

PUGET SOUND ENERGY
SCHEDULE NO. 57 (Continued)

Distribution System Transportation Service (Firm and Interruptible)

Section 4: Service Agreement--Term and Notice, Sales Gas Service

- 1. Customers receiving service under this schedule must execute a service agreement for a period of not less than one year from the effective date of the agreement. The agreement shall state the maximum daily volume of gas to be transported. Following the initial year of service under this Schedule, the agreement shall require that the Company receive from the Customer:
 - a. A minimum of thirty day's notice to make any change in the agreement, to extend the agreement for one year or more, or to switch to sales service. Absent such notice, service will be provided without changes to the agreement for a period of one year and the agreement for that period will be executed as soon as possible. (N)
 - b. A Customer switching schedules must pay all conversion, migration and applicable gas costs. (N)

A conversion fee may be imposed by the Company for failure to provide the required notice to compensate the Company for costs of acquiring incremental supply and deliverability resources. Customers who require a return to sales gas service after taking transportation service for a minimum of one year but before the end of their transportation contract term will be subject to a conversion penalty rate for such sales service. The conversion rate shall apply for the duration of the unexpired term of the Customer's transportation service agreement and shall be composed of the applicable effective rate of the requested gas sales service rate schedule, plus fifty percent of the tariffed weighted average demand and commodity cost of gas (WACOG) for that rate schedule. (N)
- 2. Uncollected Gas Cost Adjustment for Migrating Customers --A Customer migrating service (completely or partially) from any of the Company's gas sales schedules to transportation service under this schedule or from this rate schedule to any of the Company's gas sales schedules will be subject to additional charges or credits representing that Customer's portion of under- or over- collected deferred gas costs at the time the Customer migrates. The Uncollected Gas Cost Adjustment for Migrating Customers is further described in Section 9 Paragraph 4 of this schedule.
- 3. A transportation Customer also contracting for gas sales service must specify in the service agreement the daily sales quantity required, expressed in therms, and the sales rate schedule elected.

(Continued on Sheet No. 157-B)

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