

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKETS UE-220066, UG-220067,
UG-210918 (*Consolidated*)

**RESPONSE TO PSE’S THIRD
PETITION TO AMEND FINAL
ORDER**

The Environmental Intervenors oppose Puget Sound Energy’s (“PSE”) Third Petition to Amend the Final Order, because the opening of a policy docket on distributional equity, by itself, is not a sufficient basis to justify departing from binding settlement conditions that require the company to advance distributional equity during the term of the multi-year rate plan. The Environmental Intervenors negotiated to include Paragraph 24 of the Revenue Requirement Settlement,¹ to advance energy equity through a pilot study on distributional equity analysis, and requirements to integrate equity into PSE’s capital portfolios and capital planning, and to include distributional equity into its corporate spending authorizations. The company now seeks to delay its compliance with Paragraph 24, until issuance of a general policy statement related to distributional equity in General Dkt. No. A-230217. The Commission should deny PSE’s request to delay implementation of important energy equity protections agreed to in a multi-party settlement, based on an unrelated policy docket that was filed after the Commission issued its final order in this rate case.

¹ The Commission approved this settlement in Final Order 24 issued December 22, 2022 (the “Final Order”) in Docket Nos. UE-220066 & UG-220067.

PSE asks the Commission to delay implementation of Paragraph 24 of the Revenue Requirement Settlement because the company claims, “PSE will be harmed because it cannot comply with Section 24(b) due to changed conditions outside of its control.”² However, PSE does not present any evidence of harm in its petition. Rather, the company argues that “PSE will not have adequate time to meet the requirements of Section 24(b) before the end of the MYRP” because an order in the general policy docket on equity will not be issued until September 2025. PSE also argues that issuance of a final order in General Docket No. A-230217 was an “implicit assumption in the Revenue Requirement Settlement and Final Order[.]”³ Both these contentions lack merit.

First, a commission-led policy docket and workshop on distributional equity does not prohibit PSE from timely complying with its obligations in Paragraph 24 of the Final Order. The schedule for the general policy docket states that the goal of the workshop on distributional justice is to review current distribution equity analysis efforts by the Commission and IOUs, provide an opportunity for public comment, and then issuance of an Interim Distributional Justice Policy Statement.⁴ Thus, complying with the requirements of Paragraph 24, including by completing the distributional equity pilot, integrating distributional equity into its corporate spending authorizations, and integrating equity into the company’s capital portfolios and planning process would actually *benefit* the Commission’s progress in General Docket No. A-230217. PSE has not presented any evidence showing that the Commission may adopt a policy

² PSE’s Third Petition to Amend Final Order at ¶15.

³ PSE’s Third Petition to Amend Final Order at ¶14.

⁴ Commission General Docket No. A-230217, “Equity Docket No. A-230217 Work Plan (July 2023-March 2026),” filed June 21, 2024.

position or order in General Docket No. A-230217 that would conflict with its requirements under Paragraph 24 of the revenue requirement settlement.

Nor does the language requiring “approval from the Commission” on the methods of the company’s distributional equity analysis necessitate delaying implementation of Paragraph 24, until a policy statement is issued in General Docket No. A-230217. First and foremost, PSE can seek approval from the Commission regard its distributional equity analysis methodology *in this docket*, as a compliance filing. Further, the equity docket addresses issues across the entire utility sector, and is not the appropriate place for the Commission to consider and approve the distributional equity analysis methodology adopted by Puget Sound Energy pursuant to a mandatory settlement condition. Lastly, while the Commission may consider and develop a policy statement regarding distributional equity analysis at a later date, that does not prevent PSE from timely complying with the requirements of Paragraph 24 within the deadline specified in the agreement.

Secondly, issuance of an order in General Docket No. A-230217 is not an implied condition of the Revenue Requirement Settlement. It is not possible for issuance of an order in General Docket No. A-230217 to be an implied condition to the Revenue Requirement Settlement, because the equity docket was not even opened until several months after the Commission issued its Final Order in this case. The Final Order was issued on December 22, 2022, and General Docket No. A-230217 was opened on March 31, 2023. If PSE believed that issuance of an order in the general equity docket, which had not yet been opened, was an “implicit condition” to the settlement, it should have included that requirement as a written condition in Paragraph 24. It did not.

Lastly, the compliance letter⁵ filed by staff yesterday indicates that PSE is not in compliance with its requirement to complete a distributional equity analysis pilot program. This report is concerning, and is reason alone to deny PSE's request for further delay. Failing to implement the distributional equity pilot and the important equity requirements of Paragraph 24, will mean that ratepayers are harmed by the failure to integrate equity into capital planning, spending authorizations, and distributional equity analyses.

Accordingly, the Environmental Intervenors respectfully request that the Commission deny PSE's Third Petition to Amend the Final Order.

Dated this 11th day of July, 2024.

/s/ Jaimini Parekh
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⁵ Compliance letter, on behalf of Staff, from Nash Callaghan, Dkt. No. UE-220066 & UG 220077, filed on July 10, 2024.