



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
PSE.com

January 13, 2017

Hand Delivered

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

**Re: Puget Sound Energy
WN U-60, Tariff G, Electric Service, Advice No. 2017-01
WN U-2, Natural Gas Service, Advice No. 2017-02**

Dear Mr. King:

The Purpose of this Filing

Puget Sound Energy ("PSE" or the "Company") is filing this general rate case pursuant to Order 07 in Dockets UE-121697 and UG-121705 (*Consolidated*), and UE-130137 and UG-130138 (*Consolidated*) as amended by the Notice of Commission Action dated March 17, 2016 ("Notice"). The Notice relieved PSE from filing a general rate case by April 1, 2016 and, instead, required it to file a general rate case by no later than January 17, 2017.

This filing requests an increase in base rates to recover increased electric and gas revenue requirements of approximately \$149,061,986 (7.6%) and \$22,992,716 (2.8%), respectively, on an annual basis. This is PSE's first general rate case since the case filed in 2011 and as a result, there will be corresponding offsets in other previously approved rate schedules that will offset the increase to base rates. Including the impacts of those offsets, the net impact to customers' rates is anticipated to be an increase in electric rates of \$86,694,000 (4.1%) and a decrease to natural gas rates of \$22,323,105 (-2.4%). The impact of the filing is described in greater detail in the Summary Documents, three copies of which are filed herewith as **Addendum E**. In addition the Company is requesting a new Electric Cost Recovery Mechanism, which is included as electric Schedule 149, designed to recover targeted reliability spending as outlined in PSE's Electric Reliability Plan also included in the testimony and exhibits that were submitted in support of this filing. An overview of the topics covered by each of the Company's witnesses is provided in the Prefiled Direct Testimony of David E. Mills, Exhibit No. ___(DEM-1T), which is provided as part of this filing.

Please note with respect to the electric revenue requirement increase that the Company will update its projection of rate year power costs during the course of this proceeding. This update could result in an increase or decrease to the Company's total requested electric general rate case revenue deficiency. In addition, once this filing is suspended by the Commission and becomes an adjudicative proceeding, the evidence developed and ultimate findings and conclusions in the proceeding could produce electric and gas revenue requirements that are higher or lower than the amounts requested in this initial filing.

Proposed Revised Tariff Sheets

Pursuant to RCW 80.28.060 and WAC 480-80-101 and WAC 480-80-105, the Company is providing three copies of the proposed revised tariff sheets of PSE listed below. These tariff sheets reflect issue dates of January 13, 2017, and effective dates of February 13, 2017.

WN U-60, Tariff G, Electric Service:

34 th Revision	Sheet No. 7	Residential Service
9 th Revision	Sheet No. 7-B	Master Metered Residential Service (Continued)
32 nd Revision	Sheet No. 24	General Service
22 nd Revision	Sheet No. 25	Small Demand General Service
14 th Revision	Sheet No. 25-A	Small Demand General Service (Continued)
23 rd Revision	Sheet No. 26	Large Demand General Service
28 th Revision	Sheet No. 29	Seasonal Irrigation & Drainage Pumping Service
34 th Revision	Sheet No. 31	Primary General Service
27 th Revision	Sheet No. 35	Seasonal Primary Irrigation & Drainage Pumping Service
9 th Revision	Sheet No. 40	Large General Service Greater Than 3 aMW
6 th Revision	Sheet No. 40-A	Large General Service Greater Than 3 aMW (Continued)
5 th Revision	Sheet No. 40-B	Large General Service Greater Than 3 aMW (Continued)
5 th Revision	Sheet No. 40-C	Large General Service Greater Than 3 aMW (Continued)
24 th Revision	Sheet No. 43-A	Interruptible Primary Service for Total-Electric Schools (Continued)
33 rd Revision	Sheet No. 46	High Voltage Interruptible Service
14 th Revision	Sheet No. 46-A	High Voltage Interruptible Service (Continued)
32 nd Revision	Sheet No. 49	High Voltage General Service
32 nd Revision	Sheet No. 50	Limited Street Lighting Service
4 th Revision	Sheet No. 50-B	Limited Street Lighting Service (Continued)
3 rd Revision	Sheet No. 51-B	LED (Light Emitting Diode) Lighting Service (Continued)
3 rd Revision	Sheet No. 51-C	LED (Light Emitting Diode) Lighting Service (Continued)
3 rd Revision	Sheet No. 51-D	LED (Light Emitting Diode) Lighting Service (Continued)
2 nd Revision	Sheet No. 51-F	LED (Light Emitting Diode) Lighting Service (Continued)
22 nd Revision	Sheet No. 52-A	Custom Lighting Service Company Owned (Continued)
9 th Revision	Sheet No. 52-B	Custom Lighting Service Company Owned (Continued)
2 nd Revision	Sheet No. 52-D	Custom Lighting Service Company Owned (Continued)

