



April 20, 2023

Filed Via Web Portal

Ms. Amanda Maxwell, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

**Re: Advice No. 2023-17
PSE's Electric Tariff Filing – Filed Electronically**

Dear Ms. Maxwell:

Pursuant to RCW 80.28.060 and Chapter 480-80 WAC, Puget Sound Energy (“PSE”) hereby submits for filing with the Washington Utilities and Transportation Commission (“Commission”) the following proposed revisions to the WN U-60, Tariff G for electric service of PSE:

16 th Revision of Sheet No. 85-E	- Schedule 85: Line Extensions and Service Lines (Continued)
15 th Revision of Sheet No. 85-F	- Schedule 85: Line Extensions and Service Lines (Continued)
4 th Revision of Sheet No. 85-J	- Schedule 85: Line Extensions and Service Lines (Continued)
5 th Revision of Sheet No. 85-L	- Schedule 85: Line Extensions and Service Lines (Continued)
5 th Revision of Sheet No. 85-M	- Schedule 85: Line Extensions and Service Lines (Continued)
4 th Revision of Sheet No. 85-S	- Schedule 85: Line Extensions and Service Lines (Continued)

The purpose of this filing is to propose changes to Schedule 85 that update standard line extension charges, transformation costs, and margin amounts; and incorporates one tariff language revision. The filing of these proposed changes is part of PSE's commitments about its electric line extension policy as documented in the Commission Staff (“Staff”) memos in PSE's 2015 and 2018 Schedule 85 filings under Dockets UE-150200 and UE-180091, respectively.

Standard Line Extension Charges and Transformation Costs

The cost basis for these proposed standard charges for a new line extension and a new service line includes the work orders that were completed between July 1, 2020, and June 30, 2021. PSE submitted the study results as an informational filing with the Commission on October 5, 2022, under Docket U-220747 (“Study”). The following table summarizes the Study results *i.e.*, the proposed charges in comparison with the current charges.

<i>Category</i>	<i>Tariff Sheet</i>	<i>Current Tariff Charge</i>	<i>Proposed Charge</i>	<i>\$ Change</i>	<i>% Change</i>
<i>Service Line – Single Family</i>					
Services - OH from OH Distribution Within 250'- Base Cost	85-L, G.b	\$890.00	\$828.00	-\$62.00	-7%
Services - UG from OH Distribution Within 250'- Base Cost	85-L, G.b	\$1,365.00	\$1,269.00	-\$96.00	-7%
Services - UG from OH Distribution Over 250' - \$/ft	85-L, G.b	\$13.46	\$12.51	-\$0.95	-7%
Services - UG from UG Distribution Within 250'- Base Cost	85-L, G.b	\$730.00	\$679.00	-\$51.00	-7%
Services - UG from UG Distribution Over 250' - \$/ft	85-L, G.b	\$13.46	\$12.51	-\$0.95	-7%
<i>Line Extension - OH Single Family</i>					
Primary - Base Cost	85-J, G.b i	\$6,500.00	\$8,580.00	\$2,080.00	32%
Primary - \$/ft	85-J, G.b i	\$19.75	\$26.07	\$6.32	32%
Secondary - Base Cost	85-J, G.b i	\$5,000.00	\$6,600.00	\$1,600.00	32%
Secondary - \$/ft	85-J, G.b i	\$16.84	\$22.23	\$5.39	32%
<i>Line Extension-UG Single Family</i>					
Primary - Base Cost	85-J, G.b i	\$7,500.00	\$9,900.00	\$2,400.00	32%
Primary - \$/ft	85-J, G.b i	\$6.76	\$8.92	\$2.16	32%
Secondary - Base Cost	85-J, G.b i	\$5,400.00	\$7,128.00	\$1,728.00	32%
Secondary - \$/ft	85-J, G.b i	\$8.07	\$10.65	\$2.58	32%
<i>Line Extension – Plat - \$/ft</i>	85-J, G.b ii	\$52.26	\$60.45	\$8.19	16%

In addition to the proposed update to the standard line extension charges based upon the Study costs that have been filed with the Commission in the informational filing, PSE also proposes changes to the transformation costs for new residential services in this filing. These standard transformation costs are applicable when a residential customer requests a secondary voltage service. The following table shows both the current and the proposed costs.

