

**BEFORE THE WASHINGTON
UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of

PUGET SOUND ENERGY,

Petitioner,

For an Order Approving Revisions to WN U-60, Schedule 141WFP Wildfire Prevention Tracker

DOCKET UE-250931

ORDER 01

GRANTING PETITION TO DEFER ACCOUNTING TREATMENT OF PSE'S WILDFIRE INSURANCE COSTS

BACKGROUND

- 1 On November 25, 2025, Puget Sound Energy (PSE or Company) filed with the Washington Utilities and Transportation Commission (Commission) proposed revisions to Tariff WN U-60, Schedule 141WFP Wildfire Prevention Tracker (Schedule 141WFP or Wildfire Tracker), which if approved would increase the revenue requirement by \$23.4 million, representing an average increase of 0.63 percent for all customers.
- 2 Subsequently, PSE filed replacement pages on December 16, 2025, and February 17, 2026, and filed replacement workpapers on March 4, 2026. PSE's February 17, 2026, filing did not substantively amend the proposed revisions, but extended the tariff effective date to March 14, 2026.
- 3 This filing is the first time that PSE's Wildfire Tracker has come before the Commission since an order was issued in the 2024 general rate case (GRC) granting PSE's request to use the tracker. In this filing, PSE is requesting an additional \$23,405,815 above what was planned for 2026 in the 2024 GRC. Final Order 09/07 authorizes the PSE Wildfire Tracker to operate outside a GRC and directs the Company to file an annual true up of its deferred balances in the account, with the first true up to occur on or about January 30, 2026.^{1, 2} Because the Wildfire Tracker includes capital expenses, this tracker includes a full revenue requirement adjustment model. Further, Order 09/07 allows the Company to

¹ 2024 PSE GRC Order at 74, ¶ 217.

² The Commission approved PSE's proposal for the tracker. *See Wash. Utils. & Transp. Comm'n v. Puget Sound Energy*, Dockets UE-240004, UG-240005, and UE-230810, Direct Testimony of Susan Free, Exh. SEF-1T at 18 (Feb. 15, 2024).

true-up past spending as well as update and include forecasted capital and operations and maintenance (O&M) expenses in rates.^{3, 4} Order 09/07 also allows the Company to collect forecasted wildfire related costs and forecasted insurance premiums.⁵

- 4 In this docket, the increase to Schedule 141 WFP is due to multiple factors, one of which includes recovery of costs associated with its petition for deferred accounting treatment of wildfire insurance premiums requested in UE-231048 in the amount of \$6.2 million.⁶ The Commission previously granted PSE’s petition for deferred accounting treatment for insurance premium increases between December 2023 and December 2024 on February 13, 2025.⁷ PSE now seeks to collect the costs previously deferred.
- 5 A summary of all of the requested cost increases is shown in Table 1.

Table 1. Summary of PSE’s Proposed Increase to 2026 Revenue Requirement

	UE-250931 Tracker Request (changes from approved 2025 rates)*	Number Based on Actuals or Forecasts	Percentage of the total Proposed 2026 revenue requirement increase
Amortization of Wildfire Insurance Deferral ⁸	\$6,213,445	Actuals	26.5%
Tracker True-up	\$6,236,261	Actual	26.6%
2026 Forecast O&M Expense	\$3,032,023	Forecast	12.9%

³ 2024 PSE GRC Order at p. 71.

⁴ The Commission approved PSE’s proposal for the tracker. *See Wash. Utils. & Transp. Comm’n v. Puget Sound Energy*, Dockets UE-240004, UG-240005, & UE-230810, Direct Testimony of Susan Free, Exh. SEF-1T at 18 (Feb. 15, 2024).

⁵ *In the Matter of the Petition for PSE Sound Energy for an Order Authorizing Deferred Accounting Treatment of PSE’s Wildfire Insurance Costs*, Docket UE-231048, Order 01 at ¶ 3(Feb. 13, 2025).

⁶ PSE’s Advice Cover Letter, at p. 2 (Nov. 25, 2025).

⁷ *In the Matter of the Petition for PSE Sound Energy for an Order Authorizing Deferred Accounting Treatment of PSE’s Wildfire Insurance Costs*, Docket UE-231048, Order 01 (Feb. 13, 2025).

