

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of	)	
PUGET SOUND ENERGY	)	Docket UE-22_____
For an Order Authorizing Accounting for	)	Docket UG-22_____
Costs Associated with Participatory Funding	)	PETITION OF PUGET SOUND ENERGY
Agreements Pursuant to RCW 80.28.430, and	)	
the Commission’s Policy Statement and Order	)	
No. 01 in U-210595	)	

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**I. INTRODUCTION**

1. In accordance with WAC 480-07-370(3), Puget Sound Energy (“PSE” or “Company”) respectfully petitions the Commission for an Order authorizing the accounting detailed in this Petition related to the costs associated with participatory funding agreements entered into pursuant to RCW 80.28.430 and the Commission’s Policy Statement in U-210595.
  
2. Statutes and rules at issue in this Petition include RCW 80.01.040, RCW 80.28.020, WAC 480-90-203, WAC 480-100-203 and WAC 480-07-370.
  
3. PSE is a combined gas and electric utility that provides service to approximately 1,200,000 electric customers and 860,000 natural gas customers in Western Washington.

4. All correspondence related to this Petition should be directed as follows:

Puget Sound Energy  
Attn: Susan Free  
Director of Revenue Requirements and Regulatory Compliance  
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## **II. REASONS FOR REQUEST FOR DEFERRED ACCOUNTING**

5. Newly enacted RCW 80.28.430 provides statutory authority for energy utilities to provide financial assistance to certain organizations participating in regulatory processes before the Washington Utilities and Transportation Commission (“the Commission”). The statute requires a gas or electrical company to enter into one or more written funding agreements with organizations that represent broad customer interests in regulatory proceedings before the Commission.
6. In response to RCW 80.28.430, on November 19, 2021, the Commission issued a policy statement under U-210595 entitled “Policy Statement on Participatory Funding for Regulatory Proceedings”.
7. On February 14, 2022 Joint Parties<sup>1</sup> filed a petition under U-210595 requesting

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<sup>1</sup> Puget Sound Energy (“PSE”), Avista Corporation (“Avista”), PacifiCorp, Cascade Natural Gas Corporation (“Cascade”), Northwest Natural Gas (“NW Natural”), Alliance of Western Energy Consumers (“AWEC”), NW Energy Coalition (“NWEC”), The Energy Project (“TEP”), Sierra Club, Front & Centered, and Spark Northwest

approval of an Interim Agreement that was established by the Joint Parties. The Commission heard the matter at an open meeting held on February 24, 2022 and approved the agreement with modifications in Order 01 in that docket.

8. In its policy statement, the Commission set the initial level of funding for PSE at \$300,000 for the first year.<sup>2</sup> The Interim Agreement and Order 01 maintained this level of funding.<sup>3</sup> RCW 80.28.430 (3) provides that the Commission shall allow a utility to defer the amount of financial assistance provided if the utility so elects. In order to defer such costs, the Commission's policy statement requires that utilities file an accounting petition requesting deferral treatment to FERC Account 182.3, Other Regulatory Assets.<sup>4</sup> Paragraph 69 of the Commission's policy statement further provides that utilities can seek recovery of the deferrals in a general rate case or through a separate tariff schedule with an annual true-up. Ultimately, paragraph 10 of Order 01 requires that utilities must file an annual tariff filing to recover deferred amounts. However, historically, petitions for deferral treatment do not address recovery of the deferrals. Therefore, this petition does not request the rate making treatment of the financial assistance. It only requests the ability to defer those costs and the rate recovery of the deferral will be addressed in a separate proceeding.

### **III. PROPOSED ACCOUNTING TREATMENT**

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<sup>2</sup> Docket U-210595, Policy Statement on Participatory Funding for Regulatory Proceedings, paragraph 49 page 15.

<sup>3</sup> Page 4 of Attachment A to Order 01 in U-210595 and paragraph 4 of Order 01.

<sup>4</sup> Policy Statement, at paragraph 69.

9. PSE seeks authorization to defer the costs associated with providing financial assistance under RCW 80.28.430 and the modified Interim Agreement approved in Order 01 of U-210595.
10. The Company proposes to record the deferral as a regulatory asset in FERC Account 182.3. The offsetting credit will be to FERC Account 407.4, Regulatory Credits. Consistent with Order 01, the Company proposes that interest will accrue on the deferred balance at the Company's authorized net of tax rate of return grossed up for federal income tax until such time as the deferral is approved for recovery and begins amortizing. Once approved for recovery, PSE is requesting that the unamortized balance accrues interest at the then published FERC rate, updated quarterly.<sup>5</sup>

#### IV. REQUEST FOR RELIEF

11. For the reasons discussed above, PSE respectfully requests the Commission issue an Order approving the deferred accounting as set forth in this Petition.

DATED this 24th day of March 2022

**Puget Sound Energy**

By: */s/ Susan Free*

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<sup>5</sup> <https://www.ferc.gov/interest-calculation-rates-and-methodology>