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September 19, 2023

Kathy Hunter, Acting 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 and UG-220067 (*consolidated*)

Dear Ms. Hunter:

In late 2022, the Commission approved three settlements that resolved PSE's most recent general rate case, which the Commission filed in these dockets. One of the settlements adopted, with some modifications, the retrospective review process proposed by PSE witness Susan Free for determining whether the provisional incorporation of capital investments into rates produced fair, just, reasonable and sufficient results.

In late March 2023, PSE filed a report addressing, among other issues, its 2022 provisional capital additions. That report showed that PSE's provisional natural gas rate schedules resulted in an over-collection. PSE proposed that the Commission allow it to retain this over-collection and consolidate it with any over- or under-collection seen in its next annual review for refund or surcharge at that time.

Staff and Public Counsel reviewed PSE's report and proposal. Ultimately, after discussions, all three parties reached agreement that PSE should refund the over-collection this year. PSE has discharged its duties under that agreement by filing on September 8, 2023, amended tariff pages that will result in the return of roughly \$1.4 million to its natural gas customers. Those tariff pages are filed in Dockets UE-230320 and UG-230323.

In early September 2023, Staff filed a letter opining that PSE had complied with the terms of the Commission's final order in these dockets. In that letter, Staff did not explain that the parties had reached an agreement as to the refund of the over-collection, and it did not emphasize that PSE had filed tariff sheets that would result in that refund.

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The Commission subsequently issued an acknowledgment letter on September 14, 2023, stating that PSE had complied with the final order in these dockets and providing that the initial provisional rates were no longer subject to later review and refund.

Staff submits this letter to alert the Commission that the circumstances described herein have inadvertently resulted in the Commission's acknowledgment letter being incorrect where it discusses PSE retaining its gas over-collection until its next annual review: PSE has filed revised natural gas tariffs that will refund a substantial amount of money to ratepayers. The Commission is currently scheduled to take action on those tariffs in Docket UG-230323 at an open public meeting in October 2023.

Staff has conferred with PSE and Public Counsel. PSE agrees that the Commission may desire to revise its acknowledgment letter to reflect the refund that may ultimately be made in UG-230323 as the outcome of the review conducted in these dockets. Public Counsel also supports a revision to the acknowledgement letter to prevent any confusion regarding the disposition of the tariff and refund in UG-230323.

Sincerely,

/s/ Jeff Roberson, WSBA No. 45550

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cc: Parties