

**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 THIRD
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 Final Order 24 issued December 22, 2022 (the “Final Order”), to amend Section 24 of the Revenue Requirement Settlement approved in the Final Order, which addresses incorporating a distributional equity analysis into the Company’s Corporate Spending Authorizations (“CSAs”). Pursuant to WAC 480-07-870(1), changed conditions and good and sufficient cause warrant amending Section 24.
2. Section 24(b) and the Final Order provide that by the end of the Multiyear Rate Plan (“MYRP”) in the current docket, PSE must make a compliance filing demonstrating PSE has

completed a pilot distributional equity analysis and participated in a Commission-led process on distributional equity to update PSE's distributional equity methods. Those methods must be approved by the Commission and incorporated into the Company's CSAs. PSE cannot make this compliance filing by the end of the MYRP because the Commission's currently-pending proceeding that will address distributional equity, Docket A-230217, will not be completed in time for PSE to complete the requirements of Section 24(b). Accordingly, PSE proposes to amend the language in Section 24, as follows:

24. By the end of the MYRP, the Settling Parties agree PSE shall make a compliance filing in these dockets demonstrating subsection (a) below. No later than one year after the Commission approves PSE's distributional equity analysis methods PSE shall make a compliance filing in these dockets demonstrating subsection (b) below.

3. PSE has notified all parties in the underlying proceeding of PSE's proposed amendment to Section 24 and to date, no party opposes the amendment. Given the changed conditions since the Commission entered the Final Order and that no party opposes PSE's proposed amendment, PSE requests that the Commission grant the requested relief.

II. BACKGROUND

A. The Revenue Requirement Settlement

4. 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 Advocates¹ signed the Revenue Requirement Settlement.² 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.

5. Following a virtual settlement hearing and briefing from the parties, on December 22, 2022, the Commission entered the Final Order.³ The Final Order, among other things, approved the Revenue Requirement Settlement, with conditions.

6. Section 24 of the Revenue Requirement Settlement states:

24. By the end of the MYRP, the Settling Parties agree PSE shall make a compliance filing in these dockets demonstrating:

a. Plan for Equitable Outcomes. A process or procedure for how PSE’s Board of Directors and senior management plan for equitable outcomes when making decisions on enterprise-wide capital portfolios within the three-tier planning process. This will include a transparent and inclusive methodology for how the Enterprise Project Portfolio Management (“EPPM”) tool will be used to apply an equity lens to Corporate Capital Allocation framework that integrates feedback from persons affected by PSE’s decisions.

b. Corporate Spending Authorizations (“CSAs”). PSE’s use of CSAs that require sponsors to consider the equitable distribution of benefits and reduction of burdens of the project or program. This can be demonstrated either qualitatively or quantitatively, or both. Once the Company has completed its pilot distributional equity analysis, participated in the Commission Staff-led process, and has

¹ NW Energy Coalition, Front and Centered, and Sierra Club make up the Joint Environmental Advocates.

² Final Order ¶ 31.

³ Final Order ¶ 43.

received approval from the Commission for its methods (and updated its analysis as necessary to conform to any changes to methods potentially required by the Commission), PSE will include in its CSAs results of distributional equity analysis.

7. The Commission approved Section 24 in the Final Order, but conditioned the distributional equity analysis described in subpart (b) on the process being a Commission-led process, instead of a Commission Staff-led process.⁴
8. As described below, changed conditions since the Final Order have led to unforeseen and unintended consequences that warrant amendment of Section 24 of the Revenue Requirement Settlement.
B. The Commission proceeding addressing distributional equity in Docket A-230217 is unlikely to be completed in time for PSE to complete the requirements of Section 24(b).
9. In March 2023, the Commission initiated Docket A-230217 to develop a Commission policy statement to address the application of equity and justice in the Commission and for regulated companies' processes and decisions. As part of the application of equity and justice, the Commission plans to address each of the four equity tenets: procedural, distributional, recognition, and restorative justice, starting first with procedural justice and proceeding in order.
10. On September 29, 2023, the Commission issued a Notice of Opportunity to File Written Comments addressing procedural justice. In the Notice, the Commission estimated that the docket would take about two years to complete, which would be September 2025.

⁴ Final Order ¶¶ 232-36.

11. If the above timetable holds true, PSE will be unable to meet the requirement in Section 24(b) of the Revenue Requirement Settlement and in the Final Order that PSE incorporate the Commission’s policy statement on distributional equity into its distributional equity methods, receive approval from the Commission for its methods, incorporate the results into its CSAs, and make a compliance filing regarding the same, all by the end of the MYPR in January 2025.

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 24 to allow PSE adequate time to comply with the requirements of Section 24(b).

13. Section 24(b) and the Final Order require PSE to complete its pilot distributional equity analysis,⁵ participate in a Commission-led process on distributional equity, incorporate the

⁵ PSE anticipates completing its pilot distributional equity analysis by the end of 2024.

results of the Commission-led process on distributional equity into its distributional equity methods, receive Commission approval for its distributional equity methods, incorporate the results of PSE's Commission-approved distributional equity methods into its CSAs, and make a compliance filing regarding the same by the end of PSE's current MYRP in January 2025.

14. The estimated timetable for completing the equity docket in Docket A-230217 had not yet been determined at the time of the Final Order but an implicit assumption in the Revenue Requirement Settlement and Final Order was that the Commission-led process on distributional equity would be complete, and that PSE would have sufficient time to complete the above requirements in advance of the end of the MYRP. Now that the equity docket is not anticipated to be complete until September 2025, PSE will not have adequate time to meet the requirements of Section 24(b) before the end of the MYRP.

15. Accordingly, changed conditions and good and sufficient cause regarding the timing of the equity docket warrant amendment to Section 24. Otherwise, PSE will be harmed because it cannot comply with Section 24(b) due to changed conditions outside of its control. PSE believes this can be resolved by slightly amending Section 24, as follows:

By the end of the MYRP, the Settling Parties agree PSE shall make a compliance filing in these dockets demonstrating subsection (a) below. No later than one year after the Commission approves PSE's distributional equity analysis methods PSE shall make a compliance filing in these dockets demonstrating subsection (b) below.

16. This minor amendment will give PSE adequate time to incorporate the results of the equity docket into its distributional equity analysis, receive Commission approval for its

distributional equity methods, and incorporate the results of PSE's Commission-approved distributional equity methods into its CSAs.

IV. CONCLUSION

17. For the reasons set forth above, PSE respectfully requests that the Commission grant PSE's petition and amend Section 24 of the Revenue Requirement and Final Order as described above.

RESPECTFULLY SUBMITTED this 21st 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