

August 29, 2024

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Jeff Killip, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

**Re: Advice No. 2024-31
PSE’s Natural Gas Tariff Filing – Filed Electronically**

Dear Executive Director and Secretary Killip:

:

Pursuant to RCW 80.28.060 and WAC 480-80-101 and WAC 480-80-105(1)(c), please find enclosed for filing the following proposed revisions to the WN U-2, tariff for natural gas service of Puget Sound Energy (“PSE”):

116 th Revision	Sheet No. 101	Schedule 1	Tax Adjustment
154 th Revision	Sheet No. 101-A	Schedule 1	Tax Adjustment (Continued)
32 th Revision	Sheet No. 101-B	Schedule 1	Tax Adjustment (Continued)
15 th Revision	Sheet No. 101-C	Schedule 1	Tax Adjustment (Continued)

The purpose of this tariff filing is to revise gas Schedule 1 Tax Adjustment to incorporate the increased Washington State Utility and Transportation Commission (“UTC”) regulatory fee for certain utilities that became effective in RCW 80.24.010.

Revised tariff sheets regarding electric Schedule 81, Tax Adjustment, are being filed concurrently under Advice No. 2024-30.

Per Schedule 1, Section 2, Tax Adjustment, the UTC allows PSE to increase the amount PSE charges its customers to recover the cost of a jurisdiction imposing a utility tax levy and the additional expenses associated with collection of the jurisdiction imposing a utility tax. The effect of a jurisdictional utility tax rate as shown in Schedule 1 reflects both the jurisdictional utility tax levy rate and the associated adjustments.

PSE does not profit from passing through a jurisdictional utility tax and these grossed up adjustments. PSE incurs additional taxes and expenses as a result of the collection of a jurisdictional utility tax levy. With each increase in gross revenue, additional tax and fee amounts become payable. Therefore, the effect of the tax rate in a jurisdictional utility tax ordinance needs to be grossed up to reflect Washington State Public Utility Tax per RCW 82.16 and UTC regulatory fee per RCW 80.24.010 and additional bad debt expenses associated with the collection of the jurisdictional utility tax for the city. The following table summarizes these gross-up adjustments:

Natural Gas			
	Input Used in The Calculation of Proposed Schedule 1 Rates	Input Used in The Calculation of Current Schedule 1 Rates	Change
Bad Debts	0.420%	0.420%	0.000%
UTC Regulatory Fee	0.500%	0.400%	0.100%
State Utility Tax	3.852%	3.852%	0.000%
Sum	4.772%	4.672%	0.100%

Depending on the treatment of Washington State UTC regulatory fee, bad debt expenses, and tax expenses in each jurisdiction's utility tax ordinance and the result of rounding the calculation to six decimal places, the effects of these adjustments changes varied among the 74 affected jurisdictions.

The impact of the proposed change on a residential bill (at 68 therms per month) for 73 of the 74 jurisdictions is \$0.01 per month. There is no estimated residential impact for customers that use 68 therms per month in the City of Woodinville due to rounding. Exhibit A to this letter summarizes, for the 74 affected jurisdictions, the rate changes, and the estimated changes on annual revenue and monthly residential customer impact.

Bill assistance is available to qualified customers who need help with their energy bills. Customers can go to pse.com or call 1-888-333-9882 to learn if they are eligible. Payment plans are also available to all PSE customers.

PSE respectfully requests an exemption from WAC 480-90-194(4)(d) which requires the publication of proposed tariff changes to include a comparison of current and proposed rates. The effective tax rates for the 74 jurisdictions in Schedule 1 are subject to change in this filing, and the presentation of such a large amount of data may create confusion for customers. To provide the specific information for the customers in each of the 74 jurisdictions, in conjunction with the newspaper notices, PSE has set up a website where customers can look up the specific change associated with their jurisdiction at <https://www.pse.com/pages/rates/news-and-filings>. This request has been discussed with Commission Staff prior to this filing.

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The tariff sheets described herein reflect an issue date of August 29, 2024, and an effective date of October 1, 2024. Posting of the proposed tariff change for public inspection and review, as required by law and the Commission's rules and regulations, is being completed in accordance with WAC 480-90-193(1). With the exception of WAC 480-90-194(4)(d), notice to the public under the provisions of WAC 480-90-194 will be provided on August 30, 2024, more than 30 days before the proposed October 1, 2024 effective date.

Please contact Mei Cass at (425) 462-3800 or mei.cass@pse.com for additional information about this filing. If you have any other questions please contact me at Birud.Jhaveri@pse.com.

Sincerely,

/s/ Birud D. Jhaveri

Birud D. Jhaveri
Director, Regulatory Affairs
Puget Sound Energy
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cc: Tad O'Neill, Public Counsel
Sheree Carson, Perkins Coie

Attachments:

Natural Gas Tariff Sheets, listed above

Exhibit A: Summary of Schedule 1 Tax Adjustment Rates and Estimated Annual Revenue Changes and Monthly Residential Customer Impacts