



Puget Sound Energy
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PSE.com

November 20, 2014

Mr. Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

**RE: Advice No. 2014-31
Electric Tariff Filing – Filed Electronically**

Dear Mr. King:

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, Inc. (“PSE”).

**Twenty-Fourth Revision of Sheet No. 91 - Schedule 91 – Cogeneration and Small Power Production
Tenth Revision of Sheet No. 91-a - Schedule 91 – Cogeneration and Small Power Production (Continued)
Second Revision of Sheet No. 91-b - Schedule 91 – Cogeneration and Small Power Production (Continued)**

The purpose of this filing is to update the fixed-price option for qualifying facility customer-generators under Schedule 91 and other housekeeping changes. Consistent with WAC 480-107-095, PSE offers a standard tariff for purchases from qualifying facilities.

The methodology used to update the fixed-price alternative is consistent with the approach used in the 2007 through 2013 annual filings, where a market price forecast is generated using PSE’s Aurora dispatch model and a planning adjustment is used to adjust that market price forecast for the capital costs of PSE’s energy supply portfolio. In addition to that adjustment, a calculation is made to place a value on avoided capacity costs using the cost effectiveness standard model for PSE’s electric energy conservation programs. The resulting price is then reduced by 5% for power balancing related costs, consistent with the variable market pricing option in Schedule 91.

The market price forecast used to develop the prices in this filing reflects PSE’s most recent forecast that is also the basis for PSE’s 2013 Integrated Resource Plan. Each year the update of the Schedule 91 fixed-price option incorporates the currently available power price forecast, capacity cost, and discount rate assumptions used in other PSE power cost analyses.

The tariff sheets described herein reflect an issue date of November 20, 2014, and an effective date of January 1, 2015. Notice of the proposed tariff changes, as required by law and the Commission’s rules and regulations, is being given to the public immediately prior to or coincident with the date of this transmittal letter, through web, telephone and mail access in

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accordance with WAC 480-100-193(1). Posting of this proposed tariff change will be accomplished in accordance with WAC 480-100-193(1). As this filing does not increase rates or restrict the access to services, no notice is required under the provisions of WAC 480-100-194 or -195.

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

Sincerely,



Ken Johnson
Director, State Regulatory Affairs

Enclosure

cc: Simon J. ffitch, Public Counsel
Sheree Carson, Perkins Coie