⁸ *In the Matter of the Petition for PSE Sound Energy for an Order Authorizing Deferred Accounting Treatment of PSE’s Wildfire Insurance Costs*, Docket UE-231048, Order 01 (Feb. 13, 2025).

2026 Wildfire Insurance Liability Expense	\$2,246,683	Forecast	9.6%
2026 Depreciation Expense	\$1,968,877	Forecast	8.4%
Return on Utility Plant Rate Base	\$3,708,525	Forecast	15.8%
Proposed Increase to Revenue Requirement for 2026	\$23,405,815		

*Grossed up numbers

- 6 Roughly half of the requested increase is due to higher-than-predicted actual expenses (actuals). For the backwards looking actuals, the roughly \$12.5 million being sought is attributed to amortization of insurance premiums from 2023-2025, and the tracker true up between 2025 actuals and forecasts.
- 7 The remaining portion of the revenue request is due mostly to updating the forecast based on forward looking spending between October 2025 and December 2026. PSE forecasts a \$3.0 million increase for O&M expenses and \$2.2 million increase for wildfire liability insurance. This forecast also includes a \$3.7 million increase on utility plant return and a \$1.9 million increase to depreciation due to additional plant investment.
- 8 On January 21, 2025, PSE submitted its compliance filing for its GRC, removing the deferral associated with the Petition filed December 22, 2023, in Docket UE-231048.
- 9 On March 6, 2026, the Attorney General’s Office – Public Counsel Unit (Public Counsel) filed comments in this docket. Public Counsel first comments that “since PSE’s option to file multi-year rate plans already offers relief from regulatory lag, there is no need for a wildfire cost tracker.”⁹ Public Counsel offers that if the Commission elects to retain the tracker, PSE should be required “to design the tracker with cost reduction incentives, to the extent possible, and strictly limit its recovery of tracker costs to incremental costs related to wildfire risk mitigation.”¹⁰

⁹ Public Counsel’s Comments, at p. 1.

¹⁰ Public Counsel’s Comments, at p. 1.

10 Commission staff (Staff) reviewed the Company's proposed tariff revisions and makes several recommendations, separating the revisions into those which are forward- and backward-looking items. Together, Staff recommends the following:

1. Allow PSE to recover its tracker-true up request for 2025;
2. Allow PSE to update its O&M forecast to rates for 2026;
3. Allow the amortization of the UE-231048 insurance deferral (December 2023-January 2025) to go into rates subject to refund with the following conditions:
 - a. The Commission orders PSE to provide Staff and other interested parties, within 30-days of today's open meeting, with detailed documentation of its decision process and the analysis PSE relied on to make the decision to maintain insurance coverage levels at rising costs, so that Staff may assess the prudence of PSE's decision making;
4. Allow 2026 wildfire insurance liability expense subject to refund with the following conditions:
 - a. The Commission order PSE to update its tariff sheet to reflect now known actual 2026 insurance expense instead of relying on the forecasted amount; and
 - b. The Commission order PSE to provide the same level of documentation and analysis as is requested above for the deferral period within 30 days to demonstrate that the 2026 insurance coverage expense is prudent, especially as the Company is increasing its coverage level by \$25 million;
5. Allow the 2025 Plant-in-Service request;
6. Allow the 2026 Plant Forecasts; and
7. Adopt Staff's proposed changes to the PSE wildfire tracker and that PSE be ordered to refile its wildfire tracker in the next General Rate Case before the Commission.

11 Staff provides the following explanations for its recommendations, breaking them down by operation and maintenance (O&M) spending, insurance premiums, plant and capital investments, and the Wildfire Tracker generally. First, regarding O&M spending, Staff notes the Company is requesting \$4.99 million for additional expenses for vegetation management and \$1.3 million from additional expenses in hardening circuits designated as High Fire Threat (HFT) from 2025. The increases for the 2025 tracker period were driven by updated risk modeling that expanded the scope of the HFT index high risk areas by an additional 371 miles. Staff comments it believes the Company made a prudent decision on its spending based on updated risk modeling and operational needs for the year and does not dispute the Company's recovery on this item.¹¹

¹¹ Staff's Memo, at pp. 6-7.

