



Puget Sound Energy
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September 23, 2016

Mr. Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

Re: Pipeline Replacement Cost Recovery Mechanism Update in Accordance with the Commission Policy Statement in Docket UG-120715, originally filed under Advice No. 2016-17 - Natural Gas Tariff Filing - Docket UG-160791
Do Not Redocket

Dear Mr. King:

Puget Sound Energy (“PSE”) hereby submits an update to rates under its natural gas Supplemental Schedule 149, Cost Recovery Mechanism for Pipeline Replacement (“CRM”).

The CRM was originally filed on June 1, 2016, under PSE’s Advice Number 2016-17 and was assigned Docket No. UG-160791. In accordance with the Commission’s Policy Statement in Docket No. UG-120715 (“Policy Statement”), that June filing reflected capital costs for the period of November 1, 2015 through October 31, 2016 and the true up of the forecasted October 2015 costs, from last year’s CRM filing under UG-151159, to actual costs. This filing updates those projected costs to actual for the period of May 1, 2016, through July 31, 2016. Therefore, this filing contains actual costs for the period of November 1, 2015, through July 31, 2016, and an update to the projected costs for August 1, 2016, through October 31, 2016.

In accordance with the Policy Statement, PSE expects to provide the final update to CRM costs by updating the projected costs within this filing to actual costs through September 30, 2016, and updating the forecast for October 1 through October 31, 2016. This final update will occur as soon as September data is available which is expected to be around October 17, 2016, and will include a replacement of the originally filed tariff based on 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, 2016, effective date of that filing. Since that notice must occur by October 1, 2016, which is prior to the date of the final update of CRM costs, the notice will reflect the revenue requirement reflected in this update.

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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 docket, PSE has made this update filing at the same time as its PGA filing (Advice No. 2016-25) 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 \$5,753,479 or 0.6% in annual revenues. The impact of this update for the typical residential customer using 68 therms per month is an increase of \$0.43 or 0.6%.

Please contact Kathie Barnard at (425) 462-3716 for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,


ERIC E ENGLERT

for Ken Johnson
Director, State Regulatory Affairs
Manager, Regulatory Initiatives & Tariffs

Enclosures

cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie