



Puget Sound Energy
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March 1, 2018

Filed Via Web Portal

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

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UTIL. AND TRANSP.
COMMISSION

**Re: Advice No. 2018-14
PSE’s Natural Gas Tariff Filing - Filed Electronically**

Dear Mr. King:

Puget Sound Energy (“PSE”) hereby submits proposed revisions to its natural gas Schedule 120, Natural Gas Conservation Service Rider. This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, proposes revisions in the following natural gas tariff sheet.

WN U-2 - (Natural Gas Tariff):
23rd Revision of Sheet No. 1120 - Schedule 120, Natural Gas Conservation Service Rider

The purpose of this filing is to implement changes to rates under the conservation rider mechanism, as provided in Exhibit F to the Settlement Stipulation Agreement approved by the Commission in Dockets UE-011570 and UG-011571. Specifically, the purpose of this filing is to change the Natural Gas Conservation Service Rider charges in order to reflect actual costs and collections over the past years for conservation programs and the estimated expenditures during the 2018 program year. Overall, this proposal represents an increase in the conservation revenue requirement of \$88.1 thousand which results in an average 0.002% increase in affected customers’ bills. Firm sales service schedules for natural gas service are affected by this increase. Interruptible sales service schedules will decrease and there is no proposed change to lighting service. Customers taking transportation service under Schedules 31T, 41T, 85T, 86T, 87T and special contracts (“Transportation Customers”) are not billed under the Natural Gas Conservation Service Rider.

The target level for acquisition of natural gas energy efficiency resources for the two-year period 2018 and 2019 is 6.16 million therms of first-year savings, reported at the customer meter. This target was set after being discussed with the Conservation Resource Advisory Group (“CRAG”) and was presented to the Commission in Docket UG-171088.

This filing revises the Natural Gas Conservation Service Rider charges for all customers except lighting and transportation customers in order to reflect increased amounts budgeted for the

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upcoming year and the true-up (and approval) of actual costs and actual collections during prior years. The amount of grossed up budgeted conservation expenditures to be recovered from customers affected by these tariff changes for natural gas energy efficiency programs between May 1, 2018 and April 30, 2019 is \$16.0 million. This amount is adjusted by grossed up true-ups due to changes in load and budget and spending variances which add \$183.5 thousand, for a total of \$16.2 million.

Firm sales service schedules for natural gas service, except Transportation Customers, will experience a small increase. However, the typical residential customer using 64 therms per month would not experience a change to their monthly bill of \$53.70.

The tariff sheet described herein reflects an issue date of March 1, 2018, an effective date of May 1, 2018. Posting of proposed tariff changes, as required by WAC 480-90-193, is being accomplished by posting the proposed tariff sheet on the PSE web site immediately prior to or coincident with the date of this transmittal letter. PSE will follow the public notice provisions under WAC 480-90-194 and provide public notice within 30 days of the requested effective date of May 1, 2018.

Please contact Julie Waltari at (425) 456-2945 for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,

/s/ Kenneth S. Johnson

Ken Johnson
Vice President, Regulatory and Government Affairs
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cc: Lisa Gafken, Public Counsel
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Attachments:
Natural Gas Tariff Sheet, listed above