



Puget Sound Energy
P.O. Box 97034
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PSE.com

February 8, 2018

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: 2018 Qualifying Event Notice – January 27, 2018 Event

Dear Mr. King:

Pursuant to paragraph 246 of Final Order No. 6, Dockets UE-040641 and UG-040640 et al.¹, for the purpose of the Qualifying Storm Loss Deferral Mechanism, Puget Sound Energy ("PSE") hereby provides a notification that a qualifying event occurred on January 27, 2018, which marked the first event for 2018.

Starting from the 2018 calendar year, PSE will continue its existing Qualifying Storm Loss Deferral Mechanism for any storm restoration costs incurred on or after January 1, 2018, with the following modifications that were agreed to in settlement and the settlement was approved by the Commission in PSE's most recent general rate case²:

- (i) the cumulative annual cost threshold for deferral of storms under the Qualifying Storm Loss Deferral Mechanism shall be increased from \$8 million to \$10 million,
- (ii) qualifying events that cost less than \$500,000 will not qualify for deferral, and
- (iii) the cumulative annual cost threshold for the Qualifying Storm Loss Deferral Mechanism shall exclude storm events with costs less than \$500,000.

(Page 22 of Appendix B to Order 08 in consolidated Dockets UE-170033 and UG-170034)

¹ As modified and continued in accordance with the paragraph No. 10 of the Partial Settlement of Electric and Natural Gas Revenue Requirements in Final Order No. 12 of Dockets UE-072300 and UG-072301 (consolidated), paragraph No. 299 of Order 08 in Dockets UE-111048 and UG-111049 (consolidated), and paragraph No. 206 of Order 08 in Dockets UE-170033 and UG-170034 (consolidated).

² Paragraph No. 196 of Order 08 in Dockets UE-170033 and UG-170034 (consolidated) and Appendix B to the order.

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PSE will submit, by April 27, 2018, its initial 2018 Qualifying Event Report that summarizes the preliminary costs incurred as a result of repairing storm damage to PSE's electric system because of the January 27th event. In this report, PSE will indicate if the total restoration costs associated with the January 27th event meet the \$500,000 event threshold and, if so, the amount of the costs that apply toward the \$10 million cumulative annual threshold for 2018, and if both thresholds are exceeded, the amount of costs that have been deferred.

If you have any questions regarding the information in this filing, please contact Mei Cass at (425) 462-3800. If you have any questions regarding this informational filing, please contact me at (425) 456-2110.

Sincerely,

/s/ Kenneth S. Johnson

Ken Johnson
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