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***Filed Via Web Portal***

Mr. Mark L. Johnson, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, WA 98504-7250

**Re: Advice No. 2019-23  
PSE's Natural Gas Tariff Filing**

Dear Mr. Johnson,

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):  
6<sup>th</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 PG-170693 approved PSE's 2017-2019 Pipeline Replacement Program Plan ("PRPP"). This year PSE has submitted coincident with this filing, a new two-year PRPP for replacement of facilities that could pose an elevated risk of failure. Capital costs associated with facilities that are consistent with the 2017 PRPP are being submitted in this CRM to recover the costs for the period of November 1, 2018 through October 31, 2019. This CRM filing also includes the true-up of the forecasted October 2018 costs from last year's CRM filing under UG-180514 to actual costs. An attachment and work paper supporting this proposal are included in the filing.

As provided in the Policy Statement, this filing reflects actual costs from November 1, 2018, through April 30, 2019, and projected costs from May 1, 2019 through October 31, 2019. The Policy Statement provides that each company will update the projected costs with actual costs incurred for the months of May through July. PSE expects to submit such an update concurrent

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with its 2019 Purchased Gas Adjustment filing which is planned for mid-September of 2019 and to revise the rates on the enclosed tariff sheet to reflect the updated costs.

This preliminary proposal represents an overall increase in revenue of \$6.5 million or 0.7% in overall bills for all natural gas customers. The typical residential customer using 64 therms per month will experience an increase of \$0.42 per month.

The tariff sheet described herein reflects an issue date of May 31, 2019, and an effective date of November 1, 2019. 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 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, 2019 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 Susan Free at (425) 456-2105 or Julie Waltari at (425) 456-2945 for additional information about this filing. If you have any other questions, please contact me at (425) 456-2142.

Sincerely,

*/s/ Jon Piliaris*

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cc: Lisa Gafken, Public Counsel  
Sheree Carson, Perkins Coie

Attachments: Natural Gas Tariff Sheet (listed above)  
Work Paper  
Attachment A