



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

March 15, 2024

Electronically Filed

Received
Records Management
Mar 15, 2024

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

**Re: Advice No. 2024-09
PSE's Natural Gas Tariff Filings**

Dear Executive Director Killip:

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 natural gas service of Puget Sound Energy ("PSE"):

31th Revision Sheet No. 101B Schedule 1 Tax Adjustment (Continued)

The purpose of this filing is to update Schedule 1 Tax Adjustment to reflect the City of Puyallup's January 1, 2024 increase of Puyallup city tax on the gross revenues of natural gas utilities from 3.2 percent to 4.2 percent per Puyallup Ordinance 3262 codified as Puyallup Municipal Code section 5.08.030(2).

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 the Puyallup city tax and the 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 percent per RCW 82.16 and Washington State Regulatory Fee of 0.40% per RCW 80.24.010, and additional bad debt expenses of 0.04198 percent as updated in PSE's 2022 generate rate case proceeding under the consolidated Dockets UE-220066, UG-220067, and UG-210918. A work paper detailing the recovery of additional

Jeff Killip, Executive Director and Secretary

March 15, 2024

Page 2 of 2

taxes, fees and expenses associated with the collection of the municipal utility tax, is also enclosed.

With these aforementioned adjustments, this filing proposes to update the current Puyallup effective tax rate from 3.347 percent to the rate of 4.395 percent. The overall customer bill impact for the natural gas customers in the City of Puyallup, regardless of income-level or usage-level, would be an average increase of 1.014 percent. A residential natural gas customer, using an average of 64 therms per month would see an average monthly increase of \$0.91.

City	No. of Natural Gas Customers	Current Effective Rate	Proposed Effective Rate	Change	2/2023 - 1/2024 Natural Gas Revenue Before City Tax	Estimated Annual Change
Puyallup		3.347%	4.395%	1.048%	\$16,164,763.32	\$169,406.72

Bill assistance programs such as PSE's Bill Discount Rate, PSE Home Energy Lifeline Program, the federal Low Income Home Energy Assistance Program, and the Salvation Army Warm Home Fund are available to qualified customers who need help with their energy bills. PSE customers can go to pse.com or call 1-888-225-5773 to learn if they are eligible. Payment plans are also available.

The tariff sheet described herein reflect issue dates of March 15, 2024, and effective dates of April 14, 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). Notice to the public under the provisions of WAC 480-90-194 will be provided within 30 days of the April 14, 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
PO Box 97034, BEL10W
Bellevue, WA 98009-9734
Birud.Jhaveri@pse.com

cc: Tad O'Neill, Public Counsel
Sheree Carson, Perkins Coie

Attachments:
Natural Gas Tariff Sheet, listed above
Work Paper