



Puget Sound Energy
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October 31, 2018

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. 2018-45 – Electric Tariff Filing – Filed Electronically
Request for Waiver of WAC 480-100-198**

Dear Mr. Johnson:

Pursuant to RCW 80.28.060, WAC 480-80-101 and -105 please find enclosed for filing the following proposed revisions to the WN U-60, tariff for electric service of Puget Sound Energy (“PSE”):

- 16th Revision of Sheet No. 95-F – Schedule 95A – Federal Incentive Tracker
- 17th Revision of Sheet No. 95-G – Schedule 95A – Federal Incentive Tracker (Continued)
- 17th Revision of Sheet No. 95-H – Schedule 95A – Federal Incentive Tracker (Continued)
- 18th Revision of Sheet No. 95-I – Schedule 95A – Federal Incentive Tracker (Continued)
- 17th Revision of Sheet No. 95-J – Schedule 95A – Federal Incentive Tracker (Continued)
- 15th Revision of Sheet No. 95-K – Schedule 95A – Federal Incentive Tracker (Continued)
- 9th Revision of Sheet No. 95-L – Schedule 95A – Federal Incentive Tracker (Continued)
- 6th Revision of Sheet No. 95-M – Schedule 95A – Federal Incentive Tracker (Continued)

The purpose of this filing is to submit the annual true-up and rate filing. The annual true-up results in revised rates reflecting a decreased amount of credit which results in an overall increase in electric bills for customers. However, due to changes in loads and rate spread some customers will see a small decrease as a result of this filing. This filing also removes production tax credits utilized on the Company’s tax return (“monetized PTCs”) from amounts in this schedule, as the monetized PTCs are now passed back to customers outside of this schedule pursuant to the Commission’s Order 08 in Docket UE-170033.

The true-up filing results in a total credit of \$38,698,031 to be passed back to eligible customers over the twelve months beginning January 1, 2019. Of the total credit, \$31,653,962 represents the pass-back of grant amortization and \$7,044,069 represents the pass through of interest; those figures include the true-up for 2018 which is a total of \$720,200 that remains to be passed back from the 2018 rate period, due to variances in load and interest. In Docket UE-180283 (“Schedule 95A tax

reform filing”), PSE reset the level of Schedule 95A that was set in Docket UE-171086 (“original 2018 Schedule 95A filing”) for the changes to PSE’s authorized after-tax rate of return that changed December 19, 2017 as well as for the effects of the change in the federal income tax rate from 35 percent to 21 percent that occurred January 1, 2018 on grant amortization. Pursuant to its accounting petition filed under Docket UE-171225, PSE has deferred the differences between the Schedule 95A tax reform filing and the original 2018 Schedule 95A filing for the period January through April 2018 (“Schedule 95A tax reform deferral”). This deferral which is a receivable from customers, partially offsets the amounts PSE has also deferred pursuant to Docket UE-171225 for the base rates difference between amounts set in UE-170033 and UE-180282 (“base rates tax reform deferral”) which is a payable to customers. Because the Schedule 95A tax reform deferral partially offsets the base rates tax reform deferral, it is not appropriate to true-up for the Schedule 95A tax reform deferral within this Schedule 95A filing. PSE proposes that the disposition of the Schedule 95A tax reform deferral be handled in the outstanding accounting petition under Docket UE-171225.

This filing represents an overall average rate increase of 0.13 percent. The typical residential customer on Schedule 7 using 900 kWh per month would experience an increase of 14 cents per month or 0.16 percent. PSE has approximately 1,152,000 electric customers. This filing affects customers on all rate schedules except those on non-core Retail Wheeling schedules.

This filing does not change PSE’s net revenue, as it is a pass-through of funds received in the form of a Treasury Grant. This filing represents a decrease in the amount of credits passed through to customers each month and therefore results in a net increase in bills.

The tariff sheets described herein reflect issue dates of October 31, 2018, and effective dates of January 1, 2019. Posting of proposed tariff changes, as required by law and the Commission’s rules and regulations, is being completed 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.

This filing represents a net increase in customer bills, therefore PSE will provide notice to customers in accordance with WAC 480-100-194(2) at least thirty days prior to the stated effective date. The date that PSE expects to provide notice in compliance with WAC 480-100-194(2) is approximately December 1, 2018, so that the impacts of other rate changes proposed to become effective on January 1, 2019, can be included. Providing notice on December 1, 2018, will not allow PSE to provide the Commission a copy of the notice within ten days of making this filing as provided in WAC 480-100-198. Therefore PSE respectfully requests that it be granted a waiver of WAC 480-100-198 and be allowed to comply with WAC 480-100-198 within ten days of December 1, 2018.

Mr. Mark L. Johnson
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Please contact Susan Free at (425) 456-2105 for additional information about this filing. If you have any other questions please contact me at (425) 456-2142.

Sincerely,

/s/ Jon Piliaris

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

Attachments: Electric Tariff Sheets (listed above)
Workpapers