



Puget Sound Energy  
P.O. Box 97034  
Bellevue, WA 98009-9734  
[pse.com](http://pse.com)

January 29, 2025

***Filed Via Web Portal***

Jeff Killip, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
621 Woodland Square Loop SE  
Lacey, WA 98503

RE: **Advice No. 2025-05**  
**Natural Gas Tariff Filing - Filed Electronically**

Dear Executive Director Killip:

Pursuant to RCW 80.28.060 and Chapter 480-80 WAC, please find enclosed for filing the following proposed revision to the WN U-2, tariff for natural gas service of Puget Sound Energy (“PSE”).

WN U-2

**5<sup>th</sup> Revision of Sheet No. 154-AA: Schedule 54, Attachment A - CNG Pricing Model**  
**Original Sheet No. 154-AB: Schedule 54, Attachment A - CNG Pricing Model**

The purpose of this filing is to update the Schedule 54 CNG Pricing Model (“Model”), which is represented as Attachment A to the schedule, to reflect the overall rate of return and capital structure as set forth in Orders 09/07 of the consolidated Dockets UE-240004 and UG-240005 and UE-230810 for the rate year through January 28, 2026, and the rate year starting January 29, 2026, and other inputs of the Model.

The following table summarizes the changes in factors or rates from the current Model, which became effective on March 1, 2023, and the proposed Models for the two rate years.

Factor/Rate	Current Model	Proposed Model Through 1/28/2026	Proposed Model Starting 1/29/2026
Sales Tax: City of Bellevue	10.1%	10.2%	10.2%
Revenue Sensitive Items Adjustment Factor	1.3190%	1.2881%	1.2881%
Property Taxes	0.400%	0.333%	0.333%
Authorized Rate of Return	7.16%	7.52%	7.64%
Fuel Energy Content (Therms per DGE)*	1.380	1.380	1.380

Jeff Killip, Executive Director and Secretary  
Advice No. 2025-05  
January 29, 2025

PROPOSED

Page 2 of 2

The tariff sheets described herein reflects an issue date of January 29, 2025, and an effective date of March 1, 2025. Posting of the proposed tariff change, as required by law and the Commission's rules and regulations, is being completed in accordance with WAC 480-90-193(1). No additional public notice is required under the provisions of WAC 480-90-194 or -195. A new Schedule 54 customer will be provided notice of their individual pricing prior to receiving PSE's gas compression service.

Please contact Mei Cass at [Mei.Cass@pse.com](mailto:Mei.Cass@pse.com) for additional information about this filing. If you have any other questions please contact me at [Birud.Jhaveri@pse.com](mailto:Birud.Jhaveri@pse.com).

Sincerely,

*/s/ Birud D. Jhaveri*

Birud D. Jhaveri  
Director, Regulatory Affairs  
Puget Sound Energy  
PO Box 97034, BEL10W  
Bellevue, WA 98009-9734  
[Birud.Jhaveri@pse.com](mailto:Birud.Jhaveri@pse.com)

cc: Tad O'Neill, Public Counsel  
Sheree Carson, Perkins Coie

Attachments:  
Natural Gas Tariff Sheets, listed above  
Work Papers

PROPOSED

WN U-2

**PUGET SOUND ENERGY  
 Natural Gas Tariff**

**SCHEDULE 54  
 Attachment A – CNG Pricing Model**

Through January 28, 2026:

(C)



WN U-2  
 Advice No. 2025-05  
 Issued: 1/29/2025  
 Effective: 3/1/2025  
 Version 05

Schedule 54 Attachment A: CNG Pricing Model - Calculation of CNG Contracted Volume Compression Charge and Incremental O&M Charge  
 Please enter inputs in the cells in Bold Green Font and click "CALCULATE" when done.

