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PUGET SOUND ENERGY The Energy To Do Great Things Puget Sound Energy P.O. Box 97034 Bellevue, WA 98009-9734

November 1, 2016

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

Re: Report of Weighted Average Cost of Propane Fuel Inventory Third Quarter - 2016

Dear Mr. King:

Pursuant to WN U-2 tariff for natural gas service of Puget Sound Energy ("PSE") Supplemental Schedule No. 101 Gas Cost Rates, please find enclosed the Report of Weighted Average Cost of Propane Fuel Inventory for the three months ended September 2016.

The weighted average cost to PSE of propane fuel inventory at the end of the third quarter of 2016 was \$4.15366 per therm. The weighted average cost of propane charged to customers under the provisions of Schedule 101 during the same period was \$4.15366 per therm. The weighted average cost of propane charged to customers will therefore remain at \$4.15366, which is within the approved banded rate.

Please contact Julie Waltari at julie.waltari@pse.com or (425) 456-2945 for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely, MU

Ken Johnson Director, State Regulatory Affairs

Enclosures cc: Lisa Gafken, Public Counsel Sheree Carson, Perkins Coie

PUGET SOUND ENERGY WEIGHTED AVERAGE COST OF PROPANE FUEL INVENTORY

REPORT FOR THE MONTH OF July 2016

Line (a)	Description (b)	Gallons (c)	Cost per Gallon (d)	Total Cost (e)	Therms (f)	Cost per Therm (g)
					(c)* .936 1 and sales from SAP 2	(d) / .936
1	Current authorized minimum cost per therm:					\$3.73932
2	Current cost of propane in Rate 53: (rate changed on 7/1/15)					\$4.15366
3	Current authorized maximum cost per therm:					\$4.80769
4	Inventory balance forward at end of previous month:			\$4,955.96	1,193.2	\$4.15366
	Propane purchases during report month:					
5	Total deliveries by propane vendor during report month:	0.0	\$0.00000	\$0.00	0.0	\$0.00000
6	Total purchases in inventory:			\$4,955.96	1,193.2	\$4.15366
	Sales during report month:					
7	Sales from beginning inventory:			\$10.38	2.5	\$4.15366
8	Sales from purchases during month:			\$0.00	0.0	\$0.00000
9	Total sales during month (sum of lines 7 and 8):			\$10.38	2.5	\$4.15366
10	Inventory balance at end of report month:			\$4,945.58	1,190.7	\$4.15366

¹.936 = conversion factor for purchases ² SAP = billing system

PUGET SOUND ENERGY WEIGHTED AVERAGE COST OF PROPANE FUEL INVENTORY

REPORT FOR THE MONTH OF August 2016

Line	Description	Gallons	Cost per Gallon	Total Cost	Therms	Cost per Therm
(a)	(b)	(C)	(d)	(e)	(f)	(g)
					(c)* .936 ¹	(d) / .936
					and sales from SAP ²	
1	Current authorized minimum cost per therm:					\$3.73932
2	Current cost of propane in Rate 53: (rate changed on 7/1/15)					\$4.15366
3	Current authorized maximum cost per therm:					\$4.80769
4	Inventory balance forward at end of previous month:			\$4,945.58	1,190.7	\$4.15366
	Propane purchases during report month:					
5	Total deliveries by propane vendor during report month:	0.	\$0.00000	\$0.00	0.0	\$0.00000
6	Total purchases in inventory:			\$4,945.58	1,190.7	\$4.15366
	Sales during report month:					
7	Sales from beginning inventory:			\$20.77	5.0	\$4.15366
8	Sales from purchases during month:			\$0.00	0.0	\$0.00000
9	Total sales during month (sum of lines 7 and 8):			\$20.77	5.0	\$4.15366
10	Inventory balance at end of report month:			\$4,924.81	1,185.7	\$4.15366

 1 .936 = conversion factor for purchases 2 SAP = billing system

PUGET SOUND ENERGY WEIGHTED AVERAGE COST OF PROPANE FUEL INVENTORY

REPORT FOR THE MONTH OF September 2016

Line (a)	Description (b)	Gallons (c)	Cost per Gallon (d)	Total Cost (e)	Therms (f)	Cost per Therm (g)
					(c)* .936 ¹	(d) / .936
					and sales from SAP ²	
1	Current authorized minimum cost per therm:					\$3.73932
2	Current cost of propane in Rate 53: (rate changed on 7/1/15)					\$4.15366
3	Current authorized maximum cost per therm:					\$4.80769
4	Inventory balance forward at end of previous month:			\$4,924.81	1,185.7	\$4.15366
	Propane purchases during report month:					
5	Total deliveries by propane vendor during report month:	0.	0 \$0.00000	\$0.00	0.0	\$0.00000
6	Total purchases in inventory:			\$4,924.81	1,185.7	\$4.15366
	Sales during report month:					
7	Sales from beginning inventory:			\$10.38	2.5	\$4.15366
8	Sales from purchases during month:			\$0.00	0.0	\$0.00000
9	Total sales during month (sum of lines 7 and 8):			\$10.38	2.5	\$4.15366
10	Inventory balance at end of report month:			\$4,914.43	1,183.2	\$4.15366

 1 .936 = conversion factor for purchases 2 SAP = billing system