



# PUGET SOUND ENERGY

*The Energy To Do Great Things*

Puget Sound Energy, Inc.  
P.O. Box 97034  
Bellevue, WA 98009-9734

October 31, 2011

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

**RE:** Advice No. 2012-33 – Electric Tariff Filing – Filed Electronically

Dear Mr. Danner:

Pursuant to RCW 80.28.060, WAC 480-80-101 and -105 please find enclosed for filing the following proposed revisions to the WN U-60, tariff for electric service of Puget Sound Energy, Inc. (the “Company” or “PSE”):

8<sup>th</sup> Revision of Sheet No. 95-f – Schedule 95A – Federal Incentive Tracker  
8<sup>th</sup> Revision of Sheet No. 95-g – Schedule 95A – Federal Incentive Tracker (Continued)  
9<sup>th</sup> Revision of Sheet No. 95-h – Schedule 95A – Federal Incentive Tracker (Continued)  
9<sup>th</sup> Revision of Sheet No. 95-i – Schedule 95A – Federal Incentive Tracker (Continued)  
8<sup>th</sup> Revision of Sheet No. 95-j – Schedule 95A – Federal Incentive Tracker (Continued)  
6<sup>th</sup> Revision of Sheet No. 95-k – Schedule 95A – Federal Incentive Tracker (Continued)  
Original Sheet No. 95-l – Schedule 95A – Federal Incentive Tracker (Continued)  
Original Sheet No. 95-m – Schedule 95A – Federal Incentive Tracker (Continued)

The provisions of Schedule 95A require that the Company make an annual filing to true-up the pass through of Treasury Grants or other tax credits. That filing is made annually at the end of October with an effective date of January 1 the following year. This filing is the annual filing and the Company respectfully requests that the enclosed tariff sheets, which reflect no change in rates, be allowed to go into effect as filed.

The reasons that the Company is not proposing to change rates at this time include: (i) the Company has applied for and is expecting a Treasury Grant related to the Lower Snake River (“LSR”) wind generation project, (ii) the Company and Commission Staff have discussed extending the amortization of Treasury Grants from 10 years to match the remaining plant life, and (iii) absent the changes resulting from (i) and (ii) this filing would reflect a slight increase in rates. The reasons for not changing rates at this time are discussed below.

The Company applied for a Treasury Grant related to the LSR project on September 19, 2012 and received questions regarding that application on October 7, 2012 to which the Company responded on

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October 23, 2012. The Company has not received any additional questions. Based on the timing of the original questions the Company could receive additional questions about November 10. Based on the timing of the Treasury Grant received for the Wild Horse wind project the Company expects that it could receive the Treasury Grant payments by the end of November. The provisions of Schedule 95A would require that the Company make a filing within 60 days of receipt of this Treasury Grant.

Changing the amortization from 10 years to remaining plant life, without the LSR Treasury Grant, would result in an overall increase in rates of 0.28% or for the typical residential customer using 1,000 kWh an increase of \$0.28 per month. The Company is prepared to submit substitute tariff sheets reflecting the remaining plant life amortization of the Wild Horse wind project in this docket. However, when the LSR Treasury Grant is combined with the change in amortization the result will be an overall decrease in rates. Changing the amortization has benefits to customers as interest will be passed-back to customers (interest is passed-back as a result of the passage of Section 1096 of Public Law No. 112-81 and approval by the Commission in Docket No. UE-120277) and the longer amortization will result in a smaller impact to customer bills when the amortization period ends and the credit is no longer passed through.

The Company proposes to make a filing after receipt of the LSR Treasury Grants to change the amortization on all Treasury Grants from 10 years to remaining plant life. That future filing is expected to represent an overall decrease in rates. To accomplish this change the Treasury Grants currently being passed through and which have had 4 year's worth of amortization already passed-through, would be spread over the remaining 21 year of life of the Wild Horse expansion project. Once received, the LSR Treasury Grants will be spread over the remaining life of the LSR project.

The tariff sheets described herein reflect issue dates of October 31, 2012, and effective dates of January 1, 2013. 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 480-90-193.

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

Very truly yours,



Lynn F. Logen, Tariff Consultant

for

Tom DeBoer

Director, Federal & State Regulatory Affairs

Enclosures

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