



Puget Sound Energy
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PSE.com

May 23, 2014

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

**Re: Power Cost Only Rate Case (“PCORC”) Filing of Puget Sound Energy, Inc.
Advice No. 2014-17 - Electric Tariff Filing**

Dear Mr. King:

Pursuant to RCW 80.28.060, WAC 480-80-101 and -105, the Power Cost Adjustment Mechanism (PCA Mechanism”) set forth in Exhibit A to the Settlement Stipulation approved by the Commission in its Twelfth Supplemental Order in Docket Nos. UE-011570 and UG-011571 (consolidated), and the agreement to file a Power Cost Only Rate Case (“PCORC”) approved by the Commission in its October 23, 2013 order in Docket Nos. UE-130583, UE-130617, UE-131099 and UE-131230, Puget Sound Energy, Inc. (“PSE” or “the Company”) hereby seeks the Commission’s approval to revise its Power Cost Rate reflected in Schedule 95, in order to reflect decreases in the Company’s overall normalized power supply costs.

This filing proposes revisions in the following electric tariff sheets:

WN U-60, Tariff G - (Electric Tariff):

- 33rd Revision of Sheet No. 95 – Power Cost Adjustment Clause
- 8th Revision of Sheet No. 95-a – Power Cost Adjustment Clause (Continued)
- 10th Revision of Sheet No. 95-b – Power Cost Adjustment Clause (Continued)
- 9th Revision of Sheet No. 95-c – Power Cost Adjustment Clause (Continued)
- 2nd Revision of Sheet No. 95-c.1 – Power Cost Adjustment Clause (Continued)
- 2nd Revision of Sheet No. 95-c.2 – Power Cost Adjustment Clause (Continued)
- 8th Revision of Sheet No. 95-d – Power Cost Adjustment Clause (Continued)
- 8th Revision of Sheet No. 95-e – Power Cost Adjustment Clause (Continued)

In support of this PCORC filing, PSE also submits the original and 12 copies, and the requisite electronic copies of the testimonies and exhibits listed below. The Company is also providing an original and one copy of the redacted version of the confidential testimony.

The Purpose of This Filing

The power cost baseline rate that is currently embedded in PSE's electric rates was established through the Commission's Order 06 in PSE's last PCORC in Docket No. UE-130617 which was consolidated with Docket Nos. UE-130583, UE-131099 and UE-131230. The Company's PCORC filing submitted with this letter seeks approval of a new, adjusted Power Cost Rate based upon projected normalized power costs for the proposed rate year for this PCORC: the 12-month period beginning December 1, 2014. Overall, PSE proposes in this filing to decrease electric rates by \$9,554,847 or an average decrease of approximately 0.456%, in order to pass through reductions in projected power costs the Company expects to face during the rate year.

In support of this PCORC filing, PSE respectfully submits the following testimonies, exhibits, tariff sheets and other documents:

1. Prefiled Direct Testimony of David E. Mills, Exhibit No. ___(DEM-1CT) and Exhibit No. ___(DEM-2) through Exhibit No. ___(DEM-4C);
2. Prefiled Direct Testimony of Ronald J. Roberts, Exhibit No. ___(RJR-1CT) and Exhibit No. ___(RJR-2) through Exhibit No. ___(RJR-3);
3. Prefiled Direct Testimony of Paul K. Wetherbee, Exhibit No. ___(PKW-1T) and Exhibit No. ___(PKW-2);
4. Prefiled Direct Testimony of Douglas S. Loreen, Exhibit No. ___(DSL- 1T) and Exhibit No. ___(DSL-2);
5. Prefiled Direct Testimony of Janet K. Phelps, Exhibit No. ___(JKP- 1T) and Exhibit No. ___(JKP-2);
6. Prefiled Direct Testimony of Katherine J. Barnard, Exhibit No. ___(KB- 1T) and Exhibit No. ___(KB-2) through Exhibit No. ___(KB-8);
7. Prefiled Direct Testimony of Jon A. Piliaris, Exhibit No. ___(JAP-1T) and Exhibit No. ___(JAP-2) through Exhibit No. ___(JAP-4), including:
8. WN U-60, Tariff G - (Electric Tariff):
33rd Revision of Sheet No. 95 – Power Cost Adjustment Clause
8th Revision of Sheet No. 95-a – Power Cost Adjustment Clause (Continued)
10th Revision of Sheet No. 95-b – Power Cost Adjustment Clause (Continued)

9th Revision of Sheet No. 95-c – Power Cost Adjustment Clause (Continued)
2nd Revision of Sheet No. 95-c.1 – Power Cost Adjustment Clause (Continued)
2nd Revision of Sheet No. 95-c.2 – Power Cost Adjustment Clause (Continued)
8th Revision of Sheet No. 95-d – Power Cost Adjustment Clause (Continued)
8th Revision of Sheet No. 95-e – Power Cost Adjustment Clause (Continued)

9. One copy of the 2013 Integrated Resource Plan; and
10. Certificate of Service.

Overall, this proposal represents a revenue decrease of \$9,554,847 or 0.456% reduction for customers. All rate schedules for electric service, except transportation customers, are affected by the change; most will experience a small decrease, and a few lighting customers with smaller sizes of street lights will experience no change. For example, the typical residential customer using 1,000 kWh per month will experience a decrease of forty-seven cents (\$0.47) per month.

Confidentiality Protections and Procedural Matters

PSE requests that the Commission issue its standard protective order. As is evident from PSE's filing, the Company has marked several pages "confidential." The documents designated as "confidential" are currently protected from any further disclosure by the Commission or the Office of the Attorney General pursuant to RCW 80.04.095 and WAC 480-07-160. However, in order to permit appropriate review of the materials by experts for the Commission Staff and/or Public Counsel, a protective order should be entered in this proceeding as soon as possible.

Second, as provided in the Commission's order in Docket Nos. UE-072300 and UG-072301 (consolidated) the duration of a PCORC proceeding is limited to six months. PSE respectfully requests an expedited schedule that allows this case to conclude within the sixth month period. PSE requests that the Commission issue a final order in this case by November 24, 2014 to allow rates to go into effect December 1, 2014.

Notice of PCORC Filing

The tariff sheets described herein reflect an issue date of May 23, 2014, and an effective date of June 23, 2014. Posting of proposed tariff changes, 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 to the public under the provisions of

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WAC 480-100-197 will be provided as addressed in the prehearing conference order as provided in WAC 480-100-197(1).

In addition, as noted below, the Company is providing copies of this PCORC filing to counsel for the parties and intervenors who actively participated in Docket No. UE-130617, the Company's last power cost only rate case.

Service and correspondence relating to this filing should be directed to:

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Attorneys for Puget Sound Energy, Inc.

We look forward to working with the Commission, Commission Staff, Public Counsel, our customers, and other interested parties in this matter.

Very truly yours,



Ken Johnson
Director, State Regulatory Affairs

Enclosures