



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

December 31, 2018

VIA WEB PORTAL

Mr. Mark L. Johnson, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

Received  
Records Management  
12/31/18 09:49  
State Of WASH.  
UTIL. AND TRANSP.  
COMMISSION

**RE: 2018 Qualifying Event Notice – December 20, 2018 Event**

Dear Mr. King:

Pursuant to paragraph 246 of Final Order No. 6, Dockets UE-040641 and UG-040640 et al.<sup>1</sup>, for the purpose of the Qualifying Storm Loss Deferral Mechanism, Puget Sound Energy ("PSE") hereby provides a notification that a qualifying event occurred on December 20, 2018, which marked the fourth event for 2018.

Starting from the 2018 calendar year, PSE has continued its existing Qualifying Storm Loss Deferral Mechanism for any storm restoration costs incurred on or after January 1, 2018, with the following modifications that were agreed to in settlement and the settlement was approved by the Commission in PSE's most recent general rate case<sup>2</sup>:

- (i) the cumulative annual cost threshold for deferral of storms under the Qualifying Storm Loss Deferral Mechanism shall be increased from \$8 million to \$10 million,
- (ii) qualifying events that cost less than \$500,000 will not qualify for deferral; and
- (iii) the cumulative annual cost threshold for the Qualifying Storm Loss Deferral Mechanism shall exclude storm events with costs less than \$500,000.

(Page 22 of Appendix B to Order 08 in consolidated Dockets UE-170033 and UG-170034)

<sup>1</sup> As modified and continued in accordance with paragraph No. 10 of the Partial Settlement of Electric and Natural Gas Revenue Requirements in Final Order No. 12 of Dockets UE-072300 and UG-072301 (consolidated), paragraph No. 299 of Order 08 in Dockets UE-111048 and UG-111049 (consolidated), and paragraph No. 206 of Order 08 in Dockets UE-170033 and UG-170034 (consolidated).

<sup>2</sup> Paragraph No. 196 of Order 08 in Dockets UE-170033 and UG-170034 (consolidated) and Appendix B to the order.

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PSE will submit, by March 20, 2019, an updated 2018 Qualifying Event Report that summarizes the preliminary costs incurred as a result of repairing storm damage to PSE's electric system because of the December 20<sup>th</sup> event as well as the up-to-date results of the prior three events. In this report, PSE will indicate if the total restoration costs associated with the events meet the \$500,000 individual event threshold and, if so, the amount of the costs that apply toward the \$10 million cumulative annual threshold for 2018. The amount of costs has been deferred if both thresholds are exceeded.

If you have any questions regarding the information in this notice, please contact Mei Cass at 425-462-3800. If you have any other questions, please contact me at (425) 456-2142.

Sincerely,

*/s/ Jon Piliaris*

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