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Thirty-First Revision of Sheet No. 4 Canceling Thirtieth Revision of Sheet No. 4

PUGET SOUND ENERGY NATURAL GAS TARIFF INDEX (Continued)

Supplemental Schedule No.

Sheet No.

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Thirty-Fourth Revision of Sheet No. 1101 Canceling Thirty-Third Revision of Sheet No. 1101

PUGET SOUND ENERGY **NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 101** Gas Cost Rates

Maximum P.S.E. Rate Effective at Date Ordered by Washington Utilities & Transportation Commission

> Section 1: Applicability Throughout territory served.

> > Section 2 : Purpose

To reflect the demand and commodity cost of gas applicable to each sales rate schedule on a unit-of-sales basis, from the most recent Purchased Gas Adjustment pursuant to Rule No. 26.

Section 3: Rate

P.S.E. WEIGHTED AVERAGE COST OF GAS

| Schedule No. | Demand Cost | Commodity Cost | Total Rate | Total Rate with Revenue Related Taxes | |
|----------------------------|-------------|----------------|-------------|---|-----|
| | ¢ per therm | ¢ per therm | ¢ per therm | ¢ per therm | |
| (a) | (b) | (C) | (d)=(b)+(c) | (e)=(d) *1.045199 | |
| Residential | | | | | |
| 23 | 12.647 | 56.214 | 68.861 | 71.973 | |
| 16* | \$2.40* | \$10.68* | \$13.08* | \$13.67* | |
| Commercial & Industrial | | | | | |
| 31 | 12.092 | 56.214 | 68.306 | 71.393 | (D) |
| 41 | 3.945 | 56.214 | 60.159 | 62.878 | ζ, |
| Large Volume | | | | | |
| 85 | 7.051 | 56.214 | 63.265 | 66.125 | |
| 86 | 7.465 | 56.214 | 63.679 | 66.557 | |
| 87 | 6.885 | 56.214 | 63.099 | 65.951 | |
| | | | | | |

*for Schedule No.16, cost is in dollars per month per mantle at 19 therms per mantle per month.

The rates named herein are subject to increases as set forth in Schedule No. 1.

(Continued on Sheet No. 1101-A)

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Thirty-Seventh Revision of Sheet No. 1106 Canceling Thirty-Sixth Revision of Sheet No. 1106

PUGET SOUND ENERGY NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 106 **Deferred Account Adjustment**

Section 1: Applicability Throughout territory served.

Section 2: Purpose

To return to current sales service customers the net of those amounts generated by application of refunds and surcharges from purchased gas costs.

Section 3: Rate

The rates of firm gas service schedules listed in this paragraph are to be adjusted as 1. shown in all blocks of these rate schedules, including its application to minimum charges related to therms if the increase thereby is 0.5¢ or greater. Dete with revenue

| | | Rate with revenue | | |
|----|----------------------|--------------------|---------------|-----|
| | | Rate before taxes | related taxes | |
| | | <u>¢ per therm</u> | ¢ per therm | |
| а. | Rate Schedule No. 23 | (1.718) | (1.796) | |
| b. | Rate Schedule No. 31 | (1.802) | (1.883) | (D) |
| C. | Rate Schedule No. 41 | (3.028) | (3.165) | |
| | | | | |

2. The charge for gas lighting service under Rate Schedule No. 16 is to be adjusted per month per mantle as shown.

| | | per month per mantle | per month per mantle |
|----|----------------------|----------------------|----------------------|
| a. | Rate Schedule No. 16 | (\$0.33) | (\$0.34) |

The rates for interruptible gas service schedules listed in this paragraph are to be adjusted 3. as shown in all blocks. Minimum charges to remain as is.

| | | <u>¢ per therm</u> | <u>¢ per therm</u> |
|----|----------------------|--------------------|--------------------|
| а. | Rate Schedule No. 85 | (2.561) | (2.677) |
| b. | Rate Schedule No. 86 | (2.498) | (2.611) |
| C. | Rate Schedule No. 87 | (2.586) | (2.703) |

The rates named herein are subject to increases as set forth in Schedule No. 1. 4.

