



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
PSE.com

March 29, 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: Gas Accounting Report Pursuant to WAC 480-90-257

Dear Mr. Johnson,

Attached is Puget Sound Energy's ("PSE") Gas Commission Basis Reports ("CBR") showing Restated Results of Operations for the twelve-month period ended December 31, 2018. This report was prepared following the requirements of WAC 480-90-257 and therefore this report does not necessarily reflect all adjustments that PSE would submit in a rate filing. Additionally, there are no pro-forma or annualizing adjustments made in this report in accordance with WAC 480-90-257.

The results show a normalized overall rate of return of 5.64 percent and a return on actual common equity of 5.50 percent, compared with PSE's authorized rate of return of 7.60 percent and return on common equity of 9.50 percent per the 2017 general rate case which went into effect on December 19, 2017. Pursuant to Paragraph 308 and 309 of Order 08 in UE-170033 and UG-170034, the earnings sharing test, which provides for equal sharing between PSE and its customers of any earnings that exceed the Company's overall rate of return will continue but has been modified to remove normalizing adjustments from the calculation. These modifications to the gas CBR results provides for a gas rate of return for earnings sharing purposes of 5.73%. As PSE did not earn above its authorized return, no earnings sharing will be included in the Schedule 142 filing made on April 1, 2019.

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Records Management
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COMMISSION

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If you have any questions, please feel free to call me at (425) 456-2105.

Regards,

/s/ Susan Free

Susan E. Free
Manager of Revenue Requirement
Puget Sound Energy
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Attachments:

PSE-WP-Gas-December-2018-CBR-(3-29-19).zip