20 th Revision	Sheet No. 53-A	Street Lighting Service Sodium Vapor (Continued)
17 th Revision	Sheet No. 53-B	Street Lighting Service Sodium Vapor (Continued)
11 th Revision	Sheet No. 53-C	Street Lighting Service Sodium Vapor (Continued)
6 th Revision	Sheet No. 53-F	Street Lighting Service Sodium Vapor (Continued)
3 rd Revision	Sheet No. 53-G	Street Lighting Service Sodium Vapor (Continued)
2 nd Revision	Sheet No. 53-H	Street Lighting Service Sodium Vapor (Continued)
1 st Revision	Sheet No. 53-K	Street Lighting Service Sodium Vapor (Continued)
34 th Revision	Sheet No. 54	Customer-Owned Street Lighting Energy Service Sodium Vapor
9 th Revision	Sheet No. 54-A	Customer-Owned Street Lighting Energy Service Sodium Vapor (Continued)
5 th Revision	Sheet No. 54-B	Customer-Owned Street Lighting Energy Service Sodium Vapor (Continued)
1 st Revision	Sheet No. 54-D	Customer-Owned Street Lighting Energy Service Sodium Vapor (Continued)
34 th Revision	Sheet No. 55	Area Lighting Service
15 th Revision	Sheet No. 55-A	Area Lighting Service (Continued)
3 rd Revision	Sheet No. 55-B	Area Lighting Service (Continued)
30 th Revision	Sheet No. 57	Continuous Lighting Service
29 th Revision	Sheet No. 58	Flood Lighting Service
18 th Revision	Sheet No. 58-A	Flood Lighting Service (Continued)
4 th Revision	Sheet No. 58-B	Flood Lighting Service (Continued)
5 th Revision	Sheet No. 58-C	Flood Lighting Service (Continued)
35 th Revision	Sheet No. 95	Power Cost Adjustment Clause
10 th Revision	Sheet No. 95-A	Power Cost Adjustment Clause (Continued)
12 th Revision	Sheet No. 95-B	Power Cost Adjustment Clause (Continued)
11 th Revision	Sheet No. 95-C	Power Cost Adjustment Clause (Continued)
4 th Revision	Sheet No. 95-C.1	Power Cost Adjustment Clause (Continued)
4 th Revision	Sheet No. 95-C.2	Power Cost Adjustment Clause (Continued)
11 th Revision	Sheet No. 95-D	Power Cost Adjustment Clause (Continued)
11 th Revision	Sheet No. 95-E	Power Cost Adjustment Clause (Continued)
2 nd Revision	Sheet No. 95-E.1	Power Cost Adjustment Clause (Continued)
3 rd Revision	Sheet No. 141-A	Expedited Rate Filing Rate Adjustment (Continued)
3 rd Revision	Sheet No. 141-B	Expedited Rate Filing Rate Adjustment (Continued)
2 nd Revision	Sheet No. 141-C	Expedited Rate Filing Rate Adjustment (Continued)
1 st Revision	Sheet No. 141-D	Expedited Rate Filing Rate Adjustment (Continued)
1 st Revision	Sheet No. 141-E	Expedited Rate Filing Rate Adjustment (Continued)
1 st Revision	Sheet No. 141-F	Expedited Rate Filing Rate Adjustment (Continued)
1 st Revision	Sheet No. 141-G	Expedited Rate Filing Rate Adjustment (Continued)
1 st Revision	Sheet No. 141-H	Expedited Rate Filing Rate Adjustment (Continued)
1 st Revision	Sheet No. 141-I	Expedited Rate Filing Rate Adjustment (Continued)
1 st Revision	Sheet No. 141-J	Expedited Rate Filing Rate Adjustment (Continued)

