

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY,

Respondent.

DOCKET UE-250537

ORDER 01

COMPLAINT AND ORDER
SUSPENDING TARIFF REVISIONS

BACKGROUND

- ¹ On January 15, 2025, the Washington Utilities and Transportation Commission (Commission) entered its Final Order 09/07 in Puget Sound Energy's (PSE or Company) 2024 general rate case (GRC) approving a two-year multiyear rate plan (MYRP) for 2025 and 2026.¹ In Final Order 09/07, among other things, the Commission rejected PSE's proposal to change the status quo prudence determinations for power costs and set the schedule for power cost only rate cases (PCORC) or power cost adjustment mechanism (PCAM) updates to occur over the two-year MYRP.²
- ² On July 8, 2025, in Docket UE-250537, PSE filed with the Commission proposed revisions to its currently effective electric tariff, WN U-60, Schedule 95 Power Cost Adjustment Mechanism, requesting the elimination of dead band and sharing bands from its PCAM effective December 31, 2025.³ PSE's purpose in filing this request is to: (1) change its method of calculation for future rates under Schedule 95; (2) streamline its PCAM operations; (3) better align the Company's PCAM with widely-accepted industry

¹ *Wash. Utils. & Transp. Comm'n v. Puget Sound Energy*, Dockets UE-240004, UG-240005, and UE-230810 (*consolidated*), Final Order 09/07 (January 15, 2025).

² Dockets UE-240004, UG-240005, and UE-230810 (*consolidated*), Final Order 09/07 at 119-120 ¶¶ 380 - 381.

³ *Washington Utilities and Transportation Commission (W.U.T.C.) v. Puget Sound Energy (PSE)*, Docket UE-250537, Pre-filed Direct Testimony of Jon A. Piliaris on behalf of Puget Sound Energy, Piliaris, Exh. JAP-01T at 1:19-20 and 2:1-2 (July 8, 2025) and PSE's cover letter at 1 (July 8, 2025).

standards;⁴ (4) improve the management and control of power costs and bands that contribute to PSE's credit weaknesses;⁵ and (5) demonstrate to the Commission that PCAM bands are contrary to clean energy policies and result in increasing utility service costs for customers.⁶

- 3 Under the proposed revisions to electric Tariff WN U-60, Schedule 95, the new language provides that:

[e]ffective January 1, 2026, the calculation of the share of the power cost imbalance under the Power Cost Adjustment Mechanism will reflect the complete elimination of the dead bands and the sharing bands that were required in Dockets UE-011570 (12th Supplemental Order, November 26, 2001) and UE-130617 (Order 11, August 7, 2015)."⁷

- 4 On July 25, 2025, Commission staff (Staff) filed a response in this docket to PSE's July 8, 2025, filing, arguing that the Company's request for elimination of the deadbands and sharing bands under its PCAM should be rejected under RCW 80.28.425(4) and (5).⁸ Primarily, Staff argues that PSE failed to raise its concerns about the PCAM being approved in its current form when filing its January 24, 2025 Petition for Reconsideration⁹ and is bound by the terms of the PCAM as they currently exist under the two-year Commission approved MYRP.¹⁰ Staff further argues that as a matter of policy, altering such terms would "undermine the purpose and intent of the MYRP statute,"¹¹ which as the Commission has recognized "is to provide stability and assurance to the Company *and* the ratepayer"¹² and would be "antithetical to ratepayer stability and

⁴ PSE's cover letter at 1.

⁵ Piliaris, Exh. JAP-01T at 4:1-4.

⁶ *Id* at 5:10-13.

⁷ The new language replaces language that previously read "Beginning January 29, 2025, as ordered in Docket UE-240004, Schedule 95 rates in Section 3 Monthly Rate are set to zero and instead embedded in and reflected as part of the power cost baseline." *See* Docket UE-250537, WN U-60, 3rd Revision of Tariff Sheet No. 95-E.2, Electric Tariff G (July 8, 2025).

⁸ Docket UE-250537, Commission Staff's Response to Petition (Staff's Response) (July 25, 2025).

