

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

v.

**PUGET SOUND ENERGY,**

**Respondent.**

**Docket UE-220066  
Docket UG-220067  
(consolidated)**

**PUGET SOUND ENERGY’S SECOND  
PETITION TO AMEND FINAL  
ORDER**

**I. INTRODUCTION AND RELIEF REQUESTED**

1. Pursuant to WAC 480-07-875(1), Puget Sound Energy (“PSE” or “Company”) petitions the Washington Utilities and Transportation Commission (“Commission”) to amend Section 68 of the Revenue Requirement Settlement approved by the Commission in Final Order 24 issued on December 22, 2022 (“Final Order”). Section 68 addresses PSE incorporating a Targeted Electrification Strategy into its 2025 Natural Gas Integrated Resource Plan (“IRP”). Pursuant to WAC 480-07-870(1), changed conditions and good and sufficient cause warrant amending Section 68.
2. Section 68 provides that PSE will use the information and analysis from its Targeted Electrification Pilot, together with its updated decarbonization strategy, to develop a Targeted

Electrification Strategy for its electric service territory for inclusion in its 2025 Natural Gas IRP or Progress Report, and as a compliance filing by January 2025. However, the recently-enacted Washington Decarbonization Act for Large Combination Utilities (the “Large Combination Utilities Decarbonization Act”)<sup>1</sup> provides that, upon request, the Commission may consolidate a large combination utility’s planning requirements for both gas and electric operations into a single integrated system plan (“ISP”) approved by the Commission. Consistent with the Large Combination Utilities Decarbonization Act, PSE has filed *In the Matter of Puget Sound Energy’s Petition for an Order Extending Filing and Reporting Requirements under RCW 19.405.060 and 19.280.030, an Exemption from the Requirements of WAC 480-90-238(4), 480-100-640(1) and 480-100-655(2), and Requiring the Filing of an Integrated System Plan* (the “Extension Petition”),<sup>2</sup> requesting Commission approval to transition to the 2027 ISP process and forgo filing the following legacy planning documents:

- Natural Gas IRP,
- Electric IRP,
- Clean Energy Implementation Plan, and
- Clean Energy Implementation Plan Public Participation Plan.<sup>3</sup>

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<sup>1</sup> Washington Decarbonization Act for Large Combination Utilities, Engrossed Substitute House Bill 1589, § 3(1) (2024).

<sup>2</sup> *In the Matter of Puget Sound Energy’s Petition of Puget Sound Energy for an Order Extending Filing and Reporting Requirements under RCW 19.405.060 and 19.280.030, an Exemption from the Requirements of WAC 480-90-238(4), 480-100-640(1) and 480-100-655(2), and Requiring the Filing of an Integrated System Plan*, Dockets UE-240433/UG-240434 (June 5, 2024).

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

3. Accordingly, because PSE is proposing to extend the filing of its 2025 Natural Gas IRP and transition to the ISP, PSE proposes to amend the language in Section 68 as follows:

PSE will use the information and analysis from the Targeted Electrification Pilot together with the updated decarbonization study to develop a Targeted Electrification Strategy for its electric service territory ~~in its next Natural Gas Integrated Resource Plan or Progress Report following the completion of the Decarbonization Study and Targeted Electrification Pilot, and will file the Targeted Electrification Strategy~~ as a compliance filing in this docket by January 2025, ~~and its 2025 Gas IRP~~. The Targeted Electrification Strategy will be based on findings from the Decarbonization Study, and the Targeted Electrification Pilot.

4. PSE has notified all parties in the underlying proceeding of PSE’s proposed amendments to Section 68. Given the changed conditions since the Commission entered the Final Order, and for good and sufficient cause, PSE requests that the Commission grant the requested relief.

## II. BACKGROUND

### A. The Revenue Requirement Settlement

5. On January 31, 2022, PSE filed a general rate case, which included PSE’s proposed MYRP. On August 26, 2022, PSE filed a Settlement Stipulation and Agreement on Revenue Requirement and All Other Issues Except Tacoma LNG and PSE’s Green Direct Program (the “Revenue Requirement Settlement”). PSE, Commission Staff, the Alliance of Western Energy Consumers, The Energy Project, Microsoft Corporation, Walmart, Inc., Nucor Steel, Federal Executive Agencies, and the Joint Environmental Advocates<sup>4</sup> signed the Revenue Requirement

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<sup>4</sup> NW Energy Coalition, Front and Centered, and Sierra Club make up the Joint Environmental Advocates.

Settlement.<sup>5</sup> The Public Counsel Division of the Washington Attorney General’s Office, the Coalition of Eastside Neighborhoods for Sensible Energy, King County, and the Puyallup Tribe of Indians were additional parties to the proceedings but were not signatories to the Revenue Requirement Settlement.

6. Following a virtual settlement hearing and briefing from the parties,<sup>6</sup> on December 22, 2022, the Commission entered the Final Order. The Final Order, among other things, approved the Revenue Requirement Settlement, with conditions, including Section 68.<sup>7</sup>

7. Section 68 of the Revenue Requirement Settlement states, in part:

68. Targeted Electrification Strategy. PSE will use the information and analysis from the Targeted Electrification Pilot together with the updated decarbonization strategy to develop a Targeted Electrification Strategy for its electric service territory in its next Natural Gas Integrated Resource Plan or Progress Report following the completion of the Decarbonization Study and Targeted Electrification Pilot, and as a compliance filing in this docket by January 2025, and its 2025 Gas IRP.

