



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

April 22, 2016

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

**Re: Docket No. UE-160265 (Advice No. 2016-05) - Do Not Redocket
Substitute Electric Tariff Filing - Filed Electronically**

Dear Mr. King:

Puget Sound Energy ("PSE") hereby submits in connection with Docket No. UE-160265, the following tariff sheets to replace the tariff sheets accompanying PSE's March 1, 2016, filing which was submitted under PSE's Advice No. 2016-05. This substitute filing is pursuant to RCW 80.28.060 and Chapter 480-80 WAC and includes the following portion of the Company's WN U-60 Tariff G for electric service.

24th Revision of Sheet No. 120 - Electricity Conservation Service Rider
25th Revision of Sheet No. 120-A - Electricity Conservation Service Rider (Continued)

During Northwest Energy Coalition's review of PSE's 2015 program costs, it was discovered that the amount of unbilled distribution system costs under PSE's net metering program that are included for recovery in Schedule 120, was too high. The unbilled distribution system costs for the unused energy that customer generators store on PSE's system should be valued at PSE's functionalized *distribution* system costs approved in rates. Beginning in November 2013, PSE inadvertently began applying its functionalized *production* system rate to the unused energy when deferring these costs to the conservation rider accounts.

The purpose of this substitute filing is to correct the months from November 2013 through December 2015 and replace the inappropriate production rate with the appropriate distribution rate for calculating the amount of unbilled distribution system costs to include in Schedule 120 for recovery. This correction resulted in changes to all previously proposed rates except for those within lighting schedules.

The tariff sheets described herein reflect their original issue date of March 1, 2016, and effective date of May 1, 2016. This substitution is provided for in WAC 480-80-111(b) as the revision does not increase the rates reflected in the pending tariff sheets.

Mr. Steven V. King
April 22, 2016
Advice No. 2016-05
Page 2 of 2

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,

A handwritten signature in blue ink, appearing to read "Ken Johnson", with a long horizontal flourish extending to the right.

Ken Johnson
Director, State Regulatory Affairs

Enclosures

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