

Service Date: September 17, 2021



STATE OF WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION

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September 17, 2021

**NOTICE OF OPPORTUNITY TO FILE WRITTEN REPLY**  
**(By September 22, 2021, at 5 p.m.)**

Re: *Washington Utilities and Transportation Commission v. Puget Sound Energy*,  
Dockets UE-190529, UG-190530, UE-190274, UG-190275, UE-171225, UG-  
171226, UE-190991, and UG-190992 (*consolidated*)  
*In the Matter of the Petition of Puget Sound Energy for an Order Authorizing*  
*Accounting for Tracking Revenues Subject to PSE's Private Letter Ruling Requesting*  
*a Decision on the Proper Ratemaking Treatment of Protected Excess Deferred*  
*Income Taxes*, Dockets UE-200843 and UG-200844

TO ALL PARTIES:

On July 8, 2020, and July 31, 2020, respectively, the Washington Utilities and Transportation Commission (Commission) entered its Final Order and Order Granting Motion for Clarification (Final Orders) in Dockets UE-190529, UG-190530, UE-190274, UG-190275, UE-171225, UG-171226, UE-190991, and UG-190992, which resolved all the contested issues in Puget Sound Energy's (PSE or Company) general rate case (GRC) including, *inter alia*, issues related to the ratemaking treatment of protected excess deferred income taxes (EDIT).

On August 8, 2020, PSE filed a Petition for Judicial Review in King County Superior Court, which the Company dismissed voluntarily on October 8, 2020, based on the Commission's representation that it would immediately reopen this proceeding and revisit its Final Orders with respect to the treatment of protected EDIT if PSE obtained a Private Letter Ruling (PLR) from the Internal Revenue Service (IRS) that upheld the Company's interpretation of IRS rules and laws.

On January 7, 2021, PSE submitted its request to the IRS for a PLR. On July 30, 2021, the IRS issued a PLR. The PLR concludes that the Commission's Final Orders resulted in a rate calculation that is inconsistent with IRS rules.

On August 10, 2021, the Commission issued a Notice of Intent to Amend Final Orders (Notice). The Notice informed the parties that the Commission, on its own motion, intends to modify the Final Orders to address the issue of the proper accounting treatment of protected

EDIT and to consolidate the GRC dockets with PSE's EDIT-related accounting petitions in Dockets UE-200843 and UG-200844. The Notice further provided parties an opportunity to respond to a series of questions intended to assist the Commission with resolving EDIT-related issues by September 10, 2021.

On August 27, 2021, PSE filed its response. On September 10, 2021, Commission staff, the Alliance of Western Energy Consumers, and the Public Counsel Unit of the Attorney General's Office filed comments and PSE filed a supplemental response.

Because the timing of PSE's filing afforded non-Company parties an opportunity to respond to the Company's proposal, the Commission now authorizes PSE to file a reply to the non-Company parties' responses. PSE must file its reply no later than 5 p.m. on Wednesday, September 22, 2021.

**THE COMMISSION GIVES NOTICE That Puget Sound Energy must file any response to the non-Company parties' responses by 5 p.m. on Wednesday, September 22, 2021.**

*/s/ Rayne Pearson*  
RAYNE PEARSON  
Administrative Law Judge