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March 30, 2018

***Filed Via Web Portal***

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

**Re: Advice No. 2018-20  
PSE's Electric Tariff Filing - Filed Electronically**

Dear Mr. King:

Puget Sound Energy ("PSE") hereby submits proposed revisions, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, in the following electric tariff sheets:

**WN U-60, Tariff G - (Electric Tariff):**

|                           |                |  |
|---------------------------|----------------|--|
| 35 <sup>th</sup> Revision | Sheet No. 7    | Residential Service  |
| 10 <sup>th</sup> Revision | Sheet No. 7-B  | Master Metered Residential Service (Continued)                       |
| 33 <sup>nd</sup> Revision | Sheet No. 24   | General Service  |
| 23 <sup>rd</sup> Revision | Sheet No. 25   | Small Demand General Service   |
| 15 <sup>th</sup> Revision | Sheet No. 25-A | Small Demand General Service (Continued)                             |
| 24 <sup>th</sup> Revision | Sheet No. 26   | Large Demand General Service   |
| 29 <sup>th</sup> Revision | Sheet No. 29   | Seasonal Irrigation & Drainage Pumping Service                       |
| 35 <sup>th</sup> Revision | Sheet No. 31   | Primary General Service  |
| 28 <sup>th</sup> Revision | Sheet No. 35   | Seasonal Primary Irrigation & Drainage Pumping Service               |
| 10 <sup>th</sup> Revision | Sheet No. 40   | Large General Service Greater Than 3 aMW                             |
| 7 <sup>th</sup> Revision  | Sheet No. 40-A | Large General Service Greater Than 3 aMW (Continued)                 |
| 6 <sup>th</sup> Revision  | Sheet No. 40-C | Large General Service Greater Than 3 aMW (Continued)                 |
| 26 <sup>th</sup> Revision | Sheet No. 43-A | Interruptible Primary Service for Total-Electric Schools (Continued) |
| 34 <sup>th</sup> Revision | Sheet No. 46   | High Voltage Interruptible Service                                   |
| 15 <sup>th</sup> Revision | Sheet No. 46-A | High Voltage Interruptible Service (Continued)                       |

|                           |                 |  |
|---------------------------|-----------------|--|
| 33 <sup>rd</sup> Revision | Sheet No. 49    | High Voltage General Service   |
| 33 <sup>rd</sup> Revision | Sheet No. 50    | Limited Street Lighting Service  |
| 4 <sup>th</sup> Revision  | Sheet No. 51-B  | LED (Light Emitting Diode) Lighting Service (Continued)                |
| 4 <sup>th</sup> Revision  | Sheet No. 51-C  | LED (Light Emitting Diode) Lighting Service (Continued)                |
| 4 <sup>th</sup> Revision  | Sheet No. 51-D  | LED (Light Emitting Diode) Lighting Service (Continued)                |
| 23 <sup>rd</sup> Revision | Sheet No. 52-A  | Custom Lighting Service Company Owned (Continued)                      |
| 21 <sup>st</sup> Revision | Sheet No. 53-A  | Street Lighting Service Sodium Vapor (Continued)                       |
| 18 <sup>th</sup> Revision | Sheet No. 53-B  | Street Lighting Service Sodium Vapor (Continued)                       |
| 12 <sup>th</sup> Revision | Sheet No. 53-C  | Street Lighting Service Sodium Vapor (Continued)                       |
| 7 <sup>th</sup> Revision  | Sheet No. 53-F  | Street Lighting Service Sodium Vapor (Continued)                       |
| 4 <sup>th</sup> Revision  | Sheet No. 53-G  | Street Lighting Service Sodium Vapor (Continued)                       |
| 3 <sup>rd</sup> Revision  | Sheet No. 53-H  | Street Lighting Service Sodium Vapor (Continued)                       |
| 35 <sup>th</sup> Revision | Sheet No. 54    | Customer-Owned Street Lighting Energy Service Sodium Vapor             |
| 10 <sup>th</sup> Revision | Sheet No. 54-A  | Customer-Owned Street Lighting Energy Service Sodium Vapor (Continued) |
| 6 <sup>th</sup> Revision  | Sheet No. 54-B  | Customer-Owned Street Lighting Energy Service Sodium Vapor (Continued) |
| 35 <sup>th</sup> Revision | Sheet No. 55    | Area Lighting Service  |
| 16 <sup>th</sup> Revision | Sheet No. 55-A  | Area Lighting Service (Continued)                                      |
| 31 <sup>st</sup> Revision | Sheet No. 57    | Continuous Lighting Service  |
| 30 <sup>th</sup> Revision | Sheet No. 58    | Flood Lighting Service   |
| 19 <sup>th</sup> Revision | Sheet No. 58-A  | Flood Lighting Service (Continued)                                     |
| 5 <sup>th</sup> Revision  | Sheet No. 58-B  | Flood Lighting Service (Continued)                                     |
| 6 <sup>th</sup> Revision  | Sheet No. 58-C  | Flood Lighting Service (Continued)                                     |
| 8 <sup>th</sup> Revision  | Sheet No. 142   | Revenue Decoupling Adjustment Mechanism                                |
| 8 <sup>th</sup> Revision  | Sheet No. 142-A | Revenue Decoupling Adjustment Mechanism (Continued)                    |
| 5 <sup>th</sup> Revision  | Sheet No. 142-B | Revenue Decoupling Adjustment Mechanism (Continued)                    |
| 5 <sup>th</sup> Revision  | Sheet No. 142-C | Revenue Decoupling Adjustment Mechanism (Continued)                    |
| 8 <sup>th</sup> Revision  | Sheet No. 142-D | Revenue Decoupling Adjustment Mechanism (Continued)                    |
| 3 <sup>rd</sup> Revision  | Sheet No. 142-E | Revenue Decoupling Adjustment Mechanism (Continued)                    |
| 3 <sup>rd</sup> Revision  | Sheet No. 142-F | Revenue Decoupling Adjustment Mechanism (Continued)                    |
| 3 <sup>rd</sup> Revision  | Sheet No. 142-G | Revenue Decoupling Adjustment Mechanism (Continued)                    |
| 13 <sup>th</sup> Revision | Sheet No. 448-I | Power Supplier Choice (Continued)                                      |
| 14 <sup>th</sup> Revision | Sheet No. 449-I | Retail Wheeling Service (Continued)                                    |

