

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**Docket Nos. UE-151871 UG-151872
Puget Sound Energy's
Electric and Natural Gas Equipment Lease Service****PUBLIC COUNSEL DATA REQUEST NO. 038****PUBLIC COUNSEL DATA REQUEST NO. 038:****RE: PSE Response to Staff Data Request No. 068 and PSE Gas Schedule 1**

In the event a PSE natural gas customer residing in Seattle enters into a lease agreement with PSE for a standard vent tank water heater, at a monthly price of \$19.13, and given that PSE's Schedule 1 shows a city utility tax rate of 6 percent for Seattle, please provide the following:

- a) the specific city utility rate that would appear on the customer bill (i.e. would the customer see 6.00 percent applied?)
- b) in the event the specific city utility tax rate applied to this customer is not 6.00 percent, please explain the source and basis for any adjustment to the rate.
- c) please explain whether the city utility tax rate applied would be different from the amount provided in response to part (a) of this request if the customer were also leasing a 95 percent efficient gas furnace, at a monthly price of \$67.87. If so, please explain the basis for any difference.

Response:

Puget Sound Energy's ("PSE") Schedule 1 would not apply to retail leasing activities in Seattle. PSE intends to pay Seattle business and occupation tax on lease revenues. Seattle law distinguishes gross income taxable under the city utility tax from gross income taxable under the business and occupation tax. In the case of lease revenues, Seattle considers the activity to be a retail sale taxed under the business and occupation statute.