

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of)	
)	DOCKET UE-240194
PUGET SOUND ENERGY,)	
)	
Advice No. 2024-10, Puget Sound Energy’s)	COMMENTS OF THE ALLIANCE OF
Electric Tariff Revision.)	WESTERN ENERGY CONSUMERS
)	
_____)	
In the Matter of)	
)	DOCKET UG-240195
PUGET SOUND ENERGY,)	
)	
Advice No. 2024-11, Puget Sound Energy’s)	
Natural Gas Tariff Revision.)	
)	
_____)	

1 Puget Sound Energy (“PSE” or “Company”) filed its Advice Nos. 2024-10 and 2024-11, docketed as UE-240194 and UG-240195, respectively, on March 22, 2024, wherein it seeks to increase the Annual Cap for total benefits available to customers under its Schedule 129¹ related to the remainder of the 2023-2024 Low Income Program Year. While the Alliance of Western Energy Consumers (“AWEC”) does not oppose PSE’s advice filings, it submits these comments to raise concerns about the process by which programmatic decisions are made that then flow into rates for all customer classes outside of general rate proceedings. Given the anticipated number of residential customers that likely qualify for benefits under Schedule 129,

¹ Both PSE’s natural gas tariff and electric tariff have a Schedule 129, but both address funding requirements for PSE’s low-income programs and are thus referred to in the singular “Schedule 129” for purposes of these comments.
PAGE 1 – AWEC COMMENTS

AWEC is also concerned that the Commission’s current policies may not strike the appropriate balance among all of PSE’s electric and natural gas customers.

2 The magnitude of increase and related rate impacts of this filing – which AWEC understands are anticipated to continue beyond the current program year – are significant, particularly for a single-issue rate filing:²

Electric Rate Impacts

Voltage Level	Rate Schedule	% Change Relative to Current Schedule 129 rates	Projected Rate-Year Revenue Impacts from Proposed Rate Changes
Residential	7 (307) (317) (327)	302.03%	3.10%
General Service: Demand <= 50 kW	08 (24) (324)	264.71%	2.57%
Small General Service: Demand > 50 kW but <= 350 kW	7A (11) (25)	256.71%	2.22%
Large General Service: Demand > 350 kW	12 (26) (26P)	248.00%	2.06%
Irrigation & Pumping Service: Demand > 50 kW but <= 350 kW	29	133.62%	1.26%
General Service	10 (31)	250.32%	2.10%
Irrigation & Pumping Service	35	144.74%	1.33%
All Electric Schools	43	363.27%	3.14%
Interruptible Service	46	233.87%	2.08%
General Service	49	257.71%	2.20%
Choice / Retail Wheeling	448 - 459	225.45%	1.87%
Special Contracts	Special Contract	0.00%	0.00%

² Information for Electric and Natural Gas rate impacts are from PSE’s workpapers filed with each advice filing.

Lighting	50 - 59	247.78%	2.55%
----------	---------	---------	-------

Natural Gas Rate Impacts

Rate Class	Rate Schedule	% Change Relative to Current Schedule 129 rates	Projected Rate-Year Revenue Impacts from Proposed Rate Changes
Residential	23,53	1450.7%	5.76%
Residential Gas Lights	16	0.00%	0.00%
Commercial & Industrial	31	1089.4%	3.90%
Large Volume	41	828.6%	2.38%
Interruptible	85	648.0% (avg) ³	1.44%
Limited Interruptible	86	907.0%	2.79%
Non-exclusive Interruptible	87	634.6% (avg) ⁴	0.37%
Commercial & Industrial Transportation	31T	0.00% ⁵	3.90%
Large Volume Transportation	41T	828.6%	3.94%
Interruptible Transportation	85T	649.0% (avg) ⁶	2.30%
Limited Interruptible Transportation	86T	907.0%	6.41%
Non-exclusive Interruptible Transportation	87T	628.8% (avg) ⁷	1.98%
Contracts		0.00%	0.00%

³ Rate impacts are tiered based on usage.

⁴ Rate impacts are tiered based on usage.

⁵ Based on no projected usage for this rate schedule. The overall rate impact is carried over from Schedule 31.

⁶ Rate impacts are tiered based on usage.

⁷ Rate impacts are tiered based on usage.

Moreover, these rate impacts are in addition to the other recent, substantial rate increases that PSE customers have faced, which we note is not an exhaustive list of all rate changes over the same period or reflective of outstanding deferred amounts that will be subject to amortization in the future:

Docket	Average Electric Rate Impact	Average Natural Gas Rate Impact
2022 GRC RY 1 (UE-220066/UG-220067) ⁸	13.93%	6.12%
2022 GRC RY 2 (UE-220066/UG-220067) ⁹	1.26%	1.65%
2024 Power Cost Update ¹⁰	6.06%	N/A
CCA Cost Recovery Mechanism (August 1, 2023 through December 1, 2023) ¹¹	N/A	3.23%
CCA Cost Recovery Mechanism Update (update rates for January 2023 through December 2023) ¹²	N/A	2.13%
CCA Cost Recovery Mechanism Update (update rates for January 2023 through December 2023) ¹³	N/A	4.62%

⁸ UE-220066/UG-220067 PSE Compliance Filing Workpapers - NEW-PSE-WP-BDJ-7-ELEC-BILL-IMPACTS-22GRC-01-2022 at tab “Rate Impacts_RY#1” and NEW-PSE-WP-JDT-6-GAS-BILL-IMPACTS-22GRC-01-2022 at tab “Rate Impacts_RY#1”.

⁹ UE-220066/UG-220067 PSE Compliance Filing Workpapers - NEW-PSE-WP-BDJ-7-ELEC-BILL-IMPACTS-22GRC-01-2022 at tab “Rate Impacts_RY#2” and ” and NEW-PSE-WP-JDT-6-GAS-BILL-IMPACTS-22GRC-01-2022 at tab “Rate Impacts_RY#2”.

¹⁰ UE-230805 – Staff’s Dec. 29, 2023 Letter regarding its review of PSE’s compliance filing.

¹¹ Docket UG-230470, Order 01 at ¶ 5.

¹² Docket UG-230756 – PSE Initial Filing workpaper “230756-Advice-2023-40-PSE-WP-GAS-CCA-Rate-Spread-Des-Bill-Impacts-9-15-2” at tab “Rate Impacts Sch 111”.

¹³ Docket UG-230968, Order 01 at ¶ 4.

3

As noted by PSE and reinforced by the comments in these dockets submitted by The Energy Project (“TEP”) and NW Energy Coalition, programmatic decisions, including funding needs, are vetted through the Company’s Low Income Advisory Committee (“LIAC”). The LIAC’s membership is limited, and consists of TEP, Public Counsel, NW Energy Coalition and Community Action Agencies.¹⁴ While the expertise of each of these organization regarding low-income programs is substantial, it is notable that their advocacy is focused on residential customers – or a subset thereof in the case of low-income customers – with the exception of Public Counsel which also represents small commercial customers. AWEC is not aware of any participant, other than PSE, that has a legal or organization-based obligation to represent other customer classes.

4

According to PSE, the LIAC met on March 6th, during which time PSE “present[ed] several forecasting options and an update to what the funding request would be using each option.”¹⁵ Based on informal discussions with PSE, AWEC understands the group recommendation to have been the most expensive option of the options presented with the intention of meeting the Commission’s directive in UG-230470 to reach a target of at least 70,000 participants in PSE’s bill discount or bill assistance programs. In effect, the design, implementation and costs of PSE’s low-income programs are determined through a largely closed process outside of the Commission’s purview and without input from interested participants representing the full scope of ratepayer interests. Decisions are also made and approved through the advice filing process, outside of a general rate case proceeding.

¹⁴ TEP’s Comment at 3.

¹⁵ Advice No. 2024-10, Transmittal Letter at 2; Advice No. 2024-11, Transmittal Letter at 1.