<i>Per Service Panel Amp</i>	<i>Tariff Sheet</i>	<i>Current Cost</i>	<i>Proposed Costs</i>	<i>\$ Change</i>	<i>% Change</i>
Single Family Overhead	85-M, G.b iv	\$7.13	\$9.52	\$2.39	33.5%
Single Family Pad Mount	85-M, G.b iv	\$3.24	\$4.92	\$1.68	51.9%
Multi-Family OH (4 or more units)	85-M, G.b iv	\$1.59	\$2.20	\$0.61	38.4%
Multi Family Pad Mount (4 or more units)	85-M, G.b iv	\$1.32	\$2.03	\$0.71	53.8%

Margin Amounts

The calculation of Margin Allowance is based upon the Perpetual Net Present Value (“PNPV”) method that was proposed by the Commission Staff and adopted by PSE during its 2018 Schedule 85 filing. Per the PNPV method, the proposed Margin Allowance amounts are derived by dividing the allowed revenue from Schedule 142 Revenue Decoupling Adjustment Mechanism for each rate schedule by PSE’s after-tax rate of return as approved by the Commission in PSE’s 2022 general rate case under Dockets UE-220066 and UG-220067 (consolidated).

The table below summarizes the current and proposed Margin Allowance amounts.

Sheet Nos. 85-E and 85-F Margin Allowance Amount for New Services				
Schedule	Current	Proposed	\$ Change	% Change
7 (per customer)	\$4,460	\$5,656	\$1,195	27%
24 (per kWh)	\$0.397137	\$0.469696	\$0.072559	18%
25 (per kWh)	\$0.321394	\$0.366310	\$0.044916	14%
26 (per kWh)	\$0.269378	\$0.325643	\$0.056265	21%
31 (per kWh)	\$0.270740	\$0.336478	\$0.065738	24%

The Distribution Incremental Margin calculation is based on estimated incremental revenue per kWh from an average customer by rate schedule. The table below summarizes the current and proposed Distribution Incremental Margin amounts.

Sheet No. 85-S Distribution Incremental Margin Amount				
Schedule	Current	Proposed	\$ Change	% Change
7 (per kWh)	\$0.030348	\$0.040009	\$0.009661	32%
24 (per kWh)	\$0.029504	\$0.034322	\$0.004818	16%
25 (per kWh)	\$0.028202	\$0.031492	\$0.003290	12%
26 (per kWh)	\$0.024414	\$0.028892	\$0.004478	18%
31 (per kWh)	\$0.023541	\$0.028939	\$0.005398	23%

Tariff Language Revision

The proposed Sheet No. 85-E also includes a tariff schedule revision to the number of the years after a non-residential line extension is energized that PSE may calculate and refund the Margin Allowance for the line extension project. The revision of up to five years is to align with the refunding processes and requirements outlined in subsections K.b and K.d of Sheet No. 85-T.

In order to provide certainty and advance notice to the building industry, PSE proposes the updated line extension costs, charges and margin amounts become effective on July 1, 2023, as indicated on the proposed tariff sheets. PSE plans to continue discussions with members of the building industry to make them aware of this filing and the proposed line extension charges, costs and the margin amounts.

The tariff sheets described herein reflect an issue date of April 20, 2023, and an effective date of July 1, 2023. Posting of the proposed tariff changes, as required by law and the Commission's rules and regulations, is being completed in accordance with WAC 480-100-193(1). No additional public notice is required under the provisions of WAC 480-100-194 or -195. Furthermore, PSE provides a cost quote to individual customers who request facility extension or modification prior to construction.

Please contact Mei Cass at (425) 462-3800 or mei.cass@pse.com for additional information about this filing. If you have any other questions please contact me at (425) 456-2142.

Ms. Amanda Maxwell, Executive Director and Secretary
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PROPOSED

Sincerely,

/s/ Jon Piliaris

Jon Piliaris
Director, Regulatory Affairs
Puget Sound Energy
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(425) 456-2142
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cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie

Attachments:
Electric Tariff Sheets, listed above

**PUGET SOUND ENERGY
Electric Tariff G**

**SCHEDULE 85
LINE EXTENSIONS AND SERVICE LINES (CONTINUED)**

E. MARGIN ALLOWANCE: (CONTINUED)

a. General Terms: (CONTINUED)

- iv. For an existing location with increasing load or requesting three-phase service where such service is not available, Margin Allowance will be limited to the expected incremental energy usage. Modification for an existing Schedule 7 Residential Service location is not eligible for incremental Margin Allowance unless an additional residential unit is being connected.
- v. For Non-Residential service, Margin Allowance is limited to \$75,000 to offset the initial Normal Construction Costs except as outlined in the Distribution Credits section.
- vi. Margin Allowance is available only to offset the costs of facilities used (in the sole judgment of the Company) to provide service to a point at which the Company has the Operating Rights as described in this schedule necessary to extend the line to serve additional Customers.
- vii. The Company, in its sole judgment, may calculate and refund the non-residential Margin Allowance at a date up to five years after the line extension is energized.
- viii. Unused Margin Allowance is not refundable and shall not be applied to other uses, sites, or times, including the cost of construction of other facilities (such as facilities of a different Secondary voltage or to serve an adjacent structure).

