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

**Re: Advice No. 2018-25
PSE’s Electric Tariff Filing - Filed Electronically**

Dear Mr. Johnson:

Puget Sound Energy (“PSE”) hereby submits proposed revisions, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, in the following electric tariff sheets:

WN U-60, Tariff G - (Electric Tariff):

5 th Revision	Sheet No. 51-D	LED (Light Emitting Diode) Lighting Service (Continued)
24 th Revision	Sheet No. 52-A	Custom Lighting Service Company Owned (Continued)
10 th Revision	Sheet No. 52-B	Custom Lighting Service Company Owned (Continued)
22 nd Revision	Sheet No. 53-A	Street Lighting Service Sodium Vapor (Continued)
19 th Revision	Sheet No. 53-B	Street Lighting Service Sodium Vapor (Continued)
13 th Revision	Sheet No. 53-C	Street Lighting Service Sodium Vapor (Continued)
36 th Revision	Sheet No. 55	Area Lighting Service
17 th Revision	Sheet No. 55-A	Area Lighting Service (Continued)
31 st Revision	Sheet No. 58	Flood Lighting Service
20 th Revision	Sheet No. 58-A	Flood Lighting Service (Continued)
6 th Revision	Sheet No. 58-B	Flood Lighting Service (Continued)
6 th Revision	Sheet No. 140-C	Property Tax Tracker (Continued)
6 th Revision	Sheet No. 140-D	Property Tax Tracker (Continued)
6 th Revision	Sheet No. 140-E	Property Tax Tracker (Continued)
6 th Revision	Sheet No. 140-F	Property Tax Tracker (Continued)
6 th Revision	Sheet No. 140-G	Property Tax Tracker (Continued)
6 th Revision	Sheet No. 140-H	Property Tax Tracker (Continued)
6 th Revision	Sheet No. 140-I	Property Tax Tracker (Continued)

5 th Revision	Sheet No. 140-L	Property Tax Tracker (Continued)
6 th Revision	Sheet No. 140-M	Property Tax Tracker (Continued)
5 th Revision	Sheet No. 140-N	Property Tax Tracker (Continued)
6 th Revision	Sheet No. 140-O	Property Tax Tracker (Continued)
4 th Revision	Sheet No. 140-P	Property Tax Tracker (Continued)
3 rd Revision	Sheet No. 140-Q	Property Tax Tracker (Continued)

The purpose of this filing is to update the methodology for allocating certain costs within lighting service Schedules 51, 52, 53, 55, 56, 58 and 59, and lighting rates in Schedule 140 Property Tax Tracker. These updates are related to: (1) the operating and maintenance (“O&M”) component of the Facilities Charge for Schedules 51 and 52, and (2) the capital component of the rate for company-owned light emitting diode (“LED”) lamps on Schedule 53. While the changes in methodology are confined to these specific areas, the reallocation of costs necessarily results in rate impacts to other outdoor lighting schedules. The changes in methodology are applied to rate design models used in developing lighting base rates and the Schedule 140 Property Tax Tracker.

Specific to the first update, this filing adjusts the O&M component of the Facilities Charge for Schedules 51 and 52 to reflect the reduced O&M costs of LED lamps, compared to metal halide and high pressure sodium lamps. In doing so, the O&M component of the Facilities Charge for Schedule 51 is decreased, thus reducing the revenue from this group of customers. As a result, the O&M component of the Schedule 52 Facilities Charge is increased to recover the revenue no longer covered by Schedule 51. Due to the disparity in total Estimated System Costs on Schedules 51 and 52, this reallocation represents a large percentage decrease in revenue for Schedule 51 but only a small percentage increase in revenue for Schedule 52.

Secondly, this filing also adjusts the capital component of the rate for company-owned LED lights on Schedule 53 to reflect the contributions in aid of construction made by customers to upgrade to, or install new LED lights. This results in a reduced allocation of capital costs to customers taking LED service under Schedule 53, as well as a corresponding increase for all other lighting customers.

To determine base rates, this filing relies on current rates and the cost of service study approved in Docket UE-180282, PSE’s electric tariff filing which passed through the benefits of lower income tax rates, by updating the electric compliance filing from PSE’s most recently completed general rate case, Docket UE-170033. To develop Property Tax Tracker rates, the filing relies on current rates and the rate design model approved in PSE’s annual Property Tax Tracker update filing, Docket UE-180257. Work papers are provided with this filing.

For informational purposes and coincident with this filing, PSE is filing updated work papers relying on the cost of service study approved in PSE’s most recently completed general rate case, which reflect this updated methodology for allocating certain costs within lighting service schedules.

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The updated methodology for allocating lighting costs is intended to be revenue neutral. However, actual lamp inventories and rounding of lamp charges slightly impact the estimated lighting revenue to be collected. The overall impact of this filing is a revenue decrease of \$17,018, or 0.1 percent. As discussed above, some rates within these schedules will increase and others will decrease. There is no change proposed to Schedule 7, Residential service and therefore no impact to residential customers.

The tariff sheets described herein reflect issue dates of May 1, 2018, and effective dates of June 1, 2018. Posting of proposed tariff changes, as required by WAC 480-100-193, is being made on the PSE web site immediately prior to or coincident with the date of this transmittal letter. Notice to the public under the provisions of WAC 480-100-194 is also being made coincident with this filing.

Please contact Julie Waltari at (425) 456-2945 or Graham Marmion at (425) 457-5719 for additional information about this filing. If you have any other questions please contact me at (425) 456-2142.

Sincerely,

/s/ Jon Piliaris

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cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie

Attachments: Electric Tariff Sheets listed above
Work papers