



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

October 31, 2013

Mr. Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

RE: Advice No. 2013-25 – Electric Tariff Filing – Filed Electronically

Dear Mr. King:

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”):

- 10th Revision of Sheet No. 95-F – Schedule 95A – Federal Incentive Tracker
- 10th Revision of Sheet No. 95-G – Schedule 95A – Federal Incentive Tracker (Continued)
- 11th Revision of Sheet No. 95-H – Schedule 95A – Federal Incentive Tracker (Continued)
- 11th Revision of Sheet No. 95-I – Schedule 95A – Federal Incentive Tracker (Continued)
- 10th Revision of Sheet No. 95-J – Schedule 95A – Federal Incentive Tracker (Continued)
- 8th Revision of Sheet No. 95-K – Schedule 95A – Federal Incentive Tracker (Continued)
- 2nd Revision of Sheet No. 95-L – Schedule 95A – Federal Incentive Tracker (Continued)
- 2nd Revision of Sheet No. 95-M – Schedule 95A – Federal Incentive Tracker (Continued)

Purpose of filing:

The purpose of this filing is to (i) submit the annual true-up and rate filing and to (ii) incorporate changes reflected in the Commission’s October 23, 2013, order in Docket Nos. UE-130583 (Order 02), UE-130617 (Order 06), UE-131099 (Order 02) and UE-131230 (Order 02) (the “Order”). The annual true-up results in revised rates while the Order results in language changes to clarify which federal incentives will be passed back to customers through Schedule 95A.

True-up portion of filing:

The true-up filing results in a total credit of \$58,462,296 to be passed back to eligible customers over the twelve months beginning January 1, 2014. Of the total credit, \$37,837,327 represents the pass-back of grant amortization and \$20,624,969 represents the pass through of interest; those figures include the true-up for 2013 which is a total of \$11,976. This filing represents an overall

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average rate increase of 0.26%. The Company had 1,082,405 electric customers as of September 30, 2013. This filing affects all but 17 of the Company's electric customers.

This filing does not change PSE's net revenue, as it is a pass-through of funds received in the form of a Treasury Grant. Work papers supporting this filing are enclosed. This filing represents a decrease in the amount of credit passed through to customers each month and therefore results in a net increase in bills.

Order related portion of filing:

On April 25, 2013, PSE filed a Power Cost Only Rate Case ("PCORC") which was assigned Docket No. UE-130617. The Company was able to reach agreement in principal ("Settlement") with all parties to the PCORC in early September. That Settlement was filed with the Commission and subsequently approved on October 23, 2013 by the Order. One of the items included in the Settlement was a provision that the Company apply a direct production rate base reduction for Baker and Snoqualmie treasury grants amortized over the remaining life of the underlying plant. The provisions in Schedule 95A require that all treasury grants be passed through to customers through the rate in Schedule 95A. The revisions to Schedule 95A clarify that treasury grants and other similar amounts are to be passed through to customers under Schedule 95A except for the treasury grants specifically relating to the Baker and Snoqualmie hydro projects (which are included in the Settlement).

The tariff sheets described herein reflect issue dates of October 31, 2013, and effective dates of January 1, 2014. 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 a net 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 (425) 462-3872 for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,



Ken Johnson
Director, State Regulatory Affairs

Enclosures

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