



Puget Sound Energy
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September 17, 2018

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

Re: Pipeline Replacement Cost Recovery Mechanism Update in Accordance with the
Commission Policy Statement in Docket UG-120715, originally filed under
Advice No. 2018-28 - Natural Gas Tariff Filing - Docket UG-180514
Do Not Redocket

Dear Mr. Johnson:

Puget Sound Energy (“PSE”) hereby submits an update to rates under its natural gas
Supplemental Schedule 149, Cost Recovery Mechanism for Pipeline Replacement (“CRM”), 5th
Revision of Sheet No. 1149.

The CRM was originally filed on June 1, 2018, under PSE’s Advice Number 2018-28 and was
assigned Docket UG-180514. In accordance with the Commission’s Policy Statement in Docket
UG-120715 (“Policy Statement”) PSE submits three CRM filings each year:

1. The initial June filing contained 1) actual costs through April 2018, 2) forecast amounts through October 2018, 3) and the true up to actuals for the forecasted October 2017 costs, from last year’s CRM filing under Docket UG-170692.
2. This September filing updates the projected costs from the initial filing to actual amounts for the May 2018 through July 2018 period and updates the forecast for the August through October 2018 period.
3. The third and final filing, the timing of which is discussed below, will update the projected costs from this September filing to actual amounts for the August 2018 through September 2018 period and updates the forecast for the month of October 2018.

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In accordance with the Policy Statement, PSE expects to provide the final filing as soon as September data is available which is expected to be around October 15, 2018, and will include a replacement of the originally filed tariff based on the data in the final update.

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, 2018, effective date of that filing. Since that notice must occur by October 2, 2018, which is prior to the date of the final update of CRM costs, the notice will reflect the revenue requirement reflected in this update.

The Policy Statement provides that the final update of costs be submitted under the PGA docket for the year. As the CRM filings are already submitted under their own dockets, PSE has made this update filing during the same period as its PGA filing (Advice No. 2018-38) and will reflect the effects of the PGA and the CRM in a combined notice to effectuate the intent of the Policy Statement.

The effect of the CRM, including the enclosed update of costs, is an overall increase of \$4,296,188 or 0.5% in annual revenues. The impact of this update for the typical residential customer using 64 therms per month is an increase of \$0.28 or 0.4%.

Please contact Kathie Barnard at (425) 462-3716 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

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

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