- 12 On forecast O&M expenses, Staff notes the justification for the roughly \$3 million in increases proposed is due to adding personnel, adding communication programs, and new costs allocated to the preseason HFT vegetation management program. While Staff is generally supportive of the increases upon review of the Company's workbooks, Staff does express concerns with PSE's methodology potentially leading to perennial underforecasts for the tracker, potentially resulting in perennial true-ups increasing rates for customers.¹² On O&M expenses generally, Public Counsel does not appear to contest the increased O&M expenses, but criticizes the incentive structure for the tracker generally.¹³
- 13 Second, regarding insurance premiums, Staff notes that PSE proposes an increase of \$11.8 million for incremental insurance expenses from December 2023 through January 2025. PSE proposes amortizing these costs over a 24-month period. Staff explains that a component of the increased costs is due to EIM, one of PSE's industry mutuals, being unable to obtain reinsurance due to catastrophic loss, resulting in PSE bidding into the commercial marketplace to replace this coverage. While Staff recognizes the Commission authorized PSE's deferred accounting treatment of insurance costs in Docket UE-231048, Staff does not believe it has sufficient information to determine if the decision to obtain insurance, and insurance at the cost obtained, was prudent. Accordingly, Staff recommends the amortization be allowed into rates subject to refund on the condition that the Company provide detailed documentation of its decision-making process.¹⁴
- 14 For 2026 insurance premiums, PSE proposes \$2.2 million more than was approved in the 2024 GRC. Staff again recognizes the reality of rising insurance premiums, however, Staff again reiterates that PSE must demonstrate these costs are prudent.¹⁵ Again, Staff recommends the 2026 insurance costs be allowed into rates subject to refund and the Commission direct PSE to provide Staff with the relevant documentation so Staff can conduct a prudence review. Staff reiterates that its subject to refund recommendation is unique to this circumstance and is not precedential. Additionally, since PSE now has actual costs for 2026 insurance premiums, Staff recommends that the Commission direct PSE to update its tariff sheet to reflect said insurance premium actuals.¹⁶ On insurance

¹² Staff's Memo, at pp. 6-7.

¹³ See, Public Counsel's Comments, at pp. 4, 6.

¹⁴ Staff's Memo, at p. 9.

¹⁵ Staff's Memo, at pp. 9-10.

¹⁶ Staff's Memo, at p. 10.

costs generally, Public Counsel comments that shareholders are incentivized for PSE to obtain insurance at the expense of customers to reduce shareholder liability rather than reduce insurance costs through self-insurance, because self-insurance would increase potential shareholder liability.¹⁷ Public Counsel further recommends that assumed increases to insurance costs should be eliminated from the tracker, as the costs are not yet known, and approving them now disincentives the Company from exploring lower-cost insurance premiums throughout the year.¹⁸

- 15 Third, regarding plant and capital investments, Staff recommends approving plant additions and related costs for the true up period from February 2025 through September 2025. Staff comments it verified that the plant additions were placed in service during the review period. However, Staff also notes that clearer identification of incremental wildfire mitigation costs at the project level would improve transparency to better facilitate future project review.¹⁹ Contrary to Staff, Public Counsel notes that six of the ten most costly pole replacement projects did not involve the top 5 percent of highest risk locations. To reflect that these projects are not incremental wildfire prevention costs, Public Counsel recommends disallowing recovery of all \$5.8 million spent on these capital projects.²⁰ Further, Public Counsel again raises concerns over incentives, and notes that the Company spent \$60.6 million in capital as compared to just \$8.5 million in O&M.²¹
- 16 For 2026 forecast plant additions, Staff notes the additions have not yet occurred and are therefore not subject to a full prudence review in this docket. Staff notes that it does not oppose recovery of the 2026 forecast plant additions specifically because the forecasted amount does not exceed the dollar threshold accepted and approved in Order 09/07.²²
- 17 Finally, regarding the Wildfire Tracker generally, Staff highlights challenges of the tracker and puts forth recommendations for future Commission treatment. Staff outlines their concerns as follows:

¹⁷ Public Counsel's Comments, at p. 4.

¹⁸ Public Counsel's Comments, at p. 2.

¹⁹ Staff's Memo, at p. 10.

²⁰ Public Counsel's Comments, at p. 3.

²¹ Public Counsel's Comments, at p. 6.

²² Staff's Memo, at pp. 11-12.

