



June 7, 2018

Filed Via Web Portal

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

**Re: Dockets UE-170033 and UG-170034
Environmental Remediation Methodology Compliance Update
DO NOT RE-DOCKET**

Dear Mr. Johnson,

Per paragraph 54 of the settlement approved in Puget Sound Energy's ("PSE") 2017 general rate case in Dockets UE-170033 and UG-170034 ("Settlement"), PSE and Commission Staff were to commence a process to determine a methodology for assigning insurance recoveries received by PSE. The process was to commence by March 15, 2018¹. PSE and Commission Staff fulfilled this requirement with their first meeting on the environmental remediation assignment methodology, which was held on February 13, 2018. Although the final order in Dockets UE-170033 and UG-170034 does not require a filing to document the commencement of the process, PSE is making this filing to advise the Commission that this process has been commenced.

PSE and Commission Staff are continuing to work through finalizing the methodology. Paragraph 54 of the Settlement further requires PSE and Commission Staff to provide an update regarding the process in the earlier to occur of either (i) PSE's next general rate case proceeding or (ii) any expedited rate filing ("ERF") or limited rate proceeding of PSE to revise transmission and distribution rates. Therefore, the next update will occur at that designated time.

¹ The Settlement called for the process to commence within six months of filing the Settlement with the Commission. The Settlement was filed on September 15, 2017 which resulted in the required process to be started by March 15, 2018.

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Please contact me at (425) 456-2105 for additional information about this compliance update.

Regards,

/s/ Susan Free

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cc: Service List (via email)