



PUGET SOUND ENERGY

Puget Sound Energy, Inc.
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VIA ELECTRONIC E-mail and US MAIL

May 10, 2005

Washington Utilities and Transportation Commission
Attention: Mr. Tim Sweeney
P.O. Box 47250
Olympia, WA 98504-7250

RE: Docket P-041344 – Comments regarding Proposed Rules

Dear Mr. Sweeney:

Puget Sound Energy, Inc. ("PSE") appreciates the opportunity to provide comments in response to the Opportunity To Submit Written Comments On Proposed Rules dated April 22, 2005, in the Pipeline Fee Methodology Rulemaking in the above-noted docket. PSE offers the following comments.

PSE believes that the proposed rules represent a fair compromise of the divergent opinions expressed by the parties that have commented in this proceeding. However, as mentioned in earlier comments, PSE continues to believe that all costs should be allocated based on effort rather than allocating a portion of costs based on a company's miles of pipeline.

PSE offers the following specific comments in regards to WAC 480-75-240(2)(b)(ii): the use of the words "directly assigned" may be misinterpreted. Therefore, PSE offers the following suggested wording: "After deducting the commission's annual overhead charge, the remainder of the commission's annual pipeline safety program allotment will be allocated among companies in proportion to each company's share of the total program staff hours that are directly attributable (as reflected in the program's timekeeping system) to particular companies. The commission will determine each company's share by dividing the total hours directly attributable to the company during the two preceding fiscal years (as reflected in the program's timekeeping system) by the total of directly attributable hours for all companies over the same period." (inserted words are underlined). There are also other sections where "attributable" might replace "assigned".

PSE is grateful for the opportunity to comment and hopes that the comments will be of assistance to the Commission. If you have any questions regarding these comments or if we can be of any additional assistance, please contact Lynn Logen at (425) 462-3872.

Very truly yours,

Karl R. Karzmar
Director, Regulatory Relations