1. Staff is concerned that the design of this tracker is shifting wildfire spending variance risk from the Company entirely to ratepayers. Staff is also concerned that use of a tracker with wildfire costs is removing spending control incentives, a trend Staff worries is already occurring in the current filing. As opposed to what is seen in a power cost recovery mechanism, there is no sharing of cost risk in this tracker's current form.
2. The tracker does not fully remove regulatory lag as intended. The wildfire tracker was predicated on removing regulatory lag from wildfire mitigation spending; while the annual filing does remediate some of the lag, the fact is that when we look at how the forecasts and true-ups are working, lag is being baked into this process as the Company is setting up a system that will lead to routine overspending of forecasts.
 - a. As an example, there is a timing issue in the budgeting and forecasting process that leads to O&M overspending. This overspending is partially driven by the timing between when PSE generates budget forecasts for the coming year (August and September) and when Technosylva delivers annual static risk model for the coming year (November). This is going to lead to a cyclical situation where budgets are built on depreciated risk modeling, and, as we already see in this filing, under-forecast spending compared to the updated risk modeling.
 - b. Due to this routine overspending in O&M, there will be a cyclical true-up issue that will accompany any filing of this tracker. For instance, we have trueed up eight months of O&M overspending for 2025; the remaining three months of 2025 (October – December) will be trueed up in 2026 along with the expected overruns of the O&M budget for this operational year. The result is rates being pushed up during a period where other significant cost impacts are occurring on customer rates, setting ratepayers up for potential future rate shock.
3. Wildfire risks are not going to decrease in the near future, and the utilities should be approaching the current wildfire risk environment as a new normal. Foreseeable increases such as insurance market changes in the future should have a higher bar to be considered extraordinary circumstances.
4. There is no agreed-on effectiveness metrics for wildfire mitigation investments, and this tracker shows the absence of any type of link between spending and risk reduction. Ultimately, Staff sees this as something that will be covered within the Wildfire Mitigation Plans (WMPs) that the utilities are required to submit to Washington's Department of Natural Resources (DNR) and the Commission. Unfortunately, at this point, the Commission and Staff are in the process of establishing that WMP process. Under the current scenario, the Commission and Staff are in the unenviable position to choose between disallowing any spending increase

- due to lack of a performance metric or supporting data with full knowledge that this disincentivizes risk reduction activities, or allowing all costs and investments into rates with the understanding that there are virtually no incentives for cost containment and addressing affordability concerns.
5. Trackers add an administrative burden to the Commission and Commission Staff. When a cost is captured in a tracker, the variance between the baseline and actual is then subject to prudence review to determine if recovery is appropriate. The result of this tracker is that, rather than a direct review of the spending and updating a forecast on the cadence of a GRC, Staff is now conducting prudence reviews on an annual basis in addition to evaluating the prudence of updating the forecasted costs.²³ It was extremely challenging to conduct a full review of the filing in the requisite timeline and particularly without access to explanatory testimony or the Commission's discovery process. The lack of testimony from the Company to support and justify the spending requests was difficult because Staff had to seek this information through informal data requests from the Company, shortening the amount of time Staff had to substantively review the filing and determine prudence of additional expenditures and capital investments. Some of the difficulties associated with the lack of a formal discovery process were mitigated by the Company and its exceptional responsiveness to Staff's requests for information both in delivering written responses and through meetings with subject matter experts at the Company. However, Staff had to request an unusually large volume of information from the Company (at least partially because of the lack of initial Company testimony), and all parties involved in this review (Staff, PSE, and Public Counsel) had difficulties with the tight deadlines imposed.
 6. An additional concern for Staff is the resulting drop in intervenor and stakeholder engagement as a result of this being conducted outside a GRC process. Staff is deeply appreciative of the fact that Public Counsel worked on this case and provided comments; however, in the GRC, Staff would expect to have additional comments from organizations such as Alliance of Western Energy Consumers (AWEC), NW Energy Coalition (NWEC), and the Energy Project. There are significant operational and rate impacts proposed in this filing that are not being reviewed by traditional intervenors in PSE's GRCs.²⁴

18 To address the concerns listed above, Staff recommends the following:

²³ *Wash. Utils. & Transp. Comm'n v. Puget Sound Energy*, Dockets UE-240004, UG-240005, & UE-230810, Direct Testimony of Chris McGuire, Exh. CRM-1T at 32 (Aug. 6, 2024).

