



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
PSE.com

April 7, 2016

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

RE: Advice No. 2016-13 – Natural Gas Tariff Filing – Filed Electronically

Dear Mr. King:

Pursuant to RCW 80.28.060 and Chapter 480-80 WAC, please find enclosed for filing the following proposed revision to the WN U-2, tariff for natural gas service of Puget Sound Energy (“PSE”).

7th Revision of Sheet No. 42 - Rule No. 28: Income Tax Rider-Contributions in Aid of Construction

The purpose of this filing is to update the Rule 28 rates to reflect the changes in the bonus depreciation provision of the Protecting Americans from Tax Hikes Act of 2015 (the “PATH” Act) that President Obama signed into law on December 18, 2015. The entire PATH Act is available at

http://docs.house.gov/billsthisweek/20151214/121515.250_xml.pdf.

Section 143 of the PATH Act extends bonus depreciation for property acquired and placed in service during 2015 through 2019. The bonus depreciation percentage is 50 percent for property placed in service during 2015, 2016, and 2017 and phases down, with 40 percent in 2018, and 30 percent in 2019.

The revised tariff sheet No. 42 sets forth the proposed rates for 2016-2020 to reflect the different level of the bonus depreciation prescribed in Section 143 of the PATH Act. These proposed rates are calculated based upon PSE’s current Commission-authorized rate of return and capital structure. Work papers supporting this filing are enclosed. A revised tariff sheet regarding the electric service income tax rider, Schedule 87, is also being filed concurrently under Advice No. 2016-12.

The tariff sheet described herein reflects an issue date of April 7, 2016, and an effective date of May 13, 2016. Posting of the proposed tariff change, as required by law and the Commission’s rules and regulations, is being completed immediately prior to or coincident with the date of this transmittal letter through web, telephone and mail access

in accordance with WAC 480-90-193. In addition, each customer is provided notice through a quoted cost prior to incurring the charge, therefore notice will be provided to each customer through the cost quote.

Please contact Matthew Marcellia, Director of Tax, at (425) 456-2150 or Eric Englert, Manager of Regulatory Initiatives and Tariffs, at (425) 456-2312 for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,



Ken Johnson
Director, State Regulatory Affairs

Enclosures

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