



Puget Sound Energy
 P.O. Box 97034
 Bellevue, WA 98009-9734
pse.com

July 6, 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: Advice No. 2023-26
 Puget Sound Energy's Electric Tariff Revision**

Dear Director Maxwell:

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"):

Original	Sheet No. 7BDR	Bill Discount Rate
Original	Sheet No. 7BDR-A	Bill Discount Rate (Continued)

Purpose of Filing and Background

The purpose of this tariff filing is for PSE to offer a new optional service as a part of its efforts to develop and enhance its services for low-income customers and to help ensure that customers have access to energy that is affordable, safe, and sustainable. PSE is proposing to establish a new tariff schedule service, Schedule 7BDR – Bill Discount Rate ("Bill Discount Rate" or "BDR") to be offered to its electric customers, in compliance with the Commission's Order No. 24/10¹.

PSE originally submitted this tariff filing as a compliance filing on June 30, 2023 in accordance with WAC 480-07-880. At the request of Commission Staff, PSE is re-submitting this as a subsequent filing.

¹ Paragraphs 11 and 263 in Final Order Rejecting Tariff Sheets; Approving Settlements, with Conditions; Authorizing and Requiring Compliance Filing ("Orders 24/10, "Orders"), in consolidated Dockets UE-220066, UG-220067 and UG-210918

Interested Party Engagement

Prior to this filing, PSE partnered with the Low-Income Advisory Committee (“LIAC”) and Community Action Partnership Agencies to design the Bill Discount Rate, including evaluating ways to provide bill discounts to customers with eligible incomes. This increased the LIAC’s involvement in the Bill Discount Rate program design and enhanced the coordination of PSE’s low-income related programs.

PSE held regular meetings with the LIAC Small Workgroup from December 2022 through June 2023. January through April, these were generally held twice per week, with May and June dropping to once per week or fewer as the need for regular sessions was reduced (approximately 40 meetings have been conducted to-date). Topics ranged broadly across requirement areas of the program. Some of the larger areas of discussion included: the overall program tier structure (number of tiers, income brackets for each, and percentage discounts) with considerable data analysis conducted for and presented during these discussions, the requirements and processes surrounding program application, how income will be defined and collected, declared eligibility, eligibility verification, program expiration and re-enrollment, overall program administration, and all of the interaction points and changes to PSE HELP to align with the Bill Discount Rate and associated processes.

PSE agrees that the LIAC will periodically re-evaluate the BDR program design to consider revisions to the BDR. Before October 1, 2024, PSE and the LIAC plan to revisit the following:

- are the BDR tiers and discount percentages, together with PSE HELP, generally reducing participating customers’ energy burden to at or below 6% of their total annual income on average,
- customer experience and application process, including languages available,
- program administration and implementation,
- enrollment term,
- eligibility verification selection process and sample size, and
- categorical eligibility and automatic enrollment.

PSE agrees that the LIAC will revisit the issue of implementing the BDR in a manner that maximizes the use of government funds in the first quarter of 2024, using data received after the implementation of the Bill Discount Rate, with the goal of ensuring government funds (*e.g.*, LIHEAP) are both available and used before ratepayer funds, where possible. By April 2025, the LIAC will again evaluate the entire assistance portfolio after the Arrearage Management Plan has been implemented. PSE will collect and report to the LIAC data concerning the use of federal vs. ratepayer funds and the impact on customer benefits. PSE will endeavor to make the changes discussed with the LIAC regarding maximizing government funds within the calendar year the changes are discussed with the LIAC. PSE agrees to maintain a budget for continuous improvement of its energy assistance and billing software through December 31, 2025.

Cost Recovery

Consistent with Commission's Order No. 24/10², prior to October 1, 2023, PSE will establish electric Schedule 129D, Bill Discount Rate Rider, which allows the Company to recover the cost of its Bill Discount Rate, including administrative costs. PSE will file updated Schedule 129D rates in 2024 and beyond as appropriate.

Arrearage Management Plan

Concurrent with this filing, PSE is making a compliance filing seeking acknowledgement of its draft Arrearage Management Plan ("AMP") program design. PSE will partner with the LIAC to evaluate the program design and finalize an AMP which will be filed with the Commission prior to October 2024.

The Customer Experience

Customer engagement and enrollment will begin on October 1, 2023, concurrent with the launch of the Bill Discount Rate service. To gain visibility and customer engagement, PSE is planning the following customer engagement elements:

- In addition to linking to the application portal, the program page on pse.com will feature a widget, which after inputting household income, number in household and county of residence, will provide the customer with a preliminary indicating whether the customer appears to qualify. It will then direct the customer to the application portal. The purpose of this widget is to increase customer engagement and add motivation for completing the application process.
- Program support – Beginning October 15, 2023, PSE will engage in a bilingual campaign that includes community outreach, social media and digital advertising, radio and direct mail, and PSE-owned channels such as the pse.com homepage, presence on PSE's Facebook page, and the monthly Voice bill newsletter with mentions on billing envelopes.

PSE Roles and Obligations

PSE will open the Bill Discount Rate for enrollment beginning October 1, 2023. To receive the discount under Schedule 7BDR, a customer must declare their eligibility during the enrollment process. A participating customer who is determined to meet the eligibility requirements will need to re-declare their eligibility every thirteen months. Each year, PSE will select at random a sampling of customers and will request additional information to verify customer eligibility. In the first program year, PSE will choose a sample size of five percent of its applicants. In subsequent program years, PSE will work with the LIAC to revisit the appropriate means of selection and sample size.

In addition to charges under the customer's existing electric service schedule, Schedule 7BDR monthly rates include a percentage of credit which will apply to the customer's monthly Basic Charge and the Electricity Charge which is listed on the customer's bill. Discounts will

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commence with the customer's normal billing cycle for that specified account under which the customer is already taking service. The discount tier the customer receives will be determined by the customer's declared eligibility during the enrollment process. The discount provided in each tier, when combined with PSE's other energy assistance programs, is designed to reduce the average participant's energy burden to less than six percent of their total annual income.

A customer taking service under the Time Varying Rate Pilot ("TVR") Schedule 317 (Residential Time-of-Use with Peak Time Rebate) who is also taking service under Schedule 7BDR will have any applicable Peak Time Rebate Credit adjusted by the same percentage as their Bill Discount Rate Adjustment Discount Tier in Schedule 7BDR. The Peak Time Rebate Credit under Schedule 317 is commensurate to the difference between the cost for consuming electricity during critical peak events and peak periods. For customers taking service under Schedule 7BDR, the Peak Time Rebate Credit shall be adjusted to reflect the Bill Discount Rate Adjustment they receive, preserving the critical peak rate to peak rate ratio needed to measure customer responsiveness to Peak Time Rebate Credits and to compare that responsiveness to that of customers receiving different discounts on Schedule 7BDR and customers that are not taking service under Schedule 7BDR for TVR pilot evaluation purpose.

The tariff sheets described herein reflect an issue date of June 30, 2023, and effective date of August 11, 2023. 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. As required by WAC 480-07-880(3) a copy of this compliance filing is being served on each party to the general rate case proceeding. The filing is being served via email.

Please contact Veronica Martin at veronica.martin@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
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

Attachments: Electric Tariff Sheets (listed above)
Certificate of Service