²⁴ Staff's Memo, at pp. 14-15.

1. Subsequent filings of the wildfire tracker need to be a minimum four-month filing to provide adequate time for staff to review. If this tracker stays in place, Staff expects that these filings will only become larger and more complex as wildfire risk increases in the future.
2. Wildfire Tracker filings must include testimony explaining updates, changes, and investment/mitigation decisions. This is especially important as the PSE risk assessment process develops; the current tracker relied heavily on references to testimony in the 2024 PSE GRC and the 2024 mitigation plan. Staff's understanding is that the currently filed 2026 PSE GRC will not contain any treatment of wildfire costs, and thus future iterations of the Wildfire Mitigation Tracker will need to update the background information that the tracker depends on. While some of this information will be covered in future iterations of the PSE WMP, having specific testimony included in these filings will allow a much more comprehensive, transparent, and, hopefully, expedited review.
3. For O&M, Staff needs to see the Company more closely connect the information in the O&M scoping plan to the tracked O&M spending. Specifically on the system hardening and the vegetation management tracking, spending should be connected to the individual lines and circuits that are being identified in the scoping file. This will allow Staff to have a high-level check on the implementation of the scoping plan and also allow Staff to track which lines and circuits are getting the most wildfire mitigation O&M spending and how that is changing year over year.
4. Insurance choices need to be defended with detailed descriptions of the Company's decision-making process and analyses. This should include detailed analyses of how PSE assesses risk and different risk transfer scenarios, how the Company determines the maximum amount it is willing to spend on premiums, and detailed alternatives analysis for different coverage options.
5. Future wildfire tracker filings would benefit from a standardized plant review format consistent with Commission approved provisional plant review processes to ensure transparency in variance reporting, actual cost, and in-service amounts. Staff recommends that PSE provide plant detail consistent with the level of information typically reviewed in a provisional plant review for all plant additions included in the filing such as, but not limited to, project descriptions, scope of work, estimated costs, anticipated in-service dates, and associated WBS or work order identifiers.
6. Staff recommends that the Company organize future wildfire mitigation filings so that WBS-level project data is clearly categorized according to the program groupings used in its 2024 GRC testimony (e.g., situational awareness, fault reduction, and fault

- protection). Providing consistent categorization would allow Staff to more easily reconcile project level data with program-level forecasts.²⁵
- 19 Like Staff, Public Counsel recommends structural changes to the Wildfire Tracker. Specifically, Public Counsel comments that the Wildfire Tracker should include cost reduction incentives, a limitation of cost recovery to incremental wildfire expenses – excluding routine costs, and that the incentives should be realigned to prioritize optimization of cost-effectiveness.²⁶ Further, Public Counsel comments that PSE has not sufficiently explained its choices among wildfire mitigation options.²⁷ Finally, Public Counsel urges that future Wildfire Tracker and plan filings include a more formal project selection and budgeting process employing standard definitions and equations to clearly outline and establish “risk-informed decision making.”²⁸
- 20 On March 9, 2026, PSE filed comments responding to Public Counsel’s letter filed March 6, 2026.
- 21 On March 11, 2026, PSE filed comments responding to Staff’s memo which was filed in the Docket March 11, 2026.
- 22 This matter came before the Commission at its regularly scheduled open meeting on March 12, 2026. The Commission heard comments from Staff, PSE, and Public Counsel. Staff reiterated its position in its memo and noted that PSE had provided additional information regarding insurance costs, which will allow Staff to determine if the expenses are prudent, but because Staff has only just received the information, its recommendation remains unchanged. Staff also expressed its desire for process improvements.
- 23 PSE commented that all parties agree that refinements to the process are warranted to allow Staff the time they need to review future Wildfire Tracker filings. PSE also provided comments that it believes the tracker is valuable and provides benefits to the state and its customers. PSE reiterated that in the last year, the Company invested in proprietary data which shows an increased number of high risk areas, which in turn has resulted in increased costs being requested in this filing. PSE commented in response to

²⁵ Staff’s Memo, at p. 16.

²⁶ Public Counsel’s Comments, at pp. 2-7.

²⁷ Public Counsel’s Comments, at pp. 7-8.