(C)

b. Margin Allowance Amounts

- i. The Company will provide the following Margin Allowance for each new residence unit initially served:

	Margin Allowance per Meter		
	Effective 3/1/21	Effective 7/1/23	Effective 1/1/24
New Residential Service	\$5,656	\$5,954	\$6,176

(D) (N) (N)

(D) (N) (N)

(Continued on Sheet No. 85-F)

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Jon Piliaris

Title: Director, Regulatory Affairs

**PUGET SOUND ENERGY
 Electric Tariff G**

**SCHEDULE 85
 LINE EXTENSIONS AND SERVICE LINES (CONTINUED)**

E. MARGIN ALLOWANCE: (CONTINUED)

b. Margin Allowance Amounts (CONTINUED)

ii. The Company will provide the following Margin Allowance per kWh of the Company's estimate of one year's forecasted energy usage or the Customer's actual annual energy usage for each new Non-Residential meter initially served:

Class of New Non-Residential Service	Margin Allowance per kWh			(D) (N) (N)
	Effective 3/1/21	Effective 7/1/23	Effective 3/1/21	
Schedule 24*	\$0.469696	\$0.523919	\$0.469696	I I I
Schedules 7A, 25, 29*	\$0.366310	\$0.428748	\$0.366310	I I I
Schedule 26*	\$0.325643	\$0.355530	\$0.325643	I I I
Schedules 31, 35*	\$0.336478	\$0.365791	\$0.336478	I I I
High Voltage Service	\$0.00	\$0.00	\$0.00	I I I
Special Contract Service	\$0.00	\$0.00	\$0.00	I I I
Outdoor Lighting Service	\$0.00	\$0.00	\$0.00	(D) (N) (N)

*Or Equivalent Schedule such as Residential/Farm Schedule

F. CUSTOMER PAYMENT OPTIONS: Line extension charges shall be paid in advance of construction except for the Applicant or Customer with potential Distribution Credit or who is constructing new single-family residential plats with whom that the Company may enter into a security agreement at Company's discretion. Such security agreement could be a letter of credit, a contractor's bond, or other credit instrument or financial assurance acceptable to the Company.

a. Applicant or Customer with potential Distribution Credit: The Company may enter into a security agreement for the Company to offset Allowable Construction Costs in lieu of and in the forecasted amount of the Distribution Credit but not to exceed the amount of the Allowable Construction Costs, with the Applicant. Such security agreement shall provide for the Applicant to pay the positive difference between the amounts of the offset to Allowable Construction Costs minus the amount of the Distribution Credit Applicant would have received based on its actual load.

(Continued on Sheet No. 85-G)

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**PUGET SOUND ENERGY
 Electric Tariff G**

**SCHEDULE 85
 LINE EXTENSIONS AND SERVICE LINES (CONTINUED)**

G. CONSTRUCTION COSTS AND CHARGES: (CONTINUED)

b. Line Extension Costs and Charges:

- i. PSE will provide electric overhead ("OH") or underground ("UG") line extensions for Single-Family Residence under the following standardized charge schedule:

Effective 3/1/21

Single-Family Residential Line Extension	Base Charge Per Extension	Per Foot Charge For all Footage	(D) (D) (D)
Single Phase UG – Primary Voltage	\$7,500	\$6.76	I I I
Single Phase UG – Secondary Voltage	\$5,400	\$8.07	I I I
Single Phase OH – Primary Voltage	\$6,500	\$19.75	I I I
Single Phase OH – Secondary Voltage	\$5,000	\$16.84	(D) (D) (D)

Effective 7/1/23

Single-Family Residential Line Extension	Base Charge Per Extension	Per Foot Charge For all Footage	(N)
Single Phase UG – Primary Voltage	\$9,900	\$8.92	I (N) (N)
Single Phase UG – Secondary Voltage	\$7,128	\$10.65	I I I
Single Phase OH – Primary Voltage	\$8,580	\$26.07	I I I
Single Phase OH – Secondary Voltage	\$6,600	\$22.23	(N) (N) (N)

- ii. The Company shall install underground line extensions using surface mounted transformers within platted new residential developments with an average lot size of one (1) acre or less and serving Single-Family Residences under the following standardized fee schedule where only single-phase service is provided within the plat.

