



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734

pse.com

November 30, 2022

Filed Via Web Portal

Ms. Amanda Maxwell, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

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 State Of WASH.
 UTIL. AND TRANSP.
 COMMISSION

**RE: Advice No. 2022-24
Puget Sound Energy's Natural Gas Tariff Revision**

Dear Ms. Maxwell:

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

29th Revision Sheet No. 101B Schedule 1 Tax Adjustment (Continued)

The purpose of this filing is to update Schedule 1 Tax Adjustment to reflect the increase of business tax rate on private utility businesses passed by the Puyallup City Council on November 22, 2022. The new ordinance will increase the city utility tax starting in 2023 from 2.2% to 3.2%. Attachment A to this filing is the Puyallup Regular City Council Agenda of City Council Chambers dated November 22, 2022, which documented the passage of the tax increase.

Per Schedule 1, Section 2, Tax Adjustment, the Washington Utilities and Transportation Commission allows PSE to increase the amount PSE charges its customers to recover the cost of a municipal utility tax levy and the additional expenses associated with collection of the municipal utility tax. The effect of a municipal utility tax rate as shown in Schedule 1 reflects both the municipal utility tax levy rate and the associated adjustments. PSE does not profit from passing through these grossed up adjustments.

PSE incurs additional taxes and expenses as a result of the collection of a municipal utility tax. With each increase in gross revenue, additional tax and fee amounts become payable. Therefore, the effect of the tax rate in a municipal utility tax ordinance needs to be grossed up to reflect Washington State Public Utility Tax of 3.8520% per RCW 82.16 and Washington State Regulatory Fee of 0.40% per RCW 80.24.010, and additional bad debt expenses of 0.05124%

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associated with the collection of the municipal utility tax as updated in PSE's 2019 generate rate case proceeding under the consolidated Dockets UE-190529 and UG-190530.

City	Current Effective Rate	Proposed Effective Rate	Change	11/2021 - 10/2022 Natural Gas Revenue Before City Tax	Estimated Annual Change
Puyallup	2.295%	3.347%	1.052%	\$12,991,625.17	\$136,671.90

The tariff sheet described herein reflect issue dates of November 30, 2022, and effective dates of January 1, 2023. 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). Pursuant to WAC 480-90-195, notice to customers will be provided in the first billing after the tariff revisions become effective. The approximately 11,000 PSE natural gas service customers within the City of Puyallup will receive notification in the form of a bill message.

Please contact Mei Cass at (425) 462-3800 for additional information about this filing. If you have any other questions please contact me at (425) 456-2142.

Sincerely,

/s/ Jon Piliaris

Jon Piliaris
Director, Regulatory Affairs
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cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie

Attachments: Natural Gas Tariff Sheet (listed above)
Attachment A - Puyallup Regular City Council November 22, 2022 Agenda of City Council Chambers