



July 28, 2023

Filed Via Web Portal

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

**Re: Advice No. 2023-29
PSE’s Natural Gas Tariff Filing – Filed Electronically**

Dear Executive Director Maxwell:

Pursuant to RCW 80.28.060, WAC 480-80-101 and WAC 480-80-105(1)(c), please find enclosed for filing the following proposed revisions to the WN U-2, tariff for natural gas service of Puget Sound Energy (“PSE”):

Original	Sheet No. 1108	Supplemental Schedule 108	New Customer Rate for Suncadia Resort Development
Original	Sheet No. 1108-A	Supplemental Schedule 108	New Customer Rate for Suncadia Resort Development (Continued)

Background

In Docket UG-040098, the Washington Utilities and Transportation Commission (the “Commission”) approved a special natural gas line extension contract between PSE and MountainStar Resort Development LLC (“MRD”), the original owner of the Suncadia resort development (referred hereinafter as “Suncadia”), executed on December 19, 2003 (the “Special Contract”). The Special Contract set forth the exclusive terms and conditions for the extension of PSE natural gas distribution facilities approximately 22 miles from Thorpe, Kittitas County, Washington, to Suncadia, as well as installation of mains and services within Suncadia.¹ Instead of customers paying the natural gas line extension charges pursuant to PSE’s then line extension tariff Rule No. 7A that was effective for customer requests in Kittitas County, the Special Contract set forth the terms to compensate PSE for the added costs of providing service to

¹ The special terms and conditions of PSE’s electric distribution facilities extension to Suncadia and the installation of the electric distribution facilities in the Suncadia area were accepted by the Commission under Docket UE-031017.

Suncadia. The Special Contract provided that for line extension charges for units within the Suncadia resort development area, customers would pay (1) a one-time upfront Qualification Payment (“QP”) of \$3,900 for each new natural gas meter, and (2) an ongoing New Customer Rate (“NCR”) charge of \$0.34 per natural gas therm used, per month, for at least 21 years. The \$0.34 NCR is in addition to the standard natural gas charges pursuant to PSE’s filed tariff schedules and rules that are applicable to all PSE natural gas customers. To guarantee satisfaction of the Qualification Payments, a covenant was placed on any properties with a new natural gas meter until all of the payments were made (the “Combined QP Payments”).

After nearly twenty years, the Special Contract is now terminated. The original party to the Special Contract, MRD, which subsequently changed its name to Suncadia, LLC, was terminated as an entity and no longer exists. A new developer, New Suncadia, LLC (“New Suncadia”), acquired certain Suncadia properties from MRD. This transfer of certain properties from MRD to New Suncadia, however, did not include an assignment of the Special Contract to New Suncadia, and New Suncadia did not assume any obligations of MRD under the Special Contract, except for the obligation to ensure all Combined QP Payments were made, which ran with the land. To date, all Combined QP Payments have been paid and PSE has released New Suncadia from its Combined QP Payments obligation. Given that all Combined QP Payments have been paid and that the original party to the Special Contract is no longer in existence, the Special Contract is no longer necessary as customer rates for gas service can be set forth in a tariff schedule, which is more transparent and accessible for customers. Accordingly, PSE and New Suncadia have executed a termination of the Special Contract which is attached as Attachment A to this letter.

Proposed Tariff Schedule 108

The purpose of this filing is in lieu of the Special Contract, to propose a new supplemental schedule to applicable Suncadia customers for their gas rates and service. The proposed Schedule 108 continues the same \$0.34 NCR rate currently being billed under the Special Contract. Suncadia customers would see no change to their bill resulting from the proposed transition from a Commission-approved special contract to a tariff rate schedule. However, PSE proposes to limit the NCR term to 21 years and to forgo the NCR adjustment options that are available under the Special Contract. After 21 years, the customer would no longer pay the NCR. Schedule 108 also limits the \$0.34 NCR requirement to the existing Suncadia locations and the locations with pending PSE-planned line extensions under Docket UG-040098. A customer in one of these locations subject to Docket UG-040098 is required to pay the \$0.34 NCR for 21 years starting from the initial installation or the gas service at the location. Subject to approval from the Commission of these proposed changes, all future natural gas line requests will be evaluated and accepted by PSE in accordance with PSE’s line extension tariff effective for the customer request, which is currently under Rule No. 6, Extension of Distribution Facilities.

The tariff sheets described herein reflect an issue date of July 28, 2023, and an effective date of September 1, 2023. Posting of the proposed tariff changes for public inspection and review, as

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July 28, 2023

Page 3 of 3

required by law and the Commission's rules and regulations, is being completed in accordance with WAC 480-90-193(1). Notice to the public is published under the provisions of WAC 480-90-195(3), which allows a utility that proposes tariff changes terms or conditions without increases in recurring charges or restricting access to the service to post the proposed changes in the manner it posts tariffs under WAC 480-90-193.

Please contact Mei Cass at (425) 462-3800 for additional information about this filing. If you have any other questions, please contact me at (425) 462-3946.

Sincerely,

/s/ Birud D. Jhaveri

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cc: Lisa Gafken, Public Counsel
David Steele, Perkins Coie

Attachments:

Natural Gas Tariff Sheets, listed above

Attachment A-Termination of Developer Agreement and Covenant