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8. As described below, changed conditions since the Final Order have led to unforeseen and unintended consequences that warrant amendment of Section 68.

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<sup>5</sup> Final Order ¶ 31.

<sup>6</sup> Final Order ¶ 43.

<sup>7</sup> Final Order ¶ 65.

**B. The Large Combination Utilities Decarbonization Act extends the filing of IRPs into a comprehensive ISP and PSE is requesting permission to forgo filing its 2025 Natural Gas IRP and instead file an ISP in 2027.**

9. On March 28, 2024, the Washington Legislature enacted the Large Combination Utilities Decarbonization Act. Among other things, the Act provides as follows:

(3) Upon request by a large combination utility, the commission may issue an order extending the filing and reporting requirement of a large combination utility under RCW 19.405.060 and 19.280.030, and requiring the large combination utility to file an integrated system plan pursuant to subsection (4) of this section if the commission finds that the large combination utility has made public a work plan that demonstrates reasonable progress toward meeting the standards under RCW 19.405.040(1) and 19.405.050(1) and achieving equity goals. The commission’s approval of an extension of filing and reporting requirements does not relieve the large combination utility from the obligation to demonstrate progress towards meeting the standards under RCW 19.405.040(1) and 19.405.050(1) and the interim targets approved in its most recent clean energy implementation plan. Commission approval of an extension under this section fulfills the large combination utilities statutory filing deadlines under RCW 19.405.060(1).

(4) By January 1, 2027, and on a timeline set by the commission thereafter, large combination utilities shall file an integrated system plan demonstrating how the large combination utilities’ plans are consistent with the requirements of this chapter and any rules and guidance adopted by the commission . . . .<sup>8</sup>

10. The Large Combination Utilities Decarbonization Act allows PSE to request Commission permission to extend the time period for PSE to file its 2025 Natural Gas IRP and to instead file a 2027 ISP. Accordingly, on June 5, 2024, PSE filed the Extension Petition, requesting

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<sup>8</sup> Washington Decarbonization Act for Large Combination Utilities, Engrossed Substitute House Bill 1589, § 3(3)–(4) (2024).

Commission approval to extend the filing of its 2025 Natural Gas IRP in lieu of a 2027 ISP filing.

11. If PSE's Extension Petition is approved, the requirement in Section 68 that PSE incorporate a Targeted Electrification Strategy for its electric service territory into its 2025 Natural Gas IRP or Progress Report will no longer be applicable.

### III. DISCUSSION

12. Under WAC 480-07-875(1), the Commission may propose, or may act in response to a petition, to alter, amend, or rescind any order that the Commission has entered. Any such petition must comply with the requirements in WAC 480-07-870 for a petition for rehearing. A petition for rehearing requires sufficient grounds supported by substantial evidence or an offer of proof consisting of the following:

- (a) Changed conditions since the commission entered the order;
- (b) Harm to the petitioner resulting from the order that the commission did not consider or anticipate when it entered the order;
- (c) An effect of the order that the commission or the petitioner did not contemplate or intend; or
- (d) Any good and sufficient cause that the commission did not consider or determine in the order.

Changed conditions and good and sufficient cause warrant amending Section 68 to account for the Large Combination Utilities Decarbonization Act and the advent of ISPs.

13. Section 68 requires PSE to develop a Targeted Electrification Strategy for its electric service territory that it will include in its 2025 Natural Gas IRP or Progress Report and as a compliance filing in this docket by January 2025.

14. The Large Combination Utilities Decarbonization Act, enacted after the Final Order, allows "large combination utilities" (such as PSE) to seek Commission approval to extend the

filing of IRPs and other planning documents into a comprehensive ISP.<sup>9</sup> If PSE's Extension Petition is granted, the requirement in Section 68 that PSE include its Targeted Electrification Strategy in its 2025 Natural Gas IRP will no longer be applicable.

15. At the time of the Revenue Requirement Settlement and the Final Order, neither the parties nor the Commission could have known that the Large Combination Utilities Decarbonization Act would have been enacted. Accordingly, if PSE's Extension Petition is granted, changed conditions and good and sufficient cause warrant amending Section 68 to remove the requirement that the Targeted Electrification Strategy be included in PSE 2025 Natural Gas IRP. To account for this change, PSE proposes the below revisions to Section 68:

PSE will use the information and analysis from the Targeted Electrification Pilot together with the updated decarbonization study to develop a Targeted Electrification Strategy for its electric service territory ~~in its next Natural Gas Integrated Resource Plan or Progress Report following the completion of the Decarbonization Study and Targeted Electrification Pilot, and will file the Targeted Electrification Strategy as a compliance filing in this docket by January 2025, and its 2025 Gas IRP.~~ The Targeted Electrification Strategy will be based on findings from the Decarbonization Study, and the Targeted Electrification Pilot.

Note that under PSE's proposed amendment to Section 68, it would still be making a compliance filing by January 2025 containing the Targeted Electrification Strategy.

#### IV. CONCLUSION

16. For the reasons set forth above, PSE respectfully requests that the Commission grant PSE's petition and amend Section 68 of the Revenue Requirement as described above.

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<sup>9</sup> *Id.*

RESPECTFULLY SUBMITTED this 5th day of June, 2024.

**PERKINS COIE LLP**

By



David S. Steele, WSBA #45640  
Sheree Strom Carson, WSBA #25349  
Donna L. Barnett, WSBA #36794  
Pamela J. Anderson, WSBA #37272  
Byron C. Starkey, WSBA #55545

Attorneys for Puget Sound Energy