



Puget Sound Energy
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October 14, 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 proposed 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)
2nd Revision of Sheet No. 1149 – Cost Recovery Mechanism for Pipeline Replacement (CRM)

Consistent with the Commission’s Policy Statement (“Policy Statement”), this filing provides 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. 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 Policy Statement in Docket No. UG-120715:

1. That June filing reflected capital costs for the period of November 1, 2015 through October 31, 2016 using actual costs through April 2016 and forecasted costs for May through October 2016. Additionally, last year’s CRM filing under Docket No. UG-151159 included one month of forecast costs for October 2015. The June filing included a true-up to actual October 2015 costs.
2. A September 23, 2016, update filing in this docket updated the projected costs to actual results, for the period of May 1, 2016, through July 31, 2016. Therefore, the September update filing contained 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.

Mr. Steven V. King
October 14, 2016

Docket No. UG-160791
Advice No. 2016-17
Page 2 of 2

The CRM filing represents an increase of \$5,630,429 in annual revenue or an average increase of 0.6% for all of PSE's approximately 751,000 natural gas customers. The impact of this filing on the typical residential customer using 68 therms per month will be an increase of \$0.42 on the current monthly bill of \$71.46. PSE's customers are located in PSE's certificated areas in King, Kittitas, Snohomish, Pierce, Thurston and Lewis counties. On September 30, 2016, PSE published the notice to customers required by WAC 480-90-194 which informed customers of the impacts of the CRM filing and the PGA/PGA Deferral filings, a net increase. This CRM update filing overall reflects a slight decrease in the impacts resulting from the two filings. After incorporating this CRM update, the combined impact from the CRM and PGA/PGA Deferral filings is an overall average increase of 0.2%. The total increase related to the CRM and PGA/PGA Deferral filings for the typical residential customer using 68 therms is \$0.14, which increases the typical monthly bill from \$71.46 to \$71.60.

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,

Ken Johnson
Director, State Regulatory Affairs

Enclosures

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