

# Notice of requested changes to PSE rates and public hearings



**PUGET SOUND ENERGY**

On June 20, 2019, we filed a general rate case with the Washington Utilities and Transportation Commission (UTC) requesting an adjustment to electric and natural gas rates.

The UTC has the authority to approve rates which may be higher or lower than our request. New rates are expected to become effective upon completion of the UTC's 11-month examination of our proposed rates in May 2020.

We have requested the following:

- Electric Service—an overall 6.9 percent increase in rates generating an additional \$139.5 million in revenue. Residential customers would see an overall average 7.7 percent increase.
- Natural Gas Service—an overall 7.9 percent increase in generating an additional \$65.5 million in revenue. Residential customers would see an overall average 7.5 percent increase.

PSE requests rate adjustments for the following reasons:

- Investments in technology systems such as self-service tools that allow customers to interact with PSE at their convenience.
- Accommodate increasing levels of residential solar, battery storage and electric with electric infrastructure investments, cost recovery of electric depreciation
- Improved reliability with natural gas infrastructure investments, cost recovery of natural gas depreciation expenses.

The electric and natural gas requests are based on a proposed rate of return (ROR) on rate base of 7.62% with a common equity ratio of 48.5% and a 9.8% return on equity (ROE). Customers pay for these returns in order to service debt expenses and provide the opportunity for shareholders to earn a fair return on their investment.

Effects of proposed rate changes for residential electric and natural gas service

Electric service for the average residential customer (using 900 kilowatt hours of electricity per month)	Current	Proposed (eff. May 2020)	Percent change
Kilowatt-hour charge for 0-600 kWh	\$0.085471	\$0.085323	
Kilowatt-hour charge for > 600 kWh	\$0.104432	\$0.123075	
Basic charge	\$7.49	\$7.49	
<b>Total average bill at 900 kWh per month</b>	<b>\$90.10</b>	<b>\$95.61</b>	<b>6.12%</b>
<b>Natural gas service for the average residential customer (using 64 therms of natural gas per month)</b>	<b>Current</b>	<b>Proposed (eff. May 2020)</b>	<b>Percent change</b>
Therm charge	\$0.75132	\$0.82126	
Basic charge	\$11.52	\$11.52	
<b>Total average bill at 64 therms per month</b>	<b>\$59.60</b>	<b>\$64.08</b>	<b>7.52%</b>

For the effect of the proposed changes on other types of electric and natural gas services, visit [pse.com/ratecase](http://pse.com/ratecase).

Residential and small business customers are represented in this case by the Public Counsel Unit of the Washington Office of the Attorney General.

## Public hearing dates and locations

You may comment on the requested changes to electric and natural gas rates at a public hearing held by the UTC at the locations listed below. Commenters may also call into the Jan. 7 hearing.

**Tuesday, Jan. 7, 2020, at 6 p.m.**  
 Richard Hemstad Hearing Room  
 1000 4th Avenue  
 Puget Sound Square Loop S.E.  
 Lacey, WA 98503

Jan 7 online option: You can participate in a public hearing by phone or Skype, please call 1-888-333-9882 at least one day before the hearing so you can be signed in. Sign in in advance will not be possible the day of the hearing.

**Jan. 22, 2020, at 6 p.m.**  
 Puget Sound Council Chamber  
 Room 1E  
 450 110th Avenue  
 Bellevue, WA 98004

**Michael Prokopovich**  
 PO Box 96  
 Burley, WA 98322

Free parking available in parking garage

Other ways to comment on the proposed rates

Online: [utc.wa.gov/comment](http://utc.wa.gov/comment)  
 Email: [comments@utc.wa.gov](mailto:comments@utc.wa.gov)  
 Phone: 1-888-333-WUTC (9882)  
 U.S. mail: WUTC  
 P.O. Box 47250  
 Olympia, WA 98504

In your comments, please reference Dockets UE-190529 (electric service) and UG-190530 (natural gas service).

The UTC is committed to providing reasonable accommodation to participants with disabilities. If you need reasonable accommodation, please contact the Commission at 1-360-664-1132 or [human\\_resources@utc.wa.gov](mailto:human_resources@utc.wa.gov).

Email: [utility@atg.wa.gov](mailto:utility@atg.wa.gov)  
 To contact PSE about the rate change proposals:

Email: [customer-care@pse.com](mailto:customer-care@pse.com)  
 U.S. mail: Puget Sound Energy  
 Customer Care  
 P.O. Box 97034  
 Bellevue, WA 98009-9734

Overall proposed rate changes for electric and natural gas service, by rate schedule

Electric schedule	Type of service	Current average rate per kWh	Proposed average rate per kWh	Percent change*
7	Residential	\$0.102328	\$0.110175	7.67 increase
24	Secondary voltage (50 kW or less)	\$0.103786	\$0.111151	7.10 increase
25, 11, 7A	Secondary voltage (over 50 kW to 350 kW)	\$0.092827	\$0.097896	5.46 increase
26, 12, 26P	Secondary or primary voltage (over 350 kW)	\$0.087085	\$0.091708	5.31 increase
29	Seasonal irrigation & drainage pumping	\$0.074110	\$0.078538	5.98 increase
31, 10	Primary voltage limited	\$0.083957	\$0.090016	7.22 increase
35	Primary voltage irrigation	\$0.055138	\$0.062087	12.60 increase
43	Interruptible total electric schools	\$0.090401	\$0.098678	9.16 increase
46	High voltage interruptible	\$0.069462	\$0.072745	4.73 increase
49	High voltage general service	\$0.068161	\$0.071316	4.63 increase
50-59	Lighting (area & street)	\$0.244787	\$0.266709	8.96 increase
449, 459	Choice/retail wheeling	\$0.005945	\$0.005983	0.64 increase
	Special Contracts	\$0.026093	\$0.022897	12.25 decrease
<b>Overall</b>				<b>6.9 increase</b>

\* Represents overall average increase without specific energy use amount.

Natural gas schedule	Type of service	Current average rate per therm	Proposed average rate per therm	Percent change*
23, 53	Residential	\$0.92781	\$0.99775	7.54 increase
31	Commercial and industrial	\$0.77165	\$0.86289	11.82 increase
41	Large volume	\$0.57401	\$0.57644	0.42 increase
85	Interruptible	\$0.40123	\$0.41179	2.63 increase
86	Limited interruptible	\$0.52951	\$0.51091	3.51 decrease
87	Non-exclusive interruptible	\$0.33694	\$0.34632	2.78 increase
31T	Commercial and industrial transportation	\$0.68112	\$0.77618	13.96 increase
41T	Large volume transportation	\$0.21864	\$0.22651	3.60 increase
85T	Interruptible transportation	\$0.10296	\$0.11554	12.21 increase
86T	Limited-interruptible transportation	\$0.21799	\$0.20816	4.51 decrease
87T	Non-exclusive interruptible transportation	\$0.04068	\$0.04824	18.58 increase
16	Gas lighting	\$0.89833	\$0.96818	7.77 increase
	Special Contracts	\$0.05115	\$0.04908	4.04 decrease
71, 72, 74	Rentals	\$16.00 per month	\$13.73 per month	14.20 decrease
<b>Overall</b>				<b>7.9 increase</b>

\* Represents overall average increase without specific energy use amount.



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JAN 21 2020

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