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Original Sheet No. 1137

PUGET SOUND ENERGY NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 137 Carbon Offset Pilot

Section 1: Availability

- Service under this schedule is available to all natural gas Customers as an option designed to provide Customers an opportunity to balance out the environmental impact of greenhouse gas emissions from their natural gas use by purchasing shares of a Carbon Offset. Service is on a continuing month to month basis unless terminated as provided herein.
- Participating Customers will support the development of greenhouse gas emission reduction and capture projects. Reducing the concentration of greenhouse gases such as methane and carbon dioxide in the atmosphere is achieved, for example, through methanecapture and forestry management projects. Priority will be given to projects which are located in the Pacific Northwest.
- 3. Carbon Offset blocks under this program will be available for purchase April 1, 2011 and continue to April 1, 2013.

Section 2: Type of Service

Service under this schedule is provided through Carbon Offsets created or obtained by the Company for purchase by its Customers. All Carbon Offsets will be verified and nationally certified by a third-party entity.

Section 3: Monthly Rate

Customers may purchase an unlimited number of blocks at \$4.00 each.

One block equals 400 pounds of Carbon Dioxide Equivalent or approximately one fifth of one Carbon Offset. The charge for the number of blocks chosen in this program will be on the Customer's bill every month until terminated by the Customer.

The purchase of two blocks is equal to offsetting emissions associated with the average natural gas consumption of a residential home. The minimum monthly purchase for Residential Customers is one block, or \$4.00. The minimum monthly purchase for Commercial and Industrial Customers is two blocks, or \$8.00.

The monthly charge in this program is in addition to all other charges contained in the rate schedule under which the Customer receives service. The monthly charge for Carbon Offset blocks under this program will be applied to the Customer's billing regardless of actual natural gas usage.

(Continued on Sheet 1137-A)

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Original Sheet No. 1137-A

PUGET SOUND ENERGY NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 137 Carbon Offset Pilot (Continued)

Section 4: Enrollment

Customers are required to complete the Company's enrollment process to participate in this program. Initiation of service under this program will occur following acceptance and processing of the enrollment request by the Company. The Company may remove Customers from the program or refuse to enroll Customers who have not paid the Carbon Offset portion of their bill. Charges under this program are in addition to all other charges due for natural gas service to the Customer and shall be subject to all applicable charges such as taxes and late payment fee.

The Company will attempt to transfer a Customer's Carbon Offset choice and continue billing for Carbon Offset blocks when a Customer moves within the Company's natural gas service territory, however, a Customer may discontinue service under this schedule at any time in accordance with the "Termination By Customer" paragraph below.

Section 5: Termination By Customer

Customers are required to notify the Company prior to their desired termination date in this program. Termination of service under this program will follow receipt and processing of the termination request by the Company. Customers who close their account will be billed a prorated amount based on the termination date.

Section 6: Special Conditions of Service

- 1. The Company may limit Customer participation in this program to balance Customer demand with available Carbon Offsets created or obtained by the Company.
- 2. The Company shall forecast and plan to create or obtain Carbon Offsets to meet projected quantities purchased on an annual basis. The Company makes no guarantee of the duration of this pilot program or guarantee of any kind that this program will result in the development of any amount of greenhouse gas emission mitigation.

(Continued on Sheet 1137-B)

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Original Sheet No. 1137-B

PUGET SOUND ENERGY NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 137 Carbon Offset Pilot (Continued)

Section 7: Definitions

"Carbon Dioxide Equivalent" means the amount of other greenhouse gases such as methane that is equal to the global warming potential of one metric ton of carbon dioxide.

"Carbon Offset" is the unit that the Company creates or obtains in the marketplace that represents a verified amount of greenhouse gas reduction that is registered with a state, national, or international trading authority or exchange. One Carbon Offset equals one metric ton or 2,204.6 pounds of carbon dioxide or Carbon Dioxide Equivalent.

Section 8: Adjustments

Rates in this schedule are subject to adjustment by such other schedules in this tariff as may apply.

Section 9: General Rules and Provisions

Service under this schedule is subject to the General Rules and Provisions contained in this tariff.

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