



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

March 27, 2018

Filed Via Web Portal

Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

RE: Gas Accounting Report Pursuant to WAC 480-90-257

Dear Mr. King:

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, 2017. Electronic workpapers supporting this report will be submitted separately to Commission Staff and once filed will be available upon request. Although not required, as a courtesy and for ease of navigation, PSE is also submitting a PDF version of the CBR. 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 adjustments made in this report in accordance with WAC 480-90-257.

The results show a normalized overall rate of return of 8.16% and a return on actual common equity of 10.41%, compared with PSE's blended rate of return of 7.76% overall and 9.79% on common equity after incorporating thirteen days of the 2017 GRC authorized rates 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 blended rate of return of 7.76 percent will continue but has been modified to remove normalizing adjustments from the calculation. The seventeen basis points that PSE earned above its authorized return equates to \$4,883,984 in earnings sharing. An earnings rebate in this amount has been included in the Schedule 142 filing made concurrent with this filing. Consequently, PSE's normalized overall rate of return and return on actual common equity after consideration of earnings sharing is 7.99% and 10.07%.

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

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UTIL. AND TRANSP.
COMMISSION

Regards,

/s/ Susan Free

Susan E. Free
Manager of Revenue Requirement
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Attachments:

PSE-Gas-December-2017-CBR-(3-27-18).pdf
PSE-Gas-December-2017-CBR-(3-27-18).xlsx