

**EXH. JAP-12  
DOCKETS UE-18\_\_\_/UG-18\_\_\_  
2018 PSE EXPEDITED RATE FILING  
WITNESS: JON A. PILIARIS**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of:**

**PUGET SOUND ENERGY**

**Expedited Rate Filing**

**Docket UE-18\_\_\_  
Docket UG-18\_\_\_**

**ELEVENTH EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED DIRECT TESTIMONY OF**

**JON A. PILIARIS**

**ON BEHALF OF PUGET SOUND ENERGY**

**NOVEMBER 7, 2018**

**PUGET SOUND ENERGY  
Electric Tariff G**

**SCHEDULE 142  
REVENUE DECOUPLING ADJUSTMENT MECHANISM**

1. **APPLICABILITY:** This rate schedule is applicable to all Customers of the Company that receive service under Schedules 7, 7A, 8, 10, 11, 12, 24, 25, 26, 29, 31, 35, 40, 43, 46 and 49. Rates in this schedule will be applied to all bills of applicable Customers with Energy usage during a month when this schedule is effective.
  
2. **PURPOSE:** The purpose of this schedule is to establish balancing accounts and implement a rate adjustment mechanism that decouples the Company's revenues recovered from applicable Customers that are intended to recover delivery and production costs from sales of electricity.
  
3. **DEFINITION OF RATE GROUPS:**
  - a. Rate Group 1: Customers served under Schedule 7.
  - b. Rate Group 2: Customers served under Schedules 8 and 24.
  - c. Rate Group 3: Customers served under Schedules 7A, 11, 25, 29, 35 and 43.
  - d. Rate Group 4: Customers served under Schedule 40.
  - e. Rate Group 5: Customers served under Schedules 12 and 26.
  - f. Rate Group 6: Customers served under Schedules 10 and 31.
  
4. **DECOUPLING MECHANISM:**
  1. Delivery Revenue Decoupling Calculation:
    - a. The Delivery Revenue Decoupling Adjustment reconciles on a monthly basis, separately for Rate Groups 1, 2, 3 and 4, differences between (i) the monthly Actual Delivery Revenue resulting from applying the following Delivery Revenue Per Unit Rates to their Energy sales, and (ii) the Allowed Delivery Revenue that would be collected by applying the Monthly Allowed Delivery Revenue Per Customer (see 4.1.d. below) by the active number of Customers in each group for each month. (O)

Delivery Revenue Per Unit (\$/kWh)	
Rate Group 1 – Schedule 7	\$0.033414
Rate Group 2 – Schedules 8 & 24	\$0.030437
Rate Group 3 – Schedules 7A, 11, 25, 29, 35 & 43	\$0.033489
Rate Group 4 – Schedule 40	\$0.010284

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By: 

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Jon Piliaris

**Title:** Director, Regulatory Affairs

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 Electric Tariff G**

**SCHEDULE 142  
 REVENUE DECOUPLING ADJUSTMENT MECHANISM (CONTINUED)**

4. **DECOUPLING MECHANISM** (Continued):

1. Delivery Revenue Decoupling Calculation (Continued):

- b. The Delivery Revenue Decoupling Adjustment reconciles on a monthly basis, and separately for Rate Groups 5 and 6, differences between (i) the monthly Actual Delivery Revenue resulting from applying the following Delivery Revenue per Unit for Customers serviced under each schedule in each season to their seasonally differentiated kW demands, and (ii) the Allowed Delivery Revenue that would be collected by applying the Monthly Allowed Delivery Revenue Per Customer (see 4.1.d. below) by the active number of Customers in each group for each month.

Delivery Revenue Per Unit (\$/kW-month)		
Schedules	Season	
	Winter (Oct.-Mar.)	Summer (Apr.-Sep.)
12 & 26	\$12.37	\$8.25
10 & 31	\$12.77	\$8.51

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- c. The difference resulting when the Actual Delivery Revenue is subtracted from the Allowed Delivery Revenue is accrued monthly in the Delivery Revenue Decoupling Adjustment Balancing Account. The monthly amount accrued will be divided into sub-accounts so that net accruals for each Rate Group can be tracked separately. The sub-accounts will accrue interest at a rate equal to that determined by the Federal Energy Regulatory Commission pursuant to 18 CFR 35.19a.

d. Monthly Allowed Delivery Revenue Per Customer:

Rate Group 1 – Schedule 7			
Month		Month	
January	\$40.53	July	\$22.73
February	\$34.25	August	\$22.95
March	\$34.69	September	\$21.91
April	\$28.24	October	\$27.97
May	\$22.70	November	\$34.43
June	\$22.04	December	\$42.25

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**SCHEDULE 142  
 REVENUE DECOUPLING ADJUSTMENT MECHANISM (CONTINUED)**

4. **DECOUPLING MECHANISM** (Continued):  
 1. Delivery Revenue Decoupling Calculation (Continued):  
 d. Monthly Allowed Delivery Revenue Per Customer (Continued):

