



UG-220715

# ATTORNEY GENERAL OF WASHINGTON

Public Counsel

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October 21, 2022

**SENT VIA WUTC WEB PORTAL**

Amanda Maxwell  
Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE  
Lacey, WA 98503

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State Of WASH.  
UTIL. AND TRANSP.  
COMMISSION

Re: *Puget Sound Energy's Revisions to Tariff No. WN U-2, Schedules 106 and 138,*  
Docket UG-220715

Dear Director Maxwell:

The Public Counsel Unit of the Washington State Attorney General's Office (Public Counsel) respectfully submits these comments in advance of the October 27, 2022, Open Meeting. These comments are in response to Puget Sound Energy's (PSE or the Company) filings for tariff revisions in Docket UG-220715 to increase customer rates as a result of the purchased gas adjustment (PGA), effective on November 1, 2022.

***Public Counsel's Recommendation***

Public Counsel recommends that the Washington Utilities and Transportation Commission (Commission) consider the impact of Cascade's rate increase when evaluating future increases and encourage the Company to be proactive in helping customers access available assistance and programs. The Commission and utilities should also consider adjusting the timing of PGA filings to reduce rate shock.

On September 19, 2022, PSE filed a revision to Tariff No. WN U-2 and Schedules 106 and 138 as a result of their annual PGA filing. The Company states that the impact of significantly higher commodity costs and other adjustments is a 17.3 percent increase in revenues as the winter heating season looms.<sup>1</sup> PSE's filing includes a revision to Supplemental Schedule 101 for increased commodity costs, resulting in a \$158.9 million, or 15.3 percent, revenue increase.<sup>2</sup> In addition, the filing includes a \$21.5 million, or 2.1 percent, revenue increase largely the result of

<sup>1</sup> PSE Advice Letter at 1 (filed Sept. 19, 2022).

<sup>2</sup> *Id.*

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higher than projected increases to the PGA compared to last year.<sup>3</sup> The average residential PSE gas customer will see a bill increase of \$12.86, or 17.01 percent, per month.<sup>4</sup> Customers are facing steep increases right as they will need to use more natural gas to heat their homes. This rate requests coincides with the Company's general rate increase request in Dockets UE-22066 and UG-220067, which will be effective March 2, 2022. None of the forthcoming requested rate increases will be mitigated.

Public Counsel understands that there are a number of national and international factors influencing the price of natural gas that are ultimately outside the control of the utility or any other actor in the realm of the Commission. Public Counsel notes PSE's indication that its hedging plan blunted some of the effect of commodity cost increases.<sup>5</sup> That, however, does not change the fact that customers will experience significantly higher energy costs this winter heating season. The National Energy Assistance Directors' Association believes that average nationwide winter heating bills will increase 17 percent compared to last year, resulting in average winter heating costs of \$1,202 per household.<sup>6</sup> Public Counsel is deeply concerned about the series and scale of forthcoming rate increases and the impacts, particularly on Vulnerable Populations and Highly Impacted Communities who are disproportionately affected by bill increases. We believe that the Commission should keep these recent rate increases in mind when considering future larger rate increases, and we encourage the Commission to consider how to further mitigate the impact of the current increases through amortization or other tools.<sup>7</sup>

PSE should closely track requests for low-income assistance, and if requests increase as a result of these cumulative filings, the Company should ensure that funds are available for eligible customers. It is particularly important that the Company closely monitor the impact of this filing on customers and bill assistance inquiries, given historically and currently low subscription rates in bill assistance programs compared to the share of income-eligible customers in PSE's service territory. This may include increasing low-income assistance funding and expanding outreach efforts. PSE's customer notice in this filing only includes a brief mention of bill assistance in small text buried in an information-heavy document.<sup>8</sup>

Public Counsel also believes that the Commission, PSE, and other utilities should consider revising the timing of filing the PGA. WAC 480-90-233 requires a filing within a maximum of

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<sup>3</sup> *Id.*

<sup>4</sup> PSE Customer Notice (filed Oct. 4, 2022).

<sup>5</sup> PSE Advice Letter at 2 (filed Sept. 19, 2022).

<sup>6</sup> Press Release, Nat'l Energy Assistance Directors' Ass'n, *Home Heating Costs Reach Highest Level in More than 10 Years Families will Pay 17.2% More for Home Heating this Winter* (Sept. 12, 2022), <https://neada.org/wp-content/uploads/2022/09/winter2022-23PR.pdf>.

<sup>7</sup> RCW 80.01.040 confers broad authority to the Commission to regulate in the public interest.

<sup>8</sup> PSE Customer Notice (filed Oct. 4, 2022).

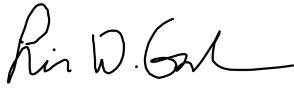
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15-months of the previously filed PGA. Utilities typically file in late summer or early fall for a November 1 effective date. This sets up a potential rate increase in the winter months when heating costs are higher and could cause more rate shock for customers. We believe the Commission could explore altering the timeline and effective date of the PGA to mitigate the impact of any increase.

Again, we appreciate the opportunity to submit these comments. If you have any questions about this filing, please contact Corey Dahl at [Corey.Dahl@ATG.WA.GOV](mailto:Corey.Dahl@ATG.WA.GOV).

Sincerely,

/s/ 

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