



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

November 29, 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. 2016-33
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 revisions to the WN U-2 tariff for natural gas service of Puget Sound Energy (“PSE”).

- 8th Revision of Sheet No. 1132 - Schedule 132 – Merger Rate Credit
- 9th Revision of Sheet No. 1132-A - Schedule 132 – Merger Rate Credit (Continued)

The purpose of this filing and the electric tariff filing being submitted coincident with this filing is to submit the annual update to the rates passing through the Merger Rate Credit which is required as part of the Multiparty Settlement Stipulation in Docket No. U-072375. The Multiparty Settlement Stipulation is Attachment A to Order No. 8 in Docket No. U-072375. The Merger Rate Credit (Transaction Commitment number 34) is a commitment to provide rate credits of \$100 million over a 10-year period (\$10 million per year for 10 years). Of those rate credits \$1.2 million is fully offset by savings which PSE has realized which are associated with de-listing from the New York Stock Exchange resulting in a pass through under this schedule of a credit of \$8.8 million per year, allocated between natural gas and electric customers.

As stated each year, and in PSE’s initial filing of this schedule, and as reflected in Section 8 of this schedule (see Sheet 1132-A), notice will be provided in accordance with WAC 480-90-195(3) in the manner PSE posts tariffs under WAC 480-90-193. This provision was included because the rates filed each year in Schedule 132 are credits based on the fixed amount of the Merger Rate Credit spread to all customers based on projected load (plus true-up). Projected load was expected to increase each year resulting in the credit rates declining, the impact of which is a net increase to customer bills.

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However, PSE will also provide customers a published notice of the change since a published notice is required for other rates that also become effective on January 1, 2017. This filing represents an overall decrease of \$107,521 in the amount of the credit and therefore a 0.003 percent increase to total bills. Some schedules will see a slight decrease or no change in rates.

The tariff sheets described herein reflect an issue date of November 29, 2016, and an effective date of January 1, 2017. This filing will be published by posting the change on the PSE web site immediately prior to, or coincident with the date of this transmittal letter and making information available by telephone and mail, all in accordance with WAC 480-90-193(1).

Please contact Julie Waltari at (425) 456-2945 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: Lisa Gafken, Public Counsel
Ed Finklea, NWIGU
Sheree Carson, Perkins Coie