



Puget Sound Energy  
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PSE.com

February 6, 2015

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

**RE: Advice No. 2015-02  
Natural Gas Tariff Filing – Filed Electronically**

Dear Mr. King:

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

- 9<sup>th</sup> Revision of Sheet No. 107-D - Schedule No. 7: Facilities Extension Standards (Continued)
- 9<sup>th</sup> Revision of Sheet No. 107-E - Schedule No. 7: Facilities Extension Standards (Continued)
- 11<sup>th</sup> Revision of Sheet No. 107-F - Schedule No. 7: Facilities Extension Standards (Continued)

These revised sheets set forth proposed updates to Schedule No. 7: Facilities Extension Standards. Revised tariff sheets regarding electric line extension and service line costs, Schedule No. 85, are also being filed concurrently under Advice No. 2015-01.

The purpose of this filing is to revise natural gas facilities extension standard costs. On October 31, 2014, PSE submitted to the Commission, in Docket No. UG-143790, its Natural Gas Line Extension Costs Study (“Study”) informational filing. The cost basis of the Study included work orders completed between January 1, 2013, and December 31, 2013. The basis for this filing is the costs of mains and services as determined in the Study. A summary of the proposed tariff rates and the associated Study results are enclosed as Attachment A.

In order to provide certainty and advance notice to the building industry, this filing reflects rates proposed to be effective on April 1, 2015, thereby giving approximately two months advance notice. PSE has plans to continue discussions with members of the building industry to make them aware of this filing and the proposed new rates.

In light of the Commission's investigation of natural gas infrastructure expansion and interest in innovative proposals for financing and expanding natural gas distribution infrastructure in Docket No. UG-143616, PSE is proposing, in this filing, to increase rates, but in most cases not to the level of the costs supported by the Study. Due to the discussions in Docket No. UG-143616 and as part of PSE's continual improvement processes, PSE is interested in aligning its electric and natural gas line extension policies, investigating opportunities to improve the schedules to be more responsive to customer needs, and considering processes that will keep costs to customers as low as possible, or more appropriate cost allocation. PSE plans to initiate a study process of its electric and natural gas line extension policies with interested parties which will result in a subsequent filing of its line extension policies in the near future.

Proposed rates for the new mains and services are based upon an increase of fifty percent of the cost increase reflected by the previously filed Study. The reason for increasing only fifty percent is to mitigate the current potential impact of the increase in costs. The proposed rates for altered residential services include new lower base rates for relocation with 10 feet whereas in the current tariff base rates are applicable to any relocation up to 25 feet.

In preparation of this tariff filing, PSE also conducted other cost studies for the rest of Schedule No. 7 standard costs: costs of meter set assemblies ("MSA"s), costs of guard post installation, and costs of cutting and resetting a residential riser. A summary of the proposed tariff rates from these studies is enclosed as Attachment B.

A new MSA class, Class 600, is added to the proposed tariff of Sheet No. 107-E. This MSA, currently with an American Meter AC-630 meter, is designed to meet the growing demand for residential and small commercial services where the capacity of a Class 400 would be undersized and a Class 1000 would be oversized.

The tariff sheets described herein reflect an issue date of February 6, 2015, and an effective date of March 27, 2015. The proposed standard costs updates, however, will become effective on April 1, 2015, as provided on each tariff sheet.

These tariff changes do not increase recurring charges or restrict access to services. PSE provides cost quotes to customers who request facility extension or modification prior to construction. Posting of the proposed tariff change, as required by WAC 480-90-193, is being made by posting the proposed tariff sheets on the PSE web site immediately prior to, or coincident with, the date of this transmittal letter. Notice of proposed tariff change, as required by law and the Commission's rules and regulations (including WAC 480-90-195(3)), is being given to the public immediately prior to, or coincident with, the date of this transmittal letter through web, telephone and mail access in accordance with WAC 480-90-193.

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Please contact Mei Cass at (425) 462-3800 or 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: Sheree Carson, Perkins Coie  
Simon ffitch, Public Counsel