2 nd Revision	Sheet No. 141-K	Expedited Rate Filing Rate Adjustment (Continued)
2 nd Revision	Sheet No. 141-L	Expedited Rate Filing Rate Adjustment (Continued)
1 st Revision	Sheet No. 141-M	Expedited Rate Filing Rate Adjustment (Continued)
1 st Revision	Sheet No. 141-N	Expedited Rate Filing Rate Adjustment (Continued)
Original	Sheet No. 149	Electric Reliability Cost Recovery Mechanism (ERCRM)
12 th Revision	Sheet No. 448-I	Power Supplier Choice (Continued)
13 th Revision	Sheet No. 449-I	Retail Wheeling Service (Continued)
3 rd Revision	Sheet No. 458	Back-Up Distribution Service
3 rd Revision	Sheet No. 458-A	Back-Up Distribution Service (Continued)
3 rd Revision	Sheet No. 459	Back-Up Distribution Service
3 rd Revision	Sheet No. 459-A	Back-up Distribution Service (Continued)

Three copies of **Addendum A**, which contains the above electric tariff sheets formatted with the coding required by WAC 480-80-105, are enclosed. Three copies of **Addendum B**, which contains the above electric tariff sheets in legislative format as required by WAC 480-07-510(2), are also enclosed.

WN U-2, Natural Gas Service:

4 th Revision	Sheet No. 33	Rule No. 21: Firm Service Priority
4 th Revision	Sheet No. 37-A	Rule No. 23: Interruptible Sales and Transportation Service Priority (Continued)
2 nd Revision	Sheet No. 37-B	Rule No. 23: Interruptible Sales and Transportation Service Priority (Continued)
2 nd Revision	Sheet No. 43	Rule No. 29: Terms of Distribution System Transportation Service
12 th Revision	Sheet No. 116-A	General Gas Lighting and Street Lighting Service (Optional) (Continued)
57 th Revision	Sheet No. 123	Residential General Service
53 rd Revision	Sheet No. 131	Commercial and Industrial General Service
7 th Revision	Sheet No. 131T	Distribution System Transportation Service (Firm-Commercial and Industrial)
59 th Revision	Sheet No. 141	Large Volume High Load Factor Gas Service (Optional)
20 th Revision	Sheet No. 141-A	Large Volume High Load Factor Gas Service (Optional) (Continued)
7 th Revision	Sheet No. 141T	Distribution System Transportation Service (Firm-Large Volume High Load Factor)
7 th Revision	Sheet No. 141T-A	Distribution System Transportation Service (Firm-Large Volume High Load Factor) (Continued)
13 th Revision	Sheet No. 153-B	Propane Service (Continued)
15 th Revision	Sheet No. 185	Interruptible Gas Service with Firm Option
49 th Revision	Sheet No. 185-A	Interruptible Gas Service with Firm Option (Continued)

16 th Revision	Sheet No. 185-B	Interruptible Gas Service with Firm Option (Continued)
20 th Revision	Sheet No. 185-C	Interruptible Gas Service with Firm Option (Continued)
20 th Revision	Sheet No. 185-D	Interruptible Gas Service with Firm Option (Continued)
7 th Revision	Sheet No. 185T	Distribution System Transportation Service (Interruptible with Firm Option)
5 th Revision	Sheet No. 185T-A	Distribution System Transportation Service (Interruptible with Firm Option) (Continued)
2 nd Revision	Sheet No. 185T-B	Distribution System Transportation Service (Interruptible with Firm Option) (Continued)
2 nd Revision	Sheet No. 185T-C	Distribution System Transportation Service (Interruptible with Firm Option) (Continued)
20 th Revision	Sheet No. 186-C	Limited Interruptible Gas Service with Firm Option (Optional) (Continued)
17 th Revision	Sheet No. 186-D	Limited Interruptible Gas Service with Firm Option (Optional) (Continued)
5 th Revision	Sheet No. 186T	Distribution System Transportation Service (Interruptible with Firm Option)
6 th Revision	Sheet No. 186T-A	Distribution System Transportation Service (Interruptible with Firm Option) (Continued)
21 th Revision	Sheet No. 187-D	Non-Exclusive Interruptible Gas Service w/ Firm Option (Continued)
5 th Revision	Sheet No. 187T	Distribution System Transportation Service (Non-Exclusive Interruptible with Firm Option)
6 th Revision	Sheet No. 187T-A	Distribution System Transportation Service (Non-Exclusive Interruptible with Firm Option) (Continued)
3 rd Revision	Sheet No. 1141-A	Expedited Rate Filing Rate Adjustment (Continued)
1 st Revision	Sheet No. 1141-B	Expedited Rate Filing Rate Adjustment (Continued)
1 st Revision	Sheet No. 1141-C	Expedited Rate Filing Rate Adjustment (Continued)
1 st Revision	Sheet No. 1141-D	Expedited Rate Filing Rate Adjustment (Continued)
1 st Revision	Sheet No. 1141-E	Expedited Rate Filing Rate Adjustment (Continued)

