



Puget Sound Energy  
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PSE.com

October 15, 2020

***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-200840 (Advice No. 2020-32) – Do Not Redocket  
PSE’s Natural Gas Tariff Revision - Filed Electronically**

Puget Sound Energy (“PSE”) hereby submits proposed final revisions to rates under its natural gas Supplemental Schedule 149, Cost Recovery Mechanism for Pipeline Replacement (“CRM”). This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, proposes changes to the following natural gas tariff sheet:

WN U-2, (Natural Gas Tariff):

8<sup>th</sup> Revision of Sheet No. 1149 - Cost Recovery Mechanism for Pipeline Replacement (CRM)

Consistent with the Commission’s Policy Statement (“Policy Statement”) under Docket No. UG-120715, this filing provides the final update to CRM costs by updating the projected costs within this filing to actual costs through September 30, 2020, and updating the forecast for October 1 through October 31, 2020. The CRM was originally filed on October 1, 2020, under PSE’s Advice No. 2020-32 and was assigned Docket No. UG-200840. In accordance with the Policy Statement:

1. The initial October filing contained, 1) actual costs through July 2020, 2) forecast amounts through October 2020, and 3) the true up to actuals for the forecasted October 2019 costs, from last year’s CRM filing under Docket UG-190464

PSE included Buried Meters O&M in its initial 2020 CRM filing, but, upon further investigation noted buried meter mitigation expenses were included in its historic test year in its 2019 general rate case under Docket No. UG-190530. These costs were above the amounts incurred between November 2019 through September 2020. Thus, PSE has removed these costs from this filing. The capital costs for Buried Meters remain included and have been updated as discussed. Similarly, Legacy Sewer Cross Bore O&M costs were included in the initial filing and there was

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also a minor amount included in the test year of PSE's 2019 general rate case. As only approximately 300 inspections were completed in the 2018 general rate case test year as compared to an estimated amount of 7,300 in the CRM year, the costs have significantly increased above the level in current rates. Accordingly, this filing continues to include the incremental O&M costs for the Legacy Sewer Cross Bore program. PSE has removed the estimated 2018 O&M costs of \$82,000 from this filing.

The CRM filing represents an increase of \$10.6 million in annual revenue or an average increase of 1.16% for all of PSE's approximately 851,000 natural gas customers. The impact of this filing on the typical residential customer using 64 therms per month will be an increase of \$0.69, or 1.06%. On October 1, 2020, PSE published the notice to customers required by WAC 480-90-194 which informed customers of the impacts of both the CRM and PGA filings, an overall increase of 8.92% for customers. This final CRM update filing reflects a slight overall decrease in the impacts compared to the prior filing. After incorporating this CRM update, the combined impact of the CRM and PGA filings would be an overall average increase of 8.86%.

Please contact Stacy Smith at (425) 457-5854 or Veronica Martin at (425) 457-5624 for additional information about this filing. If you have any other questions, please contact me at (425) 456-2105.

Sincerely,

*/s/ Susan Free*

Susan E. Free

Director, Revenue Requirements & Regulatory Compliance

Puget Sound Energy

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

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