



PUGET SOUND ENERGY

The Energy To Do Great Things

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September 18, 2014

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

Re: Pipeline Replacement Cost Recovery Mechanism Update in Accordance with the Commission Policy Statement in Docket UG-120715, originally filed under Advice No. 2014-18 - Natural Gas Tariff Filing - Docket UG-141212
Do Not Redocket

Dear Mr. King:

Puget Sound Energy, Inc. ("PSE") hereby submits an update to rates under its natural gas Supplemental Schedule 149, Cost Recovery Mechanism for Pipeline Replacement ("CRM"). This update provides the actual costs as of July 31, 2014, and includes an updated forecast through October 31, 2014.

The CRM was originally filed on May 30, 2014, under PSE's Advice Number 2014-18 and was assigned Docket No. UG-141212. In accordance with the Commission's Policy Statement in Docket No. UG-120715 ("Policy Statement"), that May filing reflected actual costs incurred under the CRM program from November 1, 2013, through April 30, 2014, and projected costs from May 1, 2014, through October 31, 2014. This filing updates those projected costs for the period of May 1, 2014, through July 31, 2014, resulting in actual costs for the period of November 1, 2013, through July 31, 2014, and projected costs for August 1, 2014, through October 31, 2014.

In accordance with the Policy Statement, PSE expects to provide the final update to CRM costs by updating the projected costs within this filing to actual costs through September 30, 2014, and updating the forecast for October 1 through October 31, 2014. This final update will occur as soon as September data is available which is expected to be around October 15, 2014, and will include a replacement of the originally filed tariff based on the data in the final update.

Publication of the proposed increase, in accordance with WAC 480-90-194, will be completed through a published notice at least 30 days prior to the November 1, 2014 effective date of this filing. Since that notice must occur by October 1, 2014, which is prior to date of the final update of CRM costs, the notice will reflect the increase reflected in the attached update. The Policy

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Statement provides that the final update of costs be submitted under the PGA docket for the year so PSE plans to reflect the effects of the PGA and the CRM in a combined notice.

The effect of the CRM, including the enclosed update of costs, is an overall increase of \$2,219,356, or 0.23% in annual revenues. The impact of this update for the average residential customer using 68 therms per month is an increase of \$0.17 or 0.22%.

Please contact Kathie Barnard at (425) 462-3716 for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,


for Lynn T. Leger, Tariff Consultant
Ken Johnson
Director, State Regulatory Affairs

Enclosures

cc: Simon J. ffitch, Public Counsel
Sheree Carson, Perkins Coie