EXPECTED YEARS OF REVENUE: (Years)	20														
REVENUE YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
COMPRESSION STATION CAPITAL COST (As detailed in Exhibits B and D of Schedule 54 Service Agreement)	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ANNUAL STATION O&M COST (As detailed in Exhibits B and D of Schedule 54 Service Agreement)	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$0	\$0	\$0	\$0	\$0
TOTAL NO. OF VEHICLES	7	14	20	20	20	20	20	20	20	20	20	20	20	20	20
ANNUAL FLEET USAGE (THERMS)	182,895	365,360	521,986	521,986	521,986	521,986	521,986	521,986	521,986	521,986	521,986	521,986	521,986	521,986	521,986

TARGET ROR 7.52%

ROR W/  
CNG  
CHARGE  
7.52%

CNG FIXED CHARGE \$161,337

CNG VOLUMETRIC CHARGE \$0.34000

CONTRACTED VOLUME COMPRESSION CHARGE - CUSTOMER PAYMENT OPTION			
FIXED MONTHLY PAYMENT FOR 20 YEARS	PER MONTH:	<b>\$13,445</b>	OR
	PER THERM UP TO MONTHLY CONTRACTED VOLUME	<b>\$0.34000</b>	

CONTRACTED VOLUME COMPRESSION CHARGE IS AN ADDITION TO OTHER CNG CHARGES AND THE NATURAL GAS DISTRIBUTION, TRANSPORTATION AND APPLICABLE COMMODITY CHARGES.

INCREMENTAL O&M CHARGE			
UNIT PRICE PER THERM	<b>\$0.20</b>	WITH SALES AND REVENUE TAXES	PER THERM FOR THERMS EXCEEDING THE MONTHLY CONTRACTED VOLUME
			<b>\$0.22324</b>

INCREMENTAL O&M CHARGE IS AN ADDITION TO OTHER CNG SERVICE CHARGES AND THE NATURAL GAS SERVICE CHARGES.

FLEET INFORMATION (As detailed in Exhibit A of Schedule 54 Service Agreement)								Therms/DGE: 1,380	
Vehicle Type e.g. Delivery Truck - Class 7	No. of Vehicles	CNG Fueling Start Year	Vehicle CNG Mileage (mi/DGE)	Estimated Miles per Year	Annual CNG Use/Vehicle (DGE)	Total Annual CNG Use (DGE)	Total Annual CNG Use (therms)		
Delivery Truck - Class 7	7	1	4,23	80,000	18,913	132,385	182,655		
Delivery Truck - Class 7	7	2	4,23	80,000	18,913	132,385	182,655		
Delivery Truck - Class 7	6	3	4,23	80,000	18,913	113,475	156,589		
					-	-	-		
					-	-	-		
					-	-	-		
					-	-	-		
					-	-	-		
					-	-	-		
					-	-	-		
					-	-	-		
					-	-	-		
					-	-	-		
					-	-	-		

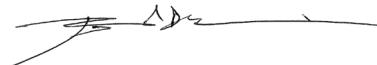
This model will be updated to reflect changes in the following factors and rates as they may change from time to time.

**Definitions and Effective Factors:**  
 CNG: Compressed Natural Gas  
 DGE: Diesel Gallon Equivalent  
 Sales Tax: City of Bellevue as of 1/2023 10.2%  
 Revenue Sensitive Items Adjustment Factor 1.2881%  
 Property Taxes Annual 0.333%  
 Authorized Rate of Return 7.520%  
 Fuel Energy Content (Therms per DGE)\* 1,380  
 \*Source: Heat Content for Low-sulfur diesel 138,700 Btu/gal (gross)  
 Page B-4 of the Transportation Energy Data Book: Edition 40, Appendix B, prepared and published by Oak Ridge National Laboratory (ORNL) under contract with the U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, Vehicle Technologies Program. [https://tedb.ornl.gov/wp-content/uploads/2022/03/TEdB\\_Ed\\_40.pdf](https://tedb.ornl.gov/wp-content/uploads/2022/03/TEdB_Ed_40.pdf)

(C)

Issued: January 29, 2025  
 Advice No.: 2025-05

Effective: March 1, 2025

Issued By Puget Sound Energy  
 By:  Birud D. Jhaveri Title: Director, Regulatory Affairs

**PUGET SOUND ENERGY  
Natural Gas Tariff**

**SCHEDULE 54  
Attachment A – CNG Pricing Model**

(N)

**Beginning January 29, 2026:**



WN U-2  
Advice No. 2025-05  
Issued: 1/29/2025  
Effective: 1/29/2026  
Version: 06

**Schedule 54 Attachment A: CNG Pricing Model - Calculation of CNG Contracted Volume Compression Charge and Incremental O&M Charge**  
Please enter inputs in the cells in **Bold Green Font** and click "CALCULATE" when done.