<b>Rate Group 2 – Schedules 8 &amp; 24</b>			
<b>Month</b>		<b>Month</b>	
January	\$67.54	July	\$56.63
February	\$57.19	August	\$59.57
March	\$61.58	September	\$53.18
April	\$53.22	October	\$56.12
May	\$52.34	November	\$60.91
June	\$50.37	December	\$68.62

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<b>Rate Group 3 – Schedules 7A, 11, 25, 29, 35 &amp; 43</b>			
<b>Month</b>		<b>Month</b>	
January	\$1,172.88	July	\$1,036.04
February	\$1,082.65	August	\$1,097.82
March	\$1,147.60	September	\$986.26
April	\$1,033.88	October	\$1,019.37
May	\$1,062.11	November	\$1,062.80
June	\$990.31	December	\$1,149.03

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<b>Rate Group 4 – Schedule 40</b>			
<b>Month</b>		<b>Month</b>	
January	\$3,435.02	July	\$4,027.66
February	\$3,146.21	August	\$3,972.24
March	\$3,219.00	September	\$3,810.30
April	\$3,545.06	October	\$3,700.45
May	\$3,267.63	November	\$3,429.55
June	\$3,011.60	December	\$3,739.85

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**SCHEDULE 142  
 REVENUE DECOUPLING ADJUSTMENT MECHANISM (CONTINUED)**

4. **DECOUPLING MECHANISM** (Continued):  
 1. Delivery Revenue Decoupling Calculation (Continued):  
 d. Monthly Allowed Delivery Revenue Per Customer (Continued)

<b>Rate Group 5 – Schedules 12 &amp; 26</b>			
<b>Month</b>		<b>Month</b>	
January	\$5,748.68	July	\$3,971.20
February	\$5,982.10	August	\$4,131.23
March	\$5,592.81	September	\$4,145.75
April	\$4,707.32	October	\$4,856.09
May	\$4,045.68	November	\$5,679.04
June	\$4,035.89	December	\$5,899.38

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<b>Rate Group 6 – Schedules 10 &amp; 31</b>			
<b>Month</b>		<b>Month</b>	
January	\$7,335.29	July	\$4,634.74
February	\$7,348.72	August	\$5,334.50
March	\$6,681.16	September	\$4,926.88
April	\$6,233.34	October	\$6,079.21
May	\$4,991.36	November	\$6,827.98
June	\$4,568.83	December	\$7,192.39

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- e. Process:
- i. The amounts accrued in the Delivery Revenue Decoupling Adjustment Balancing Account, including interest, for each Rate Group through the end of the calendar year will be surcharged or refunded to the same Rate Group Customers during the subsequent May 1 through April 30 rate year. Except the amounts in the Delivery Revenue Decoupling Adjustment Balancing Account, including interest, related to Customers who are changing to a different Rate Group will be allocated to those Customers.
  - ii. No later than April 1 of each year following the initial effective date of this schedule, the Company will make a filing to set new delivery decoupling rates under this Schedule 142 to be effective May 1 of the same year.

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**SCHEDULE 142  
REVENUE DECOUPLING ADJUSTMENT MECHANISM (CONTINUED)**

4. **DECOUPLING MECHANISM** (Continued):
2. Fixed Power Cost Revenue Decoupling Calculation:
- a. The Fixed Power Cost Revenue Decoupling Adjustment reconciles on a monthly basis, separately for Rate Groups 1, 2, 3, 4, 5 and 6, differences between (i) the monthly Actual Fixed Power Cost Revenue resulting from applying the following Fixed Power Cost Revenue Per Unit Rates to their Energy sales, and (ii) the Monthly Allowed Fixed Power Cost Revenue (see 4.2.c. below).

<b>Fixed Power Cost Revenue Per Unit (\$/kWh)</b>		
Rate Group 1 – Schedule 7	\$0.027262	(T) (R)
Rate Group 2 – Schedules 8 & 24	\$0.025715	I I
Rate Group 3 – Schedules 7A, 11, 25, 29, 35 & 43	\$0.023903	I (R)
Rate Group 4 – Schedule 40	\$0.027050	I (I)
Rate Group 5 – Schedules 12 & 26	\$0.024840	I (R)
Rate Group 6 – Schedules 10 & 31	\$0.023256	(T) (R)

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**SCHEDULE 142  
 REVENUE DECOUPLING ADJUSTMENT MECHANISM (CONTINUED)**

4. **DECOUPLING MECHANISM** (Continued):

2. Fixed Power Cost Revenue Decoupling Calculation (Continued):

b. The difference resulting when the Actual Fixed Power Cost Revenue is subtracted from the Allowed Fixed Power Cost Revenue is accrued monthly in the Fixed Power Cost Revenue Decoupling Adjustment Balancing Account. The monthly amount accrued will be divided into sub-accounts so that net accruals for each Rate Group can be tracked separately. The sub-accounts will accrue interest at a rate equal to that determined by the Federal Energy Regulatory Commission pursuant to 18 CFR 35.19a.

c. Monthly Allowed Fixed Power Cost Revenue:

