



Puget Sound Energy
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PSE.com

May 31, 2019

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

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State Of WASH.
UTIL. AND TRANSP.
COMMISSION

**Re: Advice No. 2019-22
PSE’s Electric Tariff Filing - Filed Electronically**

Dear Mr. Johnson:

Puget Sound Energy (“PSE”) hereby submits proposed revisions to its electric Schedule 95, Power Cost Adjustment Clause. This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, proposes revisions to the following electric tariff sheets.

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

- 37th Revision of Sheet No. 95 – Power Cost Adjustment Clause
- 12th Revision of Sheet No. 95-A – Power Cost Adjustment Clause (Continued)
- 14th Revision of Sheet No. 95-B – Power Cost Adjustment Clause (Continued)
- 13th Revision of Sheet No. 95-C – Power Cost Adjustment Clause (Continued)
- 6th Revision of Sheet No. 95-C.1 – Power Cost Adjustment Clause (Continued)
- 6th Revision of Sheet No. 95-C.2 – Power Cost Adjustment Clause (Continued)
- 13th Revision of Sheet No. 95-D – Power Cost Adjustment Clause (Continued)
- 13th Revision of Sheet No. 95-E – Power Cost Adjustment Clause (Continued)
- 4th Revision of Sheet No. 95-E.1 – Power Cost Adjustment Clause (Continued)

The primary purpose of this filing is to update electric Schedule 95 Power Cost Adjustment Clause rates to reflect PSE passing through the Transition Fee as required by Section 12 of the Microsoft Special Contract¹ (“Special Contract”). Pursuant to Section 12 of the Special Contract, Microsoft will make a one-time payment of \$23,685,000.00 to PSE on the last day of the first calendar month, following the month in which Microsoft commences service under the Special Contract. As a non-core customer, Microsoft commenced service under the Special Contract on April 1, 2019. Today May 31, 2019, PSE received the one-time payment of \$23,685,000.00. The Transition Fee is intended to hold customers harmless from adverse financial impacts resulting from Microsoft transitioning its Schedule 40 loads to the Special Contract. PSE is passing-through the Transition Fee grossed-up for revenue sensitive items over a twelve-month period.

¹ The Microsoft Special Contract was approved by the Washington Utilities and Transportation Commission with Order 06, Order Approving Settlement Agreement, in Docket UE-161123, on July 13, 2017.

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Due to the variance in forecast loads used to set the rate and actual loads experienced, there will be a residual amount either owed to or from customers at the end of the 12 month rate period. For ease of administration and in order to ensure the correct amount is passed back to customers, PSE proposes that the actual residual amount resulting at July 31, 2020 be included in the electric Schedule 129 Low Income Program rates that become effective October 1, 2020. The use of Schedule 129 to collect or pass back the residual amount of the Transition Fee has no impact on the funding or spending of the HELP program. Schedule 129 is an existing rate schedule which includes the same customer classes as Schedule 95.

After the \$23,685,000.00 payment is adjusted for revenue sensitive items, this proposal decreases customer bills by \$24.9 million, or an average 1.2 percent decrease for all schedules, except retail wheeling customers under Schedules 448, 449, 458 and 459, and customers under Special Contracts, for the next twelve months. The typical residential customer using 900 kWh per month would experience a decrease to their monthly bill of \$1.10, or a decrease of 1.2% for the next twelve months.

The tariff sheets described herein reflect issue dates of May 31, 2019, and effective dates of July 1, 2019. Posting of the proposed tariff change for public inspection and review, as required by law and the Commission's rules and regulations, is being completed in accordance with WAC 480-100-193(1).

Please contact Julie Waltari at (425) 456-2945 for additional information about this filing. If you have any other questions, please contact me at (425) 456-2142.

Sincerely,

/s/ Jon A. Piliaris

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

Attachments:
Electric Tariff Sheets (listed above)
Work Papers