



Puget Sound Energy
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PSE.com

November 27, 2018

Filed Via Web Portal

Mr. Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

**RE: Advice No. 2018-51
Natural Gas Tariff Filing – Filed Electronically**

Received
Records Management
11/27/18 08:19
State Of WASH.
UTIL. AND TRANSP.
COMMISSION

Dear Mr. Johnson:

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 (“PSE”).

- 10th Revision of Sheet No. 1132 - Schedule 132 – Merger Rate Credit
- 11th 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 close out the rates that are passing through the Merger Rate Credit which was 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 Merger Rate Credit (Transaction Commitment number 34) is a commitment to provide rate credits of \$100 million over a ten year period (\$10 million per year for ten years) ending December 31, 2018. Of those rate credits \$1.2 million was fully offset by savings which PSE which are associated with de-listing from the New York Stock Exchange which resulted in a pass through under this schedule of a credit of \$8.8 million per year in most years, allocated between natural gas and electric customers. The ten year time period has been met and PSE proposes with this filing to set all Merger Rate Credit rates to zero. At December 31, 2018, the end of the current rate period, there will be a residual amount either owing to or from customers from the rates set under Docket UG-171168. At this time, the amount of the residual is estimated to be a payable to natural gas customers is \$3,000. This amount if set in rates would not result in a rate greater than zero. PSE was not able to find reference in Docket U-072375 related to how the disposition of the final residual amount at the end of the merger rate credit period should be handled. PSE’s Schedule 132 tariff states the following:

TERMINATION:

The rate credits under this schedule will terminate at such time as the rate credits described in the Order have been fully credited to Customers or December 31, 2018, whichever is sooner. Any balance remaining on December 31, 2021, will be

included in the revenue requirement of the next following general rate case. Once this remaining balance is included in rates for service the rate credits will not be available on adjusted bills.

Although the tariff addresses what would happen if a residual amount remains on December 31, 2021, PSE believes resolution of the residual amount prior to that time is more appropriate than waiting until that date. Therefore, PSE proposes that the actual residual amount related to December 31, 2018 be included in the Low Income Schedule 129 rate in October 2019. Schedule 129 is an existing rate schedule which is spread to the same customer classes as Schedule 132. The work papers supporting the estimated residual amounts that will exist at December 31, 2018 have been included with this filing. This filing represents an overall decrease of \$3.3 million in the amount of the credit and therefore a 0.39 percent increase to total bills. The typical residential customer on Schedule 23 using 64 therms per month would experience an increase of 23 cents per month or 0.39 percent.

The tariff sheets described herein reflect an issue date of November 27, 2018 and an effective date of January 1, 2019. 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). Notice to the public under the provisions of WAC 480-90-194 will be provided, as required, within 30 days of the effective date.

Please contact Susan Free at (425) 456-2105 for additional information about this filing. If you have any other questions please contact me at (425) 456-2142.

Sincerely,

/s/ Jon Piliaris

Jon Piliaris
Director, Regulatory Affairs
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cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie
Ed Finklea, NWIGU

Attachments: Natural Gas Tariff Sheets (listed above)
Work papers