

# Notice of requested changes to PSE rates and public hearings



On June 20, 2019, we filed a general rate case with the Washington Utilities and Transportation Commission (UTC) requesting an adjustment to electric and natural gas rates.

The UTC has the authority to approve rates which may be higher or lower than our request. New rates are expected to become effective upon completion of the UTC's 11-month examination of our proposed rates in May 2020.

## We have requested the following:

- Electric Service—an overall 6.9 percent increase in rates generating an additional \$139.5 million in revenue. Residential customers would see an overall average 7.7 percent increase.
- Natural Gas Service—an overall 7.9 percent increase in generating an additional \$65.5 million in revenue. Residential customers would see an overall average 7.5 percent increase.

## PSE requests rate adjustments for the following reasons:

- Investments in technology systems such as self-service tools that allow customers to interact with PSE at their convenience.
- Accommodate increasing levels of residential solar, battery storage and electric vehicles with electric infrastructure investments, cost recovery of electric depreciation expenses.
- Improved reliability with natural gas infrastructure investments, cost recovery of natural gas depreciation expenses.

The electric and natural gas requests are based on a proposed rate of return (ROR) on rate base of 7.62% with a common equity ratio of 48.5% and a 9.8% return on equity (ROE). Customers pay for these returns in order to service debt expenses and provide the opportunity for shareholders to earn a fair return on their investment.

## Effects of proposed rate changes for residential electric and natural gas service

| Electric service for the average residential customer (using 900 kilowatt hours of electricity per month) | Current        | Proposed (eff. May 2020) | Percent change |
|-----------------------------------------------------------------------------------------------------------|----------------|--------------------------|----------------|
| Kilowatt-hour charge for 0–600 kWh                                                                        | \$0.085471     | \$0.085323               |                |
| Kilowatt-hour charge for > 600 kWh                                                                        | \$0.104432     | \$0.123075               |                |
| Basic charge                                                                                              | \$7.49         | \$7.49                   |                |
| <b>Total average bill at 900 kWh per month</b>                                                            | <b>\$90.10</b> | <b>\$95.61</b>           | <b>6.12%</b>   |

  

| Natural gas service for the average residential customer (using 64 therms of natural gas per month) | Current        | Proposed (eff. May 2020) | Percent change |
|-----------------------------------------------------------------------------------------------------|----------------|--------------------------|----------------|
| Therm charge                                                                                        | \$0.75132      | \$0.82126                |                |
| Basic charge                                                                                        | \$11.52        | \$11.52                  |                |
| <b>Total average bill at 64 therms per month</b>                                                    | <b>\$59.60</b> | <b>\$64.08</b>           | <b>7.52%</b>   |

For the effect of the proposed changes on other types of electric and natural gas services, visit [pse.com/ratecase](http://pse.com/ratecase).

Residential and small business customers are represented in this case by the Public Counsel Unit of the Washington Office of the Attorney General.

## Public hearing dates and locations

You may comment on the requested changes to electric and natural gas rates at a public hearing held by the UTC at the locations listed below. Commenters may also call into the Jan. 7 hearing.

### Tuesday, Jan. 7, 2020, at 6 p.m.

UTC - Richard Hemstad Hearing Room  
621 Woodland Square Loop S.E.  
Lacey, WA 98503

Jan. 7 call in option: You can participate by phone by calling **1-360-407-3810** and entering conference ID number 9524028 at the prompt, or via Skype by visiting <https://lync.wa.gov/utc.wa.gov/meet/aldcalendar/12K3FDC0>. If you plan to participate by phone or Skype, please call **1-888-333-9882** at least one day before the hearing so you can be signed in. Failure to call in advance will not preclude you from calling the day of the hearing.

### Wednesday, Jan. 22, 2020, at 6 p.m.

Bellevue City Hall Council Chamber  
Room 1E-126  
450 110th Ave N.E.  
Bellevue, WA 98004  
Free parking available in parking garage

## Other ways to comment on the proposed rates

Online: [utc.wa.gov/comment](http://utc.wa.gov/comment)  
Email: [comments@utc.wa.gov](mailto:comments@utc.wa.gov)  
Phone: **1-888-333-WUTC (9882)**  
U.S. mail: WUTC  
P.O. Box 47250  
Olympia, WA 98504

In your comments, please reference Dockets UE-190529 (electric service) and UG-190530 (natural gas service).

