

PUGET SOUND ENERGY
Natural Gas Tariff

SUPPLEMENTAL SCHEDULE NO. 142
Revenue Decoupling Adjustment Mechanism

(T)

1. **Applicability:** This rate schedule is applicable to all Customers of the Company that receive service under Schedule Nos. 16, 23, 31, 31T, 41, 41T, 53, 71, 72, 74, 85, 85T, 86, 86T, 87 and 87T. Rates in this schedule will be applied to all bills of applicable Customers with Energy usage during a month when this schedule is effective.
2. **Purpose:** The purpose of this schedule is to establish balancing accounts and implement a rate adjustment mechanism that decouples the Company's revenues recovered from certain customers that are intended to recover delivery costs from sales and transportation of natural gas. Its purpose is to also implement a rate plan for all other applicable customers.
3. **Rate Groups:**
 1. Decoupled Residential Customers: Customers served under Schedule Nos. 23 and 53.
 2. Decoupled Nonresidential Customers: Customers served under Schedule Nos. 31, 31T, 41, 41T, 86 and 86T.
 3. Rate Plan Customers: Customers served under Schedule Nos. 16, 71, 72, 74, 85, 85T, 87 and 87T.
4. **Decoupling Mechanism:**
 1. Decoupling Calculation:
 - a. The Revenue Decoupling Adjustment ("RDA") reconciles on a monthly basis, separately for Decoupled Residential Customers and Decoupled Nonresidential Customers, differences between (i) the monthly Actual Delivery Revenue resulting from applying a Delivery Revenue Per Unit of 39.598 cents per therm for Decoupled Residential Customers and 27.330 cents per therm for Decoupled Nonresidential Customers to their energy usage, and (ii) the Allowed Delivery Revenue that would be collected by applying the Monthly Allowed Delivery Revenue Per Customer (see c. below) by the active number of Customers in each group for each month. (I) (I)

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Revenue Decoupling Adjustment Mechanism (Continued)

1. Decoupling Mechanism (Continued):

- b. The difference resulting when the Actual Delivery Revenue is subtracted from the Allowed Delivery Revenue is accrued monthly in the RDA Balancing Account. The monthly amount accrued will be divided into sub-accounts so that net accruals for Decoupled Residential Customers and Decoupled Non-residential Customers can be tracked separately. The sub-accounts will accrue interest at a rate equal to that determined by the Federal Energy Regulatory Commission pursuant to 18 CFR 35.19a.
- c. Monthly Allowed Delivery Revenue Per Customer: For each group of Customers (Decoupled Residential Customers and Decoupled Non-residential Customers), the Monthly Allowed Delivery Revenue Per Customer will be as follows:

Residential Customers

Month	2013	2014	2015	2016	2017
January		\$45.53	\$46.94	\$48.38	\$49.85
February		\$42.24	\$43.55	\$44.89	\$46.25
March		\$35.86	\$36.97	\$38.11	\$39.27
April		\$25.65	\$26.44	\$27.26	\$28.09
May		\$16.06	\$16.55	\$17.06	\$17.58
June		\$10.37	\$10.69	\$11.02	\$11.35
July	\$ 7.94	\$ 8.19	\$ 8.45	\$ 8.71	\$ 8.97
August	\$ 7.34	\$ 7.57	\$ 7.80	\$ 8.04	\$ 8.29
September	\$10.17	\$10.48	\$10.81	\$11.14	\$11.48
October	\$21.28	\$21.95	\$22.63	\$23.32	\$24.03
November	\$35.83	\$36.95	\$38.10	\$39.27	\$40.46
December	\$45.08	\$46.49	\$47.93	\$49.40	\$50.91

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c. Monthly Allowed Delivery Revenue Per Customer (Continued):

Non-Residential Customers

Month	2013	2014	2015	2016	2017
January		\$192.01	\$197.69	\$203.50	\$209.43
February		\$178.72	\$184.01	\$189.41	\$194.93
March		\$160.72	\$165.47	\$170.33	\$175.30
April		\$123.33	\$126.98	\$130.71	\$134.52
May		\$ 92.33	\$ 95.07	\$ 97.86	\$100.71
June		\$ 71.56	\$ 73.68	\$ 75.84	\$ 78.05
July	\$ 88.08	\$ 64.03	\$ 65.93	\$ 67.86	\$ 69.84
August	\$ 89.65	\$ 60.33	\$ 62.11	\$ 63.94	\$ 65.80
September	\$ 94.37	\$ 66.79	\$ 68.77	\$ 70.79	\$ 72.86
October	\$126.88	\$105.10	\$108.21	\$111.39	\$114.64
November	\$161.07	\$157.73	\$162.40	\$167.17	\$172.05
December	\$188.33	\$195.04	\$200.81	\$206.71	\$212.74

