



STATE OF WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION

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March 21, 2025

**NOTICE OF CLARIFICATION**

RE: *Washington Utilities and Transportation Commission v. Puget Sound Energy,*  
Dockets UE-240004, UG-240005 and UE-230810 (*Consolidated*)

TO ALL PARTIES:

On February 15, 2024, Puget Sound Energy (PSE) filed with the Washington Utilities and Transportation Commission (Commission) revisions to its currently effective Tariff WN U-60, Tariff G, Electric Service and its currently effective Tariff WN U-2, Natural Gas.

On January 15, 2025, the Commission entered Order 09/07 Final Order (Order 09/07).

On March 17, 2025, following multiple petitions for reconsideration and clarification, the Commission entered Order 11/09 denying PSE's Petition for Reconsideration; denying in part and granting in part Nucor Steele Seattle, Inc.'s (Nucor) Petition for Reconsideration; denying in part and granting in part Joint Environmental Advocates' (JEA) Petition for Reconsideration and Clarification; and granting Alliance of Western Energy Consumers (AWEC) and The Energy Project's (TEP) joint Petition for Clarification. As part of granting JEA's petition, the Commission approved PSE's Targeted Electrification Pilot Phase II (TEPII).

On March 18, 2025, the presiding officer received correspondence from PSE requesting the Commission provide clarification through a Clarification Conference of paragraphs 55, 70, and 71 of Order 11/09, pursuant to Washington Administrative Code (WAC) 480-07-840.

On March 19, 2025, PSE filed a Petition seeking a Clarification Conference in this Docket. Also on March 19, 2025, counsel for TEP sent an email notifying the Commission it would not be available for a Clarification Conference but requesting additional clarification on whether TEPII should include any unspent funds from the Targeted Electrification Pilot Phase I (TEPI), and whether the allocation of TEPII would be evenly split between gas and electric customers.

The Commission held a Clarification Conference on March 19, 2025, with Administrative Law Judges Connor Thompson and Bijan Hughes presiding. During the proceeding, PSE described the need for clarification. Additionally, on the issue of clarifying which Special Contract and

EITE customers should be excluded from TEP II, counsel for AWEC noted its recommendation adopted in Order 11/09 was intended for all Special Contracts to be excluded and had only contemplated natural gas EITE customers.

On March 20, 2025, PSE sent its understanding of Order 11/09 via email, including the following:

1. PSE has no objection to the \$22.3 million authorized for Targeted Electrification Pilot Phase 2 (“TEP Phase 2”), which will be added to rates in its compliance filings, being allocated evenly between PSE’s gas and electric customers. For customer class allocation, PSE will modify its original allocator as proposed in Mr. Mickelson's direct testimony, excluding the customer classes, EITEs, and special contracts specified in Order 11.
2. Based on the discussion Wednesday, PSE plans to exclude both gas and electric EITE and special contract customers from TEP Phase 2. As noted, PSE is in the process of identifying electric EITE customers, many of which may already be excluded from TEP Phase 2 as Schedule 449 and 459 customers.
3. Unless an objection is made or the Commission decides otherwise, PSE plans to create separate tariff schedules to provide a way to control the charge applicability for TEP Phase 2, similar to PSE’s CCA approach to EITEs in Schedule 111. These tariff schedules would be updated annually to reflect any change in EITE customers, as needed. These tariff schedules would not be a tracker, nor would they allow a true-up mechanism. They will serve solely to apply the \$22.3M cost to appropriate customer classes while excluding EITE-defined customers within those classes.
4. Regarding TEP’s proposal that unspent Targeted Electrification Pilot Phase 1 funds be carried over into Phase 2, PSE has informed [the parties] that there are no unspent funds from Phase 1 and so carryover is not an option. PSE can provide supporting documentation if needed.

After receiving PSE’s email correspondence, the Commission responded and allowed all parties until March 21, 2025, at 12:00 p.m. Pacific, to respond with support or concerns regarding PSE’s proposals. In addition, the Commission asked for parties to provide comments on whether the record supports exclusion of electric EITE customers, outside of those in Schedules 449 and 459. The Commission received responses from Staff, JEA, TEP, and AWEC. Staff takes no position. JEA supports item one and takes no position on the remaining items. TEP takes no position on items one through three and agrees with PSE that since there are no unspent funds, item four is moot. AWEC clarifies it had originally only contemplated natural gas EITE customers in its testimony, but submitted it felt the plain reading of Order 11/09 supports inclusion of other electric EITE customers.

The Commission has reviewed the responses of parties, allowed opportunity for each party to weigh in on their interpretation of Order 11/09, and agrees with PSE's interpretation of Order 11/09 as described above, with the exception of excluding electric EITE customers not already excluded in Schedules 449 and 459. The record supporting Order 11/09 does not support or contemplate exclusion of electric EITE customers beyond those that would otherwise be excluded by the exclusion of Schedules 449 and 459 customers.

The Commission authorizes PSE to make a compliance filing consistent with this Notice and confirms that PSE's interpretation of how to implement TEPII is consistent with the Commission's intent and Order 11/09.

**THE COMMISSION GIVES NOTICE That the Commission authorizes PSE to make a compliance filing to implement the Targeted Electrification Pilot Phase II consistent with Order 11/09 and this Notice of Clarification, by evenly allocating between gas and electric customers, excluding the Schedules identified, gas and electric special contract customers, and gas EITE customers, and clarifies that PSE may create separate Schedules to assign and control costs and charges to customers.**

/s/ Connor Thompson  
CONNOR THOMPSON  
Administrative Law Judge