²⁸ Public Counsel’s Comments, at pp. 8-9.

concerns from Public Counsel and Staff regarding overlap of regular O&M and capital expenditures into the Wildfire Tracker by stating expenses included in the Wildfire Tracker are all directly tied to projects from its Wildfire Mitigation Plan and are in areas identified as high risk.

- 24 Public Counsel commented that the process for this filing has been difficult and frustrating. Public Counsel reiterated its comments submitted on March 6, 2026. Specifically, Public Counsel reiterated its position that only incremental expenses that are known and measurable be included in the filing, and forecast expenses should be disallowed.

DISCUSSION

- 25 We first note the complexity of this filing is beyond what is typical for the open meeting as reflected by the time it took to review this filing and the length and breadth of Staff and Public Counsel's comments. We appreciate Staff and Public Counsel for the diligence put into this filing. With that said, we first turn to Public Counsel's primary position that the tracker is unnecessary, and that any additional costs should be recovered through the Company's next GRC. While we appreciate and recognize the flexibility provided by the multi-year rate plans, Order 09/07 allowed for this tracker and therefore we must address the issues before us.
- 26 We next turn to the filing itself and the recommendations of Staff and Public Counsel. First, we are convinced by Staff's and PSE's recommendations that 2025 costs for plant in service and O&M are just, reasonable, sufficient, and supported by the record. Accordingly, we decline to disallow the \$5.8 million in capital projects requested by Public Counsel. With that said, we also recognize that there needs to be clear delineation between wildfire expenses and routine O&M and capital expenditures. To the extent that such delineation was unclear to Public Counsel or difficult for Staff to discern, we urge PSE to do better in the future and ensure that the Company meets with Staff, Public Counsel and other interested parties to better explain its processes.
- 27 We generally agree with both Staff and Public Counsel; many of the concerns Staff raises are identified as flaws in this process by Public Counsel, including, namely, the need for additional structure, process, definitions, transparency, testimony in support, and explanation as to what is included in the Wildfire Tracker. As Staff and Public Counsel note, the incentives currently appear to be somewhat misaligned and the information provided is lacking to some degree, which has now resulted in Staff being unable to have the information necessary to determine whether all of the proposed costs are prudent,

including but not limited to insurance costs. However, with the additional context provided by PSE, specifically as to what projects are included in the Wildfire Tracker – and the Company’s inclusion of only those projects which are directly tied to the Wildfire Mitigation Plan and in high risk areas – we are comfortable with Staff’s recommendations. We are convinced that Staff, with revisions and extensions from the Company, has conducted a thorough review of the expenses included in this filing and that the record reflects that all of those costs except those identified by Staff as being subject to refund are fair, just, and reasonable. We further agree with Staff, Public Counsel, and PSE that further refinements to the process are needed, and those should improve the review of future Wildfire Tracker filings.

28 Accordingly, we find it appropriate to grant PSE’s proposed tariff changes, subject to the following conditions:

1. Allowing Puget Sound Energy to Recover its tracker-true up request for 2025.
2. Allowing Puget Sound Energy to update its operations and maintenance forecast to rates for 2026.
3. Allowing the amortization of Puget Sound Energy’s insurance deferral (for December 2023-January 2025) in Docket UE-231048 to go into rates subject to refund with the following condition:
 - a. Puget Sound Energy must provide Staff and other interested parties, within 30-days of the effective date of the order, with detailed contemporaneous documentation of the Puget Sound Energy’s decision-making process and analysis to demonstrate that the amortized insurance deferral amount is prudent.
4. Allowing Puget Sound Energy’s 2026 wildfire insurance liability expense subject to refund with the following conditions:
 - a. Puget Sound Energy must update its tariff revision to reflect now known actual 2026 insurance expenses instead of reflecting the forecasted amount.
 - b. Puget Sound Energy must provide Staff and other interested parties, within 30 days of the effective date of this order, with detailed contemporaneous documentation of Puget Sound Energy’s decision-making process and analysis to demonstrate that the 2026 insurance coverage expense is prudent.
5. Allowing Puget Sound Energy’s 2025 Plant-in-Service request to be effective in rates.
6. Allowing Puget Sound Energy to recover its 2026 Plant Forecasts, subject to a future prudence review.
7. Requiring Puget Sound Energy to take the following actions in future filings for recovery of costs under its Wildfire Tracker:
 - a. Provide a four-month review process for Staff and other parties;
 - b. Include supporting testimony and exhibits in its filing;
 - c. Connect operations and maintenance spending to individual projects or circuit-level risk analysis;
 - d. Provide detailed contemporaneous descriptions and analyses used for wildfire insurance coverage determinations;

