



Puget Sound Energy
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pse.com

November 1, 2023

Filed Via Web Portal

Kathy Hunter, Acting Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

**Re: Advice No. 2023-52
PSE’s Natural Gas Tariff Filing - Filed Electronically**

Dear Executive Director Hunter:

Puget Sound Energy (“PSE”) hereby submits proposed revisions to rates under natural gas Schedule 111, Greenhouse Gas Emissions Cap and Invest Adjustment. This tariff filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, includes the following natural gas tariff sheets:

WN U-2 - (Natural Gas Tariff):

2 nd Revision	Sheet No. 1111-B	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)
Original	Sheet No. 1111-B.1	Greenhouse Gas Emissions Cap and Invest Adjustment (Continued)

The purpose of this tariff filing is a revision to clarify that the amount of the non-volumetric monthly State Carbon Reduction Credit (“Credit”) shall not exceed a customer’s total monthly State Carbon Reduction Charge (“Charge”)¹ amount billed and to revise the Special Terms and Conditions of the tariff schedule in order to address a condition of maritime fuel combusted outside of Washington jurisdictional waters which are exempt under the Climate Commitment Act.

With regard to the revision to ensure the amount of the non-volumetric monthly Credit does not exceed the customer’s total monthly Charge amount billed, PSE has started to experience below average volume customers receiving excess benefit, which provides a reverse incentive to use more gas because the non-volumetric credit received exceeds their total Charge amount with any

¹ With the exception of natural gas Schedules 16, 23, 31 and 31T.

remaining Credit being applied to base revenues or resulting in overall account credits. In addition, the current structure may encourage switching between rate schedules, to take advantage of higher Credit amounts. PSE is respectfully requesting an effective date in this filing of December 1, 2023 so that the Company may complete the necessary programming of its billing system in a timely manner prior to implementation by its target date of May 1, 2024. Any residual Credit amount would be deferred in aggregate for future Credit applications.

With regard to the revision to address the condition of maritime fuel combusted outside of jurisdictional waters, PSE has noted that companies are seeking guidance or exemptions from the Department of Ecology for emissions from maritime fuel and for such downstream uses by customers. The proposed revision will allow time for those companies to provide PSE evidence of that guidance or exemptions from the Department of Ecology for such downstream uses, and clarify the process for PSE to adjust bills consistent with such guidance or exemptions.

Please note, this filing is not the same as the tariff filing PSE plans to file by November 22, 2023, which will update tariff Schedule 111 credits and charges to be effective on January 1, 2024.

The tariff sheets described herein reflect an issue date of November 1, 2023 and effective date of December 1, 2023. Posting of proposed tariff changes, as required by WAC 480-90-193, is being accomplished by posting the proposed tariff sheets on the PSE web site coincident with the date of this transmittal letter.

Please contact Chris Mickelson at christopher.mickelson@pse.com for additional information about this filing. If you have any other questions, please contact me at Birud.Jhaveri@pse.com.

Sincerely,

/s/ Birud D. Jhaveri

Birud D. Jhaveri
Director, Regulatory Affairs
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cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie
Ed Finklea, AWEC

Attachments:
Natural Gas Tariff Sheets, listed above

**PUGET SOUND ENERGY
Natural Gas Tariff**

**SCHEDULE 111
GREENHOUSE GAS EMISSIONS CAP AND INVEST ADJUSTMENT (Continued)**

SPECIAL TERMS AND CONDITIONS:

1. Both monthly rates under this schedule, the State Carbon Reduction Charge and the State Carbon Reduction Credit, are applicable, except for the following Customers:
 - a. A Customer with emissions from facilities with North American industry Classification System code 928110 (National Security);
 - b. A Customer who has provided evidence to the Company that the Customer is registered as a Covered Entity, Opt-In Entity, National Security Entity or EITE that is also either a Covered Entity or an Opt-In Entity. A Customer who provides such evidence, or has provided it to the Company by the Department of Ecology 90 days before the beginning of the start of a new Compliance Period will not be charged or receive credits under this schedule at the beginning of the following Compliance Period. For the Compliance Period beginning in January 1, 2023, a Customer must provide such evidence within 150 days of the initial effective date of this tariff to not be charged or receive credits under this schedule beginning on the date of verification. It is ultimately the responsibility of the Customer to verify that the Company has received such evidence of the Customer's correct status, before the start of a new Compliance Period.

2. A Customer that is eligible for the State Carbon Reduction Charge and the State Carbon Reduction Credit may qualify for a partial or full exemption or guidance from the State Carbon Reduction Charge. For example, emissions from maritime fuel combusted outside of Washington jurisdictional waters are exempt under the Climate Commitment Act. Emissions from uses exempt under the Climate Commitment Act could qualify a Customer for a partial or full exemption from the State Carbon Reduction Charge for such uses by the Customer or a verifiable downstream use. To seek to obtain a partial or full exemption or guidance a Customer must document, or have documented, exempt volumes based upon guidelines or guidance published by the Department of Ecology and submit, or have submitted, such documentation to the Department of Ecology for verification of qualification of an exemption or guidance for such use. Upon receipt of verification by the Department of Ecology, a Customer shall submit, or have submitted, such verification to the Company for a partial or full adjustment of any bills, consistent with the exemption or guidance from the Department of Ecology. It is the responsibility of the Customer to ensure that the Company has received verification of any exempted use by the Department of Ecology.

(K)	(N)
(K)	
(K)	
(K)	
	(N)


(K) Transferred to Sheet No. 1111-B.1

(Continued on Sheet No. 1111-B.1)

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Issued By Puget Sound Energy

By:  Birud D. Jhaveri **Title:** Director, Regulatory Affairs

**PUGET SOUND ENERGY
Natural Gas Tariff**

**SCHEDULE 111
GREENHOUSE GAS EMISSIONS CAP AND INVEST ADJUSTMENT (Continued)**


- SPECIAL TERMS AND CONDITIONS:** (Continued) (T)
- 3. The State Carbon Reduction Credit is applicable only to a Customer that has been determined eligible. (T) (M) (M)
 - 4. With the exception of those Customers taking service under Schedules 16, 23, 31, and 31T, this monthly credit shall not exceed the total amount of the Customer’s monthly State Carbon Reduction Charge during the billing period, beginning on May 1, 2024. (N) (N)
 - 5. A Customer taking optional service under Supplemental Schedule 137, Carbon Offset Service will not receive any participation credits for rates under this schedule. (T) (M) (M)
 - 6. Schedule 138 - Voluntary Renewable Natural Gas (“RNG”) participants will be eligible to receive a RNG Participation Credit to be calculated by multiplying the number of therms per block of RNG reflected in Schedule 138 by the total number of blocks the Customer purchases each month, and then multiplied by the State Carbon Reduction Charge. This will have the effect of acting like a credit to reduce the State Carbon Reduction Charge equal to the amount of Renewable Natural Gas therm purchases comparable to the purchased block(s). (T) (M) (M)

(M) Transferred from Sheet No. 1111-B

(Continued on Sheet No. 1111-C)

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