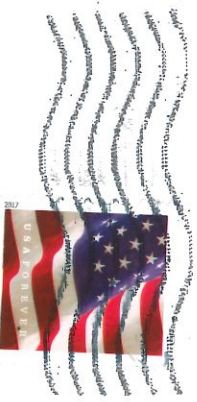


PO BOX 96
BURLEY, WA 98322-0096

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POBx 47250
OLYMPIA WA 98504

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8-30-17

DOCKET UE-170033

RECEIVED
SCIENCE MANAGEMENT
2017 SEP -5 AM 8:06
STATE OF WASH.
UTIL. AND TRASH
COMMISSION

THE RATE INCREASES ^{ARE} REQUESTED
ON "MAYBES"

THE TRUMP ADMIN. IS CHANGING
THE EPA. COAL IS COMING
BACK INTO FAVOR THEREFORE
COLSTRIP MAY NOT REQUIRE
PARTIAL DECOMMISSIONING.

IF THE INCREASES ARE
GRANTED, THEN THE "MAYBES"
DO NOT MATERIALIZE CAN I
EXPECT A REFUND?

Michael Prokopovich



Mr. Michael Prokopovich
P.O. Box 96
Burley, WA 98322-0096

Notice of requested changes to PSE rates and public hearings



22480

On Jan. 13, 2017, we filed a general rate case with the Washington Utilities and Transportation Commission (UTC) requesting an adjustment to electric and natural gas rates.

The UTC has the authority to approve rates which may be higher or lower than our request. New rates are expected to become effective upon completion of the UTC's 11-month examination of our proposed rates in December 2017.

We have requested the following:

- Electric Service - an overall 3.2 percent increase in rates generating an additional \$68.3 million in revenue. Residential customers would see an overall average 2.6 percent increase.
- Natural Gas Service - an overall 3.2 percent decrease in rates thereby reducing revenue by \$29.3 million. Residential customers would see an overall average 4.2 percent decrease.

PSE requests rate adjustments for the following reasons:

- Increased expenses for a proposed electric reliability program to replace aging underground cable and upgrade the 50 least-reliable circuits in our service territory.
- Increased decommissioning and environmental remediation expenses related to the partial shutdown of the Montana Colstrip Generating Station by July 2022. We propose to begin collecting for these expenses now.
- Increased expenses due to depreciation* and cost recovery of our capital assets such as electric poles, conduits, and transformers.
- Compliance with the State of Washington's Clean Air Rule and increased costs for emission reduction requirements are expected to result in higher power costs.
- Decreased expenses for the depreciation* of gas-related capital assets, in addition to lower natural gas price forecasts.

Effects of proposed rate changes for residential electric and natural gas service

Electric service for the average residential customer (using 900 kilowatt hours of electricity per month)	Current	Proposed (eff. Dec 2017)	Percent change
Kilowatt-hour charge for 0-600 kWh	9.3229¢	9.4292¢	
Kilowatt-hour charge for > 600 kWh	11.2051¢	11.4183¢	
Basic charge	\$7.87	\$9.00	
Total bill at 900 kWh per month	\$97.42	\$99.83	2.5%

Natural gas service for the average residential customer (using 64 therms of natural gas per month)	Current	Proposed (eff. Dec 2017)	Percent change
Therm charge	\$0.9295	\$0.87272	
Basic charge	\$10.29	\$11.00	
Total bill at 64 therms per month	\$69.78	\$66.85	-4.2%

For the effect of the proposed changes on other types of electric and natural gas services, visit pse.com/ratecase.

* Depreciation is the reduced value of an asset, such as a power pole, transformer, and power lines, due to wear and tear and the passage of time. Depreciation expenses account for the costs of the assets recovered over their useful life.

Public hearing dates and locations

You may comment on the requested changes to electric and natural gas rates at a public hearing held by the UTC at the locations listed below.

Monday, July 31, 2017, 6 – 7:30 p.m.

Bellevue City Hall Council Chamber
Room 1E-126
450 110th Ave N.E., Bellevue
Free parking is available in the City Hall parking garage

Thursday, Aug 31, 2017, 6 – 7:30 p.m.

UTC- Hearing Room 206
1300 S. Evergreen Park Drive SW, Olympia
Free parking is available

The UTC is committed to providing reasonable accommodation to participants with disabilities. If you need reasonable accommodation, please contact the Commission at 1-360-664-1132 or human_resources@utc.wa.gov.