Three copies of **Addendum C**, which contains the above natural gas tariff sheets formatted with the coding required by WAC 480-80-105, are enclosed. Three copies of **Addendum D**, which contains the above natural gas tariff sheets in legislative format as required by WAC 480-07-510(2), are also enclosed.

Additionally, as explained in the Prefiled Direct Testimony of Mr. Jon Piliaris, Exhibit No. ___ (JAP-1T), several electric and natural gas rider schedules will be need to be reset simultaneously with the proposed changes to base rates in this general rate case. While not filed as part of this case, the following tariff sheets will be included in the final compliance filing with the effective date of new base rates resulting from this rate case.

WN U-60, Tariff G, Electric Service:

Sheet No. 142	Revenue Decoupling Adjustment Mechanism
Sheet No. 142-A	Revenue Decoupling Adjustment Mechanism (Continued)
Sheet No. 142-B	Revenue Decoupling Adjustment Mechanism (Continued)
Sheet No. 142-C	Revenue Decoupling Adjustment Mechanism (Continued)
Sheet No. 142-D	Revenue Decoupling Adjustment Mechanism (Continued)
Sheet No. 142-E	Revenue Decoupling Adjustment Mechanism (Continued)
Sheet No. 142-F	Revenue Decoupling Adjustment Mechanism (Continued)
Sheet No. 142-G	Revenue Decoupling Adjustment Mechanism (Continued)
Sheet No. 142-H	Revenue Decoupling Adjustment Mechanism (Continued)

WN U-2, Natural Gas Service:

Sheet No. 1142	Revenue Decoupling Adjustment Mechanism
Sheet No. 1142-A	Revenue Decoupling Adjustment Mechanism (Continued)
Sheet No. 1142-B	Revenue Decoupling Adjustment Mechanism (Continued)
Sheet No. 1142-C	Revenue Decoupling Adjustment Mechanism (Continued)
Sheet No. 1142-D	Revenue Decoupling Adjustment Mechanism (Continued)
Sheet No. 1142-E	Revenue Decoupling Adjustment Mechanism (Continued)
Sheet No. 1149	Cost Recovery Mechanism for Pipeline Replacement (CRM)

Additional Materials Submitted With This Filing

As directed by the Commission, the Company has enclosed an original and 12 copies of the Company's prefiled direct testimony and exhibits supporting this general rate case filing. These materials will be offered into the record at the appropriate time and should not be considered evidence until so entered. For the convenience of the Commission and persons interested in this case, a list of these testimonies and the exhibits supported by each witness is provided as **Addendum F**.

In compliance with WAC 480-07-510(3)(i), we have also provided three copies of a Report of Affiliated Interest Transactions for the test year as **Addendum G**.

We have also enclosed CD ROMs/DVDs with electronic copies of these materials where available.

Work Papers

In compliance with WAC 480-07-510(3)(a), we are providing three copies of supporting work papers to Commission Staff and a copy of work papers to Public Counsel.

Confidentiality Protections and Motion for Highly Confidential Protective Order

As is evident from PSE's filing, the Company has marked certain pages "CONFIDENTIAL" and certain pages "HIGHLY CONFIDENTIAL." These documents are currently protected from any further disclosure by the Commission or the Office of the Attorney General, including their outside experts, pursuant to RCW 80.04.095 and WAC 480-07-160. PSE's filing includes a motion and sworn statement requesting that the Commission issue a protective order with highly confidential provisions.

