

EXHIBIT NO. ___(JKP-11)
DOCKET NO. UE-06 ___/UG-06 ___
2006 PSE GENERAL RATE CASE
WITNESS: JANET K. PHELPS

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

Docket No. UE-06 ___
Docket No. UG-06 ___

**TENTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF
JANET K. PHELPS
ON BEHALF OF PUGET SOUND ENERGY, INC.**

FEBRUARY 15, 2006

Addendum C
Puget Sound Energy's Proposed Natural Gas Tariff Sheets

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Twenty-Ninth Revision of Sheet No. 4
Canceling Original Sheet No. 1119 through 1119-C, and
Twenty-Eighth Revision of Sheet No. 4

PUGET SOUND ENERGY
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(C)

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(Continued on Sheet No. 4-A)

(C)

(K) Transferred to Sheet No. 4-A

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By:

Tom DeBoer

Tom DeBoer

Title: Director, Rates & Regulatory Affairs

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Original Sheet No. 4-A

PUGET SOUND ENERGY
INDEX TO NATURAL GAS RATE SCHEDULES (Continued)

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(Continued on Sheet No. 5) (M)

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Second Revision of Sheet No. 40-A
 Canceling
 First Revision of Sheet No. 40-A

PUGET SOUND ENERGY
 NATURAL GAS RULES AND REGULATIONS
 RULE NO. 26: Purchased Gas Adjustment Mechanism (Continued)

(T)

2. Adjustments under this rule may include:
- a. Commodity costs associated with the Company's
 - (1) acquisition of natural gas commodities from producers or marketers;
 - (2) withdrawal of natural gas from storage sources and;
 - (3) off-system sales, capacity releases and exchanges and; (C)
 - (4) wholesale market hedge program credit facility costs. (N)
 - b. Demand costs associated with
 - (1) demand charges for long-term and seasonal gas supplies and;
 - (2) pipeline transportation reservation charges, including, but not necessarily limited to United States or Canadian demand charges for transportation service, whether paid directly to a pipeline or incorporated as a component of charges paid to a producer or marketer;
 - (3) storage and LNG delivery and capacity demand charges;
 - (4) demand charges involving off-system sales and capacity releases.
3. The demand and commodity costs included in the gas cost rate will be determined on the basis of the Company's projected volumetric commodity purchase requirements for a twelve-month period. These projected costs will be based on reasonable and consistent methods of forward price forecasting and reflect anticipated material contract changes.
4. The PGA commodity cost will be calculated by dividing the projected total commodity costs by the projected total commodity sales volumes for the applicable forecast period. The result is then multiplied by the revenue adjustment factor. The PGA commodity charge change is derived by subtracting the new PGA commodity charge (prior to the revenue adjustment factor) from the existing PGA commodity charge (prior to the revenue adjustment factor).
5. The PGA demand cost will be calculated by dividing the projected total demand costs, as allocated to each rate schedule, by the projected total commodity sales volumes, or other consistent billing determinants for each rate schedule for the applicable forecast period. The result is then multiplied by the revenue adjustment factor. The PGA demand charge change is derived by subtracting the new PGA demand charge (prior to the revenue adjustment factor) from the existing PGA demand charge (prior to revenue adjustment factor).

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Fifth Revision of Sheet No. 116-A
Canceling
Fourth Revision of Sheet No. 116-A

PUGET SOUND ENERGY
NATURAL GAS SCHEDULE NO. 16 (Continued) (T)
General Gas Lighting and Street Lighting Service (Optional)

Section 4: Rate

1. Flat delivery charge per approved gas light mantle not more than three inches in height, or double mantles with orifice(s) sized to limit input to 3,000 Btu's per hour.
 - a. 1 to 4 @ \$13.56 each per month as specified above (I)
 - b. 5 to 9 @ \$12.56 each per month as specified above |
 - c. 10 or more @ \$11.56 each per month as specified above (I)
2. Gas Cost – per mantle per month, equal to the sum of the rates as shown on Supplemental Schedule No. 101 (Sheet No. 1101) and Supplemental Schedule No. 106.
3. The rates named herein are subject to adjustments as set forth in Schedule No. 1 and other supplemental schedules, when applicable.
4. The charge for this service shall not be subject to cancellation or reduction for seasonal or temporary periods.

