

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 40**  
**LARGE GENERAL SERVICE GREATER THAN 3 aMW**

(Single phase or three phase at the available Primary or Secondary distribution voltages)

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AVAILABILITY:

1. This schedule does not apply to Customers taking service on Schedules 46, 49, 448, or 449 but is mandatory for all other Customers with over 3 Average MW of load on a non-dedicated distribution feeder (or substation when, but for the feeder configuration, the customer would have 3 aMW of load on a distribution feeder) where:
  - a. for Customers not on Schedule 40 the 3 aMW of load has occurred during six (6) of the 12 months of a test year for any general rate case, or
  - b. for Customers already on Schedule 40 who have maintained a minimum of an average of 2 aMW over the entire test year of the most recent general rate case shall remain on Schedule 40. Customers who fall below this average will be removed from this Schedule on the date rates go into effect as a result of the applicable general rate case.
2. For Primary Service all necessary wiring, transformers, switches, cut-outs and protection equipment beyond the Point of Delivery shall be provided, installed and maintained by the Customer, and such service facilities shall be of types and characteristics acceptable to the Company. The entire service installation, protection coordination, and the balance of the load between phases shall be approved by Company engineers prior to availability of service under this schedule.

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MONTHLY RATES:

This tariff is for bundled retail service only and the Customer will be billed for the Basic Charge, Production and Transmission Charges, and Distribution Charges.

1. Basic Charge(s): applies to each metering point
  - Primary Voltage Metering Points: \$325.00
  - Secondary Voltage Metering Points with annual peak Demand <= 350 kW: \$50.00
  - Secondary Voltage Metering Points with annual peak Demand > 350 kW: \$100.00
2. Production and Transmission Charges:
  - a) Demand Charge: JAN-DEC
    - High Voltage Metering Point \$3.93 per kW of Coincident Billing Demand
    - Primary Voltage Metering Point \$4.02 per kW of Coincident Billing Demand
    - Secondary Voltage Metering Point \$4.13 per kW of Coincident Billing Demand
  - b) Energy Charge:
    - High Voltage Metering Point 5.3192¢ per kWh
    - Primary Voltage Metering Point 5.4133¢ per kWh
    - Secondary Voltage Metering Point 5.5703¢ per kWh

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By:



Tom DeBoer

**Title:** Director, Rates & Regulatory Affairs

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c) Reactive Power Charge:

Primary Voltage Metering Point 0.102¢ per reactive kilovolt ampere-hour (kvarh)

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Secondary Voltage Metering Point 0.119¢ per reactive kilovolt ampere-hour (kvarh)

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3. Distribution Charges: The following Distribution Charges are applicable to Customers on Schedule 40 at the time the Commission approves the Distribution Charges in this Section 3 in a general rate case and to incremental new load through an existing Point of Delivery on an existing feeder of a Customer currently receiving service under Schedule 40.

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Demand Charge: Customer specific charge calculated by dividing the distribution costs (calculated according to the following procedures) by the estimated annual peak Coincident Billing Demand. The Demand charge will not be recalculated between rate cases for new load on existing feeders of Customers already on this schedule.

a) Customers share of substation costs calculated as:

i. The Customer's Demand on the substation divided by the total Demand on the substation multiplied by:

ii. Substation Base Costs calculated using net book value at the time the Customer goes on to Schedule 40 multiplied by:

iii. The sum of the Substation Fixed Charge Rate, the Substation O&M Charge Rate and the A&G Charge Rate as shown in A., B., and C. below.

A. Substation Fixed Charge Rate, as derived from the Fixed Charge Rate Model, based upon the dollar-weighted average remaining life of the substation equipment and 12.3978% for land,

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B. Substation O&M Charge Rate of: 4.0236%,

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C. A&G Charge Rate of 32% of the O&M rate, which is 1.2871% for substation costs.

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iv. The Substation Base Cost, the Substation Fixed Charge Rate, the Substation O&M Charge Rate and the A&G Charge Rate in general rate cases following a Customer first going on Schedule 40, will be adjusted as follows:

A. Substation Base Costs will be adjusted for substation equipment retired, and

B. the cost for new equipment will be added. The formula described in section 3.a)i. will then be applied to the updated Substation Base Costs

C. The Substation Fixed Charge Rate will be adjusted for changes in the cost of capital and capital structure, taxes and insurance.

