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Electronic Filing and Service

March 22, 2023

Amanda Maxwell, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
P.O. Box 47250
Olympia, WA 98503-7250

Re: *Washington Utils. and Transp. Comm'n v. Puget Sound Energy*
Dockets UE-220066, UG-220067, UG-210918 (*consolidated*)

Dear Ms. Maxwell:

On December 22, 2022, the Washington Utilities and Transportation Commission (Commission) entered Order 24/10 in Dockets UE-220066, UG-220067, and UE-210918 (consolidated), Final Order Rejecting Tariff Sheets; Approving Settlements, with Conditions; Authorizing and Requiring Compliance Filing. Order 24/10, among other things, accepted the Revenue Requirement Settlement's terms, which modified PSE's proposed time varying rates (TVR) pilot program and required PSE to propose a full opt-in TVR program in its next general rate case. It also required PSE to establish a new optional Time of Use ("TOU") rate schedules as a part of PSE's Time Varying Rates (TVR) pilot.

The Company filed revised tariff sheets on February 22, 2023, in compliance with Order 24/12, establishing optional TOU rate schedules with service beginning October 1, 2023, in conjunction with the effective date of its Bill Discount Rate (BDR) program. PSE aims to establish TOU rates early in order to begin recruiting participants in the TVR pilot. Recruitment will be more feasible if rates are already approved. This compliance filing establishes rates for Schedules 307, 317, 324, and 327 which cover residential and general service customers. PSE is still working with its Low-Income Advisory Group to design rates for low-income customers. PSE will file additional tariff pages to establish rates for low-income customers in conjunction with its BDR program, which Order 24/10 requires by July 1, 2023. Similarly, the Company plans to file its evaluation and management plan in accordance with the required modification at a later date.

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Staff reviewed the tariff pages and workpapers to ensure that the new TOU rate schedules reflect modifications approved in Order 24/10. In accordance with approved modifications, the rates were updated with PSE's approved 2022 revenue requirement and cost of service study. This updated the total number of customers and the revenue collected from fixed charges. Event Days for peak time rebate rate were updated for the year 2021 so that two new holidays were added—Juneteenth National Independence Day and Native American Heritage Day.

The company updated class load data from 2019 to 2021 which updated the billing determinants. The energy costs are now being calculated based on the 2018-2021 average of the Mid-Columbia energy price whereas before PSE used the 2019 Mid-Columbia price data. While the update to Mid-Columbia energy pricing is not explicitly required by terms in the settlement, Staff understands that the update provides more recent data to improve the rate design for the relationship between peak/off-peak and summer/winter rates based on what is expected of the system in the future. This is important as Washington's summer temperatures are increasing, and the rate design should reflect that increase to study customer's response through the pilot.

Commission staff has reviewed the Company's compliance filing and associated workpapers. Staff believes that the revised tariff revisions comply with Order 24/10, entered January 6, 2023. The tariff sheets that the Company filed will become effective March 24, 2023.

Sincerely,

/s/ Jeff Roberson, WSBA No. 45550
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LJR/emd

cc: Parties