



PUGET SOUND ENERGY

The Energy To Do Great Things

Puget Sound Energy, Inc.

P.O. Box 97034

Bellevue, WA 98009-9734

June 26, 2014

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

Re: Advice No. 2014-20
Electric Tariff Filing – Filed Electronically

Dear Mr. King:

Pursuant to RCW 80.28.060 and WAC 480-80-101 and WAC 480-80-105(1)(c), please find enclosed for filing the following proposed revision to the WN U-60 Tariff G for electric service of Puget Sound Energy, Inc. ("PSE"):

17th Revision of Sheet No. 81-B – Schedule 81, Tax Adjustment (Continued)

The purpose of this filing is to incorporate the effect of the recent municipal tax assessment refund received from the City of Renton (the "City") in the amount of \$6,518.00. A copy of the letter from the City conveying the refund check to PSE is enclosed.

The City of Renton audited PSE's tax returns and records for the period of January 1, 2006, through December 31, 2012. In a letter dated December 26, 2013, the City's auditors notified PSE that there was unreported gross income for various miscellaneous wholesale, retail and service activities which resulted in underpayment of the City's utility tax. This included unreported revenue from such charges as PSE's fees for reconnection, late payment and returned checks. The original assessment for back taxes, interest and penalties on natural gas and electric revenue was \$388,325.81 which was paid on January 10, 2014.

PSE filed a change in Schedule 81 on February 6, 2014, to increase amounts added to bills for electric service and natural gas service within the City of Renton to recover the additional cost of the city tax assessment, interest and penalty. The Commission, however, did not allow PSE to recover the penalty amounts. The filing was adjusted, removing the penalty amount of \$51,996.50 from the electric and natural gas filings resulting in an amount of \$336,329.31 (\$311,857.18 electric and \$24,472.13 natural gas) to be passed through. The adjusted filings resulted in an electric increase of four tenths of one percent and a natural gas increase of one tenth of one percent which were allowed to become effective on May 1, 2014. This filing is to pass through the refund related to the surcharges that became effective on May 1.

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The City did not provide a break-down of the \$6,518 between retail sales related to electricity and to natural gas, therefore the Company proposes to apportion the \$6,518 between the two fuels based on the total amounts of the original assessment (less penalties). This methodology results in \$6,043.73 of the refund being allocated to electricity and \$474.27 being allocated to natural gas. The amounts of the refund are then grossed up for the impacts of city tax, state utility tax and the UTC filing fee resulting in a refund of \$6,691.83 related to electricity and \$525.02 related to natural gas. The enclosed work paper shows that the resulting rate for electric should be adjusted from the present 0.40% to 0.38% and that the rate for natural gas remains the same, at 0.10%.

In summary, the events and timeline of the events involving the original assessment and the refund by the City of Renton are as follows:

Date Assessment Paid	January 10, 2014
Date of Required Filing for Assessment pass-through	March 26, 2014
Date of Actual Filing for Assessment pass-through	February 6, 2014
Date Rates Effective for Assessment pass-through	May 1, 2014
Date of Refund	June 9, 2014
Date of Required Filing for Refund pass-through	August 23, 2014
Date of Actual Filing for Refund pass-through	June 26, 2014
Proposed Effective Date of Rate to pass-through Refund	August 1, 2014

The tariff sheet described herein reflects an issue date of June 26, 2014, and an effective date of August 1, 2014. Posting of proposed tariff changes, as required by law and the Commission's rules and regulations, is being completed through web, telephone and mail access in accordance with WAC 480-100-193. Pursuant to WAC 480-100-195(3) notice to customers will be provided in the same manner as the posting of the tariff change under WAC 480-100-193.

Please contact Julie Waltari at julie.waltari@pse.com or (425) 456-2945 for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,


for Lynn F. Logen, Tariff Consultant
Ken Johnson
Director, State Regulatory Affairs

Enclosures

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