



Puget Sound Energy
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PSE.com

March 1, 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

**Re: Advice No. 2019-06
PSE's Electric Tariff Filing - Filed Electronically**

Dear Mr. Johnson:

Puget Sound Energy ("PSE") hereby submits proposed revisions to its electric Schedule 120, Electricity Conservation Service Rider. This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, proposes revisions in the following electric tariff sheets.

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

- 27th Revision of Sheet No. 120 - Electricity Conservation Service Rider
- 28th Revision of Sheet No. 120-A - Electricity Conservation Service Rider (Continued)
- 29th Revision of Sheet No. 120-B - Electricity Conservation Service Rider (Continued)
- 26th Revision of Sheet No. 120-C - Electricity Conservation Service Rider (Continued)
- 24th Revision of Sheet No. 120-D - Electricity Conservation Service Rider (Continued)
- 24th Revision of Sheet No. 120-E - Electricity Conservation Service Rider (Continued)
- 8th Revision of Sheet No. 120-F - Electricity Conservation Service Rider (Continued)
- 5th Revision of Sheet No. 120-G - Electricity Conservation Service Rider (Continued)

The purpose of this filing is to implement changes to rates under the conservation rider mechanism, as provided in the following dockets: the Commission's order in Docket UE-970686 (the "Order"); the Settlement Terms for Conservation ("Settlement") approved by the Commission in Docket UE-100177; and the Commission's Order 01 in Docket UE-171087 ("Order 01").

In Order 01 the Commission approved PSE's 2018-2019 Biennial Conservation Target ("Target") of 448,109 MWh, as reported at the customer meter. That approved Target represented the total available conservation resources that are cost-effective, reliable and feasible, that PSE could expect to acquire in the 2018-2019 biennium.

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This filing revises the Electricity Conservation Rider charges for all schedules except for customers under Schedules 448, 449, 458 and 459 (“Transportation Customers”), in order to reflect a decrease in the amounts budgeted for the upcoming year, along with the true-up (and approval) of actual costs, and actual collections over the past year.

The amount of revenue requirement requested in this filing is \$79.2 million. This amount is lower than the \$96.7 million requested in last year’s filing under Docket UE-180185 by a total of \$17.5 million for the following reasons: a \$9.0 million decrease due to the decreased budget for the 2019 program year, and a decrease of \$8.5 million in the true-up for spending, load variances and revenue sensitive fees and taxes, compared to 2018. Overall, this proposal represents a revenue requirement decrease and an average decrease in overall bills of 0.94% for customers affected by this tariff change. For example, the typical residential customer on Schedule 7 using 900 kWh per month will experience a decrease of \$0.86 per month.

PSE believes that Microsoft will take service under a special contract during the rate period of this filing (May 1, 2019 through April 30, 2020). There are two provisions within the special contract that relate to PSE’s conservation programs and/or recovery.

Paragraph 15 of the Settlement Stipulation and Agreement in Docket UE-161123 (“Settlement Agreement”) discusses conservation funding under Schedule 120. The paragraph states that under the special contract, Microsoft’s rate under Schedule 120 will continue to be calculated as if Microsoft continued to take service under Schedule 40, based on power delivered. As this filing includes Microsoft as a Schedule 40 customer, there will be no change needed to the Schedule 120 rates for this provision of the special contract were the special contract to begin during the rate period of this filing.

Paragraph 17 of the Settlement Agreement discusses additional low income funding. For the term of the special contract, Microsoft will provide additional funding of \$0.000307 per delivered kWh for the Low Income Weatherization program. This amount will be charged separately on Microsoft’s bill upon commencement of the special contract term and will be administered by the manager of the program. This additional amount will not be included in Schedule 120, and therefore, does not affect this filing.

The tariff sheets described herein reflect an issue date of March 1, 2019, and an effective date of May 1, 2019. As required by WAC 480-100-193, PSE has posted the proposed tariff sheets on the PSE web site immediately prior to or coincident with the date of this transmittal letter. Although public notice is not required under the provisions of WAC 480-100-194, PSE will include these rate impacts in its customer notice which will reflect all rate filings with a proposed May 1, 2019 effective date.

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Please contact Julie Waltari at (425) 456-2945 or julie.waltari@pse.com 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
Revenue Requirement Work Papers
Cost of Service Work Papers