



Puget Sound Energy
P.O. Box 97034
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PSE.com

January 30, 2012

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

**RE: Advice No. 2012-01
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, Inc. (the “Company” or “PSE”).

- Third Revision of Sheet No. 133 - Regulatory Asset Tracker
- Third Revision of Sheet No. 133-a - Regulatory Asset Tracker (Continued)
- Third Revision of Sheet No. 133-b - Regulatory Asset Tracker (Continued)
- Third Revision of Sheet No. 133-c - Regulatory Asset Tracker (Continued)
- Third Revision of Sheet No. 133-d - Regulatory Asset Tracker (Continued)
- Third Revision of Sheet No. 133-e - Regulatory Asset Tracker (Continued)

The purpose of this filing is to reactivate the Regulatory Asset Tracker so that the remaining balance of \$944,644.00 can be collected over the six month period from March 1, 2012 through August 31, 2012.

Paragraph 5 of Schedule 133 included a provision in case there was an over or under collection of the stated costs. This provision stated “Any balance remaining on December 31, 2011, will be included in the revenue requirement of the next following general rate case.” How this should be accomplished has been discussed with Commission staff and the conclusion is that it would be simpler to reactivate the rate to collect the remaining balance rather than include the amount in the current or a future rate case. Following the effectiveness of the rates included in this filing any balance will not be included in a future rate case, therefore, the sentence providing for future inclusion has been deleted.

Schedule 133 was established by the Commission’s Order No. 11 in Docket Nos. UE-090704 and UG-090705 (consolidated) (“Order No. 11”) which provided for its termination on December 31, 2011 and that PSE was authorized and required to recover the portion of its electric revenue requirement associated with the Tenaska regulatory asset via a separate tariff rider sufficient to recover the costs for

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the duration of the amortization period. Paragraphs 177 through 179 of Order No. 11 provide background on the establishment of Schedule 133. These paragraphs discuss that Schedule 133 will be a tracker with a revenue requirement set to recover the remaining amortization. The initial revenue requirement was established at \$52,340,145 for the rate year of April 1, 2010 through March 31, 2011 however rates did not go into effect until April 8, 2010 resulting in an under recovery of costs. Rates were adjusted effective April 1, 2011 using a revenue requirement of \$32,684,843 based on costs for the period of April 1, 2011 through December 31, 2011. Rates set effective April 1, 2011 did not include any collection of the amount that was not recovered in the initial rate year.

This filing affects all of PSE's electric customers, except customers on Schedules 448, 449, 459 and 459 to which Schedule 133 does not apply, and represents an overall increase in rates of \$944,644 or a 0.10% based on estimated loads and currently effective rates.

The tariff sheets described herein reflect an issue date of January 30, 2012, and an effective date of March 1, 2012. Posting of proposed tariff changes, as required by law and the Commission's rules and regulations, is being completed 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. This filing represents an increase in customer bills, therefore, the Company will provide notice to customers in accordance with WAC 480-100-194(2) at least thirty days prior to the stated effective date.

Please contact Lynn Logen at (425) 462-3872 or at lynn.logen@pse.com 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: Sheree Carson, Perkins Coie
Simon ffitich, Public Counsel