



Puget Sound Energy
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PSE.com

April 30, 2014

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

**Re: Advice No. 2014-16
Electric Tariff Filing - Filed Electronically**

Dear Mr. King:

Puget Sound Energy, Inc. ("PSE") hereby submits proposed revisions to its electric tariff. This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, proposes revisions in the following electric tariff sheet:

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

12th Revision of Sheet No. 194 - Residential and Farm Energy Exchange Benefit
4th Revision of Sheet No. 194-A - Residential and Farm Energy Exchange Benefit (Continued)
Original Sheet No. 194-B - Residential and Farm Energy Exchange Benefit (Continued)

The primary purpose of this filing is to pass through the residential exchange benefits that PSE is receiving from the Bonneville Power Administration ("BPA") as a result of the Interim Agreement True-up Payment Amounts under the 2008 Residential Exchange Interim Relief and Standstill Agreements ("2008 Benefits"). The amounts received are to reflect the fact that BPA did not pay PSE the full amount of residential and farm benefits for fiscal year 2008 that have become due under the 2012 REP Settlement Agreement ("2012 Benefits"). Under these two agreements BPA is paying PSE the benefits plus interest for a total amount of \$62,866,484.25 to be received over seven equal monthly payments. In accordance with the agreement, the funds, when received, are deposited to a restricted money market account until provided to customers. PSE is recording the restricted funds in the same FERC 134 account used for its normal residential exchange benefits. PSE is proposing to pass through this additional benefit to eligible customers over twelve months.

The purpose of this filing is also to update the names and numbers of the contracts between PSE and BPA and to update the definition of "residential load" in accordance with those contracts.

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At the end of the twelve months the special rate to pass through the 2008 Benefits, as shown on the attached tariff sheets, will be set to zero, ending the temporary one-year pass through of the 2008 Benefits. Any balance (debit or credit) resulting after the pass-through of the 2008 Benefits at the end of the twelve months, if not otherwise directed by an agreement with BPA, will be rolled into the 2012 Benefits. The balance of 2012 Benefits plus the actual interest received from the restricted money market fund will be included in the true-up filing of Schedule 194 expected to be made in August or September 2015.

The effect of this filing is a temporary reduction in overall rates followed by an increase in overall rates once the rate passing through the 2008 Benefits is set to zero.

The tariff sheets described herein reflect an issue date of April 30, 2014, and an effective date of June 1, 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 WAC 480-100-195(3) is required which PSE will provide in accordance with WAC 480-100-193(1).

Please contact Mr. Lynn Logen at (425) 462-3872 for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,



Lynn F. Logen

for Ken Johnson
Director, State Regulatory Affairs

Enclosures

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