



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

November 18, 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. 2015-31  
Electric Tariff Filing – Filed Electronically**

Dear Mr. King:

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

**11<sup>th</sup> Revision of Sheet No. 91-a      Schedule 91 – Cogeneration and Small Power Production (Continued)**

The purpose of this filing is to update the fixed-price option for qualifying facility customer-generators under Schedule 91 and lengthen it by a year. Consistent with WAC 480-107-095, PSE offers a standard tariff for purchases from qualifying facilities.

The methodology used to update the fixed-price alternative is consistent with the approach used in the 2007 through 2014 annual filings, where a market price forecast is generated using PSE’s Aurora dispatch model. The avoided energy cost is adjusted to reflect avoided capacity, deferred T&D, and line losses. The resulting price is reduced 7% for contingency reserves and reduced by 5% for power balancing related costs, consistent with the variable market pricing option in Schedule 91.

The market price forecast used to develop the prices in this filing reflects PSE’s most recent forecast that is the basis for PSE’s 2015 Integrated Resource Plan. Each year the update of the Schedule 91 fixed-price option incorporates the currently available power price forecast, capacity cost, and discount rate assumptions used in other PSE power cost analyses.

An extra year has been added to take into account customer-generators that sign a power purchase agreement in late 2016 but won’t begin production until 2017. This will allow their revenue to align with the usual 15 year financing.

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The tariff sheets described herein reflect an issue date of November 18, 2015, and an effective date of December 19, 2015. Notice of the proposed tariff changes, as required by law and the Commission's rules and regulations, 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(1). Posting of this proposed tariff change will be accomplished in accordance with WAC 480-100-193(1). No notice is required under the provisions of WAC 480-100-194 or -195.

Please contact Julie Waltari at (425) 456-2945 or [julie.waltari@pse.com](mailto:julie.waltari@pse.com) for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,

*E. E. Enyrt*  
*Regulatory Initiatives & Tariffs*

*for* Ken Johnson  
Director, State Regulatory Affairs

Enclosure

cc: Simon J. ffitich, Public Counsel  
Sheree Carson, Perkins Coie