

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of)	
)	Dockets UE-220407 and UG-220408
PUGET SOUND ENERGY)	
)	SECOND AMENDED PETITION OF
For an Order Authorizing Deferred Accounting)	PUGET SOUND ENERGY
Treatment for Puget Sound Energy’s Change in Costs)	
Associated With the Updated WUTC Regulatory Fee)	
<u>Approved by New Law</u>)	

I. INTRODUCTION

1. In accordance with WAC 480-07-370(3), Puget Sound Energy (“PSE” or “the Company”) respectfully petitions the Commission for an Order authorizing the accounting detailed in this Amended Petition related to the costs associated with the Commission’s regulatory fee applicable to Puget Sound Energy. This Second Amended Petition updates PSE’s First Amended Petition filed on December 20, 2022, to reflect changes to the regulatory fee.
2. Statutes and rules at issue in this Petition include RCW 80.01.040, RCW 80.28.020, RCW 80.24.010, 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 1,220,000 electric customers and 875,000 natural gas customers in Western Washington.

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

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II. REASONS FOR REQUEST FOR DEFERRED ACCOUNTING

5. For all Washington investor owned utilities (“IOU”), the regulatory fee prior to June 9, 2022 was 0.2 percent for revenues earned through 2021. Senate Bill 5634 (“SB 5634”), which became effective on June 9, 2022 raised the fee for all Washington IOUs to 0.4 percent effective June 9, 2022 for revenues earned in 2022 and after. PSE’s original and first amended accounting petitions in these dockets addressed the accounting for the fee increase from 0.2 percent to 0.4 percent.
6. Newly enacted House Bill 1589 (“HB 1589”), which is effective March 28, 2024, and which amends RCW 80.24.010, again changed the Commission regulatory fee for utilities meeting certain requirements that are only applicable to PSE.. According to RCW 80.24.010, this new rate applies to “gross operating revenue from intrastate operations for the preceding calendar year”. Therefore, it will apply to all of calendar year 2024 applicable revenues and will become

payable to the Commission in April 2025.

7. As addressed in PSE's original and first amended petition, PSE's rates vary related to which regulatory fee is included for recovery. Certain of PSE's revenues have been updated to include recovery of the regulatory fee at 0.4 percent, in which case deferral of the filing fee for these revenues had been discontinued under the first amended petition. Other revenues, including those approved in PSE's 2022 General Rate Case, dockets UE-220066 and UG-220067 still include recovery of the regulatory fee at 0.2 percent. The incremental regulatory fee expenses accrued on the base revenues approved in PSE's 2022 GRC and on revenues from tariff schedules which are still recovering at the lower regulatory fee, have been or continue to be deferred. PSE has estimated the amount of the deferral based on the regulatory fee of 0.4 percent and requested recovery in its pending general rate case, Dockets UE-240004 and UG-240005. The updated rate enacted by House Bill 1589 again changes the regulatory fee PSE pays to the Commission.
8. PSE now seeks authorization to defer the change in the regulatory fee expense resulting from the two recent changes to legislation discussed above that have or will become payable from 2023 through 2025. The calculation of the deferral would be determined by multiplying PSE's revenues that are subject to the regulatory fee, as defined by RCW 80.24.010, by the difference between the fee included in PSE's rates and the fee PSE will be charged for 2022/2023 payable in 2023/2024 or the

fee PSE will be charged in 2024 payable in 2025, as applicable. The result reflects the amount that would be deferred. As PSE updates its various tariff schedules with the applicable approved regulatory fee rate, the revenues received under the updated tariff schedules will be excluded from the base used to calculate the deferral.

9. The deferral for amounts that will or have become payable in 2023 through 2025 will continue until new rates, based on the applicable updated regulatory fee, are approved in PSE's various tariff filings. On February 15th, PSE filed its 2024 General Rate Case and the revenue requirement included in the filing only incorporated the regulatory fee from HB 5634. At its first available opportunity in the 2024 GRC proceeding, PSE will update the electric and gas conversion factors applied to gross retail base revenues to include the regulatory fee that will become payable in 2025. PSE will also update the recovery of its estimated deferrals to include the deferral related to the filing fee that will or have become payable in 2023 through 2025. It is very important to incorporate the updated filing fee from HB 1589 into PSE's GRC so it can cease the deferral related to its GRC revenues once those revenues become effective, which is expected to be in January 2025. Otherwise PSE will have to continue to defer the difference in the filing fees for the full two year multiyear rate plan.
10. The Company proposes to defer the change in regulatory fee expense due to new legislation to a miscellaneous or other deferred account. The offsetting entry will be to an other operating expense account. The Company proposes that interest will accrue on

the deferred balance until fully amortized and that the accrual rate will be at its actual cost of total debt which will be updated semi-annually.

III. 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 Second Amended Petition.

DATED this 28th day of June, 2024.

Puget Sound Energy

By /s/ Susan Free

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