



Puget Sound Energy
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pse.com

May 7, 2025

Filed Via Web Portal

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

**RE: (Advice No. 2025-29)
Puget Sound Energy’s Natural Gas Tariff Revision**

Dear Executive Director Killip:

Pursuant to RCW 80.28.060, WAC 480-80-101 and -105, and WAC 480-07-880, enclosed for filing are copies of original tariff sheets to the WN U-2, tariff for natural gas service of Puget Sound Energy (“PSE” or the “Company”):

Original	Sheet No. 1323	Targeted Electrification Service
Original	Sheet No. 1323-A	Targeted Electrification Service (Continued)
Original	Sheet No. 1323-B	Targeted Electrification Service (Continued)
Original	Sheet No. 1323-C	Targeted Electrification Service (Continued)
Original	Sheet No. 1323-D	Targeted Electrification Service (Continued)

On March 17, 2025, following PSE and others’ petitions for reconsideration and clarification, the Commission entered Order 11/09 (“Order”) denying PSE’s Petition for Reconsideration. The primary purpose of this tariff filing is to implement the terms and conditions of PSE’s Targeted Electrification Pilot Phase 2 (“TEP Phase 2”) consistent with the Order. The Commission has already authorized the requested \$22.3 million budget in the Order, and subsequently allowed cost recovery of that \$22.3 million in Dockets UG-240005 and UE-240004 to begin on May 1, 2025. This natural gas filing is only an implementation-type tariff schedule and does not change rates nor increase revenues. The Commission approved TEP Phase 2 on the condition that participation by customers is voluntary; consistent with the Order and that condition, this

implementation tariff schedule filing clarifies that all the services therein are offered on a voluntary basis to natural gas customers.

Summary of Services

Consistent with the approved TEP Phase 2 the following is a summary of the services being offered on a voluntary basis to gas customers meeting the requirements therein.

LOW-INCOME HEAT PUMP DIRECT INSTALLS:

Must be a Residential natural gas Customer of the Company, at a single-family location using gas equipment for space and/or water heating. Customer income must be less than or equal to 80% of area median household income, 60% of state median income; or 200% of the federal poverty level, whichever is higher. Funding is up to \$4,600,000.

CONSTRAINED NATURAL GAS AREAS:

Must be a Residential natural gas Customer of the Company, at a single-family location using gas equipment for space and/or water heating. Customer must be in a Company-defined gas constrained area where the Company can utilize these upgrades to attempt to avoid capacity expansions of the Company gas distribution system. Funding is up to \$4,000,000.

INCOME QUALIFIED FUEL-SWITCHING HEAT PUMP REBATES:

Must be a Residential natural gas Customer of the Company, at a single-family location using gas equipment for space and/or water heating. Customer must be less than or equal to 90% of area median household income. Funding is up to \$1,200,000.

SMALL BUSINESS DIRECT INSTALLS:

Must be a Small Business natural gas Customer of the Company, using gas equipment for space and/or water heating. Customer location must be located in a Named Community within the Company's natural gas service territory. Funding is up to \$1,000,000.

MULTI-FAMILY FUEL-SWITCHING HEAT PUMP REBATES:

Must be a Residential natural gas Customer of the Company, at a multi-family location using gas equipment for space and/or water heating. Customer location must be located in or near a Named Community within the Company's natural gas service territory. Funding is up to \$2,000,000.

COMMERCIAL & INDUSTRIAL CUSTOM GRANT:

Must be a Commercial or Industrial natural gas Customer of the Company, using gas equipment for space heating, water heating and/or process heating. Customer location must be located within the Company's natural gas service territory. Funding is up to \$6,000,000.

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PROPOSED

The enclosed tariff sheets reflect issue dates of May 7, 2025, and effective dates of June 7, 2025. Proposed tariff changes will be posted on PSE's website in compliance with WAC 480-90-193.

Please contact Julie Waltari at julie.waltari@pse.com for additional information about this filing. If you have other questions, please contact me at birud.jhaveri@pse.com.

