

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	)	
	)	Docket UE-220196
PUGET SOUND ENERGY	)	Docket UG-220197
	)	
For an Amended Order Authorizing Deferred	)	THIRD AMENDED PETITION OF
Accounting for Costs Associated with the 2025	)	PUGET SOUND ENERGY
– 2027 Participatory Funding Agreement	)	
Pursuant to RCW 80.28.430, the 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 Participatory Funding Agreement (“2025 – 2027 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  
Attn: Susan Free  
Director of Revenue Requirements and Regulatory Compliance  
P.O. Box 97034, BEL10W  
Bellevue, WA 98009-9734

## 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 on Participatory Funding for Regulatory Proceedings under U-210595 (“Policy Docket”).
7. On February 14, 2022, Joint Parties<sup>1</sup> filed a petition under the policy docket 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 calendar year.<sup>2</sup> The Interim Agreement and Order 01 of the policy docket maintained this level of funding.<sup>3</sup>
9. On December 20, 2022, Joint Parties filed a petition under U-210595 (the Policy Docket) requesting approval of an Extended Interim Participatory Funding Agreement (“Extended Agreement”). On February 9, 2023, the Commission issued Order 02 in that docket, and

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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 (“NWECC”), 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.

required changes and 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 as required.

10. The Extended Agreement had a two-year term, terminating on December 31, 2024. The Extended Agreement increased the funding for PSE from \$300,000 to \$400,000 to fund organization requests made and distributed during that two-year term. The Extended Agreement included 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 and ordered companies to submit separate accounting petitions. 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> Order 02 also directed Staff and the Joint Parties to work towards a permanent agreement.<sup>5</sup>
11. Accordingly, on November 1, 2023, under dockets UE-220196 and UG-220197 (“Accounting Dockets”), PSE filed a petition for an Amended Accounting Order to allow PSE to utilize the same deferred accounting treatment for the Extended Agreement as it had been granted for the Interim Agreement in Order 01 in the accounting dockets.
12. On December 21, 2023, in Order 02 in the accounting dockets, the Commission granted PSE’s petition for an Amended Order.

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

<sup>5</sup> Order 02, paragraph 22.

### **III. 2025 – 2027 WASHINGTON PARTICIPATORY FUNDING AGREEMENT**

13. In the fall of 2024, Joint Parties began discussions regarding the need to have an agreement to replace the Extended Interim Agreement, which expired at the end of 2024. Subject to review and approval by the Commission, the 2025 – 2027 Agreement increases PSE’s Annual Fund Amount by \$100,000<sup>6</sup> and establishes a General Outreach Fund available only to Prioritized Organizations. PSE’s Annual Fund Amount increases to \$500,000 for each calendar year during the term of the funding agreement, which runs through December 31, 2027, to fund organization requests made and distributed during that three-year term. Around the same time as the filing of this petition, the 2025 – 2027 Agreement has been or will be filed for approval by the Commission under the policy docket. The 2025 – 2027 Agreement is also contingent upon the Commission approving this Petition.
14. The purpose of this petition is to request to defer costs associated with providing increased financial assistance under the 2025 – 2027 Agreement that exceed the levels set in rates. Specifically, this petition requests an amendment to Order 02 in UE-220196 and UG-220197 (the Accounting Dockets) to allow PSE to track the amount of Fund Grant Payments made under the 2025 – 2027 Agreement above the annual recovery of \$200,000 approved by the Commission in PSE’s recently concluded GRC under dockets UE-240004, et al.
15. 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 as well as Order 02 in the policy docket

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<sup>6</sup> An \$80,000 increase in the Consumer Access Fund and a \$20,000 increase in a new General Outreach Fund.

requires that utilities file an accounting petition requesting deferral treatment to FERC Account 182.3, Other Regulatory Assets.<sup>7</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 only requests the ability to defer those costs and the rate recovery of the deferral will be addressed in a separate proceeding.

#### **IV. PROPOSED ACCOUNTING TREATMENT**

16. The Company proposes to defer as a regulatory asset in FERC Account 182.3 the amount of Fund Grant Payments made under the 2025 – 2027 Agreement above the annual recovery of \$200,000 approved by the Commission in PSE’s recently concluded GRC. The offsetting credit will be to FERC Account 928, Regulatory Commission Expenses. The Company proposes a carrying cost on any amounts in any deferred account equal to the Company’s authorized rate of return, until the period over which the deferral is amortized, during which time it will receive a carrying cost at the current FERC rate.
17. PSE plans to file an annual tariff adjustment to seek recovery of the deferral, if any. Should the deferrals and tariff filings be granted, PSE requests in this petition that it be allowed to amortize the deferrals to FERC Account 928, Regulatory Commission Expenses, concurrent with rates recovering the deferral.

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<sup>6</sup> Policy Statement, at paragraph 69.

**V. REQUEST FOR RELIEF**

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

DATED this 25th day of February, 2025

**Puget Sound Energy**

By /s/ Susan E. Free  
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