⁹ Staff's Response at 1 ¶ 1.

¹⁰ *Id* at 2 ¶ 4

¹¹ *Id* at 5 ¶ 9.

¹² *W.U.T.C. v. Avista Corp.*, Dockets UE-240006 and UE-240007 (*consolidated*), Order 08 at 95, ¶ 354 (December, 20, 2024) (Emphasis in original).

assurance.”¹³ While Staff acknowledges that PSE’s proposed revisions to Schedule 95 would not immediately impact rates, it highlights that allowing the Company to modify terms of its tariff that were just established in its recent 2024 GRC would open the door to other utilities to file revisions to other tariff schedules within the effective period of the MYRP.¹⁴ Finally, Staff cites to other recently litigated proposals to remove deadbands and sharing bands from PCAM’s as instructive to support its position to deny PSE’s request and to highlight that no new arguments have been raised.¹⁵

5 On August 5, 2025, PSE filed a Brief in Opposition to Staff’s Request to summarily reject its July 8, 2025, electric tariff filing in this docket, arguing that “Staff’s request is procedurally defective, misapplies RCW 80.28.425, and that its arguments are unpersuasive.”¹⁶ PSE argues that its filing “revises one tariff sheet to eliminate the Company’s” PCAM deadband and sharing bands and “is fully compliant in form and substance.”¹⁷ Accordingly, PSE requests that the Commission “suspend the tariff and set the matter for adjudication pursuant to RCW 80.04.130 and WAC 480-80-121” on the basis that a summary rejection of its tariff would contravene its rights under Washington statutes, Commission rules, and the public interest.¹⁸ To support its request, PSE argues that: (1) Staff’s request ignores its tariff filing rights under RCW 80.28.060 to file “a change in any rate or charge” in its Schedule 95;¹⁹ and (2) PSE’s PCAM operates independently from the Commission’s MYRP statute as “one of several periodic rate adjustments” separate from GRCs as recognized “by the Commission in WAC 480-07-505(2)(a) in addition to purchased gas cost adjustments and decoupling adjustments.”²⁰ Finally, PSE clarifies for the record that it has not requested reconsideration of Final

¹³ Staff’s Response at 5 ¶ 9.

¹⁴ *Id.* at 5-6 ¶ 9.

¹⁵ Staff’s Response at 6 – 9 ¶¶ 10-15 citing *W.U.T.C. v. PacifiCorp d/b/a Pacific Power and Light Co.*, UE-230172, Order 08, at 125 ¶ 394 (March 19, 2024), *Avista*, Order 08, at 51 ¶ 194 and *W.U.T.C. v. Puget Sound Energy*, UG-230968, Order 05, at 18-19 (Feb. 21, 2025).

¹⁶ Docket UE-250537, Puget Sound Energy’s Brief In Opposition to Staff’s Request to Reject Tariff Filing (PSE’s Reply Brief) at 1 ¶ 1 (August 5, 2025).

¹⁷ *Id.*

¹⁸ *Id.*

¹⁹ PSE’s Reply Brief at 2-3 ¶¶ 2-4.

²⁰ PSE’s Reply Brief at 3 ¶ 5. See also RCW 80.28.425 which is the statutory provision that governs MYRP and RCW 80.28.060, which governs tariff changes to a PCAM.

Order 09/07 from its 2024 GRC under WAC 480-07-370 and does not desire reconsideration or rehearing pursuant to WAC 480-07-870 of that Order.²¹