Rate Group 1 – Schedule 7			
Month		Month	
January	\$33,199,930.85	July	\$18,620,738.85
February	\$28,058,633.70	August	\$18,797,016.20
March	\$28,414,799.73	September	\$17,950,390.03
April	\$23,128,620.17	October	\$22,911,565.68
May	\$18,595,069.23	November	\$28,205,636.71
June	\$18,052,410.40	December	\$34,605,690.19

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Rate Group 2 – Schedules 8 & 24			
Month		Month	
January	\$6,899,425.81	July	\$5,785,333.05
February	\$5,842,575.16	August	\$6,084,848.96
March	\$6,291,154.70	September	\$5,432,720.61
April	\$5,436,149.32	October	\$5,732,424.41
May	\$5,347,185.00	November	\$6,222,155.52
June	\$5,145,216.57	December	\$7,009,773.67

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**SCHEDULE 142**  
**REVENUE DECOUPLING ADJUSTMENT MECHANISM (CONTINUED)**

4. **DECOUPLING MECHANISM** (Continued):  
 2. Fixed Power Cost Revenue Decoupling Calculation (Continued):  
 c. Monthly Allowed Fixed Power Cost Revenue (Continued):

<b>Rate Group 3 – Schedules 7A, 11, 25, 29, 35 &amp; 43</b>					
<b>Month</b>		<b>Month</b>			
January	\$6,785,285.90	July	\$5,993,653.93	(R)	(R)
February	\$6,263,280.13	August	\$6,351,055.00	I	(I)
March	\$6,639,079.22	September	\$5,705,702.84	(R)	(R)
April	\$5,981,177.16	October	\$5,897,197.53	(I)	I
May	\$6,144,456.34	November	\$6,148,463.20	(I)	I
June	\$5,729,090.36	December	\$6,647,347.16	(R)	(R)

<b>Rate Group 4 – Schedule 40</b>					
<b>Month</b>		<b>Month</b>			
January	\$1,174,536.95	July	\$1,377,180.56	(R)	(I)
February	\$1,075,783.60	August	\$1,358,229.11	(I)	(R)
March	\$1,100,673.47	September	\$1,302,856.67	I	(I)
April	\$1,212,164.53	October	\$1,265,294.82	(I)	(R)
May	\$1,117,300.34	November	\$1,172,667.38	(R)	(I)
June	\$1,029,758.81	December	\$1,278,768.42	(R)	(R)

<b>Rate Group 5 – Schedules 12 &amp; 26</b>					
<b>Month</b>		<b>Month</b>			
January	\$3,461,350.21	July	\$4,023,140.88	(R)	(R)
February	\$4,202,822.28	August	\$4,285,192.11	(I)	(I)
March	\$3,726,230.79	September	\$3,757,932.04	(R)	(R)
April	\$3,673,341.82	October	\$3,865,557.14	(R)	I
May	\$3,909,518.87	November	\$3,712,945.81	(I)	I
June	\$3,944,131.14	December	\$3,950,649.95	(R)	(R)

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**SCHEDULE 142  
 REVENUE DECOUPLING ADJUSTMENT MECHANISM (Continued)**

4. **DECOUPLING MECHANISM** (Continued):  
 2. Fixed Power Cost Revenue Decoupling Calculation (Continued):  
 c. Monthly Allowed Fixed Power Cost Revenue (Continued):

<b>Rate Group 6 – Schedules 10 &amp; 31</b>					
<b>Month</b>		<b>Month</b>			
January	\$2,706,073.09	July	\$2,514,883.39	(I)	(R)
February	\$2,483,788.09	August	\$2,860,095.80	(R)	(I)
March	\$2,520,308.15	September	\$2,395,423.42	(R)	(R)
April	\$2,517,107.58	October	\$2,584,863.28	(I)	I
May	\$2,497,043.93	November	\$2,498,460.23	(I)	I
June	\$2,564,295.30	December	\$2,583,688.52	(R)	(R)


- d. Process:
- i. The amounts accrued in the Fixed Power Cost Revenue Decoupling Adjustment Balancing Account, including interest, for each Rate Group through the end of the calendar year will be surcharged or refunded to the same Rate Group Customers during the subsequent May 1 through April 30 rate year. Except the amounts in the Fixed Power Cost Revenue Decoupling Adjustment Balancing Account, including interest, related to Customers who are changing to a different Rate Group will be allocated to those Customers.
  - ii. No later than April 1 of each year following the initial effective date of this schedule, the Company will make a filing to set new Fixed Power Cost decoupling rates under this Schedule 142 to be effective May 1 of the same year.

5. **TERM:** Accruals under this mechanism shall continue until the effective date of rates approved in the Company's first general rate case, or a separate proceeding, filed in or after 2021. These accruals may be continued subject to approval by the Commission in that general rate case or separate proceeding. If this mechanism is discontinued, amounts remaining in the Delivery Revenue Decoupling Adjustment and Fixed Power Cost Revenue Decoupling Adjustment balancing accounts at that time will continue to be amortized through the rates charged under this schedule until the balances are cleared.

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