The Company therefore requests that the documents contained in the envelopes identified with the cover page marked "CONFIDENTIAL PER WAC 480-07-160" or "HIGHLY CONFIDENTIAL PER WAC 480-07-160," as well as the files marked "confidential" or "highly confidential" on the versions of the disks and CD ROMs/DVDs containing confidential materials be treated as confidential under the provisions of WAC 480-07-160, as they each contain sensitive commercial information. In accordance with WAC 480-07-160(3)(c) the Company has enclosed redacted versions of the documents containing confidential information along with the nonconfidential documents in its filing, and has placed unredacted versions of the documents containing confidential information in separate envelopes with corresponding "CONFIDENTIAL PER WAC 480-07-160" or "HIGHLY CONFIDENTIAL PER WAC 480-07-160" labels on the envelopes. Each page of the unredacted version containing confidential information has been printed on yellow paper and each page containing highly confidential information has been printed on light blue paper.

CD ROMs/DVDs containing confidential materials have also been appropriately identified. Please note that for the Commission's convenience, each CD ROM/DVD contains a complete set of the filing, except that the "Redacted" CD ROM/DVD does not contain any confidential or highly confidential files, the "Confidential" CD ROM/DVD contains all but the highly confidential files, and the "Highly Confidential" CD ROM/DVD contains all of the files. The file names for each document identify whether the document is "confidential" or "highly confidential."

The Company, its customers, and/or the project owners and developers that submitted commercially sensitive information to PSE would be harmed by release of the confidential or highly confidential information. As detailed in PSE's motion for protective order submitted with this filing, some of the information related to the Company's resource acquisition process should not be viewed at all by persons involved in engineering, procurement or construction of energy projects or resources. PSE has designated such material as "highly confidential" because it reflects confidential information that PSE received from respondents to PSE's request for qualifications for engineering, procurement and construction services. Such information is commercially sensitive also because it reveals information about PSE's analyses or strategies

with respect to PSE's negotiations with such respondents. To the extent any such persons or entities seek to intervene in this matter, they should not thereby be permitted access to "highly confidential" information.

Notice of General Rate Case Filing

Pursuant to WAC 480-07-510(5), the Company is serving copies of the Summary Documents on the persons listed on the Certificate of Service attached to this letter. A copy of the form of the cover letter and certificate of service for the parties noticed pursuant to WAC 480-07-510(5) are also provided in **Addendum H**.

Pursuant to WAC 480-100-194 and 480-90-194, PSE agrees to suspension of the proposed tariff filings and thus is not required to publish notice immediately prior to or coincident with the date of this transmittal letter and filing. The Company agrees to waive suspension hearing and requests that the Commission issue an order suspending these proposed changes for investigation and that a hearing to take testimony from the public will be scheduled at the prehearing conference. Accordingly, the Company will provide notice to the public pursuant to WAC 480-100-197 and 480-90-197. In accordance with WAC 480-100-193(1) and 480-90-193(1), the Company will also post the proposed changes to its tariff sheets for public inspection and review on its website, and will provide access via request by telephone or mail.

Service and correspondence relating to this filing should be directed to:

Ken Johnson
Director, State Regulatory Affairs
Puget Sound Energy
P.O. Box 97034 PSE-08N
Bellevue, WA 98009-9734
Email: ken.s.johnson@pse.com
Ph: (425) 456-2110
Fax: (425) 462-3414

Sheree Strom Carson, WSBA #25349
Jason T. Kuzma, WSBA# 31830
Donna Barnett, WSBA #36794
Perkins Coie LLP
10885 NE Fourth Street, Suite 700
Bellevue, WA 98004-5579
Email: scarson@perkinscoie.com
jkuzma@perkinscoie.com
dbarnett@perkinscoie.com
Ph: (425) 635-1400
Fax: (425) 635-2400
Attorneys for Puget Sound Energy

Mr. Steven V. King, Executive Director and Secretary

January 13, 2017

Page 9 of 9

We look forward to working with the Commission, Commission Staff, Public Counsel, our customers, and other interested parties on this important matter.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Johnson", is written over a horizontal line. The signature is stylized and cursive.

Ken Johnson
Director, State Regulatory Affairs

cc: Sheree Strom Carson, Perkins Coie
Service List

Attachments:

- Addendum A – Electric Tariff Sheets
- Addendum B – Electric Tariff Sheets – Legislative Format
- Addendum C – Gas Tariff Sheets
- Addendum D – Gas Tariff Sheets – Legislative Format
- Addendum E – Summary Documents (Electric and Gas)
- Addendum F – Exhibit List
- Addendum G – Affiliate and Subsidiary Transaction Report
- Addendum H – Form of Summary Document Cover Letter