



Puget Sound Energy
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PSE.com

January 8, 2020

Filed Via Web Portal

Mr. Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
621 Woodland Square Loop SE
Lacey, WA 98503

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01/08/2020 13:35:39
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UTIL. AND TRANSP.
COMMISSION

**Re: Advice No. 2020-01
PSE's Natural Gas Tariff Filing – Filed Electronically**

Dear Mr. Johnson:

Pursuant to RCW 80.28.060 and WAC 480-80-101 and WAC 480-80-105(1)(c), please find enclosed for filing the following proposed revision to the WN U-2 Tariff for natural gas service of Puget Sound Energy (“PSE”):

- 3rd Revision of Sheet No. 1137 Natural Gas Supplemental Schedule 137, Carbon Offset Service**
- 1st Revision of Sheet No. 1137-A, Natural Gas Supplemental Schedule 137, Carbon Offset Service (continued)**
- 1st Revision of Sheet No. 1137-B, Natural Gas Supplemental Schedule 137, Carbon Offset Service (continued)**

The purpose of this filing is to reduce rates for participation in the voluntary Carbon Offset Service. The filing includes the elimination of the end-date of availability for this service for customers to purchase carbon offsets as described in Transaction Commitment No. 54 in the Multiparty Settlement Stipulation, attached as Appendix A to the Washington Utilities and Transportation Commission’s Order No. 8, in Docket No. U-072375. This voluntary service provides natural gas customers the option to contribute to regional projects which will reduce or capture greenhouse gas emissions. This filing reduces the cost per block from \$4.00 to \$3.00 for every 400 pounds of CO2 Offset.

Customer participation in the Carbon Offset Service over the last two years has increased by 56%, while retaining 87% of customers. Based on current growth trends, PSE is anticipating continued participation growth of 20,000 customers over the next five years. The participation has grown from just under 150 in 2011 to 1,299 in 2013 and from there has grown to 7,507 year-to-date in 2019. Given this past and future growth, in order to give current and future customers certainty that they can continue to purchase Carbon Offsets from PSE, PSE is proposing to eliminate the end-date in the availability section of the tariff schedule, and other associated

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changes. This will also give PSE the certainty to invest in long-term Carbon Offsets projects either created or obtained by PSE.

These rate reductions represent lower relative administrative costs due to increased customer participation. The proposed rates better reflect both current program expenses and [near-term] future expenses, and will manage program reserves and allow for the funding of marketing programs to promote the service while still offering customers price predictability.

The tariff sheets described herein reflect an issue date of January 8, 2020, and an effective date of February 29, 2020. Posting of proposed tariff changes, as required by WAC 480-90-193, is being made by posting the proposed tariff sheets on the PSE web site immediately prior to or coincident with the date of this transmittal letter in accordance with WAC 480-90-193(1).

This tariff change for this optional service does not increase charges or restrict access to services. Therefore, notice of proposed tariff change, as required by law and the Commission's rules and regulations (including WAC 480-90-195(3)), is being given to the public 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.

Please contact Veronica Martin at veronica.martin@pse.com or (425) 457-5624 for additional information about this filing. If you have any other questions please contact me at (425) 456-2142.

Sincerely,

/s/ Jon Piliaris

Jon Piliaris
Director, Regulatory Affairs
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cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie

Attachment:
Natural Gas Tariff Sheets, listed above
Workpapers