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

February 6, 2015

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

**RE:** Advice No. 2015-01

**Electric Tariff Filing – Filed Electronically** 

Dear Mr. King:

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

13<sup>th</sup> Revision of Sheet No. 85-E
12<sup>th</sup> Revision of Sheet No. 85-F
5<sup>th</sup> Revision of Sheet No. 85-G
5<sup>th</sup> Revision of Sheet No. 85-H
- Schedule 85: Line Extensions and Service Lines (Continued)
- Schedule 85: Line Extensions and Service Lines (Continued)
- Schedule 85: Line Extensions and Service Lines (Continued)

The purpose of this filing is to revise rates for electric line extensions and service lines based on updated construction costs. On October 31, 2014, PSE submitted to the Commission, in Docket No. UE-143797, its Electric Line Extension Costs Study (the "Study") informational filing. The cost basis of the Study included work orders completed between January 1, 2013, and December 31, 2013. The basis for this filing is the costs of line extensions and service lines as determined in the Study. A summary of the proposed tariff rates and the associated Study results are enclosed as Attachment A.

In order to provide certainty and advance notice to the building industry, this filing reflects rates proposed to be effective on April 1, 2015, thereby giving approximately two months advance notice. PSE has plans to continue discussions with members of the building industry to make them aware of this filing and the proposed new rates.

In light of the Commission's investigation of natural gas infrastructure expansion and interest in innovative proposals for financing and expanding natural gas distribution infrastructure in Docket No. UG-143616 PSE is proposing, in this filing, to increase rates, but in most cases not to the level of the costs supported by the Study. Due to the discussions in Docket No. UG-143616 and as part of PSE's continual improvement processes, PSE is interested in aligning its electric and natural gas line extension polices, investigating opportunities to improve the schedules to be more responsive to customer needs, and considering processes that will keep costs to customers as low as possible, or more appropriate cost

allocation. PSE plans to initiate a study process of its electric and natural gas line extension policies with interested parties which will result in a subsequent filing of its line extension policies in the near future.

Proposed rates for the service lines and line extensions that are on a per foot basis are the same as the previously filed Study results, except the rate for residential plats which is a rate based on centerline footage of all roads within the plat. All other rates (and the residential plat rate) are based upon an increase of fifty percent of the cost increase reflected by the previously filed Study. The reason for increasing only fifty percent is to mitigate the current potential impact of the increase in costs. The reason for increasing the per foot rates to the level reflected in the Study is to maintain the relationship between the rates per foot for line extensions and service lines.

In addition to the line extension standard costs reviewed in the Study in preparation for this filing, PSE also reviewed the costs for transformation from primary voltage to secondary voltage. The transformation costs are applicable when customers request a secondary voltage service. Supporting details and calculations of the proposed transformation charges are in Attachment B.

The tariff sheets described herein reflect an issue date of February 6, 2015, and an effective date of March 27, 2015. The proposed standard costs updates, however, will become effective on April 1, 2015, as provided on each tariff sheet.

These tariff changes do not increase recurring charges or restrict access to services. PSE provides cost quotes to customers who request facility extension or modification prior to construction. Posting of the proposed tariff change, as required by WAC 480-100-193, is being made by posting the proposed tariff sheets on the PSE web site immediately prior to, or coincident with, the date of this transmittal letter. Notice of proposed tariff change, as required by law and the Commission's rules and regulations (including WAC 480-100-195(3)), 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 accordance with WAC 480-100-193.

Please contact Mei Cass at (425) 462-3800 or Lynn Logen at (425) 462-3872 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

**Enclosures** 

cc:

Sheree Carson, Perkins Coie Simon ffitch, Public Counsel