



STATE OF WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION

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September 8, 2023

Kathy Hunter, Acting Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, Washington 98504-7250

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

Dear Kathy Hunter:

On December 22, 2022, the Washington Utilities and Transportation Commission (Commission) entered Order 24/10, Rejecting Tariff Sheets; Approving Settlements with Conditions; Authorizing and Requiring Compliance Filing in the above-referenced dockets. Order 24/10, among other things, required Puget Sound Energy (PSE) to provide a capital projects review. The order and revenue requirement settlement required the report to include assurances that the provisional capital included prior to the rate effective year is in service for customers during the rate effective period, or those costs would be subject to refund. Additionally, PSE is required to report on the Inflation Reduction Act (IRA) and Infrastructure Investment and Jobs Act (IIJA) funding options and offsetting benefits for all retrospective review of provisional plant (capital projects).

On March 31, 2023, PSE submitted its first required Annual Provisional Capital Report for 2022 capital.

Commission staff (Staff) has reviewed PSE's compliance filing. That review included issuing informal data requests and meeting with PSE to discuss several of the capital projects. From its review, Staff has determined that the report and accompanying workpapers meet the requirements of Order 24/10. This includes PSE's compliance with the Commission-imposed conditions related to the IRA and IIJA: PSE provided sufficient information regarding IRA and IIJA opportunities it is considering, and indicated no off-setting benefits at this time as these programs are at such a nascent stage in their development.

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Staff notes that PSE's Annual Provisional Capital Report in and of itself has no effect on customer rates. PSE did, however, file tariff sheets and workpapers to change tariff rates to reflect the refund of some provisional capital. The Commission docketed those filings in Dockets UE-230320 and UG-230323, and Staff anticipates those filings will come before the Commission in an October 2023 open public meeting.

Sincerely,

Kristen Hillstead  
Regulatory Analyst