



Puget Sound Energy  
P.O. Box 97034  
Bellevue, WA 98009-9734  
[pse.com](http://pse.com)

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

**Re: Advice No. 2025-13  
PSE's Electric Tariff Filing**

Dear Executive Director Killip:

Puget Sound Energy ("PSE") hereby submits proposed revisions to its electric Schedule 120, Electricity Conservation Service Rider. This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, includes revisions to the following electric tariff sheets.

WN U-60, Tariff G - (Electric Tariff):

- 33<sup>rd</sup> Revision of Sheet No. 120 - Electricity Conservation Service Rider
- 34<sup>th</sup> Revision of Sheet No. 120-A - Electricity Conservation Service Rider (Continued)
- 37<sup>th</sup> Revision of Sheet No. 120-B - Electricity Conservation Service Rider (Continued)
- 32<sup>nd</sup> Revision of Sheet No. 120-C - Electricity Conservation Service Rider (Continued)
- 30<sup>th</sup> Revision of Sheet No. 120-D - Electricity Conservation Service Rider (Continued)
- 31<sup>st</sup> Revision of Sheet No. 120-E - Electricity Conservation Service Rider (Continued)
- 14<sup>th</sup> Revision of Sheet No. 120-F - Electricity Conservation Service Rider (Continued)
- 12<sup>th</sup> Revision of Sheet No. 120-G - Electricity Conservation Service Rider (Continued)

The purpose of this tariff filing is to implement changes to rates under the conservation rider mechanism, as provided in the following dockets: the Commission's order in Docket UE-970686 (the "Order"); the Settlement Terms for Conservation ("Settlement") approved by the Commission in Docket UE-100177; and the Commission's Order 01 in Docket UE-210822 ("Order 01").

In Docket UE-230892 the Commission approved PSE's 2024-2025 conservation target of 304,400 MWh, as reported at the customer meter. That approved goal represents the total available conservation resources that are cost-effective, reliable and feasible, that PSE could expect to acquire in the 2024-2025 biennium. This tariff filing also contains \$1 million in cost recovery for the Demand Response ("DR") Performance Incentive Mechanism ("PIM"), per the

approved PIM in Docket UE-220066 in the Settlement Stipulation and Agreement on Revenue Requirement and All Other Issues Except Tacoma LNG and Green Direct. The PIM is based on exceeding the DR target of 40 MW by 15 percent in 2024. PSE reported its July 8, 2024 peak load reduction of 50.56 MW to the CRAG at its August 7, 2024 meeting.

This tariff filing revises the Electricity Conservation Rider charges for all tariff schedules except for customers under Schedules 448, 449, 458 and 459, whose rates remain constant until May 1, 2026. The proposed rate changes reflect both an increase in the amount of approved costs budgeted for the upcoming year, the true-up and approval of actual costs, and actual collections over the past year. In addition, a rate is included for a new tariff Schedule 558 Electric Vehicle Fleet Charging General Service. PSE plans to propose the new tariff schedule in a filing made prior to the Commission's April review of this electric Schedule 120 docket.

The revenue requirement requested in this filing is \$157.4 million which includes 2025 conservation costs, true-up of 2023 and 2024, and Schedule 258 collections (for customers under Schedules 449 and 459). This is \$38.6 million higher than the \$118.8 million requested in last year's filing under Docket UE-240138. Schedule 120 also recovers costs associated with PSE's Net Metering Services (Schedule 150); in the year 2024 those actual costs were approximately \$4.4 million.

The \$38.6 million increase to the revenue requirement is comprised of the following:

- \$13.9 million – 2025 Program Year Budget
- \$21.9 million – Spending Variance
- (\$1.3) million – Removal of Schedule 95A Residual Balance (one-time)
- \$1.0 million – Demand Response Performance Incentive Mechanism
- \$3.1 million – Load Variance and Revenue Sensitive Fee and Taxes

Expenditures fluctuated by conservation program in 2024 but generally ended up above budget. This trend was largely due to increased customer participation in programs and tracked the increase in savings. Residential Energy Management (REM) exceeded its budget by 11 percent and exceeded its savings goal by 17 percent. Business Energy Management (BEM) exceeded its budget by 48 percent while exceeding its savings goal by 54 percent. The overall electric expenditures by both sectors exceeded budget by 19 percent while the savings achievement was 29 percent over goal. These savings will be reflected in PSE's 2024 Annual Report of Energy Efficiency Conservation Accomplishments to be filed on or around March 31.

Overall, this proposal represents a revenue requirement increase and an increase for customers affected by this tariff change of 1.15 percent in overall bills. A typical residential customer on Schedule 7 using 800 kWh per month would experience an increase of \$1.37 per month or 1.49 percent.

The tariff sheets described herein reflect an issue date of February 28, 2025, and an effective date of May 1, 2025. Posting of proposed tariff changes, as required by WAC 480-100-193, is being

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accomplished by posting the proposed tariff sheets on the PSE web site coincident with the date of this transmittal letter. Notice to the public under the provisions of WAC 480-100-194 will be provided within 30 days of the requested May 1, 2025 effective date.

Please contact Julie Waltari at [julie.waltari@pse.com](mailto:julie.waltari@pse.com) or (425) 456-2945 for additional information about this filing. If you have any other questions, please contact me at [Birud.Jhaveri@pse.com](mailto:Birud.Jhaveri@pse.com).

Sincerely,

*/s/ Birud D. Jhaveri*

Birud D. Jhaveri  
Director, Regulatory Affairs  
Puget Sound Energy  
P. O. Box 97034, BEL10W  
Bellevue, WA 98009-9734  
[Birud.Jhaveri@pse.com](mailto:Birud.Jhaveri@pse.com)

cc: Tad O'Neill, Public Counsel  
Sheree Carson, Perkins Coie

Attachments:

Electric Tariff Sheets (listed above)

Revenue Requirement Work Paper

Cost of Service Work Paper