Line Extension Within Platted New Residential Development	Per Foot Charge For all Center-line Footage		
	Effective 3/1/21	Effective 7/1/23	(D) (N)
Single phase	\$52.26	\$60.45	I I
Other	Estimated Costs	Estimated Costs	(D) (N)

(Continued on Sheet No. 85-K)

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**SCHEDULE 85
 LINE EXTENSIONS AND SERVICE LINES (CONTINUED)**

G. CONSTRUCTION COSTS AND CHARGES: (CONTINUED)


b. Line Extension Costs and Charges: (CONTINUED)

Service Line Type	Charge		(D) (N)
	Effective 3/1/21	Effective 7/1/23	
Single Family, Single Phase, UG From OH Distribution up to 250 Feet in Length	\$1,365	\$1,269	
Single Family, Single Phase, UG From OH Distribution Greater than 250 Feet in Length	\$1,365 + \$13.46 per foot for the length in excess of 250 feet	\$1,269 + \$12.51 per foot for the length in excess of 250 feet	
Single Family, Single Phase, UG From UG Distribution up to 250 Feet in Length	\$730	\$679	
Single Family, Single Phase, UG From UG Distribution Greater than 250 Feet in Length	\$730 + \$13.46 per foot for the length in excess of 250 feet	\$679 + \$12.51 per foot for the length in excess of 250 feet	
Single Phase Overhead up to 250 Feet in Length	\$890	\$828	
Single Phase Overhead Greater than 250 Feet in Length	\$890 + \$13.46 per foot for the length in excess of 250 feet	\$828 + \$12.51 per foot for the length in excess of 250 feet	
Other Residential Service Line	Estimated Costs	Estimated Costs	
Non-Residential Service Line	Estimated Costs	Estimated Costs	 (D) (N)

(Continued on Sheet No. 85-M)

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**SCHEDULE 85
LINE EXTENSIONS AND SERVICE LINES (CONTINUED)**

G. CONSTRUCTION COSTS AND CHARGES: (CONTINUED)

b. Line Extension Costs and Charges: (CONTINUED)

- iv. Transformation Costs : Applicants requesting service at Secondary voltage will be required to purchase Primary transformation from the Company based upon the following charges:

Service Type	Per Service Panel Amp		(D) (N)
	Effective 3/1/21	Effective 7/1/23	
Single Family Overhead (up to 4 units)	\$7.13	\$9.52	I I
Single Family Pad Mount (up to 4 units)	\$3.24	\$4.92	I I
Multi-Family OH (5 or more units)	\$1.59	\$2.20	I I
Multi Family Pad Mount (5 or more units)	\$1.32	\$2.03	I I
Non-Residential	Estimated Costs	Estimated Costs	(D) (N)

H. OTHER COSTS AND CHARGES

- a. If the Company shows up to a scheduled appointment to install a line extension or service line and the Applicant has not complied with Company specifications, such as having the construction route cleared and to grade, providing trench, backfill, or obtaining necessary inspections or permits, the Applicant may be charged a penalty of \$250 or the Estimated Costs of remobilization, whichever is greater.

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**SCHEDULE 85
 LINE EXTENSIONS AND SERVICE LINES (CONTINUED)**

K. REFUNDING: (CONTINUED)

- e. Refunds, other than refunds of Margin Allowance amounts within plats or where the Margin Allowance exceeds \$75,000, shall be based upon the five-year distribution incremental margins paid by the subsequent additional Customers, less costs paid by the Company to construct Primary distribution facilities (including, without limitation, Primary transformers) for the subsequent additional Customers.

Class of Service	Distribution Incremental Margin per kWh per year			(D) (N) (N)
	Eff. 3/1/21	Eff. 7/1/23	Eff. 1/1/24	
Schedule 7	\$0.040009	\$0.042806	\$0.044902	I I
Schedule 24*	\$0.034322	\$0.037622	\$0.039459	I I
Schedules 7A, 25, 29*	\$0.031492	\$0.035905	\$0.037699	I I
Schedule 26*	\$0.028892	\$0.030670	\$0.032098	I I
Schedules 31, 35*	\$0.028939	\$0.030670	\$0.031520	I I
High Voltage Service	\$0.000000	\$0.000000	\$0.000000	I I
Special Contract Service	\$0.000000	\$0.000000	\$0.000000	I I
Outdoor Lighting Service	\$0.000000	\$0.000000	\$0.000000	(D) (N) (N)

*Or Equivalent Schedule such as Residential/Farm Schedule

- f. For refunds of Margin Allowance amounts for permanent connections within a plat, the Company shall process refunds on an annual basis, commencing with the first anniversary of facilities energization for the five (5) year eligibility period. In addition, for plats with a written application dated on or after March 3, 2005, the Company may process refunds on a quarterly basis if the Applicant or property owner provides complete and accurate information regarding the lots eligible for refund, commencing with the first quarter following facilities energization for the five (5) year eligibility period.
- g. In no case shall refunds paid to the Applicant or property owner exceed the amount of line extension construction costs paid by the Applicant which are refundable under a) above.

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