D. The Substation O&M Charge Rate will be adjusted based on the ratio of substation O&M to substation plant.

E. The A&G Charge Rate will be a function of the ratio of the distribution A&G to distribution O&M.

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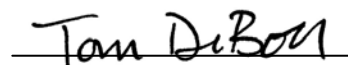
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- b) Customer's share of Primary distribution lines calculated as:
- i. The estimated net book value per mile of each distribution feeder and associated distribution facilities on which the Customer has over 3 aMW of load multiplied by:
  - ii. The number of miles on each distribution feeder between the Customer's meter(s) and the substation for each distribution feeder on which the Customer has over 3 aMW of load (the "Distribution Base Cost") multiplied by:
  - iii. The Customer's share of the peak load on the distribution feeder multiplied by:
  - iv. The sum of the Distribution Fixed Charge Rate and the Distribution O&M Charge Rate as shown in A. and B. below
    - A. Distribution Fixed Charge Rate, as derived from the Fixed Charge Rate Model, based upon the average remaining life of the feeder(s) used in the calculation of the Distribution Base Cost
    - B. Distribution O&M Charge Rate of: 4.60%
  - v. The Distribution Base Cost, the Distribution Fixed Charge Rate and the Distribution O&M Charge Rate in general rate cases following a Customer first going on Schedule 40, will be adjusted as follows:
    - A. Distribution Base Costs will be adjusted for estimates of any plant on the feeder(s) serving the Customer that has been retired and
    - B. the cost for new investment to the feeder(s) serving the Customer will be added. The formula described in section 3.b)iii (above) will then be applied to the updated Distribution Base Costs.
    - C. The Distribution Fixed Charge Rate will be adjusted based on changes in the cost of capital and capital structure, taxes and insurance.
    - D. The Distribution O&M Charge Rate will be adjusted based on the ratio of distribution O&M to distribution plant.
- c) Customer's allocation of line transformer costs where service is at Secondary voltage and/or where the Company has agreed to provide rental transformers where the service is at Primary voltage
- i. Based upon the Transformer Rental Schedule

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4. Distribution Charges: The following Distribution Charges are applicable to existing Schedule 40 Customers who add new service through a new Point of Delivery from a feeder through which the Schedule 40 Customer currently receives service at an existing Point of Delivery. (For incremental new load through an existing Point of Delivery on an existing feeder of a Customer currently receiving service under Schedule 40, the Distribution Charge calculated in Section 3 of this Schedule applies.) The following Distribution Charges also apply to new Schedule 40 Customers prior to calculation of the Distribution Charge applicable under Section 3 of this Schedule.

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a) Customer specific Monthly Distribution Charge calculated by multiplying the monthly Energy usage by the applicable rate(s):

i. Primary Voltage consumption: \$0.013390 / kWh

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ii. Secondary Voltage consumption (> 350 kW peak Demand): \$0.008526 / kWh

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iii. Secondary Voltage consumption (<= 350 kW peak Demand): \$0.013335 / kWh

(R)

**ADJUSTMENTS:**

Rates in this schedule are subject to adjustment by such other schedules in this tariff as may apply.

**COINCIDENT BILLING DEMAND:**

Coincident Demand and Coincident Billing Demand refers to the coincident monthly 15 minute peak Demand of the Customer's meters for all accounts that qualify for Schedule 40 on the distribution feeder(s).

Billing Months of December through March: the highest Coincident Demand established during the Month shall be used for billing. Billing Months of April through November: the highest Coincident Demand established during the Month, but not less than 60 per cent of the highest Coincident Demand established during the previous peak winter season (billing Months of December through March) shall be used for billing.

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Coincident Billing Demand will be calculated from interval metering where the Company determines that this would be cost effective; otherwise it will be the billed Demand adjusted for a coincidence factor established from a Customer study performed by the Company.

**REACTIVE POWER CHARGE:**

The reactive power charge shall apply only to those meters where the annual peak load is over 50 kW.

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(Continued)

**AVERAGE MW (aMW)**

(N)

For the purposes of this schedule, the terms "Average MW" or "aMW" shall mean average load obtained by dividing the Energy metered during a Billing Month by the number of hours in the Billing Month. For the purpose of calculating the number of hours in the Billing Month it shall be assumed that all meter readings are obtained at 12:00 midnight and that the billing dates shown on the bill are inclusive (e.g. a bill with dates 9/1 and 10/1 is for 31 days or 744 hours).

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**FIXED CHARGE RATE MODEL**

For the purposes of this schedule, the Fixed Charge Rate Model uses a levelized revenue requirements algorithm and is designed to calculate the revenue requirements for the remaining life of the plant in the customer specific distribution facilities. (A copy of the Fixed Charge Rate Model is on file with the Washington Utilities and Transportation Commission.)

**CUSTOMER:**

For the purpose of this schedule a Customer is additionally a single legal entity that is both responsible for paying all the bills and directly using all the electricity associated with the meters being aggregated to 3 aMW on the feeder.

**GENERAL RULES AND PROVISIONS:**

Service under this schedule is subject to the General Rules and Provisions contained in this tariff.

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