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State Of WASH.
 UTIL. AND TRANSP.
 COMMISSION

February 3, 2023

FILED VIA WEB PORTAL

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

RE: Dockets UE-220066, UG-220067, and UE-210918 – Multi-Year Rate Plan Metrics Compliance Filing

Dear Ms. Maxwell:

In compliance with paragraph 111 of Final Order 24/10 in Dockets UE-220066, UG-220067, and UE-210918 (Consolidated), Puget Sound Energy (“PSE”), hereby provides its compliance filing, which includes the measures and calculations outlined in Table 4 of the Final Order for the years 2019-2021.

Operational Efficiency and Earnings Metrics

Regarding the required operational efficiency and earnings metrics required, PSE has provided the data available as of the time of this filing, which is calendar years 2019-2021. Data for calendar year 2022 will not be available until after PSE issues its Form 10-K, which is currently scheduled to be released on or about February 23, 2023. As such, PSE will supplement this compliance filing with the 2022 financial information shortly after the issuance of its Form 10-K.

Affordability and Energy Burden Metrics

PSE has provided the requested metrics for affordability and energy burden that are available at the time of the filing, which includes calendar years 2019, 2020, and 2021. PSE’s calculation of these measures utilizes detailed income and billing data from various internal sources and third parties that have not yet been received for 2022. The billing data required for these calculations will be available by the end of the first quarter. And, complete income data that PSE receives from multiple sources is not available until the end of the second quarter. As such, PSE will provide the requested affordability and energy burden metrics data for calendar year 2022 when they are available, at the beginning of the third quarter.

Additionally, for the affordability metric, PSE is providing two different measures.

1. PSE's 2022 GRC Final Order 24/10 requested using the same average usage from year to year for all residential customers in order to assess affordability of rates over time and by location. PSE has provided this average annual bill impacts using the average annual rates and the same average energy usage as required by Final Order 24/10 for calendar years 2019 through 2022. Since this calculation does not depend on customer data, it is available for 2022 at this time. However, although PSE residential rates vary over time, they do not vary by geographical location, other than for municipal taxes, which is a very minor component of the bill. Hence, if the same usage level is assumed for each geographical location, the average annual bills turn out to be largely the same across the locations.
2. Therefore, to compensate for this lack of variability across locations, in addition to the required affordability metric calculation, PSE is providing an alternative affordability metric calculation, which uses the same average energy usage, as stipulated in the Final Order 24/10, but uses a different cost factor. For this alternative calculation, instead of using average annual rates, which are essentially the same for each geographic location, PSE developed a melded rate for each geographic location, which is derived by dividing the total annual billed amount by the total annual usage by each location and service types (electric-only, gas-only, and combined electric and gas). While this alternative approach provides a method to calculate the affordability metric that vary by geographic location, it should be noted that the total annual billed amount includes basic charge revenue, therefore, locations with lower average usage will show a higher melded rate and average bill when in reality the actual bills for such locations would be lower than higher usage areas.

Reporting in Future Years

In future years, PSE is required to report the performance measures outlined in Table 4 within 45 days following the end of each calendar year. Because of the timing implications noted above, PSE will be submitting future year's compliance filings as noted below:

1. **Operational Efficiency and Earnings Metrics:**
Similar to 2022, PSE will not be able to provide the operational efficiency and earnings metrics for each year going forward until after its Form 10-K is filed. PSE will file what data is available within 45 days following the end of each calendar year and for any non-public material financial information, will supplement its report shortly after the issuance of its Form 10-K.
2. **Affordability and Energy Burden Metrics:**
PSE will provide the affordability metric, per Final Order 24/10, within 45 days following the end of each year as required in the Order. However, the calculations for the alternative affordability metric and the energy burden metric rely on data sources that will not be available within the specified time frame. Consequently, PSE will supplement

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its report on the alternative affordability and energy burden metrics once the pertinent data becomes available, which is expected to be by July 1st of the year following the reporting year.

If you have any questions regarding the filing, please contact me at (425) 456-2105.

Sincerely,

/s/ Susan E. Free

Susan E. Free

Director of Revenue Requirements and Regulatory Compliance

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cc: Sheree Carson, Perkins Coie
Service List

Attachments:

220066-67-210918-PSE-MYRP-Op-Eff-Erngs-Metrics-02-03-2023.xlsx

220066-67-210918-PSE-MYRP-Aff-EB-Metrics-02-03-2023.xlsx

Certificate of Service