- 6 This matter came before the Commission at its regularly scheduled August 7, 2025, open meeting. The Commission heard arguments from Staff, PSE, Public Counsel, AWEC, and NWEA. Staff, Public Counsel, AWEC, and NWEA all argued that while PSE's sharing bands were not proposed to be amended as part of its last general rate case, the PCAM and sharing bands were discussed as part of the rate case as was the Company's overall risk profile and overall return on equity and should be considered as a part of the approved multi-year rate plan. Staff and AWEC recommended that the Commission reject PSE's filing as a matter of law. Public Counsel recommended that the Commission could hold the matter over for a later open meeting to allow for additional briefing. PSE recommended that the Commission suspend this matter for adjudication. Staff, Public Counsel, and AWEC all asserted that an adjudication in this matter would not only be inappropriate legally but would be a strain on Commission and intervenor resources.
- 7 Further, NWEA and Staff raised concerns about the number of single-issue rate filings in Washington. The intent of the multi-year rate plan statute was to reduce these filings, but such a reduction has not come to fruition. Further, NWEA and Staff raised concerns that adopting PSE's argument that sharing bands were not part of the general rate case would require the Commission to iterate all matters which are uncontested in its orders, creating exceptional burden and significantly lengthening what are already very long orders.

DISCUSSION AND DECISION

- 8 PSE's July 8, 2025, filing in this docket might injuriously affect the rights and interests of the public, and PSE has not demonstrated that its filings are fully compliant in form and substance. Accordingly, pursuant to RCW 80.04.130(1), the Commission, therefore, suspends the Company's filing and will hold public hearings, if necessary, to resolve the issues presented in the Company's filing, Staff's response, and the arguments presented during the open meeting.
- 9 In suspending this docket, the Commission does so without prejudice to the parties' legal arguments and accordingly exempt the parties from the deadlines for dispositive motions under WAC 480-07-380 and allow the deadlines and timelines to be set at a prehearing conference. The Commission expects that the legal issues will be addressed first in this

²¹ PSE's Reply Brief at 6 ¶¶ 9-10.

proceeding. Further, in suspending this docket, the Commission in no way waives or concedes its authority to reject PSE's filing pursuant to RCW 80.28.425(4) and (5).

FINDINGS AND CONCLUSIONS

- 10 (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.
- 11 (2) Puget Sound Energy is an electric company and a public service company subject to Commission jurisdiction.
- 12 (3) Puget Sound Energy has not demonstrated that the revisions it filed on July 8, to its currently effective electric tariff, WN U-60, Schedule 95, Power Cost Adjustment Mechanism are fully compliant in substance and form and might injuriously affect the rights and interests of the public.
- 13 (4) This matter came before the Commission at its regularly scheduled open meeting on August 7, 2025.
- 14 (5) The Commission finds good cause, on its own motion, to exempt the parties from the deadlines for dispositive motions in WAC 480-07-380 and allow the deadlines and timelines to be set at a prehearing conference.
- 15 (6) The Commission finds that this docket meets the criteria of WAC 480-07-400(2)(b)(i) and the parties may conduct discovery pursuant to the Commission's discovery rules in WAC 480-07-400 – 425.
- 16 (7) As required by RCW 80.04.130(4), Puget Sound Energy bears the burden to prove that its proposal is fair, just, reasonable, and sufficient.
- 17 (8) Puget Sound Energy may be required to pay the expenses reasonably attributable and allocable to such an investigation, consistent with RCW 80.20.020.

ORDER

THE COMMISSION ORDERS:

- 18 (1) The revisions Puget Sound Energy filed on July 8, 2025, in this docket for its
 electric tariff, WN U-60, Schedule 95, are suspended.
- 19 (2) The Commission exempts the parties from the deadlines for dispositive motions
 in WAC 480-07-380 and will allow the deadlines and timelines to be set at a
 prehearing conference.
- 20 (3) The Commission will hold hearings at such times and places as may be required.
- 21 (4) Puget Sound Energy must not change or alter the tariffs filed in this docket during
 the suspension period unless authorized by the Commission
- 22 (5) The parties may conduct discovery pursuant to the Commission's discovery rules
 in WAC 480-07-400 – 425.
- 23 (6) Puget Sound Energy shall pay the expenses reasonably attributable and allocable
 to the Commission's investigation consistent with RCW 80.20.020.

DATED at Lacey, Washington, and effective August 7, 2025.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



BRIAN J. RYBARIK, Chair



ANN E. RENDAHL, Commissioner



MILTON H. DOUMIT, Commissioner