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

February 23, 2018

Filed Via Web Portal

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

RE: Puget Sound Energy's Fee-Free Payment Program Update Dockets UE-160203 and UG-160204

Dear Mr. King:

On March 24, 2016, the Commission granted Puget Sound Energy's ("PSE") Amended Accounting Petition ("Petition") in the above-referenced dockets. PSE's fee-free payment program for its residential and small-business customers, including customers who pay with a credit or debit card, was implemented on August 25, 2016.

Paragraph 26 of the Petition granted by Order 01 in this proceeding requires PSE to provide updates to the Commission every three months after the program is implemented on the deferred balance, participation rates, and fees incurred by month. In December 2017, PSE ceased deferring the costs and began amortizing the deferral balance related to its fee-free payment program per general rate case Order 08 in Dockets UE-170033 and UG-170034 ("GRC Order") issued that same month. Since PSE is no longer deferring these costs, PSE believes this report should be discontinued. PSE will be happy to respond to ad hoc requests from the Commission related to its fee-free payment program.

PSE's sixth fee-free payment program update ("Program Update") is attached and includes the required information including participation rates, fees incurred, and the cumulative deferral balance accrued to FERC account 182.3-Other regulatory assets through December 2017. PSE has also included additional information that is not required, but ultimately helpful in increasing understanding of PSE's fee-free payment program including average costs per transaction and total number of payments per month.

Please contact Nate Hill at (425) 457-5524 for general information about this filing or contact Lori Roth at (425) 456-2721 for additional information. If you have any other questions please contact me at (425) 456-2110.

/s/Kenneth S. Johnson

Sincerely,

Vice President, Regulatory and Government Affairs Puget Sound Energy / PO Box 97034

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425-456-2110 / <u>ken.s.johnson@pse.com</u>

Lisa Gafken cc:

Attachment: PSE Fee Free Payment Program Update

Records Management