The purpose of this filing is to update electric base rates and the Allowed Revenue Per Customer reflected in Schedule 142, to reflect the decrease in the federal corporate income tax rate from 35% to 21% resulting from the Tax Cut and Jobs Act of 2017 (TCJA), which is effective with 2018 federal income tax filings.

This filing passes through the benefits of the lower income tax rates, by updating the electric and natural gas compliance filings from PSE's most recently completed general rate case in Dockets UE-170033 and UG-170034. To determine the rates, the revenue requirement models approved in the general rate case compliance filing were used with the following modifications:

- The conversion factors were updated for the change in the income tax rate from 35% to 21%, which changed the conversion factors from 61.9051% to 75.2385% for electric and from 62.0450% to 75.4085% for natural gas.
- The Federal Income Tax Expense adjustment (Common Adj 04 in the compliance filing) was updated to reflect the new lower corporate tax rate of 21% on test year balances.
- The Tax Benefit of Proforma Interest adjustment was updated to reflect the new 21% federal income tax rate (Common Adj 05 in the compliance filing).
- The federal income tax expense component was updated on all other revenue requirement adjustments to reflect the 21% tax rate.

This filing does not address excess deferred taxes or the deferred balance associated with the over collection of income tax expense for the period January 1 through April 30, 2018<sup>1</sup>. PSE proposes that both the excess deferred taxes and the deferred balance associated with the over collection of income tax expense be addressed in PSE's accounting petition in Dockets UE-171225 and UG-171226.

The overall impact of this filing is a revenue decrease of \$72.9 million, or 3.4%. The typical residential customer using 900 kWh per month will experience a decrease of \$6.87 per month. Work papers will be provided separately to Commission Staff.

The tariff sheets described herein reflect issue dates of March 30, 2018, and effective dates of May 1, 2018. Posting of proposed tariff changes, as required by WAC 480-100-193, is being made by posting the proposed tariff sheets on the PSE web site immediately prior to or coincident with the date of this transmittal letter. Notice to the public under the provisions of WAC 480-100-194 is not required; however PSE will provide a published notice on March 31, 2018.

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<sup>1</sup> This time period encompasses the effective date of the TCJA through May 1, 2018, the requested effective date of this rate change.

Mr. Steven V. King  
March 30, 2018  
Advice No. 2018-20  
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Please contact Kathie Barnard at (425) 462-3716 or Julie Waltari at (425) 456-2945 for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,

*/s/ Kenneth S. Johnson*

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cc: Lisa Gafken, Public Counsel  
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Attachments:  
Electric Tariff Sheets, listed above