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

**RE: Docket UE-240288 (Advice No. 2024-19)  
 Puget Sound Energy’s Electric Tariff Revision – Do Not Redocket**

Dear Executive Director Killip:

Puget Sound Energy (“PSE”) hereby submits proposed revisions to its electric Schedule 95, Power Cost Adjustment Clause, and electric Schedule 139, Voluntary Long Term Renewable Energy Purchase Rider. This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, proposes revisions to the following electric tariff sheets.

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

4 <sup>th</sup> Revision	Sheet No. 95-E.3	Power Cost Adjustment Clause (Continued)
2 <sup>nd</sup> Revision	Sheet No. 95-E.4	Power Cost Adjustment Clause (Continued)
2 <sup>nd</sup> Revision	Sheet No. 95-E.5	Power Cost Adjustment Clause (Continued)
2 <sup>nd</sup> Revision	Sheet No. 95-E.6	Power Cost Adjustment Clause (Continued)
2 <sup>nd</sup> Revision	Sheet No. 95-E.7	Power Cost Adjustment Clause (Continued)
2 <sup>nd</sup> Revision	Sheet No. 95-E.8	Power Cost Adjustment Clause (Continued)
2 <sup>nd</sup> Revision	Sheet No. 95-E.9	Power Cost Adjustment Clause (Continued)
3 <sup>rd</sup> Revision	Sheet No. 95-E.10	Power Cost Adjustment Clause (Continued)
5 <sup>th</sup> Revision	Sheet No. 139-F	Voluntary Long Term Renewable Energy Purchase Rider (Continued)

The purpose of this filing is to revise the electric schedules mentioned above in accordance with the Petition of PSE for approval of its 2023 Power Cost Adjustment Mechanism Annual Report. This Petition presents for the Commission’s review and approval PSE’s Power Cost Adjustment Mechanism Annual Report for the twelve months ended December 31, 2023. The Petition is filed in compliance with the Sixteenth Supplemental Order (Amending the Twelfth Supplemental Order) in Dockets UE-011670 and UG-011671 and the Final Order Approving and Adopting Settlement Stipulations (Order 11) in Docket UE-130617. Per Attachment A to the Settlement Stipulation approved under Order 11 in Docket UE-130617, the Commission must review and approve the filing by September 30 of this year<sup>1</sup>.

<sup>1</sup> Order 01 Approving Power Cost Adjustment Mechanism Annual Report Subject to Conditions in Docket UE-230313

The Petition also requests that the Commission approve PSE's proposed methodology, as described in Exh. SEF-1T submitted with the petition, for recovering the 2024 customer deferral at the same time as it is passing-back the 2023 customer payable, beginning October 1, 2024 as allowed under the PCA mechanism. PSE's petition proposes that the actual 2024 customer receivable be subject to final review and approval in next year's PCA annual compliance filing to be filed in April 2025 once actual amounts are known. It also requests that the difference between the forecasted imbalance recovered and the actual approved balance will be trued up either through pass-back or collection through the Schedule 95 supplemental surcharge or returned to the residual PCA customer deferral account for later dispensation.

The Power Cost Adjustment ("PCA") mechanism accounts for differences in PSE's actual power costs relative to the power cost baseline recovered in rates. During 2023, actual power costs were \$51.1 million lower than power costs recovered in rates ("imbalance"), and after application of the sharing bands and interest and grossing up for revenue sensitive fees and taxes, results in a \$22.2 million payable to customers. The reasons for this over-recovery are discussed in the Prefiled Direct Testimony of Brennan D. Mueller filed concurrent with this report. With this petition, PSE is requesting approval of the 2023 imbalance as well as approval of the final allocation of the imbalance between customers and PSE, including interest. More detail regarding the calculations supporting the amounts requested for approval are included in the Prefiled Direct Testimony of Susan E. Free also filed concurrent with this report.

In January 2024, the Pacific Northwest region experienced an extreme cold weather event lasting six days, where temperatures were extraordinarily low and sent regional day ahead power prices to trade near the \$1,000 Mid-C price cap for six days straight. PSE's current power cost forecast for 2024, which includes updates for actual activity through March 2024, anticipates the customer share of the 2024 PCA imbalance will be an under-recovery that is forecasted to be a receivable of \$98.2 million dollars from customers. The basis for this estimate is discussed in Mr. Mueller's testimony. Given these circumstances, PSE has also submitted a tariff revision within this filing in which PSE proposes to set and recover both the 2023 PCA imbalance customer payable and the 2024 estimated PCA imbalance customer receivable together (collectively, the "net customer deferral") over a fifteen (15) month recovery period starting October 1, 2024, through December 31, 2025. Recovery of the estimated 2024 PCA imbalance customer receivable is allowed under Attachment A to Settlement Stipulation 3 to Order 11 in Docket UE-130617. This proposal is discussed in testimony by Ms. Free.

The customer's share of PSE's net customer deferral is \$76.0 million after including interest and adjusting for revenue sensitive fees and taxes. PSE's proposal involves maintaining the current Schedule 95 Supplemental Rate which is recovering the 2022 PCA imbalance customer receivable through December 31, 2024 and to begin recovery of the net customer deferral over a 15-month period starting October 1, 2024. This translates to 1.81 percent overall increase from October 2024 to December 2024, since the proposed increase commences while the current Schedule 95 Supplemental Rate is in effect, and 0.10% overall increase from October 2024 to December 2025 (the full 15-month recovery period) due to the expiration of the current Schedule 95 Supplemental Rate post December 2024. The reasons for PSE's recovery proposal are twofold: firstly, to improve rate stability by offsetting and recovering the 2023 and estimated 2024 imbalances at the same time, and secondly, to align the zeroing out of the \$76 million of rates recovery that is currently in effect, recovering the 2022 PCA imbalance customer

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receivable with the timing of any potential general rate case increases, thus helping to mitigate those future increases.

For a typical residential customer on Schedule 7 consuming 800 kWh per month, this translates to two rate adjustments: an increase of \$2.31 per month or 2.11 percent as of October 1, 2024, and a decrease of \$2.78 per month or 2.50 percent as of January 1, 2025, coinciding with the cessation of the current 2022 PCA imbalance rate. Bill assistance programs such as PSE's Bill Discount Rate, PSE Home Energy Lifeline Program ("HELP"), the Low Income Home Energy Assistance Program ("LIHEAP"), and the Salvation Army Warm Home Fund are available to qualified customers who need help with their energy bills. PSE customers can go to [pse.com/assistance](http://pse.com/assistance) or call 1-888-225-5773 to learn if they are eligible. Payment plans are also available.

The tariff sheets described herein reflect an issue date of April 30, 2024, and effective date of October 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. Public notice pursuant to provision WAC 480-100-194 will be provided no later than 30 days from the October 1, 2024, effective date.

Please contact Veronica Martin at [veronica.martin@pse.com](mailto:veronica.martin@pse.com) or Elena Zakharova at [elena.zakharova@pse.com](mailto:elena.zakharova@pse.com) 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*

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

Attachments: Electric Tariff Sheets (listed above)  
Workpapers