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April 30, 2018

VIA WEB PORTAL

Steven King, Executive Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

**Re: Petition of Puget Sound Energy For Approval of its
Power Cost Adjustment Mechanism Annual Report for the
Twelve Months Ended December 31, 2017**

Dear Mr. King:

Attached for filing is the Petition of Puget Sound Energy ("PSE") for Approval of its Power Cost Adjustment Mechanism Annual Report, and of the Power Cost Adjustment Mechanism Annual Report for PCA Period 16. This Petition presents for the Commission's review and approval PSE's Power Cost Adjustment Mechanism Annual Report for the Twelve Months Ended December 31, 2017, PCA Period 16. The Petition is filed in compliance with the Sixteenth Supplemental Order (Amending the Twelfth Supplemental Order) in Dockets UE-011670 and UG-011671 and the Final Order Approving and Adopting Settlement Stipulations (Order 11) in Docket UE-130617.

In support of its Petition, PSE presents the prefiled direct testimony and accompanying exhibits of: Susan E. Free, PSE's Director of Revenue Requirements and Regulatory Compliance, and Paul K. Wetherbee, Director, Energy Supply Merchant.

Following are the documents included in this submission:

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1. PCA 16 Cover Letter PSE (4-30-18).pdf
2. PCA 16 COS PSE (4-30-18).pdf
3. PCA 16 Petition PSE (4-30-18).pdf
4. PCA 16 Petition Exh A PSE (4-30-18).pdf
5. SEF-1T PCA 16 Free PSE (4-30-18).pdf
6. SEF-2 PCA 16 Free PSE (4-30-18).pdf
7. SEF-3 PCA 16 Free PSE (4-30-18).pdf
8. PKW-1CT PCA 16 Wetherbee PSE (4-30-18)(C).pdf
9. PKW-1CT PCA 16 Wetherbee PSE (4-30-18)(R).pdf
10. PKW-2 PCA 16 Wetherbee PSE (4-30-18).pdf
11. PKW-3C PCA 16 Wetherbee PSE (4-30-18)(C).pdf
12. PKW-3C PCA 16 Wetherbee PSE (4-30-18)(R).pdf
13. PKW-4C PCA 16 Wetherbee PSE (4-30-18)(C).xlsx
14. PKW-4C PCA 16 Wetherbee PSE (4-30-18)(R).pdf
15. PKW-5C PCA 16 Wetherbee PSE (4-30-18)(C).xlsx
16. PKW-5C PCA 16 Wetherbee PSE (4-30-18)(R).xlsx
17. PKW-6 PCA 16 Wetherbee PSE (4-30-18).xlsx
18. PKW-7C PCA 16 Wetherbee PSE (4-30-18)(C).pdf
19. PKW-7C PCA 16 Wetherbee PSE (4-30-18)(R).pdf
20. PKW-8C PCA 16 Wetherbee PSE (4-30-18)(C).xlsx
21. PKW-8C PCA 16 Wetherbee PSE (4-30-18)(R).xlsx
22. PKW-9C PCA 16 Wetherbee PSE (4-30-18)(C).xlsx
23. PKW-9C PCA 16 Wetherbee PSE (4-30-18)(R).xlsx

Additionally, electronic versions of supporting work papers are being submitted to WUTC Staff, and a courtesy copy of the work papers are being provided to Public Counsel and the Alliance of Western Energy Consumers.

Please note that the materials submitted in support of PSE's Petition include information that is **CONFIDENTIAL PURSUANT TO WAC 480-07-160**. These materials include extensive, current information regarding PSE's risk management analyses and strategies, details regarding specific hedging transactions, and other information that is commercially sensitive and would harm PSE, its customers and shareholders if released. Some of the information may not be publicly released due to restrictions placed on PSE by third parties who provided or are identified in the materials and would be harmed by public release of the information.

These materials, including confidential versions, have been submitted for filing via the Commission's web portal.

Steven King
April 30, 2018
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Thank you for your assistance.

Very truly yours,

A handwritten signature in blue ink that reads "Donna B" followed by a horizontal line.

Donna L. Barnett

DLB:alw
Enclosures