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2. Process:

a. The amounts accrued in the RDA Balancing Account, including interest, for Decoupled Residential Customers and Decoupled Non-Residential Customers through the end of the calendar year will be surcharged or refunded to the same group of Customers (Decoupled Residential Customers and Decoupled Non-Residential Customers) during the subsequent May 1 through April 30 rate year. Except the amounts in the RDA Balancing Account, including interest, related to Customers who are changing from a decoupling group to a rate plan will be allocated to those Customers.

b. No later than April 1 of each year following the initial effective date of this schedule, the Company will make a filing to set new decoupling rates under this Schedule No. 142 to be effective May 1 of the same year.

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5. **Term:** Accruals under this mechanism shall continue until the effective date of rates approved in the Company's next general rate case, but may be continued beyond the next general rate case, subject to approval by the Commission. If this mechanism is discontinued, amounts remaining in the RDA balancing account at that time will continue to be amortized through the rates in this schedule until the balance is cleared.
6. **Monthly Decoupling Rate:** The rate shown below and on the following sheets for each schedule shall be added to the monthly rate(s) for each schedule identified thereby changing the rate charged for natural gas service. Customer bills shall reflect the sum of this Schedule No. 142 rate and the rate(s) otherwise charged for natural gas service.

SCHEDULE/ Component	Deferral Rate	Decoupling Rate	Schedule 142 Total Effective Rate	
23 & 53 / Delivery Charge	\$0.03880	\$0.03277	\$0.07157 per therm	(l) (l) (l)
31 / Delivery Charge	\$0.03269	\$0.01657	\$0.04926 per therm	(l) (l) (l)
31T /				
Transp. Svc. Comm. Chg.	\$0.03269	\$0.01657	\$0.04926 per therm	(l) (l) (l)
Gas Procurement Cr.	\$0.00057 Cr.	\$0.00030 Cr.	\$0.00087 Cr. per therm	l l l
41 / Del. Demand Chg.	\$0.12	\$0.06	\$0.18 per therm	(l) (l) (l)
Delivery Charge:				
0 to 900 therms	\$0.00000	\$0.00000	\$0.00000 per therm	(T) (T) (T)
901 to 5,000 therms	\$0.01477	\$0.00749	\$0.02226 per therm	(l) (l) (l)
Over 5,000 therms	\$0.01189	\$0.00603	\$0.01792 per therm	(l) (l) (l)

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6. **Monthly Decoupling Rate (Continued):**

SCHEDULE/ Component	Deferral Rate	Decoupling Rate	Schedule 142 Total Effective Rate	
41-T				
Transp. Del. Dmd. Chg.	\$0.12	\$0.06	\$0.18 per therm	(l) (l) (l)
Trans. Comm. Charge:				
901 to 5,000 therms	\$0.01477	\$0.00749	\$0.02226 per therm	(l) (l) (l)
Over 5,000 therms	\$0.01189	\$0.00603	\$0.01792 per therm	
Gas Procurement Credit	\$0.00057 Cr.	\$0.00030 Cr.	\$0.00087 Cr. per therm	(l) (l) (l)
86				
Delivery Dmd. Chg.	\$0.12	\$0.06	\$0.18 per therm	(l) (l) (l)
Interrupt. Delivery Chg.:				
0 to 1,000 therms	\$0.02126	\$0.01077	\$0.03203 per therm	(l) (l) (l)
Over 1,000 therms	\$0.01507	\$0.00764	\$0.02271 per therm	
Gas Procurement Charge	\$0.00073	\$0.00037	\$0.00110 per therm	(l) (l) (l)
86T				
Firm Delivery Dmd. Chg.	\$0.12	\$0.06	\$0.18 per therm	(l) (l) (l)
Interrupt. Delivery Chg.:				
901 to 5,000 therms	\$0.02126	\$0.01077	\$0.03203 per therm	(l) (l) (l)
Over 5,000 therms	\$0.01507	\$0.00764	\$0.02271 per therm	(l) (l) (l)
85, 85T, 87 and 87T	Rates can be found on	Sheets 1142-I & J		

7. **Monthly Surcharge for Rate Plan Customers:** The surcharge rates shown below for each schedule shall be added to the monthly rate(s) for each schedule identified thereby changing the rate charged for natural gas service. Surcharge rates shall be revised each January 1. Customer bills shall reflect the sum of this Schedule No. 142 rate and the rate(s) otherwise charged for natural gas service.

Schedule 16 – General Gas Lighting and Street Lighting Service

	2013	2014	2015	2016	2017
Delivery Charge per mantle	\$0.22	\$0.44	\$0.67	\$0.90	\$1.14

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