



Puget Sound Energy
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September 29, 2023

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Kathy Hunter, Acting Executive Director and Secretary
 Washington Utilities and Transportation Commission
 621 Woodland Square Loop SE
 Lacey, WA 98503

**RE: Advice No. 2023-44
 Puget Sound Energy's Electric Tariff Revision**

Dear Executive Director Hunter:

Pursuant to RCW 80.28.060 and WAC 480-80-101 and -105, please find enclosed for filing the following proposed revisions to the WN U-60, tariff for electric service of Puget Sound Energy ("PSE" or the "Company"):

42 nd Revision	Sheet 95	Power Cost Adjustment Clause
17 th Revision	Sheet 95-A	Power Cost Adjustment Clause (Continued)
19 th Revision	Sheet 95-B	Power Cost Adjustment Clause (Continued)
18 th Revision	Sheet 95-C	Power Cost Adjustment Clause (Continued)
11 th Revision	Sheet 95-C.1	Power Cost Adjustment Clause (Continued)
11 th Revision	Sheet 95-C.2	Power Cost Adjustment Clause (Continued)
2 nd Revision	Sheet 95-C.3	Power Cost Adjustment Clause (Continued)
18 th Revision	Sheet 95-D	Power Cost Adjustment Clause (Continued)
18 th Revision	Sheet 95-E	Power Cost Adjustment Clause (Continued)
9 th Revision	Sheet 95-E.1	Power Cost Adjustment Clause (Continued)

The purpose of this filing is to update electric Schedule 95 Power Cost Adjustment Clause rates to be recovered in 2024 in accordance with Paragraphs 28b and 29a in Appendix A to Final Order 24/10¹ ("Appendix A"). This filing updates the rate recovering the Power Cost Adjustment ("PCA") baseline by updating the power cost model as outlined in Appendix A which provides

¹ Appendix A, Settlement Stipulation and Agreement on Revenue Requirement and All Other Issues Except Tacoma LNG and PSE's Green Direct Program, to Final Order 24/10 Rejecting Tariff Sheets; Approving Settlements, with Conditions; Authorizing and Requiring Compliance Filing in Dockets UE-220066, UG-220067, and UG-210918 (Consolidated) ("2022 GRC Dockets").

for the following updates to be made to the power cost model from the 2022 GRC Dockets with the costs and inputs listed below.

- Costs associated with Mid-C hydro contracts;
- Costs associated with upstream pipeline capacity;
- Outage schedules;
- BPA rates;
- Load forecast (for the 2024 update);
- Variable O&M costs;
- Impacts to dispatch logic related to Climate Commitment Act (“CCA”) compliance;
- Hedges and physical supply contracts;
- Natural gas prices;
- Changes to terms of current resources; and
- Any new and updated resources (including transmission contracts)

Pursuant to Paragraph 29 of Appendix A, PSE also made a compliance filing in the 2022 GRC Dockets on August 1, 2023 which provided details of the complex changes that are included in this compliance filing.

This filing contains a \$185.6 million revenue requirement increase over rates previously approved for 2024 in the 2022 GRC Dockets which contained total variable power costs of \$929.9 million as shown on line 6 in column (b) in the below table.

Following the same format as the August 1st filing, PSE is submitting a narrative that provides a comprehensive description of the changes between 2023 power costs in PSE’s January 9, 2023 electric compliance filing (“Compliance Filing”) in the 2022 GRC Dockets and the updated 2024 power costs in this filing. Of note is the fact that the bill impacts for this filing are based on the power cost revenue requirement for 2024 that was approved in the Compliance Filing (as opposed to the power cost revenue requirement for 2023 containing the 2023 power costs which form the basis for the provided narrative). The below table provides a reconciliation between the Compliance Filing and this filing for 2023 power costs and 2024 revenue requirement.

