



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

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Filed Via Web Portal

Mr. Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

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State Of WASH.
UTIL. AND TRANSP.
COMMISSION

RE: Advice No. 2020-47 Electric Tariff Filing – Filed Electronically

Dear Mr. Johnson:

Pursuant to RCW 80.28.060 and Chapter 480-80 WAC, Puget Sound Energy (“PSE”) hereby submits for filing with the Washington Utilities and Transportation Commission (“UTC” or “Commission”) the following proposed revisions to the WN U-60, Tariff G for electric service of PSE:

- 11th Revision of Sheet No. 85-C - Schedule 85: Line Extensions and Service Lines (Continued)
- 15th Revision of Sheet No. 85-E - Schedule 85: Line Extensions and Service Lines (Continued)
- 14th Revision of Sheet No. 85-F - Schedule 85: Line Extensions and Service Lines (Continued)
- 7th Revision of Sheet No. 85-H - Schedule 85: Line Extensions and Service Lines (Continued)
- 3rd Revision of Sheet No. 85-J - Schedule 85: Line Extensions and Service Lines (Continued)
- 4th Revision of Sheet No. 85-L - Schedule 85: Line Extensions and Service Lines (Continued)
- 4th Revision of Sheet No. 85-M - Schedule 85: Line Extensions and Service Lines (Continued)
- 3rd Revision of Sheet No. 85-S - Schedule 85: Line Extensions and Service Lines (Continued)

The purpose of this filing is to propose changes to Schedule 85 that updates standard line extension charges, transformation costs, and margin amounts; and incorporates two tariff language clarifications. The filing of these proposed changes is part of PSE’s commitments about its line extension policy as documented in the UTC Staff (“Staff”) memos in PSE’s 2015 and 2018 Schedule 85 filings under Dockets UE-150200 and UE-180091, respectively.

Standard Line Extension Charges and Transformation Costs

The cost basis for these proposed standard charges for a new line extension and a new service line includes the work orders that were completed between January 1, 2018, and December 31, 2018. PSE submitted the study results as an informational filing with the Commission on December 31, 2019, under Docket UE-191061, which the Commission closed on September 1,

2020, (“Study”). The following table summarizes the Study results i.e., the proposed charges; in comparison with the current charges.

<i>Category</i>	<i>Tariff Sheet</i>	<i>Current Tariff Charge</i>	<i>Proposed Charge</i>	<i>\$ Change</i>	<i>% Change</i>
<i>Service Line – Single Family</i>					
Services - OH from OH Distribution Within 250'	85-L, G.b	\$939.00	\$939.00	\$0.00	0.00%
Services - UG from OH Distribution Within 250'	85-L, G.b	\$1,362.00	\$1,378.00	\$16.00	1.17%
Services - UG from OH Distribution Over 250' - \$/ft	85-L, G.b	\$10.00	\$10.00	\$0.00	0.00%
Services - UG from UG Distribution Within 250'	85-L, G.b	\$718.00	\$737.00	\$19.00	2.65%
Services - UG from UG Distribution Over 250' - \$/ft	85-L, G.b	\$10.00	\$10.00	\$0.00	0.00%
<i>Line Extension - OH Single Family</i>					
Primary - Base Cost	85-J, G.b i	\$5,500.00	\$6,500.00	\$1,000.00	18.18%
Primary - \$/ft	85-J, G.b i	\$13.80	\$19.75	\$5.95	43.10%
Secondary - Base Cost	85-J, G.b i	\$6,000.00	\$5,000.00	-\$1,000.00	-16.67%
Secondary - \$/ft	85-J, G.b i	\$17.96	\$16.84	-\$1.12	-6.22%
<i>Line Extension-UG Single Family</i>					
Primary - Base Cost	85-J, G.b i	\$7,952.00	\$7,500.00	-\$452.00	-5.68%
Primary - \$/ft	85-J, G.b i	\$7.54	\$6.76	-\$0.78	-10.38%
Secondary - Base Cost	85-J, G.b i	\$5,403.00	\$5,400.00	-\$3.00	-0.06%
Secondary - \$/ft	85-J, G.b i	\$8.53	\$8.07	-\$0.46	-5.35%
<i>Line Extension - Plat</i>	85-J, G.b ii	\$54.22	\$52.26	-\$1.96	-3.61%

In addition to the proposed update to the standard line extension charges based upon the Study costs that have been filed with the Commission in the informational filing, PSE also proposes changes to the transformation costs for new residential services in this filing. These standard transformation costs are applicable when a residential customer requests a secondary voltage service. The following table shows both the current and the proposed costs.

