



Puget Sound Energy  
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September 16, 2019

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***Filed Via Web Portal***

Mr. Mark L. Johnson, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE  
Lacey, WA 98503

**Re: UG-190464 (Advice No. 2019-23) - Do Not Redocket  
Puget Sound Energy – Natural Gas Tariff Revision**

Dear Mr. Johnson:

Puget Sound Energy (“PSE”) hereby submits an update to rates under its natural gas Supplemental Schedule 149, Cost Recovery Mechanism for Pipeline Replacement (“CRM”), 6<sup>th</sup> Revision of Sheet No. 1149.

The CRM was originally filed on May 31, 2019, under PSE’s Advice Number 2019-23 and was assigned Docket UG-190464. In accordance with the Commission’s Policy Statement in Docket UG-120715 (“Policy Statement”) PSE submits three CRM filings each year as part of its annual update:

1. The initial May filing contained, 1) actual costs through April 2019, 2) forecast amounts through October 2019, and 3) the true up to actuals for the forecasted October 2018 costs from last year’s CRM filing under Docket UG-180514.
2. This September filing updates the projected costs from the initial filing to actual amounts for the May 2019 through July 2019 period and updates the forecast for the August through October 2019 period.
3. The third and final filing, the timing of which is discussed below, will update the projected costs from this September filing to actual amounts for the August 2019 through September 2019 period and updates the forecast for the month of October 2019.

In this September filing, PSE has included an additional change that was not reflected in the initial May filing. Pursuant to the Policy Statement, PSE is proposing to transfer amounts currently being recovered in this rate schedule into its base rates in its 2019 general rate case filed under Docket UG-190530 (“2019 GRC”). In order to easily enable this transfer, in this filing, PSE has submitted revised tariff sheets that break out the proposed rates in this filing into the component that will remain in Schedule 149 (representing the 2019 plant investment) and the component that will be transferred to base rates with PSE’s compliance filing in mid-May 2020 in the 2019 GRC (representing the 2016-2018 plant investment). This will enable PSE to zero out the portion of the Schedule 149 rate that is recovering the 2016-2018 plant investment, concurrently with the rate change in the 2019 GRC where the investment will then be included.

Additionally, for the 2019 investment that will remain in Schedule 149 for the whole rate period, PSE is proposing to incorporate any differences associated with changes in the allowed rate of return, or the depreciation rates that are approved in PSE’s 2019 GRC, in the true-up in next year’s Schedule 149 filing along with the true-up that is performed every year associated with the difference between forecasted and actual investment, for the October investment from the prior year.

In accordance with the Policy Statement, PSE expects to provide the final filing as soon as September data is available which is expected to be around October 15, 2019, and will include a replacement of the originally filed tariff sheet, based upon the data in the final update. Publication of the proposed increase, in accordance with WAC 480-90-194, will be completed through a published notice at least 30 days prior to the November 1, 2019, effective date of that filing. Since that notice must occur by October 2, 2019, which is prior to the date of the final update of CRM costs, the notice will reflect the revenue requirement reflected in this update.

The Policy Statement provides that the final update of costs be submitted under the PGA docket for the year. As the CRM filings are already submitted under their own dockets, PSE has made this update filing during the same period as its PGA filing (Advice No. 2019-34) and will reflect the effects of the PGA and the CRM in a combined notice to effectuate the intent of the Policy Statement.

The effect of the CRM, including the enclosed update of costs, is an overall increase of \$7.1 million or 0.8% in annual revenues. The impact of this update for the typical residential customer using 64 therms per month is an increase of \$0.50 or 0.8%.

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Please contact Susan Free at (425) 456-2105 or Julie Waltari at (425) 456-2945 for additional information about this filing. If you have any other questions please contact me at (425) 456-2142.

Sincerely,

*/s/ Jon Piliaris*

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

Attachments: Natural Gas Tariff Sheet (listed above)  
Work Paper  
Attachment A