Sincerely,

/s/ Birud D. Jhaveri

Birud D. Jhaveri
Director, Regulatory Affairs
Puget Sound Energy
PO Box 97034, BEL10W
Bellevue, WA 98009-9734
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cc: Sheree Carson, Perkins Coie
Service List

Attachments:
Natural Gas Tariff Sheets (listed above)

**PUGET SOUND ENERGY
Natural Gas Tariff**

**SCHEDULE 323
TARGETED ELECTRIFICATION SERVICE**

(N)

AVAILABILITY: This voluntary service shall be available to any sales (non-transportation) Customer of the Company taking Gas Service, subject to further criteria below. Participation is limited and on a first-come, first-served basis.

PURPOSE: The Targeted Electrification Service will evaluate fuel switching from natural gas to high-efficiency electric appliances and other end-uses in residential, commercial and industrial locations. The voluntary Targeted Electrification Service will also seek to:

- A. Identify opportunities for incremental Distributed Energy Resources (DER) investments as a mechanism to offset electric system reliability risk during peak load events and begin deploying these investments.
- B. Identify barriers to heat pump adoption and develop recommendations for improving the penetration of heat pump technologies in the Company’s gas service territory, and in Constrained Natural Gas Areas.
- C. Identify barriers to low-income customers, Highly Impacted Communities, Vulnerable Populations, and Customers experiencing high energy burdens for accessing heat pump technology, and develop policies and programs to support adoption of heat pump technologies by those Customers and populations.

DEFINITIONS:

- A. Highly Impacted Communities or HIC means a community designated by the Department of Health based on the cumulative impact analysis required by RCW 19.405.140, or a community located in census tracts that are fully or partially on “Indian country” as defined in 18 U.S.C. Sec. 1151.
- B. Named Communities include both Highly Impacted Communities and Vulnerable Populations.


(N)

(Continued on Sheet No. 1323-A)

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Title: Director, Regulatory Affairs

**PUGET SOUND ENERGY
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**SCHEDULE 323
TARGETED ELECTRIFICATION SERVICE**

(N)

DEFINITIONS (Continued):

- C. Vulnerable Populations or VP means communities that experience a disproportionate cumulative risk from environmental burdens due to: adverse socioeconomic factors, including unemployment, high housing and transportation costs relative to income, access to food and health care, and linguistic isolation; and sensitivity factors, such as low birth weight and higher rates of hospitalization. These communities are stated in the Company’s approved Clean Energy Implementation Plan.
- D. Small Business(es) means a Customer on natural gas Schedule 31 and, if also taking electric service from the Company, a Customer on electric Schedule 24 or Schedule 25 with a footprint of 10,000 square feet or less and with 50 or fewer employees at that premise.
- E. Constrained Natural Gas Area(s) means a geographic area on the Company’s natural gas distribution system that has Company-determined capacity constraints.

SERVICES:

- A. Income-Eligible Heat Pump Direct Installations: Low-income-qualified Customers in the Company’s natural gas territory will receive whole-home weatherization and heat pump space/water heating upgrades at no cost. The Company will cover the full cost associated with the electrification projects, including heat pump systems and the enabling work for the installation of heat pump systems (e.g. panel upgrades & rerouted vent work). The Company’s Low Income Weatherization Program will provide the home weatherization assistance.
- B. Rebates and Incentives: The Company may provide rebates and incentives to encourage targeted electrification adoption in Customer buildings that provide carbon emission reduction potential.
- C. Small Business Heat Pump Pilot in Named Communities: The Company will provide funding for heat pump systems for space and water heating to Small Businesses in Named Communities in the Company’s natural gas service territory.
- D. Education and Outreach: Provide education and outreach to Customers on available electrification incentives, programs, and qualified installers available through the Company’s Targeted Electrification Service and from state and federal sources.


