

**BEFORE THE WASHINGTON  
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

Puget Sound Energy,

Respondent.

DOCKET UG-240884

ORDER 01

**CORRECTED ORDER**

COMPLAINT AND ORDER  
ALLOWING RATES SUBJECT TO  
LATER REVIEW AND REFUND;  
SETTING MATTER FOR  
ADJUDICATION

**BACKGROUND**

- 1 On November 15, 2024, in Docket UG-240884, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) proposed revisions to rates charged under its natural gas Tariff WN U-2, Schedule 111, the Greenhouse Gas Cap and Investment Adjustment, filing replacement pages on December 3, 2024.
- 2 This revision will decrease Company revenue requirement by \$61 million. The revenue requirement for 2025 for the changes in Schedule 111, including the true-ups discussed below, would result in an estimated overcollection of \$2.0 million. Overall, this proposal, including returns of substantial overcollections for 2023 and 2024, represents an average decrease of 5.37 percent for all customers affected by this tariff change. For a typical residential customer using 64 therms per month, the decrease amounts to \$3.51 per month or 3.75 percent.
- 3 The primary purpose of this tariff filing is to request cost recovery for an increase to the state-required Climate Commitment Act allowance costs through the State Carbon Reduction Charge in PSE's tariff and to provide an increase to the pass back of auction proceeds through the State Carbon Reduction Credit in the Company's tariff. Additionally, this filing asks the Commission to approve multiple true-ups, a revision to

forecasting methods, and measures for compliance with previous orders, as detailed below.

- 4 On November 22, 2024, The Energy Project and the Northwest Energy Coalition requested that the Commission “not use an expedited compliance filing process to review or approve Puget Sound Energy’s proposals for future decarbonization program design, budget, goals, or questions for the evaluation process,” calling for a more “deliberate, public process.”
- 5 Commission Staff (Staff) has reviewed the Company’s tariff filing and recommends that the Commission suspend the matter and initiate an adjudication. Staff highlights the complexity of the filing, which includes a revision to forecasting methodology, multiple true-ups, and measures for compliance with previous orders. Further, Staff notes that the currently pending adjudication in Docket UG-230968 will determine how PSE incorporates a risk sharing mechanism into Schedule 111; such that any recommendation made at this point would have to come with qualification.
- 6 This matter came before the Commission at its December 19, 2024, Open Meeting. Staff recommended that the Commission suspend the tariff sheets filed by PSE on November 15, 2024, as revised December 3, 2024, but allow the proposed rates to become effective on January 1, on an interim basis, subject to refund, pending the Commission’s final determination in this Docket and Docket UG-230968. Staff also requested the Commission order PSE to file revised tariff sheets indicating the rates are subject to refund.
- 7 At the Open Meeting, PSE asserted that this filing is set forth in the same manner as those contained in Docket UG-230968, and the tariff indicates the rates are subject to refund. PSE commented that its method for valuing CCA costs has remained the same, but the prices for CCA costs has changed. PSE also recommended the Commission issue an Order directing the Company to file revised tariff sheets by December 23, 2024, indicating that the true-up of costs included in this filing are subject to refund pending final determination of Docket UG-230968, and that allowing rates to be collected January 1, 2025, does not represent a resolution of any matter in this Docket.
- 8 Public Counsel indicated its support to set the matter for adjudication. The Energy Project provided comments expressing concern that suspension may hinder the use of CCA funds for projects.

### DISCUSSION AND DECISION

- 9 We agree with Staff's revised recommendation to set this matter for adjudication while allowing rates to go into effect, subject to later review and refund. Staff has expressed concern about allowing the Company's tariff to go into effect without the benefit of the Commission entering a decision in a related docket, UG-230968, and the Commission would benefit from a full record, including testimony and briefing from the parties.
- 10 We conclude that PSE's proposed tariff revisions might injuriously affect the rights and interests of the public, and PSE has not demonstrated that the proposed changes would result in rates that are fair, just, reasonable, equitable, and sufficient.
- 11 The Commission therefore requires PSE to file amended tariff sheets, no later than December 23, 2024, with rates effective January 1, 2025, indicating that the increased rates in this Docket are subject to refund, and sets this matter for adjudication, pending the Commission's final determination Docket UG-230968. The Commission's action in this matter is not a final resolution of the of any matter raised in this Docket, nor will it impact the rates subject to refund in Docket UG-230968.

### FINDINGS AND CONCLUSIONS

- 12 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate rates, regulations, and practices of public service companies, including electric companies and gas companies.
- 13 (2) PSE is a gas company and a public service company subject to Commission jurisdiction.
- 14 (3) The tariff revisions PSE filed on November 15, 2024, as revised December 3, 2024, might injuriously affect the rights and interests of the public.
- 15 (4) PSE has not yet demonstrated that the tariff revisions would result in rates that are fair, just, reasonable, equitable, and sufficient.
- 16 (5) In order to carry out the duties imposed upon the Commission by law, and as authorized in RCW 80.04.130, the Commission believes it is necessary to investigate PSE's books, accounts, practices, and activities; to make a valuation or appraisal of PSE's property; and to investigate and appraise various phases of PSE's operations.

- 17 (6) The Commission finds that this Docket meets the criteria of WAC 480-07-400(2)(b)(i) and that the parties may conduct discovery pursuant to the Commission's discovery rules in WAC 480-07-400 – 425.
- 18 (7) As required by RCW 80.04.130(4), PSE bears the burden to prove that the proposed increases are fair, just, reasonable, equitable, and sufficient.
- 19 (8) PSE may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with RCW 80.20.020.
- 20 (9) After considering the Company's filing, Staff's recommendation, and for good cause shown, the Commission directs the Company to file revised tariff pages, no later than December 23, 2024, with an effective date of January 1, 2025, indicating that the increased rates in this docket are subject to refund, and the Commission sets this matter for adjudication pending the Commission's final determination of this matter and a final determination in Docket UG-230968.

## **ORDER**

### **THE COMMISSION ORDERS:**

- 21 (1) The Commission orders that Puget Sound Energy shall file revised tariff pages, no later than December 23, 2024, with an effective date of January 1, 2025, indicating that the increased rates in this docket are subject to refund, and the Commission sets this matter for adjudication pending the Commission's final determination of this matter and a final determination in Docket UG-230968, and that said tariff sheets shall be effective starting January 1, 2025, subject to later refund.
- 22 (2) The Commission will hold hearings at such times and places as may be required.
- 23 (3) Puget Sound Energy must not change or alter the tariffs filed in these Dockets during the suspension period unless authorized by the Commission.
- 24 (4) The Commission will institute an investigation of Puget Sound Energy's books, accounts, practices, activities, property, and operations as described above.

- 25 (5) The parties may conduct discovery pursuant to the Commission’s discovery rules in WAC 480-07-400–425.
- 26 (6) Puget Sound Energy shall pay the expenses reasonably attributable and allocable to the Commission’s investigation consistent with RCW 80.20.020.
- 27 (7) The Commission retains jurisdiction over the subject matter and Puget Sound Energy to effectuate the provisions of this Order.

DATED at Lacey, Washington, and effective December 20, 2024.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

DAVID W. DANNER, Chair

ANN E. RENDAHL, Commissioner

MILTON H. DOUMIT, Commissioner