

MEDIA RELEASE

Settlement reached in PSE general rate case

BELLEVUE, Wash. (September 15, 2017) – Puget Sound Energy, the staff of the Washington Utilities and Transportation Commission, the Montana Attorney General’s office, the Sierra Club, and six other entities have come to an agreement on the majority of issues in PSE’s general rate case.

For a minimal increase in customer electric rates, the settlement will help PSE pave a path to the cleaner energy future our customers want and increase funding available for customer bill assistance and weatherization. If the settlement is approved, customers would see an electric bill increase of approximately one percent and a decrease on their natural gas bills of approximately four percent.

The settlement would establish a financing mechanism for the decommissioning and remediation needed after the shut-down of PSE’s coal-fired Colstrip Units 1 and 2, which is scheduled for July 2022 at the latest. The settlement also sets aside funding to pay for shut-down and cleanup costs for Units 3 and 4 at Colstrip, although no shut-down dates have been established for those newer units.

“This settlement establishes a workable mechanism to fund the decommissioning and environmental remediation at Colstrip,” said Ken Johnson, PSE’s director of Regulatory Affairs. “It ensures future generations will not be burdened by costs resulting from decisions made five decades ago.”

As coal becomes less of PSE’s portfolio, a \$10 million fund to help the community of Colstrip transition is also part of the settlement. While the details of how the transition fund will be spent have not been finalized, it is envisioned that economic development and job training for existing community members would be key components.

“While PSE represents only one of six Colstrip owners, we believe the community transition fund is an important first step in creating a viable funding source to help the community transition to new opportunities for employment in the years to come,” Johnson said.

For the newer Colstrip Units 3 and 4, the schedule for depreciating those investments has been accelerated from a period ending in 2045 to one ending in 2027. This does not mean that Units 3 and 4 will shut down in 2027; rather it means the money invested in the units will be recovered by then.

Also resolved in the settlement is continuing a mechanism to set money aside to help pay for storm damage. A few issues remain unresolved, including mechanisms to encourage conservation and service reliability. Remaining issues will be debated before the WUTC commissioners, who will make a final decision.

The settlement announced today will be filed with the WUTC and reviewed by the three commissioners. The commissioners will then approve, reject or modify the agreement.

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