Section 5: Payment

Bills are issued net, are due and payable when rendered, and become past due after fifteen days from date of bill.

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Fiftieth Revision of Sheet No. 123
Canceling
Forty-Ninth Revision of Sheet No. 123

PUGET SOUND ENERGY
NATURAL GAS SCHEDULE NO. 23
Residential General Service

(T)

Section 1: Availability

Throughout territory served to any residential Customer. Service under this schedule is provided on an annual basis

Section 2: General Rules and Regulations

Service under this schedule is subject to the rules and regulations contained in Company's tariff.

Section 3: Rate

1. For purposes of this rate, the measurement of service shall be expressed in therms, each equivalent to 100,000 British thermal units.
 - a. Customer charge per month: \$8.25 (I)
 - b. Delivery Charge: 31.615¢ All therms per month (I)
 - c. Gas Cost: All therms per month multiplied by the sum of the rates in ¢ per therm as shown on Supplemental Schedule No. 101 (Sheet No. 1101) and Supplemental Schedule No. 106.
2. The minimum bill per month shall be the customer charge. The minimum bill for this service shall not be subject to cancellation or reduction for seasonal or temporary periods.
3. The rates named herein are subject to adjustments as set forth in Schedule No. 1 and other supplemental schedules, when applicable.

Section 4: Payment

Bills are issued net, are due and payable when rendered, and become past due after fifteen days from date of bill.

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Forty-Fifth Revision of Sheet No. 131
Canceling
Forty-Fourth Revision of Sheet No. 131

PUGET SOUND ENERGY
NATURAL GAS SCHEDULE NO. 31
Commercial and Industrial General Service

(T)

Section 1: Availability

Throughout territory served for commercial or industrial Customers. Service under this schedule is provided on an annual basis.

Section 2: General Rules and Regulations

Service under this schedule is subject to the rules and regulations contained in Company's tariff.

Section 3: Rate

1. For purposes of this rate, the measurement of service shall be expressed in therms, each equivalent to 100,000 British thermal units.
 - a. Customer charge per month: \$20.00 (I)
 - b. Delivery Charge: 26.605¢ All therms per month (I)
 - c. Gas Cost: All therms per month multiplied by the sum of the rates in ¢ per therm as shown on Supplemental Schedule No. 101 (Sheet No. 1101) and Supplemental Schedule No. 106.
2. Minimum bill per month shall be the customer charge. The minimum bill for this service shall not be subject to cancellation or reduction for seasonal or temporary periods.
3. The rates named herein are subject to adjustments as set forth in Schedule No. 1 and other supplemental schedules, when applicable.

Section 4: Payment

Bills are issued net, are due and payable when rendered, and become past due after fifteen days from date of bill.

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Thirty-First Revision of Sheet No. 136-B
Canceling
Thirtieth Revision of Sheet No. 136-B

PUGET SOUND ENERGY
NATURAL GAS SCHEDULE NO. 36 (Continued) (T)
Special Commercial Heating Service (Optional)

Section 6: Rate

1. For purposes of this rate, the measurement of service shall be expressed in therms, each equivalent to 100,000 British thermal units.
 - a. Customer charge per month: \$35.00 (I)
 - b. Delivery Charge: 26.605¢ All therms per month (I)
 - c. Gas Cost: All therms per month multiplied by the sum of the rates in ¢ per therm as shown on Supplemental Schedule No. 101 (Sheet No. 1101) and Supplemental Schedule No. 106.
2. Minimum bill per month shall be the customer charge. The minimum bill for this service shall not be subject to cancellation or reduction for seasonal or temporary periods.
3. The rates named herein are subject to adjustments as set forth in Schedule No. 1 and other supplemental schedules, when applicable.