The UTC is committed to providing reasonable accommodation to participants with disabilities. If you need reasonable accommodation, please contact the Commission at **1-360-664-1132** or [human\\_resources@utc.wa.gov](mailto:human_resources@utc.wa.gov).

Email: [utility@atg.wa.gov](mailto:utility@atg.wa.gov)

To contact PSE about the rate change proposals:

Email: [customercare@pse.com](mailto:customercare@pse.com)  
U.S. mail: Puget Sound Energy  
Customer Care  
P.O. Box 97034  
Bellevue, WA 98009-9734

## Overall proposed rate changes for electric and natural gas service, by rate schedule

| Electric schedule | Type of service                            | Current average rate per kWh | Proposed average rate per kWh | Percent change*     |
|-------------------|--------------------------------------------|------------------------------|-------------------------------|---------------------|
| 7                 | Residential                                | \$0.102328                   | \$0.110175                    | 7.67 increase       |
| 24                | Secondary voltage (50 kW or less)          | \$0.103786                   | \$0.111151                    | 7.10 increase       |
| 25, 11, 7A        | Secondary voltage (over 50 kW to 350 kW)   | \$0.092827                   | \$0.097896                    | 5.46 increase       |
| 26, 12, 26P       | Secondary or primary voltage (over 350 kW) | \$0.087085                   | \$0.091708                    | 5.31 increase       |
| 29                | Seasonal irrigation & drainage pumping     | \$0.074110                   | \$0.078538                    | 5.98 increase       |
| 31, 10            | Primary voltage limited                    | \$0.083957                   | \$0.090016                    | 7.22 increase       |
| 35                | Primary voltage irrigation                 | \$0.055138                   | \$0.062087                    | 12.60 increase      |
| 43                | Interruptible total electric schools       | \$0.090401                   | \$0.098678                    | 9.16 increase       |
| 46                | High voltage interruptible                 | \$0.069462                   | \$0.072745                    | 4.73 increase       |
| 49                | High voltage general service               | \$0.068161                   | \$0.071316                    | 4.63 increase       |
| 50-59             | Lighting (area & street)                   | \$0.244787                   | \$0.266709                    | 8.96 increase       |
| 449, 459          | Choice/retail wheeling                     | \$0.005945                   | \$0.005983                    | 0.64 increase       |
|                   | Special Contracts                          | \$0.026093                   | \$0.022897                    | 12.25 decrease      |
| <b>Overall</b>    |                                            |                              |                               | <b>6.9 increase</b> |

\* Represents overall average increase without specific energy use amount.

| Natural gas schedule | Type of service                            | Current average rate per therm | Proposed average rate per therm | Percent change*     |
|----------------------|--------------------------------------------|--------------------------------|---------------------------------|---------------------|
| 23, 53               | Residential                                | \$0.92781                      | \$0.99775                       | 7.54 increase       |
| 31                   | Commercial and industrial                  | \$0.77165                      | \$0.86289                       | 11.82 increase      |
| 41                   | Large volume                               | \$0.57401                      | \$0.57644                       | 0.42 increase       |
| 85                   | Interruptible                              | \$0.40123                      | \$0.41179                       | 2.63 increase       |
| 86                   | Limited interruptible                      | \$0.52951                      | \$0.51091                       | 3.51 decrease       |
| 87                   | Non-exclusive interruptible                | \$0.33694                      | \$0.34632                       | 2.78 increase       |
| 31T                  | Commercial and industrial transportation   | \$0.68112                      | \$0.77618                       | 13.96 increase      |
| 41T                  | Large volume transportation                | \$0.21864                      | \$0.22651                       | 3.60 increase       |
| 85T                  | Interruptible transportation               | \$0.10296                      | \$0.11554                       | 12.21 increase      |
| 86T                  | Limited-interruptible transportation       | \$0.21799                      | \$0.20816                       | 4.51 decrease       |
| 87T                  | Non-exclusive interruptible transportation | \$0.04068                      | \$0.04824                       | 18.58 increase      |
| 16                   | Gas lighting                               | \$0.89833                      | \$0.96818                       | 7.77 increase       |
|                      | Special Contracts                          | \$0.05115                      | \$0.04908                       | 4.04 decrease       |
| 71, 72, 74           | Rentals                                    | \$16.00 per month              | \$13.73 per month               | 14.20 decrease      |
| <b>Overall</b>       |                                            |                                |                                 | <b>7.9 increase</b> |

\* Represents overall average increase without specific energy use amount.