<i>Per Service Panel Amp</i>	<i>Tariff Sheet</i>	<i>Current Tariff Cost</i>	<i>Proposed Costs</i>	<i>\$ Change</i>	<i>% Change</i>
Single Family Overhead	85-J, G.b iv	\$5.24	\$7.13	\$1.89	36.1%
Single Family Pad Mount	85-J, G.b iv	\$3.36	\$3.24	-\$0.12	-3.6%
Multi-Family OH (4 or more units)	85-J, G.b iv	\$1.73	\$1.59	-\$0.14	-8.1%
Multi Family Pad Mount (4 or more units)	85-J, G.b iv	\$1.20	\$1.25	\$0.05	4.2%

Margin Amounts

The margin amounts are updated based upon the most recent approved Schedule 142 Revenue Decoupling Adjustment Mechanism (“Mechanism”) and the Perpetual Net Present Value

(“PNPV”) method. This approach was proposed by UTC Staff and adopted by PSE during its 2018 Schedule 85 filing.

On October 14, 2020, the Commission accepted PSE’s electric compliance filing under Order 12 of the consolidated General Rate Case Dockets UE-190529 and UG-190530 (“2019 GRC”). Schedule 142 was included in the electric 2019 GRC compliance filing. On November 6, 2020, under Docket UE-200907, PSE filed additional updates to correct the initial 2019 GRC compliance filing of the Schedule 142 results to align the assignment of fixed power costs in the determination of Schedule 142 Mechanism, which was approved by the Commission on November 24, 2020.

The margin amount for each of the rate schedules is the result of the estimated incremental revenue from an average customer. The margin allowance is calculated on a per customer basis for new residential service or on a per kWh basis for other classes of new service. The Distribution Incremental Margin is derived by dividing the allowed revenue from Schedule 142 for each rate schedule by PSE’s after-tax rate of return as approved by the UTC in PSE’s 2019 GRC. The tables below summarize the current and proposed Margin Allowance amounts and Distribution Incremental Margin amounts.

Sheet Nos. 85-E and 85-F Margin Allowance Amount for New Services (Calculated based upon Schedule 142 decoupling revenue from a new customer with basic charge revenue)				
Schedule	Current	Proposed	\$ Change	% Change
7 (per customer)	\$4,460	\$5,656	\$1,195	27%
24 (per kWh)	\$0.397137	\$0.469696	\$0.072559	18%
25 (per kWh)	\$0.321394	\$0.366310	\$0.044916	14%
26 (per kWh)	\$0.269378	\$0.325643	\$0.056265	21%
31 (per kWh)	\$0.270740	\$0.336478	\$0.065738	24%

Sheet No. 85-S Distribution Incremental Margin Amount (Calculated based upon Schedule 142 decoupling revenue from a customer w/o basic charge revenue)				
Schedule	Current	Proposed	\$ Change	% Change
7 (per kWh)	\$0.030348	\$0.040009	\$0.009661	32%
24 (per kWh)	\$0.029504	\$0.034322	\$0.004818	16%
25 (per kWh)	\$0.028202	\$0.031492	\$0.003290	12%
26 (per kWh)	\$0.024414	\$0.028892	\$0.004478	18%
31 (per kWh)	\$0.023541	\$0.028939	\$0.005398	23%

Tariff Language Clarifications

1. Sheet No. 85-C, subsection D.A rearranges the formula for the customer or applicant payment calculation so that a line for the transformation costs is called out in the formula rather than having the transformation costs embedded in the lines for the costs of Primary and Secondary Voltage Line Extension Costs.

2. Sheet No. 85-S, subsection G.a.iii adds further descriptions about a customer's or an applicant's responsibility regarding the site readiness prior to Schedule 85 construction and a correction to the scrivener's error in the middle of this subsection.

In order to provide certainty and advance notice to the building industry, PSE proposes the updated line extension costs, charges and margin amounts become effective on March 1, 2021, as indicated on the proposed tariff sheets. PSE plans to continue discussions with members of the building industry to make them aware of this filing and the proposed line extension charges, costs and the margin amounts.

The tariff sheet described herein reflects an issue date of December 11, 2020, and an effective date of February 1, 2021. Posting of the proposed tariff change, as required by law and the Commission's rules and regulations, is being completed in accordance with WAC 480-100-193(1). No additional public notice is required under the provisions of WAC 480-100-194 or -195. Furthermore, PSE provides a cost quote to individual customers who request facility extension or modification prior to construction.

Please contact Mei Cass at (425) 462-3800 for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,

/s/ Jon A. Piliaris

Jon A. Piliaris
Director, Regulatory Affairs
Puget Sound Energy
PO Box 97034, EST-07W
Bellevue, WA 98009-9734
(425) 456-2142
Jon.Piliaris@pse.com

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

Attachments:
Electric Tariff Sheets, listed above