

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION, Complainant, v. PUGET SOUND ENERGY, Respondent.	DOCKETS UE-220066 and UG- 220067 (<i>Consolidated</i>) ORDER 25
In the Matter of the Petition of PUGET SOUND ENERGY For an Order Authorizing Deferred Accounting Treatment for Puget Sound Energy’s Share of Costs Associated with the Tacoma LNG Facility	DOCKET UG-210918 ORDER 11 STAYING EFFECTIVENESS OF COMPLIANCE FILING; PROVIDING FOR FURTHER PROCESS

BACKGROUND

- 1 On December 22, 2022, the Washington Utilities and Transportation Commission (Commission) entered Final Order 24/10, Rejecting Tariff Sheets; Approving Settlements, with Conditions; Authorizing and Requiring Compliance Filing (Final Order 24/10).
- 2 In Final Order 24/10, the Commission approved three partial multi-party settlements that, considered together, resolved all of the outstanding issues in the general rate case filed by Puget Sound Energy (PSE or Company). In its Synopsis, Final Order 24/10 observed that the Settling Parties agreed to, and the Commission approved, an increase to electric rates

of \$223 million in rate year one and \$38 million in rate year two; and an increase to natural gas rates of \$70.6 million in rate year one and \$18.8 million in rate year two, for a total of \$350.4 million, companywide, for both years combined. Final Order 24/10 also approved the Revenue Requirement Settlement, which provided that power cost increases embedded in the revenue requirement were assumed equal to PSE's filed case, reduced for the Northwest Pipeline Settlement, but provided for a power cost update at the compliance filing stage in this proceeding.¹

3 On December 23, 2022, Sierra Club, Front and Centered, and NW Energy Coalition filed a notice accepting the conditions imposed by the Commission in Final Order 24/10. The remaining settling parties filed similar notices accepting the Commission's imposed conditions by December 28, 2022.

4 On December 27, 2022, PSE submitted compliance filings for electric and natural gas service sheets effectuating the terms of Final Order 24/10. In this submission, PSE observed, "These tariff sheets reflect an overall dollar amount increase of \$389.5 million in 2023 and \$33.3 million in 2024; this represents overall dollar percentage increases of 16.95% and 1.26%, respectively." PSE later submitted revised tariff sheets on December 28, 2022, and January 3, 2023, after discovering the need to correct certain charges contained in its tariffs.

5 On January 3, 2023, Commission staff (Staff) filed a letter responding to the Company's compliance filing. Staff opined that the revised tariff sheets comply with Final Order 24/10 and should be allowed to take effect on January 5, 2023. Staff noted, in a similar manner as PSE, "The revisions to Tariff WN U-60 reflect a base electric revenue increase of \$389.5 million in 2023 and \$33.3 million in 2024 which represents increase of 16.95 percent and 1.26 percent respectively. The revisions to Tariff WN U-2 reflect a \$70.8 million increase in natural gas base revenue in 2023 and a \$19.5 million increase in 2024 which represents increases of 6.4 percent and 1.65 percent respectively."

6 On January 3, 2023, the Commission issued a Notice Permitting Additional Responses to Compliance Filing (Notice). The Commission indicated that Staff and other parties may provide additional responses clarifying the rate increase set forth in the Company's compliance filing as compared to the findings set forth in Final Order 24/10.

7 On January 4, 2023, PSE and Staff submitted additional responses to the Company's compliance filing. Both PSE and Staff attribute significant increases in power costs to the impacts of the Climate Commitment Act on the Company's dispatch modeling. PSE provided workpapers to the Commission in support of its clarifying response.

¹ Revenue Requirement Settlement ¶ 23.d.

DISCUSSION

- 8 WAC 480-07-880(2) provides that a compliance filing does not become effective automatically on its stated effective date. The Commission must approve or accept any compliance filing before it can be effective.
- 9 Although Staff opines that PSE's compliance filing comply with Final Order 24/10 and should be allowed to take effect, neither the Company's compliance filing nor Staff's initial response to the compliance filing provided sufficient information for the Commission to review the final revenue increases set forth in the Company's compliance filing.
- 10 PSE and Staff submitted additional explanations the afternoon of January 4, 2023, and PSE included workpapers in support of its response. The Commission requires additional time to adequately review the final revenue increases set forth in the compliance filing.
- 11 For these reasons, the Commission stays the effectiveness of PSE's compliance filing submitted on December 27, 2022, and supplemented on December 28, 2022, and January 3, 2023. PSE's revised tariff sheets shall not take effect on the stated effective date of January 5, 2023.
- 12 By this Order, the Commission establishes additional process for review of PSE's compliance filing. The Commission shall act on the Company's compliance filing by 5 p.m. on January 6, 2023, indicating whether the compliance filing is approved, rejected in part, or rejected in its entirety.

ORDER

- 13 THE COMMISSION ORDERS That:
- 14 (1) The effectiveness of Puget Sound Energy's compliance filing in these Dockets submitted on December 27, 2022, and supplemented on December 28, 2022, and January 3, 2023, is stayed, pending further approval by the Commission.

- 15 (2) The Commission shall take further action with respect to Puget Sound Energy's compliance filing by 5 p.m. on January 6, 2023.

DATED at Lacey, Washington, and effective January 4, 2023.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

AMANDA MAXWELL
Executive Director and Secretary