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Ms. Amanda Maxwell, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

**Re: Advice No. 2023-23
PSE's Natural Gas Tariff Filing - Filed Electronically**

Dear Ms. Maxwell:

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"):

WN U-2 - (Natural Gas Tariff):

Original	Sheet No. 1141LNG	Liquefied Natural Gas Rate Adjustment
Original	Sheet No. 1141LNG-A	Liquefied Natural Gas Rate Adjustment (Continued)
Original	Sheet No. 1141LNG-B	Liquefied Natural Gas Rate Adjustment (Continued)
Original	Sheet No. 1141LNG-C	Liquefied Natural Gas Rate Adjustment (Continued)
Original	Sheet No. 188T	Distribution System Transportation Service (Exclusive Interruptible)
Original	Sheet No. 188T-A	Distribution System Transportation Service (Exclusive Interruptible) (Continued)
Original	Sheet No. 188T-B	Distribution System Transportation Service (Exclusive Interruptible) (Continued)
Original	Sheet No. 188T-C	Distribution System Transportation Service (Exclusive Interruptible) (Continued)
Original	Sheet No. 188T-D	Distribution System Transportation Service (Exclusive Interruptible) (Continued)
Original	Attachment "A" to Schedule 88T	Transportation Service Agreement
1 st Revision	Sheet No. 1141D-A	Distribution Pipeline Provisional Recovery Adjustment (Continued)
1 st Revision	Sheet No. 1141D-B	Distribution Pipeline Provisional Recovery Adjustment (Continued)
Original	Sheet No. 1141N-D	Rates Not Subject To Refund Rate Adjustment (Continued)
Original	Sheet No. 1141N-E	Rates Not Subject to Refund Rate Adjustment (Continued)

4 th Revision	Sheet No. 37-A	Rule No. 23 Interruptible Sales and Transportation Service Priority (Continued)
2 nd Revision	Sheet No. 37-B	Rule No. 23 Interruptible Sales and Transportation Service Priority (Continued)
2 nd Revision	Sheet No. 43	Rule No. 29 Terms of Distribution System Transportation Service

In 2016, the Washington Utilities and Transportation Commission (“the Commission”) approved an all-party settlement agreement¹ under which PSE could develop and construct its Tacoma Liquefied Natural Gas (“Tacoma LNG”) Facility. The Tacoma LNG Facility would serve three core functions; 1) to serve as a peaking resource for PSE’s core natural gas customers; 2) to supply fuel to Totem Ocean Trailer Express, Inc., currently TOTE Maritime Alaska (“TOTE”); and 3) to provide fuel for sales to other marine vessels or other purchasers.

On November 24, 2021, PSE filed an accounting petition in Docket UG-210918, seeking an order authorizing deferred accounting treatment for PSE’s share of costs associated with the Tacoma LNG Facility.

On January 31, 2022, PSE filed with the Commission, in Dockets UE-220066 and UG-220067, a general rate case (“2022 GRC”) which proposed a multiyear rate plan. PSE’s prefiled direct testimony addressed the prudence of the Tacoma LNG Facility, among other issues. On December 22, 2022, the Commission issued Final Order 24/10 (“the Order”) in Dockets UE-220066, UG-220067, and UG-210918 (Consolidated), in which it adopted the Tacoma LNG Settlement (“2022 GRC LNG Settlement”).² The 2022 GRC LNG Settlement determined that PSE has met its threshold prudence requirement to demonstrate that the investment can be provisionally included in rates in a tracker. The 2022 GRC LNG Settlement required PSE to move recovery of costs associated with the Tacoma LNG Facility (not including the associated distribution investments) to a separate tariff schedule, to be implemented concurrent with its 2022 Purchased Gas Adjustment filing, and start amortization of deferred costs, as requested in Docket UG-210918, in the proposed tariff schedule.

The purpose of this required subsequent tariff filing is to establish a new tariff schedule, Schedule 141LNG – Liquefied Natural Gas Rate Adjustment, which will allow PSE to recover the costs incurred with the development, construction, and operation of the Tacoma LNG Facility through a new tariff schedule, in compliance with the requirement in the Commission’s Order. Rates under this tariff schedule are proposed to begin on November 1, 2023. **PSE respectfully requests that the Commission immediately suspend the tariff filing and set it for hearing with a procedural calendar that implements rates effective November 1, 2023, consistent with the Order.**

To aid in the Commission’s examination of this tariff filing, PSE has prepared and concurrently filed electronically via the Commission’s web portal, testimony and exhibits presenting

¹ Order 10 - Final Order Approving And Adopting Settlement Stipulation; Reopening Record And Amending Order 08 In Docket U-072375 in Docket UG-151663

² Appendix C to Final Order 24/10 – Tacoma LNG Settlement

prudency, support of the calculation of the revenue requirement and the cost of service for the Tacoma LNG Facility, and support for the existing allocation of the costs of the four-mile distribution line serving the Tacoma LNG Facility between core customers and Puget LNG.³ The witnesses presenting testimony are:

Mr. Ronald J. Roberts – Facility Prudency
Mr. William F. Donahue – Allocation of costs for the four-mile distribution line
Ms. Susan E. Free – Procedural history of the Tacoma LNG Facility, revenue requirement and tariff accounting for Schedule 141LNG, recovery of deferred costs, list of PSE witnesses
Mr. John D. Taylor – Cost of service and rate spread for Schedule 141LNG

Workpapers supporting the testimony and exhibits of these witnesses will be served on the parties to Docket UG-220067.

Overall, this proposal represents a revenue requirement of \$47.6 million and an average increase of 3.45 percent in overall bills for all customers affected by this tariff change. A typical residential customer using 64 therms per month would experience an increase of \$3.34 per month or 3.50 percent. Bill assistance programs are available to qualified customers who need help with their energy bills. PSE customers can go to pse.com or call 1-888-225-5773 to learn if they are eligible. Payment plans are also available.

Also part of this subsequent tariff filing is the introduction of another new tariff schedule, Schedule 88T –Distribution System Transportation Service (Exclusive Interruptible). Consistent with the Order, this new tariff schedule will allow PSE to track and assign the costs of certain transportation-only customers to those customers. Importantly, unlike other gas transportation schedules, customers served under this transportation schedule will explicitly contribute to the costs associated with specific system upgrades deemed to be the responsibility of the customer. In this instance, the specific costs are an allocation of costs of the four-mile distribution line serving the Tacoma LNG Facility through the application of Schedule 141D. This schedule is limited to interruptible customers whose current or anticipated requirement is in excess of 30,000,000 therms per year and who will rely exclusively on natural gas delivered by the Company as feedstock for an industrial process.

With the introduction of the new Schedule 88T and associated service agreement, a supplement to existing Schedule 141N and modifications to Schedules 141D, Rule 23 and Rule 29 are also necessary and are part of this tariff filing.

The tariff sheets described herein reflect an issue date of May 25, 2023, and effective date of July 1, 2023. Posting of proposed tariff changes, as required by WAC 480-90-193, is being accomplished by posting the proposed tariff sheets on the PSE web site coincident with the date of this transmittal letter. Notice to the public under the provisions of WAC 480-90-194 will be provided within 30 days of the requested July 1, 2023 effective date.

³ Paragraph 410 of the Order.

Ms. Amanda Maxwell

May 25, 2023

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Please contact Susan Free at susan.free@pse.com for additional information about this filing. If you have any other questions, please contact me at (425) 456-2142.

Sincerely,

/s/ Jon A. Piliaris

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cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie
Service List

Attachments:

Natural Gas Tariff Sheets, listed above