Section 7: Payment

Bills are issued net, are due and payable when rendered, and become past due after fifteen days from date of bill.

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Fifty-Second Revision of Sheet No. 141
 Canceling
 Fifty-First Revision of Sheet No. 141

PUGET SOUND ENERGY
 NATURAL GAS SCHEDULE NO. 41
 Large Volume High Load Factor Gas Service (Optional)

(T)

Section 1: Availability

Throughout territory served for large volume use where, in the Company's opinion, its facilities and gas supply are adequate to render the required service.

Section 2: General Rules and Regulations

Service under this schedule is subject to the rules and regulations contained in Company's tariff.

Section 3: Rate

1. For purposes of this rate, the measurement of service shall be expressed in therms, each equivalent to 100,000 British thermal units.
 - a. Customer charge per month: \$85.00 (I)
 - b. Delivery demand charge: \$1.00 per therm per month as described in item 3. (I)
 - c. Gas supply demand charge in rates per therm per month as shown on Supplemental Schedule No. 101 (Sheet No. 1101-B) and as described in item 3.
 - d. Delivery Charge:
 - 14.842¢ Per month per therm for first 5,000 therms (R)
 - 11.842¢ Per month per therm for all over 5,000 therms (R)
 - e. Gas Cost: All therms per month multiplied by the sum of the rates in ¢ per therm as shown on Supplemental Schedule No. 101(Sheet No. 1101) and Supplemental Schedule No. 106.

2. The minimum bill per month shall be equal to the sum of \$74.21 of delivery charge, the customer charge, the delivery demand charge, the gas supply demand charge, and the Customer's consumption related gas costs. The minimum bill for this service shall not be subject to cancellation or reduction for seasonal or temporary periods. (R)

(Continued on Sheet No. 141-A)

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Eighth Revision of Sheet No. 150
Canceling
Seventh Revision of Sheet No. 150

PUGET SOUND ENERGY
NATURAL GAS SCHEDULE NO. 50
Compressed Natural Gas (CNG) for Vehicle Fuel

(T)

Section 1: Availability

Throughout territory served. The gas sold under this rate schedule may be used only for vehicle fuel, purchased from Company facilities, for commercial fleets.

Section 2: General Rules and Regulations

Service under this schedule is subject to the rules and regulations contained in Company's tariff.

Section 3: Rate

1. For purposes of this rate, the measurement of service shall be expressed in therms, each equivalent to 100,000 British thermal units.
 - a. Customer charge per month: \$150.00
 - b. Delivery Charge: 21.742¢ All therms per month
 - c. Gas Cost: All therms per month multiplied by the sum of the rates in ¢ per therm as shown on Supplemental Schedule No. 101 (Sheet No. 1101) and Supplemental Schedule No. 106.
2. The minimum bill per month shall be the customer charge.
3. The rates named herein are subject to increases as set forth in Schedule No. 1 and other supplemental schedules, when applicable.

(I)

Section 4: Payment

Bills are issued net, are due and payable when rendered, and become past due after fifteen days from date of bill.

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Seventh Revision of Sheet No. 151-A
Canceling
Sixth Revision of Sheet No. 151-A

PUGET SOUND ENERGY
NATURAL GAS SCHEDULE NO. 51 (Continued) (T)
Special Multiple Unit Housing Service (Optional)

Section 3: Rate

1. For purposes of this rate, the measurement of service shall be expressed in therms, each equivalent to 100,000 British thermal units.
 - a. Customer charge per month per dwelling unit: \$8.25 (I)
 - b. Delivery Charge: 25.105¢ All therms per month (I)
 - c. Gas Cost: All therms per month multiplied by the sum of the rates in ¢ per therm as shown on Supplemental Schedule No. 101 (Sheet No. 1101) and Supplemental Schedule No. 106.
2. The minimum bill per month shall be the customer charge times the number of applicable dwelling units. The minimum bill for this service shall not be subject to cancellation or reduction for seasonal or temporary periods.
3. The rates named herein are subject to adjustments as set forth in Schedule No. 1 and other supplemental schedules, when applicable.

