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Puget Sound Energy
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December 1, 2017

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COMMISSION

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

RE: Advice No. 2017-20 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 (“PSE”).

26th Revision of Sheet No. 91	Schedule 91 – Cogeneration and Small Power Production
13th Revision of Sheet No. 91-A	Schedule 91 – Cogeneration and Small Power Production (Continued)
3th Revision of Sheet No. 91-B	Schedule 91 – Cogeneration and Small Power Production (Continued)
Original Sheet No. 91-C	Schedule 91 – Cogeneration and Small Power Production (Continued)
Original Sheet No. 91-D	Schedule 91 – Cogeneration and Small Power Production (Continued)
Original Sheet No. 91-E	Schedule 91 – Cogeneration and Small Power Production (Continued)

The purpose of this filing is to update the expiring Fixed Price option Energy Rates in Schedule 91, PSE’s standard tariff for purchases from Qualifying Facilities, for the following changes:

1. Including the Fixed Price option Energy Rates for Qualifying Facility Customer-Generators under Schedule 91 for firm base resource and non-firm resources of wind and solar, based upon the peak capacity contribution of resources. These Energy Rates reflect PSE’s most recent forecast that is consistent with PSE’s 2017 Integrated Resource Plan (“IRP”) from the “Base + CAR Only” scenario. The 2017 IRP was filed on November 14, 2017. Consistent with PSE’s Schedule of Estimated Avoided Cost most recently filed in Docket No. UE-171141, the Fixed Price option Energy Rates reflect the currently available power price forecast, capacity value, and discount rate assumptions used in other PSE power cost analyses. The values of the peak capacity contribution are determined according to the effective load carrying capability analysis in the 2017 IRP. The peak capacity contribution for a firm base resource is assigned the value of 100 percent and for the non-firm resources of wind and solar, the peak capacity contribution values are 16% and 1%, respectively.
2. Moving of tariff schedule sections to accommodate the expansion of Energy Rate tables.

Mr. Steven V. King
Page 2
December 1, 2017
Advice No. 2017-20

Consistent with WAC 480-107-095, PSE offers this standard tariff for purchases from Qualifying Facilities. For each type of resource, the methodology used to update the Fixed Price option is consistent with the approach used in the 2007 through 2016 annual filings, where a market price forecast is generated using PSE's Aurora dispatch model without system integration, shaping, or transmission related costs. The avoided energy cost is adjusted to reflect avoided capacity, deferred transmission and distribution investment, and line losses. The resulting price is reduced by 3% for contingency, consistent with the variable market pricing option in Schedule 91.

The tariff sheets described herein reflect an issue date of December 1, 2017, and an effective date of January 1, 2018. 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 Thomas MacLean at (425) 462- 3064 or Mei Cass at (425) 462-3800 for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,

/s/ Kenneth S. Johnson

Ken Johnson
Director, State Regulatory Affairs
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cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie

Attachments:
Electric Tariff Sheets (6), listed above