Other ways to comment on the proposed rates

Online: utc.wa.gov/comment
Email: comments@utc.wa.gov
Phone: 1-888-333-WUTC (9882)
U.S. mail: UTC P.O. Box 47250
Olympia, WA 98504

Residential and small business customers are represented in this case by the Public Counsel Unit of the Washington Office of the Attorney General.

Email: utility@atg.wa.gov

In your comments, please reference Dockets UE-170033 (electric service) and UG-170034 (natural gas service).

To contact us about the rate change proposals:

Email: customercare@pse.com
U.S. mail: Puget Sound Energy
Customer Care
P.O. Box 97034
Bellevue WA 98009-9734

For more stamps and collectibles, visit usps.com/stamps

Overall proposed rate change for electric and natural gas service, by rate schedule

Electric schedule	Type of service	Percent change
7	Residential	2.6%**
24	Secondary voltage (50 kW or less)	3.8%
25, 11, 7A	Secondary voltage (over 50 kW to 350 kW)	3.7%
26, 12, 26P	Secondary or primary voltage (over 350 kW)	4.5%
29	Seasonal irrigation & drainage pumping	3.1%
31, 10	Primary voltage limited	4.4%
35	Primary voltage irrigation	3.6%
43	Interruptible total electric schools	5.5%
40	Campus rate	6.1%
46	High voltage interruptible	3.6%
49	High voltage general	2.9%
50-59	Lighting (area & street)	-3.4%
449, 459	Choice/retail wheeling	0.6%
Overall		3.2%

** Represents overall average increase without specific energy use amount.

Natural gas schedule	Type of service	Percent change
23, 53	Residential	-4.2%
31	Commercial & industrial	-0.3%
41	Large volume	-1.1%
85	Interruptible	-1.4%
86	Limited interruptible	-1.7%
87	Non-exclusive interruptible	-0.8%
31T	Commercial & industrial transportation	1.1%
41T	Large volume transportation	-2.7%
85T	Interruptible transportation	-4.8%
86T	Limited interruptible transportation	-4.2%
87T	Non-exclusive interruptible transportation	-5.3%
16	Gas lighting	-4.5%
	Special contracts	0.7%
71, 72, 74	Rentals	-9%
Overall		-3.2%

Issue date: June-July 2017

2016 Service Quality Report Card

Key measurement	Benchmark	2016 Performance	Achieved
Customer Satisfaction			
Percent of customers satisfied with our Customer Care Center services, based on survey	At least 90 percent	93 percent	✓
Percent of customers satisfied with field services, based on survey	At least 90 percent	95 percent	✓
Number of complaints to the WUTC per 1,000 customers, per year	Less than 0.40	0.18	✓
Customer Services			
Percent of calls answered live within 30 seconds by our Customer Care Center	At least 75 percent	77 percent	✓
Operations Services			
Frequency of non-major-storm power outages, per year, per customer	Less than 1.30 interruptions	1.06 interruptions	✓
Length of power outages per year, per customer	Less than 2 hours, 35 minutes	2 hours, 28 minutes	✓
Time from customer call to arrival of field technicians in response to electric system emergencies	No more than 55 minutes	55 minutes	✓
Time from customer call to arrival of field technicians in response to natural gas emergencies	No more than 55 minutes	31 minutes	✓
Percent of service appointments kept	At least 92 percent	100 percent*	✓

* Percent in table rounded up from 99.6 percent result.

Each year Puget Sound Energy measures service-quality benchmarks established in cooperation with the Washington Utilities and Transportation Commission, the Public Counsel Unit of the Attorney General's Office and other parties to gauge how well we deliver our services to you and all of our customers. Failure to achieve all service-quality measurements in a reporting year would have put us at risk of a penalty up to \$12 million.

2016 Performance Highlights

In 2016 we met all nine service metrics (see chart above).

We had two service guarantees in 2016. We credit your bill \$50 if we fail to meet these guarantees.

- Keeping scheduled appointments
- If your power is out for 120 consecutive hours or longer

We credited customers a total of \$19,000 for missing 380, or 0.4 percent, of our total 104,163 scheduled appointments.

We credited one customer \$50 for not restoring electric service within 120 consecutive hours.

At the start of 2017, we added a new service guarantee with a \$50 credit if your power is out for longer than 24 hours, barring a major storm or a significant event.

Every day our employees continually aim to achieve new levels of providing safe, dependable and efficient service to meet your expectations of us.

YOU KNOW I CAN DO VERY WELL ON A SELF EVALUATION REPORT ALSO!

MAP