



*The Energy To Do Great Things*

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

March 26, 2015

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

**Re: Advice No. 2015-05  
Electric Tariff Filing - Filed Electronically**

Dear Mr. King:

Puget Sound Energy, Inc. ("PSE") hereby submits proposed revisions to rates under its electric Schedule 140, Property Tax Tracker. 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):

- 2<sup>nd</sup> Revision of Sheet No. 140-B - Property Tax Tracker (Continued)
- 2<sup>nd</sup> Revision of Sheet No. 140-C - Property Tax Tracker (Continued)
- 2<sup>nd</sup> Revision of Sheet No. 140-D - Property Tax Tracker (Continued)
- 2<sup>nd</sup> Revision of Sheet No. 140-E - Property Tax Tracker (Continued)
- 2<sup>nd</sup> Revision of Sheet No. 140-F - Property Tax Tracker (Continued)
- 2<sup>nd</sup> Revision of Sheet No. 140-G - Property Tax Tracker (Continued)
- 2<sup>nd</sup> Revision of Sheet No. 140-H - Property Tax Tracker (Continued)
- 2<sup>nd</sup> Revision of Sheet No. 140-I - Property Tax Tracker (Continued)
- 2<sup>nd</sup> Revision of Sheet No. 140-J - Property Tax Tracker (Continued)
- 1<sup>st</sup> Revision of Sheet No. 140-K - Property Tax Tracker (Continued)
- 1<sup>st</sup> Revision of Sheet No. 140-L - Property Tax Tracker (Continued)
- 1<sup>st</sup> Revision of Sheet No. 140-M - Property Tax Tracker (Continued)
- 1<sup>st</sup> Revision of Sheet No. 140-N - Property Tax Tracker (Continued)
- 1<sup>st</sup> Revision of Sheet No. 140-O - Property Tax Tracker (Continued)

The primary purpose of this filing is to implement changes to rates under the established Property Tax Tracker, as provided in the Commission's Order 07 (Final Order Granting Petition) in Docket Nos. UE-121697 and UG-121705 (consolidated) and the Commission's Order 07 (Final Order Authorizing Rates) in Docket Nos. UE-130137 and UG-130138 (consolidated) ("Order 07"). Schedule 140 includes a mechanism for adjusting rates, both up and down; to pass through the cost of property taxes that PSE actually pays. Work papers supporting this filing are enclosed.

Schedule 140 provides that PSE must file revisions on or prior to April 15 for rates to be effective on May 1<sup>st</sup> each year. In 2014, PSE filed on April 10, 2014, and requested an effective date of May 1, 2014, with less than statutory notice ("LSN"). With this short amount of time between filing and effectiveness, Commission Staff was left with little time to review the filing

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and prepare a recommendation, plus had the added responsibility of the LSN request. Because of these issues PSE and Commission Staff verbally agreed to an adjustment to the timing of future filings. The adjusted approach is to make an initial filing a minimum of 30 days prior to the effective date. The initial filing would include an estimate of the current year taxes and then a subsequent filing would be made as close to April 15<sup>th</sup> as possible that would update the estimates to actual amounts. This approach would allow Commission Staff enough time to review all aspects of PSE's filing except the final property tax amounts and to prepare a draft of their memo by their internal due dates. With the only change in the update filing being the final current property tax amounts, a focused review and update to existing draft open meeting memos can be achieved. This filing constitutes the initial filing with estimated current property tax amounts. PSE expects to make the subsequent filing for this year on April 15, 2015. This process is similar to the natural gas Cost Recovery Mechanism for replacement of natural gas pipeline which avoids a request for LSN treatment and allows Commission Staff adequate time for review.

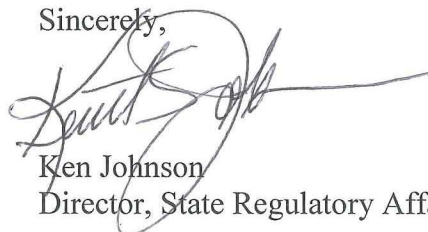
Overall, this proposal represents an average increase of 0.40% in overall bills for all customers. For example, the typical residential customer using 1,000 kWh per month will experience an increase of \$0.44 per month.

WAC 480-100-194 provides that the published notice informing customers of the proposed increase be provided at least thirty days prior to the effective date. In conjunction with the use of an estimate for property taxes not yet billed as described above, PSE respectfully requests that the Commission allow the use of that estimate in the notice to customers required by WAC 480-100-194. To the extent that this request requires approval by the Commission, PSE requests that approval. PSE will provide the required notice through a published notice as provided in WAC 480-100-194(2) on or prior to March 31, 2015.

The tariff sheets described herein reflect issue dates of March 26, 2015, and effective dates of May 1, 2015. Posting of proposed tariff changes, as required by WAC 480-100-193, is being made by posting 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,



Ken Johnson  
Director, State Regulatory Affairs

Enclosures

cc: Simon J. ffitich, Public Counsel  
Sheree Carson, Perkins Coie