



Puget Sound Energy
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PSE.com

October 30, 2020

Filed Via Web Portal

Mr. Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

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10/30/20 16:36
State Of WASH.
UTIL. AND TRANSP.
COMMISSION

**RE: Advice No. 2020-40 – Electric Tariff Revision - Filed Electronically
Request for Waiver of WAC 480-100-198**

Dear Mr. Johnson:

Pursuant to RCW 80.28.060, WAC 480-80-101 and -105 please find enclosed for filing the following proposed revisions to the WN U-60, tariff for electric service of Puget Sound Energy (“PSE”):

- 18th Revision of Sheet No. 95-F – Schedule 95A – Federal Incentive Tracker
- 19th Revision of Sheet No. 95-G – Schedule 95A – Federal Incentive Tracker (Continued)
- 19th Revision of Sheet No. 95-H – Schedule 95A – Federal Incentive Tracker (Continued)
- 20th Revision of Sheet No. 95-I – Schedule 95A – Federal Incentive Tracker (Continued)
- 19th Revision of Sheet No. 95-J – Schedule 95A – Federal Incentive Tracker (Continued)
- 16th Revision of Sheet No. 95-K – Schedule 95A – Federal Incentive Tracker (Continued)
- 11th Revision of Sheet No. 95-L – Schedule 95A – Federal Incentive Tracker (Continued)
- 8th Revision of Sheet No. 95-M – Schedule 95A – Federal Incentive Tracker (Continued)

The purpose of this filing is to submit the annual true-up and rate filing for electric Schedule 95A Federal Incentive Tracker which includes the pass back of Treasury Grants received for PSE’s Wild Horse Expansion (“WHE”) and Lower Snake River (“LSR”) wind facilities over ten years. The annual true-up results in an overall decrease in the amount of the rate credit which would be an overall increase in electric bills for customers. However, rates for Schedule 46 customers would decrease.

Subsequent to the approval of the rate that is currently in effect, it was discovered that the amortization and interest of \$4 million for the WHE treasury grant was inadvertently included in the rate even though the WHE grant balance had reached the end of its ten year life, in 2019. At the time it was discovered in late January 2020, the revenue requirement that had been approved was recalculated to determine the impact and whether it was necessary to refile the rate. Fortunately, the

difference between what was filed and approved, and the corrected amounts was found to be immaterial. Therefore, PSE did not re-file the rate.

In the current filing, PSE has used the allocation factors (i.e., how much of the revenue requirement is comprised of grant amortization and interest for each of the WHE and LSR Treasury Grants) derived from the recalculated revenue requirement in order to calculate the true-up for this year's filing. Therefore, the work papers supporting the recalculated revenue requirement from last year's filing have also been included with this filing in order to facilitate review.

The true-up filing results in a total credit of \$29,521,981 to be passed back to eligible customers over the twelve months, beginning January 1, 2021. Of the total credit, \$26,474,589 represents the pass-back of grant amortization and \$3,047,392 represents the pass through of interest; those figures include the true-up for the 2020 rate period which is a total of \$539,145 that was over passed-back, due to variances in load and interest.

The amount of the credit being passed back has decreased since last year by \$8.3 million. The primary cause for the reduction in the credit is due to a removal of an under pass-back of LSR treasury grant amortization of \$3.9 million, a reduction in interest of \$2.1 million reflecting decreased grant balances, and a \$1.8 million change from a payable to a receivable for other true-up items.

This filing represents an overall average rate increase of 0.34 percent, however there is no change to PSE's net revenue, as it is a pass-through of funds received in the form of a Treasury Grant. The typical residential customer on Schedule 7 using 900 kWh per month would experience an increase of 41 cents per month or 0.44 percent. This filing affects customers on all rate schedules except those on non-core retail wheeling schedules.

The tariff sheets described herein reflect an issue date of October 30, 2020, and effective date of January 1, 2021. Posting of proposed tariff changes, as required by law and the Commission's rules and regulations, is being completed coincident with the date of this transmittal letter through web, telephone and mail access in accordance with WAC 480-100-193.

PSE will provide notice to customers in accordance with WAC 480-100-194(2) at least thirty days prior to the effective date. The date PSE expects to provide notice in compliance with WAC 480-100-194(2) is approximately December 1, 2020, so that the impacts of other rate changes proposed to become effective on January 1, 2021, can be included. Providing notice on December 1, 2020, will not allow PSE to provide the Commission a copy of the notice within ten days of making this filing as provided in WAC 480-100-198. Therefore PSE respectfully requests that it be granted a waiver of WAC 480-100-198 and be allowed to comply with WAC 480-100-198 within ten days of December 1, 2020.

Mr. Mark L. Johnson
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Please contact Julie Waltari at (425) 456-2945 or Susan Free at (425) 456-2105 for additional information about this filing. If you have any other questions please contact me at (425) 456-2142.

Sincerely,

/s/ Jon Piliaris

Jon Piliaris
Director, Regulatory Affairs
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cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie

Attachments: Electric Tariff Sheets (listed above)
Work paper – Revenue Requirement
Work paper – Revenue Requirement Historical Recalculation (Support Only)
Work paper – Rate Design