



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

March 30, 2018

Received
Records Management
03/30/18 16:27
State Of WASH.
UTIL. AND TRANSP.
COMMISSION

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. 2018-22
PSE's 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 ("PSE"):

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

- 15th Revision of Sheet No. 95-F – Schedule 95A – Federal Incentive Tracker
- 16th Revision of Sheet No. 95-G – Schedule 95A – Federal Incentive Tracker (Continued)
- 16th Revision of Sheet No. 95-H – Schedule 95A – Federal Incentive Tracker (Continued)
- 17th Revision of Sheet No. 95-I – Schedule 95A – Federal Incentive Tracker (Continued)
- 16th Revision of Sheet No. 95-J – Schedule 95A – Federal Incentive Tracker (Continued)
- 14th Revision of Sheet No. 95-K – Schedule 95A – Federal Incentive Tracker (Continued)
- 8th Revision of Sheet No. 95-L – Schedule 95A – Federal Incentive Tracker (Continued)
- 5th Revision of Sheet No. 95-M – Schedule 95A – Federal Incentive Tracker (Continued)

The purpose of this filing is to update the annual pass through of benefits associated with the wind related treasury grants to reflect the lower income tax rates resulting from the Tax Cut and Jobs Act of 2017 ("TCJA"). The annual pass through, which provides a gross-up for the income tax benefit associated with the grants as well as interest calculated at the company's net of tax overall rate of return, needs to be adjusted to reflect the lowering of the corporate income tax rate from 35% to 21%, as well as the lower overall rate of return resulting from the PSE's 2017 general rate case in Docket UE-170033. Typically, the company would include the change in overall rate of return as part of its annual true-up filing; however because of the TCJA changes the company is updating both at this time.

Mr. Steven V. King
March 30, 2018
Page 2 of 2
Advice No. 2018-22

This filing does not change PSE's net revenue, as it is a pass-through of the funds received in the form of a treasury grant. The filing represents a decrease in the amount of credits passed through to customers each month and therefore results in a net increase in bills. The overall impact is an average rate increase of 0.37%. Customers on all rate schedules except those on non-core retail wheeling schedules would be affected. The typical residential customer using 900 kWh per month would experience an increase of \$0.38 per month.

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 required and will be provided in the form of a published notice on March 31, 2018.

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

Ken Johnson
Vice President, Regulatory and Government Affairs
Puget Sound Energy
PO Box 97034
Bellevue, WA 98009-9734
425-456-2110
ken.s.johnson@pse.com

cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie

Attachments:
Electric Tariff Sheets, listed above