



Puget Sound Energy
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PSE.com

March 1, 2017

Mr. Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

**Re: Advice No. 2017-03
Electric Tariff Filing - Filed Electronically**

Dear Mr. King:

Puget Sound Energy (“PSE”) hereby submits proposed revisions to its electric Schedule 120, Electricity Conservation Service Rider. This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, proposes revisions in the following electric tariff sheets.

WN U-60, Tariff G - (Electric Tariff):

- 25th Revision of Sheet No. 120 - Electricity Conservation Service Rider
- 26th Revision of Sheet No. 120-A - Electricity Conservation Service Rider (Continued)
- 27th Revision of Sheet No. 120-B - Electricity Conservation Service Rider (Continued)
- 24th Revision of Sheet No. 120-C - Electricity Conservation Service Rider (Continued)
- 22nd Revision of Sheet No. 120-D - Electricity Conservation Service Rider (Continued)
- 22nd Revision of Sheet No. 120-E - Electricity Conservation Service Rider (Continued)
- 6th Revision of Sheet No. 120-F - Electricity Conservation Service Rider (Continued)
- 3rd Revision of Sheet No. 120-G - Electricity Conservation Service Rider (Continued)
- 1st Revision of Sheet No. 120-H - Electricity Conservation Service Rider (Continued)

The purpose of this filing is to implement changes to rates under the conservation rider mechanism, as provided in the following dockets: the Commission’s order in Docket No. UE-970686 (the “Order”); the Settlement Terms for Conservation (“Settlement”) approved by the Commission in Docket No. UE-100177; and the Commission’s Appendix A of Order 01 in Docket No. UE-152058 (“Order 01”).

In Order 01 the Commission approved PSE’s 2016-2017 Biennial Conservation Target (“Target”) of 537,078 MWh of first-year savings, as reported at the customer meter. That approved Target represented the total available conservation resources that are cost-effective, reliable and feasible that PSE could expect to acquire in the 2016-2017 biennium. This filing revises the Electricity Conservation Rider charges for all schedules, except for those customers receiving service under Schedules 448, 458, 449 or 459 (“Transportation Customers”),

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in order to reflect an increase in the amounts budgeted for the upcoming year and the true-up (and approval) of actual costs and actual collections over the past year.

The amount of revenue requirement requested in this filing for customers affected by these tariff changes in the Electricity Conservation Service Rider is \$113.7 million. This amount is higher than the \$98.2 million requested in last year's filing under Docket No. UE-160265 by a total of \$15.6 million for the following reasons: a \$3.8 million increase due to the increased budget for the 2017 program year and an increase of \$11.7 million in the true-up for spending and load variances compared to the true-up amount in 2016. The current year true-up amounts total \$8 million, of which \$8.7 million is due to changes in receipts due to loads, and negative \$0.7 million is due to differences between budgeted amounts and actual amounts expended.

Overall, this proposal represents a revenue requirement increase for non-Transportation schedules of \$16.5 million or an average increase in overall bills of 0.74% for customers affected by this tariff change. For example, the typical residential customer on Schedule 7 using 900 kWh per month will experience an increase of \$0.94 per month. There is no change in rates for Transportation Customers due to this filing.

The tariff sheets described herein reflect an issue date of March 1, 2017, and an effective date of May 1, 2017. As required by WAC 480-100-193, PSE has posted the proposed tariff sheets on the PSE web site immediately prior to or coincident with the date of this transmittal letter.

Please contact Julie Waltari at (425) 456-2945 for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,


for Ken Johnson
Director, State Regulatory Affairs

Enclosures

cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie