



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

November 25, 2014

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

**RE: Advice No. 2014-34**  
**Natural Gas Tariff Filing – Filed Electronically**

Dear Mr. King:

Pursuant to RCW 80.28.060 and Chapter 480-80 WAC, please find enclosed for filing the following proposed revisions to the WN U-2 tariff for natural gas service of Puget Sound Energy, Inc. (“PSE”).

- 6<sup>th</sup> Revision of Sheet No. 1132 - Schedule 132 – Merger Rate Credit
- 7<sup>th</sup> Revision of Sheet No. 1132-A - Schedule 132 – Merger Rate Credit (Continued)

The purpose of this filing and the electric tariff filing being submitted coincident with this filing is to submit the annual update to the rates passing through the Merger Rate Credit which is required as part of the Multiparty Settlement Stipulation in Docket No. U-072375. The Multiparty Settlement Stipulation is Attachment A to Order No. 8 in Docket No. U-072375 (the “Order”). The Merger Rate Credit (Transaction Commitment number 34) is a commitment to provide rate credits of \$100 million over a 10-year period (\$10 million per year for ten years). Of those rate credits \$1.2 million is fully offsettable by savings which PSE has realized which are associated with de-listing from the New York Stock Exchange resulting in a pass through under this schedule of a credit of \$8.8 million per year, allocated between natural gas and electric customers.

As stated each year and in PSE’s initial filing of this Schedule and as reflected in Section 8 of this schedule (see Sheet 1132-A) notice will be provided in accordance with WAC 480-100-195(3). This provision was included because the rates filed each year in Schedule 132 are credits based on the fixed amount of the Merger Rate Credit spread to all customers based on projected load (plus true-up). The projected load is expected to increase each year which results in the credit rates declining, the impact of which is a net increase to customer bills. PSE will publish this tariff change in the manner it posts tariffs under WAC 480-90-193, even though this filing reduces the amount of the credit rates for

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some customers which results in an overall increase in rates. However, for other customers, this change increases the amount of the credit rates and thereby reduces the total bill. In accordance with Section 8 of this schedule, this filing will be published by posting the change on PSE's web site immediately prior to, or coincident with, the date of this transmittal letter in accordance with WAC 480-90-195(3).

The tariff sheets described herein reflect an issue date of November 25, 2014, and an effective date of January 1, 2015. This filing will be published by posting the change on the PSE web site immediately prior to, or coincident with the date of this transmittal letter and making information available by telephone and mail, all in accordance with WAC 480-90-193(1).

Please contact Lynn Logen at (425) 462-3872 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: Simon J. ffitich, Public Counsel  
Ed Finklea, NWIGU  
Sheree Carson, Perkins Coie