(Continued on Sheet No. 1323-B)

(N)

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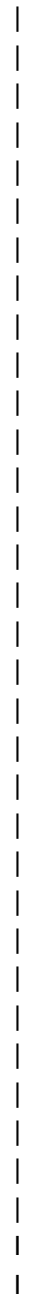
**PUGET SOUND ENERGY
Natural Gas Tariff**

**SCHEDULE 323
TARGETED ELECTRIFICATION SERVICE**

(N)

SERVICES AVAILABLE MAY 2025 THROUGH DECEMBER 2026:

- A. Low-Income Heat Pump Direct Installs:
 Funding up to \$4,600,000 through December 31, 2026.
 Must be a Residential natural gas Customer of the Company, at a single-family location using gas equipment for space and/or water heating. Customer income must be less than or equal to 80% of area median household income, 60% of state median income; or 200% of the federal poverty level, whichever is higher.
- B. Constrained Natural Gas Areas:
 Funding up to \$4,000,000 through December 31, 2026.
 Must be a Residential natural gas Customer of the Company, at a single-family location using gas equipment for space and/or water heating. Customer must be in a Constrained Natural Gas Area where the Company can utilize these upgrades to attempt to avoid capacity expansions of the Company gas distribution system.
- C. Income Qualified Fuel-Switching Heat Pump Rebates:
 Funding up to \$1,200,000 through December 31, 2026.
 Must be a Residential natural gas Customer of the Company, at a single-family location using gas equipment for space and/or water heating. Customer must be less than or equal to 90% of area median household income.
- D. Small Business Direct Installs:
 Funding up to \$1,000,000 through December 31, 2026.
 Must be a Small Business natural gas Customer of the Company, using gas equipment for space and/or water heating. Customer location must be located in a Named Community within the Company’s natural gas service territory.



(Continued on Sheet No. 1323-C)

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**SCHEDULE 323
TARGETED ELECTRIFICATION SERVICE**

(N)

SERVICES AVAILABLE MAY 2025 THROUGH DECEMBER 2026 (Continued):

- E. Multi-Family Fuel-Switching Heat Pump Rebates:
Funding up to \$2,000,000 through December 31, 2026.
Must be a Residential natural gas Customer of the Company, at a multi-family location using gas equipment for space and/or water heating. Customer location must be located in or near a Named Community within the Company's natural gas service territory.
- F. Commercial & Industrial Custom Grant:
Funding up to \$6,000,000 through December 31, 2026.
Must be a Commercial or Industrial natural gas Customer of the Company, using gas equipment for space heating, water heating and/or process heating. Customer location must be located within the Company's natural gas service territory.

FUNDING: The Company will provide incentives or rebates for participation in the services under this schedule. Participation/commitments entered into prior to January 1, 2027 will be honored. Costs of rebates, incentives or other reimbursement or compensation may be recovered through, but not limited to, Schedule 141TEX.

CUSTOMER RESPONSIBILITY: Customers or eligible parties must agree to be willing participants and understand and accept any risks or uncertainties associated with participation. Customers or participants must agree to provide the Company with feedback in the form of release for use of energy-usage data for evaluation purposes, completed surveys, or interviews related to participation. Customers or eligible parties are solely responsible for and assume all liabilities associated with contracting, hiring, and paying independent contractors to install measures. Customer must provide Company permission to access the premise and building. Customer agrees to install qualifying equipment. Customer will own the equipment.


(Continued on Sheet No. 1323-D)

(N)

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(N)

CUSTOMER INFORMATION: By virtue of this service being a part of the Company's primary purpose of providing Gas Service to its Customers, the Customer grants to the Company the right to use their personal information, relative to this service, and the Company may disclose personal information to third parties. Personal information includes, but is not limited to, contact information such as telephone number or email address. The Company will make appropriate efforts to safeguard the Customer's confidential information.

GENERAL RULES AND REGULATIONS: Gas Service under this Schedule is subject to the General Rules and Regulations contained in this tariff as they may be modified from time to time and other schedules of such tariff that may from time to time apply as they may be modified from time to time.

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