5

Of further concern is the piecemeal process with which the decisions underlying PSE’s current advice filings were made. For example, as described above, the LIAC meets to advise PSE on programmatic issues with, it seems, a clear indication of the costs of various program design options.¹⁶ The Commission, without the knowledge of the current costs of these programs, directed PSE to “reach a target of at least 70,000 participants in a bill discount or bill assistance program”¹⁷ as part of its consideration of PSE’s Climate Commitment Act (“CCA”) cost recovery mechanism filing in Docket No. UG-230470.¹⁸ Notably, this was a natural gas-only proceeding that addressed PSE’s rates for CCA compliance. There is no indication from Docket No. UG-230470 that any interested party in that proceeding, including AWEC, or even the Commission, had an indication of the rate impacts of this directive, which now also impact electric customers. Now, in the current Schedule 129 advice filings, the rate impacts are known, but are based on fully baked implementation decisions made as part of the LIAC process.

6

The current process is fundamentally flawed. For AWEC to have the opportunity to review and respond to the proposed implementation decisions, costs, and proposed ratemaking treatment in these advice filings, it would need to either request that the rate-effective date be pushed out or request adjudication, neither of which would be guaranteed outcomes even if AWEC were to make such a request. And doing so would, in effect, mean that there would be a funding gap in PSE’s low-income programs. This is not a result that AWEC desires. However, given the substantial rate impacts associated with decisions made in the advisory group process –

¹⁶ TEP’s Comments at 3.

¹⁷ Advice No. 2024-10, Transmittal Letter at 2; Advice No. 2024-11, Transmittal Letter at 1.

¹⁸ *Id.*

which is not part of a formal Commission proceeding with the attendant rights and obligations that typically apply when establishing new rates – change to the current process is necessary. Program design and funding obligations should be determined in general rate case proceedings, with PSE’s proposals in the general rate case informed by the LIAC process. AWEC is not asking to become part of the LIAC, which would not address the lack of procedural rights inherent in the LIAC and, given the amount of effort AWEC puts toward rate-setting proceedings, would put further pressure on already strained resources.

7 To be clear, AWEC does not dispute that the Clean Energy Transformation Act (“CETA”) aspires to reduce the energy burden of low-income customers,¹⁹ and is not in this case advocating that the Commission reject PSE’s proposed tariff filings that would ensure that funding for HELP be available for the remainder of the 2023-2024 Low Income Program Year. However, given the procedural and substantive concerns implicated by PSE’s filing, a more holistic approach to implementation and rate recovery for PSE’s low-income programs is necessary.

8 Relatedly, under the Commission’s current policy,²⁰ AWEC understands that 46% of PSE’s residential customers may qualify as eligible for energy assistance. Even at current participation rates, which we understand to be significantly below 46%, the rate impacts of shifting economic responsibility to other customers, including non-qualifying residential customers, commercial and industrial customers, is quite substantial. As such, the impacts from current policy and implementation will only continue to magnify. This raises the question of

¹⁹ RCW 19.405.120(2).

²⁰ See WAC 480-100-605.

whether the Commission’s definition of low-income strikes the appropriate balance for all ratepayers, including those that bear the costs of policy decisions. If the impacts of the State of Washington’s policies are so great that rate relief is deemed necessary for nearly half of PSE’s residential customers per CETA requirements, then this also begs the question of whether shifting those costs onto other PSE customers is the appropriate solution. Given the growing magnitude of PSE’s proposed rate impacts – some mandated by the Commission, but in many cases, voluntarily initiated by PSE – AWEC recommends that the Commission re-evaluate the fairness and reasonableness of PSE’s (and other utilities’) low-income programs which are beginning to lead to substantial and growing cost-shifting to other customer classes.

Dated this 22nd day of April, 2024.

Respectfully submitted,

DAVISON VAN CLEVE, P.C.

/s/ Sommer J. Moser

Sommer J. Moser, OR State Bar No. 105260

Tyler C. Pepple, WA State Bar No. 50475

107 SE Washington St., Ste. 430

Portland, OR 97214

Telephone: (503) 241-7242

sjm@dvclaw.com

tcp@dvclaw.com

Of Attorneys for the

Alliance of Western Energy Consumers