



2021 PUGET SOUND ENERGY PCORC FACT SHEET

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On December 9, 2020, Puget Sound Energy (PSE) filed a power cost only rate case (PCORC) with the Washington Utilities and Transportation Commission ("UTC") requesting an increase to electric rates by approximately \$88 million.

What is a PCORC?

A PCORC is a narrow rate case that adjusts utility rates by updating only power costs while the utility's other expenses and revenues remain at levels set during the last general rate case. Power costs include the costs of electric generation plant owned by the utility, the operating and maintenance expenses for a utility's generation plant, contracts to acquire energy from the market or from third parties, transmission contracts to move the power to customers, and other related costs.

Why is Puget Sound Energy requesting a rate increase now?

PSE states that the main reasons for the rate increase include higher natural gas costs, new contracts with power producers to serve PSE's customers, new and renewed transmission contracts, and a decrease in customer electricity usage.

How much is Puget Sound Energy's requested rate increase?

PSE's initial filing requested to increase power costs by approximately \$78.5 million. In February, PSE filed an update to its filing, which increased its request to approximately \$88 million.

Is there a settlement in this case?

Yes. Several of the parties have reached a settlement to resolve all issues in the case. The settling parties are PSE, Commission Staff, the Alliance of Western Energy Consumers (representing industrial customers), and The Energy Project (low-income customer advocate). The settling parties have agreed to a settlement that reduces PSE's request by \$22.7 million, resulting in an overall increase of \$65.3 million. Other terms include the following:

- Accurately account for the costs for the Green Direct Program, making sure that the customers of the program pay their share of the costs;

- Updates costs paid by PSE to the Bonneville Power Administration for transmission
- Updates operating and maintenance costs for the Colstrip power plant;
- Passes on the cost savings from participating in the Energy Imbalance Market (EIM), which is a real-time market that finds low-cost energy to serve PSE customers;
- Updates the costs of natural gas;
- Increases funding for low-income bill assistance programs by twice the percentage of increase to residential base rates; and,
- Establishes workgroups to address how PSE deals with intra-company transactions between PSE's electric and natural gas services and how the EIM costs and benefits should be shared with customers in the future.

What is the impact of the settlement on an average residential customer using 900 kwh per month?

Under current rates, an average residential customer using 900 kwh per month has a monthly bill of \$95.57. Under the settlement agreement, that customer's bill will increase by \$2.76, or 2.9 percent, for a total bill of \$98.33.





What is Public Counsel's position on the settlement?

Public Counsel participated in the settlement negotiations but did not join the settlement. The COVID-19 pandemic has caused deep economic hardship for many customers, and a rate increase of any kind will only add to that burden. However, because the settlement terms are not unfair, Public Counsel is not opposing the settlement.

Who are the parties in this case?

The UTC considers the recommendations of every party, and no party's recommendation is considered binding. The following parties are participating in this proceeding:

- Puget Sound Energy
- UTC Staff *
- Washington Attorney General's Office, Public Counsel Unit (residential and small business customer advocate)
- Alliance of Western Energy Consumers (large industrial customer advocate)
- The Energy Project (low-income customer advocate)

*In formal UTC proceedings, regulatory Staff participates like any other party and UTC Commissioners make the decision. The Commissioners, the presiding administrative law judge, and the Commissioners' policy and accounting advisors do not discuss the merits of the proceeding with any party, including UTC Staff, without giving notice and an opportunity for all parties to participate.

When will there be a decision?

The UTC scheduled an evidentiary hearing on April 22, 2021, and will issue its decision in time for the new rates to go into effect this summer. In reviewing the settlement, the UTC may accept, modify, or reject the settlement terms.

How can customers comment to the UTC about this case?

The UTC is holding a virtual public hearing to take oral comments on Tuesday, April 20, 2021, at 6pm. You can participate via the Microsoft Teams link below or by phone:

April 20, 2021, at 6pm

Phone: (253) 372-2181 • Conference ID: 843 565 680#

Microsoft Teams: [Click here to join the meeting](#)

If you plan to participate, please call 1-888-333-9882 at least one day before the hearing to sign in. When you join the hearing via Teams, please mute your connection using the button with the image of a microphone. If participating via phone, press *6 or mute your phone.

You may also submit comments in the following ways:

- Via UTC web form: utc.wa.gov/consumers/ (click on "Submit a Comment" link at the bottom of the web page)
- By e-mail: comments@utc.wa.gov
- By mail: UTC, P.O. Box 47250, Olympia, WA 98504-7250
- By phone: 1-888-333-WUTC (9882)
- Please include your name and mailing address, Puget Sound Energy, and Docket Number UE-200980. For more information, see <http://www.utc.wa.gov/>.

Who is Public Counsel?

The Public Counsel Unit of the Washington Attorney General's Office represents residential and small business customers of state regulated electric, natural gas, water, and telecommunications companies and customers of transportation companies regulated by the UTC. Public Counsel advocates on behalf of customers before the UTC and courts regarding rates, mergers, business practices, service quality, energy efficiency, safety, and policy matters. You can contact Public Counsel by email at: utility@atg.wa.gov, or by mail at: Attorney General's Office, Public Counsel Unit, 800 Fifth Avenue, Suite 2000, Seattle, WA 98104.