



*The Energy To Do Great Things*

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June 1, 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. 2016-17- Natural Gas Tariff Filing - Filed Electronically**

Dear Mr. King:

Puget Sound Energy ("PSE") hereby submits proposed revisions to rates under its natural gas Supplemental Schedule 149, Cost Recovery Mechanism for Pipeline Replacement (CRM). This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, proposes changes to the following natural gas tariff sheet:

WN U-2, (Natural Gas Tariff):

2<sup>nd</sup> Revision of Sheet No. 1149 - Cost Recovery Mechanism for Pipeline Replacement (CRM)

The purpose of this filing is to submit a tariff filing in accordance with the Commission's Policy on Accelerated Replacement of Pipeline Facilities with Elevated Risk in Docket No. UG-120715 ("Policy Statement"), which provided in paragraph 64 that a company may request a CRM by June 1 of any subsequent year. The Commission's Order 01 in Docket No. PG-160294 approved PSE's 2015 PRP Plan, which included its Two-Year Plans. Capital costs are being submitted for cost recovery in this CRM to recover the costs for the period of November 1, 2015 through October 31, 2016. This CRM filing also includes the true up of the forecasted October 2015 costs from last year's CRM filing under UG-151159 to actual costs. Work papers supporting this filing are enclosed.

Overall, this proposal represents a revenue requirement increase of \$4,681,584 or forty nine hundredths of one percent (0.49%) in overall bills for all natural gas customers. For example, the typical residential customer using 68 therms per month will experience an increase of 33 cents per month. As provided in the Policy Statement, this filing reflects actual costs from November 1, 2015, through April 30, 2016, and projected costs from May 1, 2016 through October 31, 2016. The Policy Statement provides that each company will update the projected

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costs with actual costs incurred for the months of May through July. PSE expects to submit such an update concurrent with its 2016 Purchased Gas Adjustment filing which is planned for mid-September of 2016 and to revise the rates on the enclosed tariff sheet to reflect the updated costs.

The tariff sheet described herein reflects an issue date of June 1, 2016, and an effective date of November 1, 2016. Posting of proposed tariff changes, as required by WAC 480-90-193, is being made by posting the proposed tariff sheet on the PSE web site immediately prior to or coincident with the date of this transmittal letter. 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, 2016 effective date of this filing. The Policy Statement provides for updating of costs, therefore PSE plans to reflect the effects of the PGA and the CRM in a combined notice. WAC 480-90-198 requires PSE to file a statement, within 10 days of this filing, that it has published the required notice. Since the notice will not be published until costs are updated later this year, PSE requests that the Commission waive or modify this requirement in order to allow the notice to reflect the updated costs.

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,

  
Ken Johnson  
Director, State Regulatory Affairs

Enclosures

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