EXPECTED YEARS OF REVENUE: (Years) **20**

REVENUE YEAR	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
COMPRESSION STATION CAPITAL COST (As detailed in Exhibits B and D of Schedule 54 Service Agreement)	\$1,000,000	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
ANNUAL STATION O&M COST (As detailed in Exhibits B and D of Schedule 54 Service Agreement)	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$0	\$0	\$0	\$0	\$0
TOTAL NO. OF VEHICLES	7	14	20	20	20	20	20	20	20	20	20	20	20	20	20
ANNUAL FLEET USAGE (THERMS)	182,666	365,330	521,988	521,988	521,988	521,988	521,988	521,988	521,988	521,988	521,988	521,988	521,988	521,988	521,988

TARGET ROR 7.64%

ROR W/  
CNG  
CHARGE  
7.64%

CNG FIXED CHARGE \$162,453

CNG VOLUMETRIC CHARGE \$0.35000

CONTRACTED VOLUME COMPRESSION CHARGE - CUSTOMER PAYMENT OPTION			
FIXED MONTHLY PAYMENT FOR 20 YEARS	PER MONTH: \$13,538	OR	PER THERM UP TO MONTHLY CONTRACTED VOLUME: \$0.35000

CONTRACTED VOLUME COMPRESSION CHARGE IS AN ADDITION TO OTHER CNG CHARGES AND THE NATURAL GAS DISTRIBUTION, TRANSPORTATION AND APPLICABLE COMMODITY CHARGES.

INCREMENTAL O&M CHARGE			
UNIT PRICE PER THERM	\$0.20	WITH SALES AND REVENUE TAXES	PER THERM FOR THERMS EXCEEDING THE MONTHLY CONTRACTED VOLUME: \$0.22324

INCREMENTAL O&M CHARGE IS AN ADDITION TO OTHER CNG SERVICE CHARGES AND THE NATURAL GAS SERVICE CHARGES.

FLEET INFORMATION (As detailed in Exhibit A of Schedule 54 Service Agreement)						Therms/DGE: 1.380	
Vehicle Type e.g. Delivery Truck - Class 7	No. of Vehicles	CNG Fueling Start Year	Vehicle CNG Mileage (mi/DGE)	Estimated Miles per Year	Annual CNG Use/Vehicle (DGE)	Total Annual CNG Use (DGE)	Total Annual CNG Use (therms)
Delivery Truck - Class 7	7	1	4.23	80,000	18,913	132,388	182,666
Delivery Truck - Class 7	7	2	4.23	80,000	18,913	132,388	182,666
Delivery Truck - Class 7	6	3	4.23	80,000	18,913	113,475	156,566
					-	-	-
					-	-	-
					-	-	-
					-	-	-
					-	-	-
					-	-	-
					-	-	-
					-	-	-
					-	-	-

This model will be updated to reflect changes in the following factors and rates as they may change from time to time.

**Definitions and Effective Factors:**  
 CNG: Compressed Natural Gas  
 DGE: Diesel Gallon Equivalent  
 Sales Tax: City of Bellevue as of 1/2023 10.2%  
 Revenue Sensitive Items Adjustment Factor 1.2881%  
 Property Taxes Annual 0.333%  
 Authorized Rate of Return 7.640%  
 Fuel Energy Content (Therms per DGE)\* 1.380

\*Source: Heat Content for Low-sulfur diesel 138,700 Btu/gal (gross) Page B-4 of the Transportation Energy Data Book: Edition 40, Appendix B, prepared and published by Oak Ridge National Laboratory (ORNL) under contract with the U.S. Department of Energy, Office of Energy Efficiency and Renewable Energy, Vehicle Technologies Program. [https://teeb.ornl.gov/wp-content/uploads/2022/03/TEDB\\_Ed\\_40.pdf](https://teeb.ornl.gov/wp-content/uploads/2022/03/TEDB_Ed_40.pdf)

(N)

**Issued:** January 29, 2025  
**Advice No.:** 2025-05

**Effective:** March 1, 2025

**Issued By Puget Sound Energy**

By: Birud D. Jhaveri

**Title:** Director, Regulatory Affairs