



Puget Sound Energy
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PSE.com

May 1, 2018

Filed Via Web Portal

Mr. Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, WA 98504-7250

**Re: Dockets UE-170033 and UG-170034 – Advice Nos. 2017-24 & 2017-25
Filed Electronically – Do Not Redocket**

Dear Mr. Johnson:

Puget Sound Energy (“PSE”) hereby files for inclusion into its Dockets UE-170033 and UG-170034, revised work papers which update the methodology for allocating certain costs within lighting service schedules. This is an informational filing made coincident with PSE’s electric tariff filing which proposes revisions to lighting service Schedules 51, 52, 53, 55, 56, 58 and 59, and lighting rates in Schedule 140 Property Tax Tracker.

The purpose of PSE’s informational filing is to make updates to: (1) the operation and maintenance (“O&M”) component of the Facilities Charge for Schedules 51 and 52, and (2) the capital component of the rate for company-owned light emitting diode (“LED”) lights on Schedule 53. While the changes in methodology are confined to these specific areas, the reallocation of costs necessarily results in impacts to other outdoor lighting schedules at the cost levels approved in PSE’s general rate case dockets.

Specific to the first update, the tariff filing adjusts the O&M component of the Facilities Charge for Schedules 51 and 52 to reflect the reduced O&M costs of LED lights compared to metal halide and high pressure sodium lights. In doing so, the O&M component of the Facilities Charge for Schedule 51 is decreased, thus reducing the revenue from this group of customers. As a result, the O&M component of the Schedule 52 Facilities Charge is increased to recover the revenue no longer covered by Schedule 51. Due to the disparity in total Estimated System Costs between Schedules 51 and 52, this reallocation represents a large percentage decrease for Schedule 51 but only a small increase for Schedule 52.

Secondly, this informational filing adjusts the capital component of the estimated rates for company-owned LED lights on Schedule 53 to reflect the contributions in aid of construction

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made by customers to upgrade to, or install new LEDs. This results in a reduced allocation of capital costs to LED service under Schedule 53, as well as a corresponding increase for all other schedules.

The impact of these proposed changes are being reflected in a concurrent tariff filing by PSE that relies on the cost of service study approved in Docket UE-180282, PSE's electric tariff filing that passed through the benefits of lower income tax rates.

Please contact Graham Marmion at (425) 457-5719 for additional information about this filing. If you have any other questions please contact me at (425) 456-2142.

Sincerely,

/s/ Jon Piliaris

Jon Piliaris
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cc: Lisa Gafken, Public Counsel
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Attachments: Work papers