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PUGET SOUND ENERGY

The Energy To Do Great Things

Puget Sound Energy, Inc.

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December 2, 2011

Mr. David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

RE: Advice No. 2011-31
Electric Tariff Filing – Filed Electronically

Dear Mr. Danner:

Pursuant to RCW 80.28.060 and Chapter 480-80 WAC, please find enclosed for filing the following proposed revisions to the WN U-60, Tariff G for electric service of Puget Sound Energy (the “Company” or “PSE”).

Seventh Revision of Sheet No. 91-a - Schedule 91 – Cogeneration and Small Power Production
(Continued)

The first purpose of this filing is to update the fixed price option prices for qualifying facility customer-generators under Schedule 91. Consistent with WAC 480-107-095, the Company offers a standard tariff for purchases from qualifying facilities.

The methodology used to update the fixed-price alternative is consistent with the approach used in the past four filings in 2007, 2008, 2009 and 2010, where a market price forecast is generated using the Aurora model and a planning adjustment is used to adjust that market forecast for capital costs of PSE’s energy supply portfolio. In addition to that adjustment, a calculation is made to place a value on avoided capacity costs using the cost effectiveness standard model for conservation programs. The resulting price is then reduced by 5% for balancing costs. The market price forecast used to develop the prices in this filing is the forecast which was used in the initial screening for projects proposed in response to PSE’s 2011 RFP. This is also consistent with previous filings.

This filing also proposes to increase the number of years offered under the fixed price option, from 10 years to fifteen years. Lengthening the time horizon for the fixed price option of Schedule 91 will provide even more price stability for a greater number of small power producers. This is anticipated to encourage the development and acquisition of small renewable energy resources.

The tariff sheet described herein reflects an issue date of December 2, 2011, and an effective date of January 2, 2012. Notice of the proposed tariff changes, as required by law and the Commission’s rules

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and regulations, is being given to the public immediately prior to or coincident with the date of this transmittal letter, through web, telephone and mail access in accordance with WAC 480-100-193(1). Posting of this proposed tariff change will be accomplished in accordance with WAC 480-100-193(1). As this filing does not increase rates or restrict the access to services, no notice is required under the provisions of WAC 480-100-194 or -195.

Please contact Lynn Logen at (425) 462-3872 or Eric Englert at (425) 456-2312 for additional information about this filing. If you have any other questions please contact me at (425) 462-3495.

Very truly yours,



Tom DeBoer
Director, Federal & State Regulatory Affairs

Enclosures

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