

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

In the Matter of the Petition of

PUGET SOUND ENERGY

**For an Order Authorizing Deferred
Accounting Treatment for Puget Sound
Energy's Share of Costs Associated with
the Tacoma LNG Facility**

**Docket UE-220066/UG-220067 and
UG-210918 (*consolidated*)**

**PUGET SOUND ENERGY'S MOTION
FOR PERMISSION TO REPLY TO
THE ENVIRONMENTAL
INTERVENORS' RESPONSE TO
PUGET SOUND ENERGY'S THIRD
PETITION TO AMEND**

- I.* Pursuant to WAC 480-07-370(5), Puget Sound Energy ("PSE") requests that the Commission grant it leave to reply to the Environmental Intervenors' Response to PSE's Third Petition to Amend Final Order. There is good cause for a reply because the response disregards the express language in the Revenue Requirement Settlement as modified by the Final Order. The response also notes an updated schedule for the Commission's equity proceeding in Docket A-230217, and inaccurately portrays the status of PSE's pilot distributional equity analysis. PSE

should be permitted to address each of these issues so the Commission has a full record in evaluating PSE's petition. PSE submits its proposed reply with this motion.

BACKGROUND

2. On June 21, 2024, PSE filed a petition to amend the Revenue Requirement Settlement approved by the Commission, with conditions, in the Final Order entered on December 22, 2022. PSE's petition asked the Commission to amend Section 24 of the Revenue Requirement Settlement, as modified by the Final Order, which requires that by the end of the multiyear rate plan in the above dockets (January 2025), that PSE shall make a compliance filing after PSE has completed its pilot distributional equity analysis, participated in a Commission-led process on distributional equity, has received approval from the Commission for its distributional equity methods, and has incorporated those methods into PSE's Corporate Spending Authorizations.
3. PSE's petition asked the Commission to amend Section 24 because the Commission-led process on equity was not estimated to be complete until September 2025. This estimated timetable makes it impossible for PSE to 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 multiyear rate plan which expires in January 2025.
4. PSE's petition asked that the Commission amend Section 24 to allow PSE sufficient time to complete the requirements of Section 24(b), 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.

5. Before filing its petition, PSE notified all case parties of its intent to file its petition and the proposed revision to Section 24 and solicited comments or concerns. Only one party responded to PSE and suggested revisions to PSE’s proposed amendment to Section 24, which PSE incorporated. The Environmental Intervenors did not respond or provide comment.

6. On July 11, 2024, the Environmental Intervenors filed a response opposing PSE’s petition. The Environmental Intervenors argue an amendment to Section 24 is unnecessary because PSE can “complete[] the distributional equity pilot, integrate[] distributional equity into its corporate spending authorizations, and integrate[] equity into the company’s capital portfolios and planning process” independent from the equity docket.¹ The Environmental Intervenors assert the equity docket “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.”²

7. The Environmental Intervenors contend further that PSE does not need to wait until a policy statement is issued in Docket A-230217 to make a compliance filing pursuant to Section 24(b). “[T]he 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.”³ The Environmental Intervenors also contend that an order in Docket A-230217 “is not an implied condition of the Revenue Requirement Settlement” because Docket A-230217 was not opened until months after the Commission issued its Final Order in this case.⁴ Finally, the Environmental

¹ Resp. at 2.

² Resp. at 3.

³ Resp. at 3.

⁴ Resp. at 3.

Intervenors contend that PSE’s petition should be denied because Commission Staff filed a compliance letter indicating PSE was not in compliance with its requirement to complete a distributional equity analysis pilot program.⁵

8. The Environmental Intervenors are the only party opposing PSE’s petition.

ARGUMENT

9. The Commission may grant leave to a party to reply to a response to a petition if there is good cause.⁶

10. Good cause is warranted to respond to the Environmental Intervenors because their argument that PSE can timely comply with Section 24(b) of the Revenue Requirement Settlement, irrespective of the timing and status of the equity docket, disregards the language of Section 24(b). Section 24(b)—as modified by the Commission in the Final Order—requires that “[o]nce the Company has completed its pilot distributional equity analysis,” it must “participate in a Commission[]-led process” on distributional equity (emphasis added). PSE must then receive Commission approval for its distributional equity methods, it must update its distributional equity analysis “as necessary to confirm to any changes to methods potentially required by the Commission,” and then it must “include in its CSAs [the] results of distributional equity analysis.” PSE is then required to prepare and file a compliance filing affirming completion of the above by January 2025. The equity proceeding in Docket A-230217 is the Commission-led process PSE must participate in to comply with Section 24(b), but the distributional equity portion of the proceeding will not be complete in time for PSE to comply

⁵ Resp. at 4.

⁶ WAC 480-07-370(5)(a).

with Section 24. The Environmental Intervenors' argument that PSE can comply with Section 24 irrespective of the timing and status of the equity docket is inconsistent with the language of Section 24(b) as modified by the Final Order. PSE should be permitted to reply to address the Environmental Intervenors' arguments regarding the language of Section 24(b).

11. Good cause to reply is further warranted because the Environmental Intervenors commented on PSE's pilot distributional equity analysis and reference a July 10, 2024 compliance letter from Commission Staff. The compliance letter was filed after PSE filed its petition and PSE should be permitted to address this issue so the Commission has a full record on this issue before ruling on PSE's petition. Additionally, the Environmental Intervenors' response noted that the Commission issued an updated workplan in Docket A-230217.⁷ This updated workplan further pushes back the estimated timing for when the equity docket will be completed (September 2025 to March 2026), and states that an Interim Distributional Justice Policy Statement is estimated to be issued on September 30, 2025. This updated timetable is directly relevant to PSE's petition and PSE should have the opportunity to explain how the updated timetable impacts PSE's petition and its ability to timely comply with Section 24.
12. Accordingly, there is good cause to allow PSE to file a reply and respond to the assertions, claims, and facts identified in the Environmental Intervenors' response.

⁷ *In re Commission proceeding to address the application of equity and justice in Commission and regulated company processes and decisions*, Docket A-230217, Workplan Summary (June 21, 2024).

RESPECTFULLY SUBMITTED this 18th day of July, 2024.

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