

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

**Docket UE-240004
Docket UG-240005
(consolidated)**

In the Matter of the Petition of

PUGET SOUND ENERGY

**For an Accounting Order Authorizing
deferred accounting treatment of
purchased power agreement expenses
pursuant to RCW 80.28.410**

**Docket UE-230810
(consolidated)**

**PUGET SOUND ENERGY'S REQUEST
FOR A CLARIFICATION
CONFERENCE OF ORDER 11
PURSUANT TO WAC 480-07-840**

I. INTRODUCTION

1. Pursuant to WAC 480-07-840, Puget Sound Energy ("PSE") formalizes in this filing its request for a clarification conference. PSE's request was sent by email to the administrative law judge and counsel of record on Tuesday, March 18, 2025. PSE understands the clarification conference will be held on Wednesday, March 19, 2025, at 11:30 a.m. PSE's counsel and relevant witnesses/subject matter experts will be available at the conference.

2. As stated in the email request, PSE has reviewed Order 11 (Order on Petitions for Reconsideration) in the above referenced dockets and is working to prepare the tariff schedules to be filed as compliance filings pursuant to paragraph 142 of Order 11. However, PSE needs clarification on the below issues relating to inclusion of the Targeted Electrification Pilot Phase 2 (“TEP Phase 2”) in rates and requests a clarification conference pursuant to WAC 480-07-840. Specifically, the issues for which PSE requests clarification are set forth below.

II. ISSUES FOR WHICH PSE REQUESTS CLARIFICATION

3. **Paragraph 55**: PSE seeks guidance on allocating the \$22.3 million authorized for TEP Phase 2, which is to be added to the base rates approved on January 28, 2025. Specifically, PSE seeks clarification on how to allocate the \$22.3 million between electric and gas services and across customer classes. The Commission's inclusion of gas-only customers in this program may require revising the original allocation methodology. Any PSE gas-only customer electrification costs allocated to PSE electric ratepayers will increase the cost burden to PSE electric customers and provide no benefit to PSE’s electric system or ratepayers; rather, all benefits will accrue to customers of other electric utilities that serve PSE gas-only territories at the expense of PSE’s electric ratepayers. It may be necessary to reallocate costs to better reflect where financial responsibility should lie. For reference, the original methodology for both service split and customer class allocation was detailed in Christopher Mickelson's direct testimony (CTM-1T at 63:6-64:4).
4. **Paragraphs 70-71**: The Commission agreed with AWEC’s request to exclude Schedules 87T, 449, and 459, energy intensive trade exposed customers (“EITE”) customers and special contracts from the cost recovery of TEP Phase 2. While exclusion of Schedule 87T (gas) and

Schedules 449 and 459 (electric) from TEP Phase 2 is straightforward, PSE needs clarity on the exclusion of EITE customers and special contracts from TEP Phase 2. Notably, the EITE designation only exists in the PSE gas tariff, specifically within Schedule 111, and currently has no equivalent definition or usage in any electric tariff schedules. No electric customers have identified themselves as EITE customers to PSE. As such, PSE seeks clarification on the specific customers to be excluded pursuant to the Commission's order. Does the reference to exclude EITE customers mean EITE gas only customers? Does the reference to special contracts mean that all gas and electric special contract customers should be excluded?

5. **Paragraphs 70-71:** PSE faces implementation challenges in carrying out the order to exclude certain customers from TEP Phase 2. While excluding entire customer classes is straightforward, exempting individual EITE customers within classes from specific base rate components is not feasible with PSE's current billing system. If EITE exemptions remain, PSE recommends a separate adjustment mechanism to clearly define cost allocation and enable proper exemption flagging within the billing system and application of costs. PSE proposes, and requests clarification that it may implement an adjustment schedule to manage customer exclusions, which would mirror base rates and have comparable flow-through impacts. PSE suggests creating a tariff schedule mechanism to provide a way to control charge applicability, similar to PSE's CCA approach to EITE in Schedule 111. This tariff schedule would not be a tracker, nor would it allow a true-up mechanism.

III. CONCLUSION

6. PSE respectfully requests the Commission clarify the above listed issues in the clarification conference scheduled for Wednesday, March 19, 2025, at 11:30 a.m.

RESPECTFULLY SUBMITTED this 19th day of March 2025.

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