



Puget Sound Energy
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September 30, 2025

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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. 2025-41
Puget Sound Energy's Electric Tariff Revision**

Dear Executive Director Killip:

Pursuant to RCW 80.28.060, WAC 480-80-101 and -105 please find enclosed for filing the following proposed revisions to the WN U-60, tariff for electric service of Puget Sound Energy ("PSE" or "the Company"):

3 rd Revision	Sheet No. 141COL-B	Colstrip Adjustment Rider (Continued)
3 rd Revision	Sheet No. 141COL-C	Colstrip Adjustment Rider (Continued)
3 rd Revision	Sheet No. 141COL-D	Colstrip Adjustment Rider (Continued)
4 th Revision	Sheet No. 141COL-E	Colstrip Adjustment Rider (Continued)
3 rd Revision	Sheet No. 141COL-F	Colstrip Adjustment Rider (Continued)
3 rd Revision	Sheet No. 141COL-G	Colstrip Adjustment Rider (Continued)
4 th Revision	Sheet No. 141COL-H	Colstrip Adjustment Rider (Continued)
3 rd Revision	Sheet No. 141COL-I	Colstrip Adjustment Rider (Continued)
4 th Revision	Sheet No. 141COL-J	Colstrip Adjustment Rider (Continued)
Original	Sheet No. 141COL-K	Colstrip Adjustment Rider (Continued)

The primary purpose of this filing is to implement annual changes to rates under the Colstrip Adjustment Rider, Schedule 141COL, as provided for in the Commission's Final Order 24/10 ("Order") in Dockets UE-220066, UG-220067, and UG-210918 (consolidated) ("2022 GRC Dockets"). In addition to proposed revisions to Schedule 141COL tariff sheets, this filing includes an Annual Report and accompanying attachments. The Annual Report includes information as described in the Seventeenth Exhibit to the Prefiled Direct Testimony of Ms. Susan E. Free, Exh. SEF-18 in the 2022 GRC Dockets. A list of the information provided begins on page 6 of the Annual Report. Finally, as prescribed in the 2022 GRC Dockets, the information provided in previous Annual Reports (as governed by the Final Order in Docket UE-170033) has now been incorporated in these annual rate filings and can be found on page 8 of the Annual Report.

PSE's Existing Rates in Schedule 141COL Remain Under Adjudication:

PSE made its Colstrip Adjustment Rider filing on September 30, 2024, under Docket UE-240729. The matter was heard at the December 19, 2024, open meeting where Staff identified a number of concerns. The Commission entered Order 01 Complaint and Order Allowing Rates Subject to Later Review and Refund; Setting Matter for Adjudication. PSE's proposed rate filing was allowed to go into effect as filed on January 1, 2025, subject to refund. The Commission's final determination of this matter is still pending at the time of this required filing.

Basis for the Rate Update in this Filing Considering the Pending Adjudication:

As discussed more fully below, existing rates in Schedule 141COL are due to be substantively decreased resulting from the removal of Colstrip plant and operating costs from rates as required by RCW 19.405.030. Because of this material, known rate reduction, it is important to make this filing, even if existing rates are still under adjudication. Therefore, PSE's approach to this filing is to include only changes that it believes will be non-controversial so that the reduction in rates can be approved without dispute. Any items currently being litigated are not included in this filing and will be handled as required by the Commission. The items not addressed in this filing will be addressed as either ordered by the Commission or in next year's Schedule 141COL filing.

Specifically, the items not being addressed in this filing are:

- Actions that may be ordered by the Commission in Docket UE-240729:
 - Any disallowances of 2024 plant additions
 - Any adjustments to O&M for major maintenance amortization
 - Refunds related to existing rates that are provisionally in effect
 - Treatment of potential reimbursements from NorthWestern Energy ("NWE") under the Acquisition and Abandonment Agreement
- Updates that would have been made in this year's filing absent the adjudication of Docket UE-240729:
 - Treatment or requested recovery of 2025 plant additions or stranded inventory through application against Production Tax Credits
 - Remaining unrecovered plant as of December 31, 2025
 - True-ups for load variances, O&M or capital additions included in existing rates

Discussion of the Elements of this Filing:

As demonstrated in the table on page 8 of the report, the revenue requirement in this filing decreased \$74.3 million over rates currently in Schedule 141COL. This decrease results in a negative revenue requirement, or payable to customers, due to the fact that the Production Tax Credits ("PTC") that are available to fund Decommissioning and Remediation costs for the Colstrip Units now result in negative rate base with the removal of the plant rate base. Overall, the decrease in the revenue requirement from last year's filing is primarily due to the removal of rate base return, depreciation expense, and production O&M, including major maintenance amortization. As stated above, PSE will propose to apply any rate base, revenue or expense

amounts that would normally be trued-up in rates in this proceeding against PTCs once the outcome of Docket UE-240729 is known. Application of these amounts against PTCs is in-line with lines 4 and 5 on page 20 of Exhibit SEF-18 in the 2022 GRC Dockets in PSE's Schedule 141COL filing.¹

Included in this filing is \$13.5 million of Decommissioning and Remediation costs that have been incurred since PSE's last filing and which PSE is requesting be applied against PTCs. A supporting detail of the expenditures have been included in the work papers that accompany this filing.

Additionally, PSE is requesting to apply \$2.8 million of land that is being transferred to NWE against PTCs. Because land does not depreciated, PSE has not previously recovered the value of the land, which results in the need to apply the balance against PTCs in order to recover the investment.

The causes of the decrease to the revenue requirement are demonstrated in the table below:

Table 1 - Reasons For Reduction In Revenue Requirement (in Millions)		
1	Revenue Requirement Pending Approval in UE-240729	<u>\$ 57.5</u>
2		
3	Causes For Change in Revenue Requirement:	
4	Removal of O&M Expense	(34.7)
5	Removal of Depreciation Expense	(47.8)
6	Increase in D&R Recovery	0.5
7	(Increase) Decrease in Flow-Through Tax Benefit	2.8
8	(Increase) Decrease in True-Up	6.8
9	Increase (Decrease) in Rate Base Return from Plant Removal	<u>(1.8)</u>
10	Total Reduction in Revenue Requirement	<u>(74.2)</u>
11		
12	Proposed Revenue Requirement in this Filing	<u>\$(16.8)</u>

¹ The Exhibit was the agreed upon basis for the Colstrip D&R Tracker that was approved by the Commission.

The impact of this filing is an overall decrease of \$75.5 million², or 2.10 percent. The typical residential customer using 800 kWh per month would experience a decrease to their monthly bill of \$3.04 or 2.19 percent.

The tariff sheets described herein reflect an issue date of September 30, 2025, and an effective date of January 1, 2026. Posting of proposed tariff changes, as required by law and the Commission's rules and regulations, is being completed through web, telephone and mail access in accordance with WAC 480-100-193. Notice to the public under the provisions of WAC 480-100-194 will be provided within 30 days of the January 1, 2026, effective date.

Please contact Julie Waltari at julie.waltari@pse.com or Susan Free at susan.free@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 Robinson O'Neill, Public Counsel
Sheree Carson, Perkins Coie

Attachments: Electric Tariff Sheets (listed above)
Work Paper – Revenue Requirement
Work Paper – Rate Design
Annual Report 2026 - Colstrip Tracker Report
Annual Report - Remedy Evaluation Reports
Annual Report - Remedy Spend Reports

² Inherent rounding differences exist between the decrease in revenue requirement of \$74.2 million in Table 1 and the decrease in revenues of \$75.5 million that results after spreading the revenue requirement in the cost of service work papers.