Line	Description	2024	2024	Difference
		Updated Filing	Current Rates	
		(a)	(b)	(c)
1	2024 Updated Power Costs vs. 2023 Power Costs (Narrative Provided)	\$ 1,139,678,853	\$ 933,043,533	\$ 206,635,320
2	Add Earnings on Centralia Coal Transition PPA	4,105,642	4,094,424	11,218
3	Remove 557 Fixed Costs not to be updated	(17,153,943)	(16,711,586)	(442,357)
4	Add Brokerage Fees	533,893	521,380	12,513
5	2022 GRC change to 2023 for load to establish existing 2024 rates ⁽¹⁾		8,917,987	(8,917,987)
6	Updated Power Costs - Adjusted	1,127,164,445	929,865,738	197,298,707
7	Gross Up	56,399,174	46,527,070	9,872,103
8	Grossed Up Costs	1,183,563,619	976,392,809	207,170,810
9	Reduction for Load Growth Between Periods	(21,531,380)		(21,531,380)
10	Final Revenue Requirement Change	\$ 1,162,032,239	\$ 976,392,809	\$ 185,639,430
11				
12	⁽¹⁾ To establish the 2024 power cost rates that were approved in the 1/9/2023 2022 GRC compliance, 2024 power costs were			
13	adjusted to a level that resulted in the same volumetric variable baseline rate as was approved for 2023.			

In PSE's August 1st filing, PSE indicated it was still evaluating whether and to what extent it would include the impacts of the Climate Commitment Act ("CCA") in this filing. As discussed in the provided narrative, PSE has included estimated impacts of the CCA on resource dispatch which accounts for \$22.7 million for a modest portion of the requested increase in this filing.

The overall impact of this filing is an increase of 7.05 percent in overall rates from their current level. The typical residential customer using 800 kWh per month would experience an increase to their monthly bill of \$7.25 or 7.18 percent. Bill assistance programs are available to qualified customers who need help with their energy bills. PSE customers can go to <http://www.pse.com> or call 1-888-225-5773 (TTY: 1-800-962-9498) to learn if they are eligible. Payment plans are also available.

Please note that work papers submitted with this filing contain customer-specific information. PSE requests that work paper tabs marked confidential be accorded confidential treatment. Pursuant to WAC 480-07-160, they have been marked "Shaded information is designated as confidential per WAC 480-07-160."

The tariff sheets described herein reflect an issue date of September 29 2023, and effective date of January 1, 2024. Posting of proposed tariff changes, as required by law and the Commission's rules and regulations, is being completed through web, telephone and mail access in accordance with WAC 480-100-193. Notice to the public under the provisions of WAC 480-100-194 will be provided within 30 days of the January 1, 2024, effective date.

Kathy Hunter, Acting Executive Director and Secretary

September 29, 2023

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Please contact Susan Free at susan.free@pse.com for additional information about this filing. If you have any other questions, please contact me at (425) 462-3946.

Sincerely,

/s/ Birud D. Jhaveri

Birud D. Jhaveri
Director, Regulatory Affairs
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cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie

Attachments: Electric Tariff Sheets (listed above)
2024 Power Cost Update Report
Work Papers – Wind Resource Inputs
Work Papers – SCH95 Rate Design
Work Papers – 3.00 BLR Model
Work Papers – 3.01 Power Costs
Confidential Work Papers (ZIP)(C):
WP – RFPs
WP – Aurora Outputs
WP – Contracts Inputs
WP – Gas Prices
WP – Hydro
WP – Load
WP – Mid-C Chelan, Douglas Wells, Grant Priest Rapids (3)
WP – Power Costs
WP – Power Prices
WP – Thermal Resource Inputs
Redacted Work Papers (ZIP)(R):
WP – RFPs
WP – Aurora Outputs
WP – Contracts Inputs
WP – Gas Prices
WP – Hydro
WP – Load
WP – Mid-C Chelan, Douglas Wells, Grant Priest Rapids (3)
WP – Power Costs
WP – Power Prices
WP – Thermal Resource Inputs