



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

November 27, 2018

**Filed Via Web Portal**

Mr. Mark L. Johnson, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, Washington 98504-7250

**RE: Advice No. 2018-50  
Electric Tariff Filing – Filed Electronically**

Received  
Records Management  
11/27/18 08:13  
State Of WASH.  
UTIL. AND TRANSP.  
COMMISSION

Dear Mr. Johnson:

Pursuant to RCW 80.28.060 and Chapter 480-80 WAC, please find enclosed for filing the following proposed revisions to the WN U-60, Tariff G for electric service of Puget Sound Energy (“PSE”).

- 10<sup>th</sup> Revision of Sheet No. 132 - Schedule 132 – Merger Rate Credit
- 10<sup>th</sup> Revision of Sheet No. 132-A - Schedule 132 – Merger Rate Credit (Continued)
- 11<sup>th</sup> Revision of Sheet No. 132-B - Schedule 132 – Merger Rate Credit (Continued)
- 11<sup>th</sup> Revision of Sheet No. 132-C - Schedule 132 – Merger Rate Credit (Continued)
- 12<sup>th</sup> Revision of Sheet No. 132-D - Schedule 132 – Merger Rate Credit (Continued)
- 11<sup>th</sup> Revision of Sheet No. 132-E - Schedule 132 – Merger Rate Credit (Continued)
- 7<sup>th</sup> Revision of Sheet No. 132-F - Schedule 132 – Merger Rate Credit (Continued)
- 6<sup>th</sup> Revision of Sheet No. 132-G - Schedule 132 – Merger Rate Credit (Continued)

The purpose of this filing and the natural gas tariff filing being submitted coincident with this filing is to close out the rates that are passing through the Merger Rate Credit which was required as part of the Multiparty Settlement Stipulation in Docket No. U-072375. The Multiparty Settlement Stipulation is Attachment A to Order No. 8 in Docket No. U-072375. The Merger Rate Credit (Transaction Commitment number 34) was a commitment to provide rate credits of \$100 million over a ten year period (\$10 million per year for ten years) ending December 31, 2018. Of those rate credits, \$1.2 million was fully offset by savings which PSE realized associated with de-listing from the New York Stock Exchange which resulted in a pass through under this schedule of a credit of \$8.8 million per year in most years, allocated between electric and natural gas customers. The ten year time period has been met and PSE proposes with this filing to set all Merger Rate Credit rates to zero. At December 31, 2018, the end of the current rate period, there will be a residual amount either owing to or from customers from the rates set under Docket UE-171167. At this time, the amount of the residual is estimated to be a payable to electric customers is \$128,000. This amount if set in rates would only be reflected in the sixth digit past the decimal (i.e. \$(0.000005)). PSE was not able to find reference in Docket U-072375 related to how the disposition of the final residual amount at the end of the merger rate credit period should be handled. PSE’s Schedule 132 tariff states the following:

***TERMINATION:***

*The rate credits under this schedule will terminate at such time as the rate credits described in the Order have been fully credited to Customers or December 31, 2018, whichever is sooner. Any balance remaining on December 31, 2021, will be included in the revenue requirement of the next following general rate case. Once this remaining balance is included in rates for service the rate credits will not be available on adjusted bills.*

Although the tariff addresses what would happen if a residual amount remains on December 31, 2021, PSE believes resolution of the residual amount prior to that time is more appropriate than waiting until that date. Therefor, PSE proposes that the actual residual amount related to December 31, 2018 be included in the electric Low Income Schedule 129 rate in October 2019. Schedule 129 is an existing rate schedule which is spread to the same customer classes as Schedule 132. The work papers supporting the estimated electric residual amounts that will exist at December 31, 2018 have been included with this filing.

PSE will provide customers a published notice of the change since the reduction of this credit results in a rate increase and a published notice is required for other rates that also become effective on January 1, 2019. This filing represents an overall decrease of \$6.4 million in the amount of the credit and therefore a 0.3 percent increase to total bills. The typical residential customer on Schedule 7 using 900 kWh per month would experience an increase of 31 cents per month or 0.3 percent.

The tariff sheets described herein reflect an issue date of November 27, 2018, and an effective date of January 1, 2019. This filing will be published by posting the change on the PSE web site immediately prior to, or coincident with the date of this transmittal letter and making information available by telephone and mail, all in accordance with WAC 480-100-193(1). Notice to the public under the provisions of WAC 480-100-194 will be provided, as required, within 30 days of the effective date.

Please contact Susan Free at (425) 456-2105 for additional information about this filing. If you have any other questions please contact me at (425) 456-2142.

Sincerely,

*/s/ Jon Piliaris*

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Director, Regulatory Affairs  
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cc: Lisa Gafken, Public Counsel  
Sheree Carson, Perkins Coie

Attachments: Electric Tariff Sheets (listed above)  
Workpapers