

November 19, 2024

***Filed Via Web Portal***

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

**RE: Advice No. 2024-53**  
**Puget Sound Energy's Electric Tariff Revision**

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-60, Tariff G for electric service of Puget Sound Energy ("PSE"):

WN U-60 (Electric Tariff)

1st Revision	Sheet No. 46-B	High Voltage Interruptible Service (Continued)
Original	Sheet No. 46-C	High Voltage Interruptible Service (Continued)

The purpose of this filing is to limit the optional Schedule 46 service availability and to update the Schedule 46 service interruption/suspension related mechanics. The proposed tariff revisions include:

- 1) Closing this optional interruptible high voltage electric service to new customers;
- 2) Inclusion of the hour between 7:00 AM and 8:00 AM and the hours between noon through 5:00 PM in the times and durations of interruptions to reflect the new need in summer peaking load as forecasted in PSE's most recent integrated resource plan process and to be in line with timeframes within PSE demand response services;
- 3) Update of the determination of potential penalty charges that a Schedule 46 Customer would pay for their electricity usage during their Schedule 46 service interruption and suspension; and
- 4) Notification in Schedule 46 of PSE's non-binding estimate of the penalty charge per kWh that a Schedule 46 Customer would use during a Schedule 46 service interruption and suspension.

### **Limiting Schedule 46 Service Availability**

This tariff change is partly prompted by the availability of new demand response (“DR”) programs that PSE has been implementing or is expecting to offer in support of Washington State’s Clean Energy Transformation Act. PSE’s initial plan is outlined in its Clean Energy Implementation Plan, which was conditionally approved by the Commission in Docket UE-210795 on June 6, 2023. Currently, non-residential DR programs are available as tariffed services under Schedule 271, Electricity Energy Efficiency Program Commercial/Industrial Electric Demand Response Program, which was approved by the Commission on September 28, 2023, in Docket UE-230679. However, Schedule 271 excludes the participation of optional Schedule 46 Customers specifically as these Customers are already subject to service interruption and suspension as determined by PSE. All new high voltage customers will receive service under the firm electric service tariff Schedule 49, High Voltage General Service. Currently, all Schedule 49 Customers now have the option to be able to take advantage of PSE’s new DR programs under Schedule 271, where PSE can partner with customers on flexible ways to shift or reduce their electricity use during peak times and provide new methods and incentives that allow individual Customers to save on their bills and benefit from reduced peak energy needs.

### **Update of Penalty Charge for Electric Usage during Suspension Period with Current and Known Sources**

If a Schedule 46 Customer fails to interrupt their electric usage during a Suspension Period, the Customer will be subject to a Penalty Charge of two additional charges: a fixed flat per kWh charge and a variable per kWh charge. Currently, the variable charge is determined by the higher of the peak market-based energy or PSE’s actual highest average incremental cost of power during a Suspension Period. PSE proposes in this filing to simplify the determination of elements of the Schedule 46 Penalty Charge with readily available information to enhance transparency.

1. Updating the fixed flat rate per kWh charge based upon PSE’s avoided capacity costs, that are already approved by the Commission and contained in PSE’s electric Schedule 91, Purchases from Qualifying Facilities of Five Megawatts or Less, in compliance with WAC 480-106-040 and per RCW 19.280.070(2). PSE is required to file its schedules of estimated avoided costs annually by November 1<sup>st</sup> of each year per WAC 480-106-040(1).
2. Replacing the reference to the firm or non-firm Mid-Columbia price indexes reported by Dow Jones with the high Mid-Columbia prices (High Price on Delivery Start Date at Price Hub Mid C Peak) as published by the U.S. Energy Information Administration at <https://www.eia.gov/electricity/wholesale/> during a Suspension Period because Dow Jones is no longer publishing the firm or non-firm Mid-Columbia prices.
3. Replacing PSE’s actual highest average incremental cost of power with the three times of PSE’s avoided energy costs as posted in PSE’s Schedule 91 Schedule of Estimated Avoided Costs for the month of a Suspension Period. The multiplier of three is a proxy to transform Schedule 91 avoided energy costs to emulate high Mid-Columbia prices.

PSE's Schedule 91 Schedule of Estimated Avoided Costs information is approved annually by the Commission and will always be available at PSE.com to all customers in advance a Suspension Period. This proposed revision would streamline: i) the existing Schedule 46 requirement that PSE provides a Schedule 46 Customer a non-binding estimate of the penalty charge when noncompliance with a Schedule 46 service interruption and suspension and; ii) the calculation and assessment of the Penalty Charge when a Customer fails to interrupt and suspend electric consumption as directed by PSE. Because PSE's schedules of estimated avoided costs in Schedule 91 are already made available to all customers, PSE includes in the proposed Schedule 46 tariff Sheet No. 46-C its non-binding estimate of the penalty charge due to noncompliance with a Schedule 46 service interruption and suspension to those Schedule 46 Customers.

#### **What is Not Changing in this Schedule 46 Tariff Update**

It is important to note the provisions of optional Schedule 46 that are *not* changing as a part of this tariff filing. Here are a few highlights clarifying the items or provisions of Schedule 46 that are not changing.

- 1) The total number of hours annually that a Customer must anticipate to interrupt and suspend their Schedule 46 electric service is not changing. While timeframes for a Suspension Period are being changed to include more hours, the total number of hours annually that a Customer can be requested by PSE to interrupt and suspend Schedule 46 electric service remains at 210 hours.
- 2) The demand charge and the energy charge are not being changed; nor is the difference of the demand charge in Schedule 46 compared to the demand charge in Schedule 49. The demand charge and the energy charge in both Schedule 46 and Schedule 49 are part of PSE's current general rate case under consolidated Dockets UE-240004 and UG-240005 ("2024 GRC"). Any changes to those charges will be approved by the Commission in that proceeding, which will also implicitly include the difference between the demand charges in Schedule 46 and Schedule 49.
- 3) There is no new or additional Penalty Charge being proposed. It is only the inputs to the existing Penalty Charge that are being updated and simplified with today's readily-available information.
- 4) The intent of the Penalty Charge remains the same. The Schedule 46 Penalty Charge is designed to reflect the fact that a Schedule 46 Customer is required to interrupt and suspend their electric service during a Suspension Period rather than continuing to consume electricity. The Schedule 46 Penalty Charge is still the price signal for the essential Schedule 46 service requirement that the Customer should interrupt and suspend its electric service as directed by PSE. It is not intended to facilitate the Customer to continue to "buy-through" during a Suspension Period.

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The tariff sheets described herein reflect an issue date of November 19, 2024, and an effective date of January 1, 2025. Notice and posting of proposed tariff changes, as required by law and the Commission's rules and regulations, is being completed in accordance with WAC 480-100-193(1). An individual notice to each of the seven Schedule 46 Customers of the proposed changes and the public notice to all electric customers addressing the proposal to restrict access to service, in accordance with the provisions of WAC 480-100-194, will be provided on or before December 1, 2024, within 30 days of the proposed January 1, 2025 effective date.

Please contact Mei Cass at [mei.cass@pse.com](mailto:mei.cass@pse.com) for additional information about this filing. If you have any other questions, please contact me at [Birud.Jhaveri@pse.com](mailto:Birud.Jhaveri@pse.com).

Sincerely,

*/s/ Birud D. Jhaveri*

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cc: Tad O'Neill, Public Counsel  
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Attachments:  
Electric Tariff Sheets, listed above