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UG-230470

Jul 31, 2023

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Amanda Maxwell, Executive Director and Secretary Washington Utilities and Transportation Commission 621 Woodland Square Loop SE Lacey, WA 98503

Re: Docket UG-230470 (Advice No. 2023-24)

PSE's Natural Gas Tariff Filing - Filed Electronically - Do Not Redocket

Dear Executive Director Maxwell:

Puget Sound Energy ("PSE") hereby submits in connection with Docket UG-230470 the following revised tariff sheet as a substitution for the tariff sheet that accompanied its June 9, 2023 filing, submitted under Advice No. 2023-24.

## WN U-2 - (Natural Gas Tariff):

Original	Sheet No. 1111	Greenhouse Gas Emissions Cap and Invest Adjustment
Original	Sheet No. 1111-A	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)
Original	Sheet No. 1111-B	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)
Original	Sheet No. 1111-C	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)
Original	Sheet No. 1111-D	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)
Original	Sheet No. 1111-E	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)
Original	Sheet No. 1111-F	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)
Original	Sheet No. 1111-G	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)
Original	Sheet No. 1111-H	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)
Original	Sheet No. 1111-I	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)
Original	Sheet No. 1111-J	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)
Original	Sheet No. 1111-K	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)

The purpose of this substitute filing is to incorporate the following revisions to Schedule 111 as addressed through a carried motion by the Washington Utilities and Transportation Commission ("UTC") at the UTC Open Meeting on July 21, 2023: 1) The costs recovered through this tariff schedule are subject to review and refund in a future rate setting proceeding; 2) PSE shall not include the proposed State Carbon Reduction Charge (in other words, the impact of this tariff

revision) as a line item on customer bills, but shall include the State Carbon Reduction Credit on the bill; 3) PSE shall work with its Low Income Advisory Committee ("LIAC") between July and October 2023, to either identify as known low-income or automatically enroll low-income customers to reach a target of 70,000 by January 1, 2024; 4) That the approval of this tariff schedule is not precedential; and 5) That the effective date of this tariff schedule is extended until August 15, 2023, to allow PSE to address the mechanics of showing the credit on the customer bill.

PSE has revised the State Carbon Reduction Charge Monthly Rate section, beginning on Sheet 1111-D, to clarify that the State Carbon Reduction Charge shall be applied to all bills that contain gas usage under Schedule 23 during a month when Schedule 111 is effective and that the resultant charge will be included in the Other Natural Gas Charges & Credits section of the customer bill, rather than as an individual line item on the bill. For all other schedules, the State Carbon Reduction Charge shall be added to the charge(s) shown on each schedule for natural gas service, with the exception of those customers who are altogether exempt from the charges and credits as identified in the Special Terms and Conditions section. The State Carbon Reduction Credit will remain a line item on the bill, as applicable and noted in the tariff schedule.

The tariff schedule now indicates that State Carbon Reduction Charge and the State Carbon Reduction Credit will commence on October 1, 2023. This should allow PSE sufficient time to address the mechanics of only showing the State Carbon Reduction Credit on the customer bill. The proposed start date would also allow proper management of other system deployments that have already been scheduled as well as sufficient lead time for customer education.

PSE has also included language changes to clarify that the rates under this schedule are subject to review.

PSE commits to working with the LIAC between July and October 2023, to either identify as known low-income ("Identified Low-Income Customers") or automatically enroll Identified Low-Income Customers to reach a target of 70,000 by January 1, 2024. PSE notes that this large new amount of potential future Identified Low-Income Customers is achieved, even to a small degree (i.e. 25 - 50 percent of the target), it will have a large impact on the budget and revenue requirement for the upcoming cost recovery tariff schedule (future Schedule 129D) for the Bill Discount Rate (Schedule 23BDR).

Additionally, this filing clarifies the definitions of Identified Low-Income Customer and National Security Entity. Based on feedback received from Interested Parties, and specifically The Energy Project, PSE has clarified language in the definition of Identified Low-Income Customer. The definition of National Security Entity needed to be clarified so that it was clear that all government establishments of the armed forces primarily engaged in national security and related activities were included in the tariff schedule definition.

The tariff sheets described herein reflect an issue date of June 9, 2023, and effective date of August 15, 2023. Posting of proposed tariff changes, as required by WAC 480-90-193, is being accomplished by posting the proposed tariff sheets on the PSE web site coincident with the date of this transmittal letter.

Amanda Maxwell, Executive Director and Secretary July 31, 2023 Page 3 of 3

Please contact Wendy Gerlitz at (425) 462-3051 or <u>wendy.gerlitz@pse.com</u> for additional information about this filing. If you have any other questions, please contact me at (425) 462-3946.

Sincerely,

/s/ Bírud D. Jhaverí

Birud D. Jhaveri Director, Regulatory Affairs Puget Sound Energy PO Box 97034, BEL10W Bellevue, WA 98009-9734 425-462-3946 Birud.Jhaveri@pse.com

cc: Lisa Gafken, Public Counsel Sheree Carson, Perkins Coie Ed Finklea, AWEC

Attachments: Natural Gas Tariff Sheets, listed above