- e. Apply the Commission’s provisional plant review standards and processes used in multi-year rate proceedings to the tracker’s plant investments; and
 - f. Categorize project data by the relevant wildfire mitigation program.
8. Requiring Puget Sound Energy to meet with Staff and other parties to continue to discuss process improvements for future Wildfire Tracker filings, including those recommended in Staff’s memo.
- a. The parties must submit that list in this docket, within 60 days of the effective date of this order, for consideration at a future open meeting.
 - b. Puget Sound Energy must file that list with an acknowledgement of the Company’s intent to follow those process improvements in future Wildfire Tracker filings.

29 We find these conditions will help to ensure process improvements are implemented now, while simultaneously requiring PSE to meet with Staff, Public Counsel, and other interested parties to discuss Staff’s proposed changes to the process for these filings in the future. Further, we agree with Staff and Public Counsel as to the reasons for why these conditions are necessary, and adopt those as our own.

FINDINGS AND CONCLUSIONS

- 30 (1) The Commission is an agency of the State of Washington vested by statute with the authority to regulate the rates, rules, regulations, practices, accounts, securities, transfers of property and affiliated interests of public service companies, including electric companies.
- 31 (2) PSE is an electric company and a public service company subject to Commission jurisdiction. RCW 80.04.010.
- 32 (3) In Order 09/07 of PSE’s 2024 General Rate Case (UE-240004, UG-240005, and UE-230810) the Commission approved the Company’s wildfire prevention cost tracker.
- 33 (4) Final Order 09/07 authorizes the PSE wildfire tracker to operate outside a GRC and directs the Company to file an annual true up of its deferred balances in the account, with the first true up to occur on or about January 30, 2026.
- 34 (5) Staff has reviewed the proposed changes to Schedule 141WFP as filed November 25, 2025, and amended December 16, 2025, and February 17, 2026.

- 35 (6) Staff believes the proposed revisions to Schedule 141WFP are generally reasonable, and recommends that the Commission allow the proposed tariff changes to go into effect, subject to several conditions.
- 36 (7) This matter came before the Commission at its regularly scheduled meeting on March 12, 2026.
- 37 (8) After reviewing PSE's proposed tariff revisions to Schedule 141WFP as filed November 25, 2025, and amended on December 16, 2025, and February 17, 2026, and giving due consideration to all relevant matters and for good cause shown, the Commission finds that the proposed revisions should be allowed to become effective March 14, 2026, subject to the conditions:
1. Allowing Puget Sound Energy, to Recover its tracker-true up request for 2025.
 2. Allowing Puget Sound Energy to update its operations and maintenance forecast to rates for 2026.
 3. Allowing the amortization of Puget Sound Energy's insurance deferral (for December 2023-January 2025) in Docket UE-231048 to go into rates subject to refund with the following condition:
 - a. Puget Sound Energy must provide Staff and other interested parties, within 30-days of the effective date of the order, with detailed contemporaneous documentation of Puget Sound Energy's decision-making process and analysis to demonstrate that the amortized insurance deferral amount is prudent.
 4. Allowing Puget Sound Energy's 2026 wildfire insurance liability expense subject to refund with the following conditions:
 - a. Puget Sound Energy must update its tariff revision to reflect now known actual 2026 insurance expenses instead of reflecting the forecasted amount.
 - b. Puget Sound Energy must provide Staff and other interested parties, within 30 days of the effective date of this order, with detailed contemporaneous documentation of Puget Sound Energy's decision-making process and analysis to demonstrate that the 2026 insurance coverage expense is prudent.
 5. Allowing Puget Sound Energy's 2025 Plant-in-Service request to be effective in rates.
 6. Allowing Puget Sound Energy to recover its 2026 Plant Forecasts, subject to a future prudence review.
 7. Requiring Puget Sound Energy to take the following actions in future filings for recovery of costs under its Wildfire Tracker:
 - a. Provide a four-month review process for Staff and other parties;
 - b. Include supporting testimony and exhibits in its filing;

