and promptly request the Commission convene a prehearing conference to address procedural matters, including a procedural schedule for resolution of the case at the earliest possible date.

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DATED this 19<sup>th</sup> day of April 2024.

Respectfully submitted,

**ROBERT W. FERGUSON**  
**Attorney General**



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Josephine Strauss  
Assistant Attorney General  
Counsel for Washington Utilities and  
Transportation Commission Staff

**PUGET SOUND ENERGY**

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Birud Jhaveri  
Director, Regulatory Affairs



DATED this 19<sup>th</sup> day of April 2024.

Respectfully submitted,

**ROBERT W. FERGUSON**  
**Attorney General**

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Josephine Strauss  
Assistant Attorney General  
Counsel for Washington Utilities and  
Transportation Commission Staff

**PUGET SOUND ENERGY**

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*Birud D. Jhaveri*  
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Birud Jhaveri  
Director, Regulatory Affairs

## EXHIBIT A

### Interest Credit Policy\*

When an account has been rebilled and a credit has been given, it is necessary to add a [Post Adjustment](#) credit to the customer's account for interest based on the incorrectly billed amount. Review the scenarios below for additional information. See [RCW 80.04.230](#) and [RCW 80.28.090](#) for the laws pertaining to this policy. The interest credit is calculated based on the correction amount, including any newly released bills, using the Customer Data Tab to determine credit amount is recommended.

#### Scenarios:

1. Under the same Contract Account, one Installation has corrected charges resulting in a credit and another Installation has corrected charges resulting in a debit:
  - For the Installation that was over-charged and results in a credit, add an [Interest Credit Post-Adjustment](#) according to the table below
2. Under the same Contract Account, both Installations have corrected charges resulting in a credit:
  - Add only one [Interest Credit Post-Adjustment](#) based on the TOTAL credit amount according to the table below

#### Standard Interest Table

Amount of credit	Interest Refund
Up to \$1,000	\$5.00
\$1001 & Above	\$25.00