

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	
)	Dockets UE-220407 and UG-220408
PUGET SOUND ENERGY)	
)	SECOND AMENDED PETITION OF
For an Order Authorizing Deferred Accounting)	PUGET SOUND ENERGY
Treatment for Puget Sound Energy’s Increased Costs)	
Associated With the Updated WUTC Regulatory Fee)	
Approved in House Bill 1589 (2024))	

I. INTRODUCTION

1. In accordance with WAC 480-07-370(3), Puget Sound Energy (“PSE” or “the Company”) respectfully petitions the Commission for an Order authorizing the accounting detailed in this Amended Petition related to the costs associated with the increase in the Commission’s regulatory fee to 0.5 percent applicable to Puget Sound Energy that was approved in House Bill 1589 (2024) and signed into law by Governor Jay Inslee on March 28, 2024. This Second Amended Petition updates PSE’s First Amended Petition filed on December 20, 2022 to reflect changes to the deferral time period and the regulatory fee rate.
2. Statutes and rules at issue in this Petition include RCW 80.01.040, RCW 80.28.020, RCW 80.24.010, WAC 480-90-203, WAC 480-100-203 and WAC 480-07-370.
3. PSE is a combined gas and electric utility that provides service to approximately 1,220,000 electric customers and 875,000 natural gas customers in Western Washington.

4. All correspondence related to this Petition should be directed as follows:

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II. REASONS FOR REQUEST FOR DEFERRED ACCOUNTING

5. For all Washington investor owned utilities (“IOU”), the regulatory fee prior to June 9, 2022 was 0.2 percent for revenues earned through 2021. Senate Bill 5634, which became effective on June 9, 2022 raised the fee for all Washington IOUs to 0.4 percent effective June 9, 2022 for revenues earned in 2022 and after. PSE’s original and first amended accounting petitions in these dockets addressed the accounting for the fee increase from 0.2 percent to 0.4 percent.
6. Newly enacted House Bill 1589, which is effective January 1, 2024, and which amends RCW 80.24.010, increased the Commission regulatory fee for utilities meeting certain requirements, which includes PSE. The fee was increased from 0.4 percent of revenues to the newly approved level of 0.5 percent. According to RCW 80.24.010, this new rate applies to “gross operating revenue from intrastate operations for the preceding calendar year”. Therefore, it will apply to all of calendar year 2024 applicable revenues and will become payable to the Commission in May 2025.

7. As addressed in PSE's original and first amended petition, PSE's rates vary related to which regulatory fee is included for recovery. Certain of PSE's revenues have been updated to include recovery of the regulatory fee at 0.4 percent, in which case deferral of the filing fee for these revenues had been discontinued. Other revenues, including those approved in PSE's 2022 General Rate Case, dockets UE-220066 and UG-220067 still include recovery of the regulatory fee at 0.2 percent. The incremental regulatory fee expenses accrued on the base revenues approved in PSE's 2022 GRC and on revenues from tariff schedules which are still recovering at the lower regulatory fee, have been or continue to be deferred. PSE has estimated the amount of the deferral based on the regulatory fee of 0.4 percent and requested recovery in its pending general rate case, Dockets UE-240004 and UG-240005. The updated rate enacted by House Bill 1589 will effectively increase the regulatory fee PSE pays to the Commission by 0.3 percent for base revenues and an additional 0.1 percent on all revenues.
8. PSE seeks authorization to defer the increased regulatory fee expense resulting from the approval of House Bill 1589. The calculation of the deferral related to the 0.1 percent increase would be determined by multiplying PSE's revenues that are subject to the regulatory fee, as defined by RCW 80.24.010, by .001, which is the difference between the new regulatory fee of 0.5 percent and old regulatory fee of 0.4 percent. The result reflects the additional expense PSE will incur as a result of the increase to the regulatory fee that has not already been addressed by its original and first amended petition. As PSE updates its various tariff schedules with the 0.5 percent regulatory fee

rate, the revenues received under the updated tariff schedules will be excluded from the base used to calculate the deferral.

9. The deferral, effective January 1, 2024, per House Bill 1589, will continue until new rates, based on the increased regulatory fee, are approved in PSE's various tariff filings. On February 15th PSE filed its 2024 General Rate Case and the revenue requirement included in the filing did not incorporate the 0.5 percent regulatory fee. At its first available opportunity in the 2024 GRC proceeding, PSE will update the electric and gas conversion factors applied to gross retail base revenues to include the 0.5 percent regulatory fee. PSE will also update the recovery of its estimated deferrals to include the deferral related to the 0.5 percent filing fee. Should PSE be allowed to update its filing, it can cease the deferral related to its GRC revenues once those revenues become effective, which is expected to be in January 2025.
10. And, for non-GRC revenues, PSE proposes it will cease the deferral on December 31, 2024 at which point the vast majority of PSE's schedules and riders beyond base rates will be updated with the 0.5 percent regulatory fee rate.
11. The Company proposes to defer the incremental increase in regulatory fee expense as a debit to a regulatory asset in FERC Account 186, Other Deferred Debits. The offsetting credit will be to FERC Account 407.4, Regulatory Credits. The Company proposes that interest will accrue on the deferred balance until fully amortized and that the accrual rate will be at its actual cost of total debt which will be updated semi-annually.

III. REQUEST FOR RELIEF

12. For the reasons discussed above, PSE respectfully requests the Commission issue an Order approving the deferred accounting as set forth in this Second Amended Petition.

DATED this 16th day of May, 2024.

Puget Sound Energy

By /s/ Susan E. Free

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