- c. Connect operations and maintenance spending to individual projects or circuit-level risk analysis;
 - d. Provide detailed contemporaneous descriptions and analyses used for wildfire insurance coverage determinations;
 - e. Apply the Commission's provisional plant review standards and processes used in multi-year rate proceedings to the tracker's plant investments; and
 - f. Categorize project data by the relevant wildfire mitigation program.
8. Requiring Puget Sound Energy to meet with Staff and other parties to continue to discuss process improvements for future Wildfire Tracker filings, including those recommended in Staff's memo.
- a. The parties must submit that list in this docket, within 60 days of the effective date of this order, for consideration at a future open meeting.
 - b. Puget Sound Energy must file that list with an acknowledgement of the Company's intent to follow those process improvements in future Wildfire Tracker filings.

ORDER

THE COMMISSION ORDERS:

- 38 (1) The proposed tariff revisions Puget Sound Energy filed in this docket on November 25, 2025, as revised on December 16, 2025, and February 17, 2025, are approved subject to the following conditions:
1. Allowing Puget Sound Energy to Recover its tracker-true up request for 2025.
 2. Allowing Puget Sound Energy to update its operations and maintenance forecast to rates for 2026.
 3. Allowing the amortization of Puget Sound Energy's insurance deferral (for December 2023-January 2025) in Docket UE-231048 to go into rates subject to refund with the following condition:
 - a. Puget Sound Energy must provide Staff and other interested parties, within 30-days of the effective date of the order, with detailed contemporaneous documentation of Puget Sound Energy's decision-making process and analysis to demonstrate that the amortized insurance deferral amount is prudent.
 4. Allowing Puget Sound Energy's 2026 wildfire insurance liability expense subject to refund with the following conditions:
 - a. Puget Sound Energy must update its tariff revision to reflect now known actual 2026 insurance expenses instead of reflecting the forecasted amount.
 - b. Puget Sound Energy must provide Staff and other interested parties, within 30 days of the effective date of this order, with detailed contemporaneous documentation of Puget Sound Energy's decision-

making process and analysis to demonstrate that the 2026 insurance coverage expense is prudent.

5. Allowing Puget Sound Energy's 2025 Plant-in-Service request to be effective in rates.
6. Allowing Puget Sound Energy to recover its 2026 Plant Forecasts, subject to a future prudence review.
7. Requiring Puget Sound Energy to take the following actions in future filings for recovery of costs under its Wildfire Tracker:
 - a. Provide a four-month review process for Staff and other parties;
 - b. Include supporting testimony and exhibits in its filing;
 - c. Connect operations and maintenance spending to individual projects or circuit-level risk analysis;
 - d. Provide detailed contemporaneous descriptions and analyses used for wildfire insurance coverage determinations;
 - e. Apply the Commission's provisional plant review standards and processes used in multi-year rate proceedings to the tracker's plant investments; and
 - f. Categorize project data by the relevant wildfire mitigation program.
8. Requiring Puget Sound Energy to meet with Staff and other parties to continue to discuss process improvements for future Wildfire Tracker filings, including those recommended in Staff's memo.
 - a. The parties must submit that list in this docket, within 60 days of the effective date of this order, for consideration at a future open meeting.
 - b. Puget Sound Energy must file that list with an acknowledgement of the Company's intent to follow those process improvements in future Wildfire Tracker filings.

39 (2) Puget Sound Energy is authorized and required to make compliance filings in this docket including all tariff sheets that are necessary and sufficient to effectuate the terms of this Order.

40 (3) This Order shall not affect the Commission's authority over rates, services, accounts, valuations, estimates, or determination of costs, on any matters that may come before it. Nor shall this Order accepting tariff revisions subject to conditions be construed as an agreement to any estimate, forecast, or determination of costs, or any valuation of property claimed or asserted, or otherwise subject to refund.

41 (4) The Commission Secretary is authorized to accept by letter, with copies to all Parties in this proceeding, filings that comply with the requirements of this Order.

42 (5) The Commission retains jurisdiction over the subject matter and Puget Sound Energy to effectuate the provisions of this Order.

DATED at Lacey, Washington, and effective March 13, 2026.

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION



BRIAN J. RYBARIK, Chair



ANN E. RENDAHL, Commissioner



MILT H. DOUMIT, Commissioner