Dear Mr. Johnson:

Puget Sound Energy (“PSE”) hereby submits proposed revisions to its Schedule 120, Natural Gas Conservation Service Rider. This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, proposes revisions in the following natural gas tariff sheet.

WN U-2 - (Natural Gas Tariff):
25th Revision of Sheet No. 1120 – Supplemental Schedule 120, Natural Gas Conservation Service Rider

The purpose of this filing is to implement changes to rates under the conservation rider mechanism, as provided in Exhibit F to the Settlement Stipulation Agreement approved by the Commission in Dockets UE-011570 and UG-011571. Specifically, the purpose of this filing is to change the Natural Gas Conservation Service Rider charges in order to reflect actual costs and collections over the past years for conservation programs and the estimated expenditures during the 2020 program year. Overall, this proposal represents an increase in the conservation revenue requirement of $3.0 million which results in an average 0.4% increase in customers’ bills. Firm sales service schedules for natural gas service are affected by this increase. There is no impact to customers taking transportation service under Schedules 31T, 41T, 85T, 86T, 87T and special contracts, as they are not billed under the Natural Gas Conservation Service Rider. The typical residential customer using 64 therms per month would experience an increase to their monthly bill of $0.23.

The target level for acquisition of natural gas energy efficiency resources for the two-year period 2020 and 2021 is 7.77 million therms of first-year savings, reported at the customer meter. This target was set after being discussed with the Conservation Resource Advisory Group (“CRAG”) and was presented to the Commission in Docket UG-190913.
The 2020 Energy Efficiency natural gas budget, included in the attached work papers as “2020 Budget (Rvsd) UE-190905”\(^1\) reflects a revised Portfolio total that differs from the originally-filed 2020-2021 Biennial Conservation Plan (“BCP”), in Docket UG-190913. During PSE’s Schedule 120 filing preparation, it was discovered that there were two missing spreadsheet links in the Program Support sector. When the links were corrected, the result was a $195,690 variance: $17,203,342 in the original filing, and $17,399,032\(^2\) in the aforementioned work papers spreadsheet.

PSE is preparing for its April 15 revised 2020-2021 conservation petition filing.\(^3\) The updated and correct Exhibit 1 budget amounts will be included, and will reflect not only the expected budgets required to achieve additional savings, but also the corrected budget figures.

The tariff sheet described herein reflects an issue date of February 28, 2020, and effective date of May 1, 2020. Posting of proposed tariff changes, as required by WAC 480-90-193, is being accomplished by posting the proposed tariff sheet on the PSE web site coincident with the date of this transmittal letter. Notice to the public under the provisions of WAC 480-90-194 will be provided within 30 days of the requested May 1, 2020 effective date.

Please contact Veronica Martin at (425) 457-5624 or veronica.martin@pse.com, or Julie Waltari at (425) 456-2945 or julie.waltari@pse.com for additional information about this filing. If you have any other questions, please contact me at (425) 456- 2142.

Sincerely,

\( /s/ \) Jon A. Piliaris

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\(^1\) This spreadsheet is an extract of PSE’s BCP Exhibit 1: Savings and Budgets.

\(^2\) This is the total budgeted expenditure figure before adding “Anticipated Updated BCP Costs” in “2020 Budget (Rvsd) UE-190905”). Other than the noted error, there is no increase in the natural gas 2020-2021 budgets resulting from the incorporation of CETA requirements.

\(^3\) Consistent with the Commission’s condition (1)(b) in Attachment A of Order 01 in Docket UE-190905, PSE filed a 2020-2021 Biennial Conservation Plan that did not incorporate some requirements of CETA: primarily the incorporation of the social cost of greenhouse gas emissions. Condition (1)(b) requires PSE to submit an updated 2020-2021 electric target that incorporates the social costs of greenhouse gas emissions by April 15, 2020.
cc:  Lisa Gafken, Public Counsel  
Sheree Carson, Perkins Coie  
Ed Finklea, NWIGU

Attachments:  
Natural Gas Tariff Sheet, listed above  
Revenue Requirement Work Papers  
Cost of Service Work Papers
SUPPLEMENTAL SCHEDULE 120
Natural Gas Conservation Service Rider

1. **Applicability**: Throughout territory served, to all firm and interruptible gas sales service Customers.

2. **Purpose**: This Schedule implements surcharges to collect costs incurred in providing service under Schedule 183 and gas Conservation Service Schedules numbered between 200 and 299.

3. **Rate**:

   1. The rates of gas sales service schedules listed in this paragraph will be adjusted as shown in all blocks of these rate schedules.
      a. For firm sales service Schedules 23, 31, 41 and 53, a charge of .................................................. $0.02179 per therm (I)
      b. For gas lighting service under rate Schedule 16, a charge of .................................................. $0.41 per mantle (I)
      c. For interruptible sales service Schedules 85, 86 and 87, a charge of .................................................. $0.01830 per therm (I)

   2. The rates named herein are subject to increase as set forth in Schedule 1.

4. **Adjustments**: Charges under this schedule and charges under the schedules for natural gas sales and transport service to which the surcharge in the Rate section above applies, are subject to adjustment by such other schedules in this tariff as may apply.

5. **General Rules and Provisions**: Service under this schedule is subject to the Rules and Regulations contained in this tariff as they may be modified from time to time.

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**Issued**: February 28, 2020  **Effective**: May 1, 2020
**Advice No.**: 2020-06
**Issued By Puget Sound Energy**

By: Jon Piliaris  **Title**: Director, Regulatory Affairs