Section 4: Payment

Bills are issued net, are due and payable when rendered, and become past due after fifteen days from date of bill.

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Sixth Revision of Sheet No. 153-B
 Canceling
 Fifth Revision of Sheet No. 153-B

PUGET SOUND ENERGY
 NATURAL GAS SCHEDULE NO. 53
 Propane Service (Continued)

(T)

Section 5: Rate

1. For purposes of this rate, the measurement of service shall be expressed in therms, each equivalent to 100,000 British thermal units.
 - a. Customer charge per month: \$8.25 (I)
 - b. Delivery Charge: 31.615¢ All therms per month (I)
 - c. Current quarterly average cost of propane fuel set forth in Supplemental Schedule No. 101 (Sheet No. 1101-A).
2. Included in the rate stated in paragraph 1.b above is a facilities extension incremental revenue rate, to be applied toward the cost justification of providing the natural gas line extension to the area when deemed feasible by the Company in accordance with Section 4 above. The incremental revenue rate is: \$0.06898 per therm.
3. The minimum bill per month shall be the customer charge. The minimum bill for this service shall not be subject to cancellation or reduction for seasonal or temporary periods.
4. The rates named herein are subject to adjustments as set forth in Schedule No. 1 and other supplemental schedules, when applicable.

Section 6: Payment

Bills are issued net, are due and payable when rendered, and become past due after fifteen days from date of bill.

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Nineth Revision of Sheet No. 157-B
 Canceling
 Eighth Revision of Sheet No. 157-B

PUGET SOUND ENERGY
 NATURAL GAS SCHEDULE NO. 57 (Continued)
 Distribution System Transportation Service (Firm and Interruptible)

(T)

Section 5: Priority of Service

Sales gas volumes shall be measured as first through the meter. Following measurement of sales gas service, transportation services will be provided in the following sequence:

- a. Firm transportation service.
- b. Interruptible transportation service.
- c. Balancing service.
- d. Unauthorized use of gas.

Section 6: Telemetering Requirement

1. Service under this schedule requires Company-specified metering/telemetering equipment or data transmission equipment as specified in the distribution system transportation service agreement.
2. The cost of the initial installation of metering/telemetering equipment or data transmission equipment at the Customer's facility, including associated labor costs, will be borne by the Company. The Customer shall pay for the initial installation cost and ongoing charges for telephone service required by the telemetering or data transmission equipment. The cost of any subsequent change in the metering/telemetering equipment or data transmission equipment, including associated labor costs, necessitated by a change in the Customer's requirements, will be charged to the Customer. After the above-described initial installation, any Company-ordered changes or additions in metering/telemetering equipment, data transmission equipment, and any associated facilities required for the installation, will be acquired and installed at the Company's expense.

Section 7: Rates and Charges

1. For purposes of this rate, the measurement of service shall be expressed in therms, each equivalent to 100,000 British thermal units.
2. Customer charge per month: \$800.00.
3. Transportation firm contract delivery demand charge: \$1.02 per therm of daily contract demand per billing period. (I)

(Continued on Sheet No. 157-C)

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Eleventh Revision of Sheet No. 157-C
 Canceling
 Tenth Revision of Sheet No. 157-C

PUGET SOUND ENERGY
NATURAL GAS SCHEDULE NO. 57 (Continued) (T)
 Distribution System Transportation Service (Firm and Interruptible)

4. Transportation service commodity charge (for all therms delivered):
 Transportation Service
Commodity Charge
- | | | |
|---------|---|-----|
| 12.512¢ | Per month per therm for first 25,000 therms | (I) |
| 7.650¢ | Per month per therm for next 25,000 therms | (I) |
| 4.950¢ | Per month per therm for next 50,000 therms | (R) |
| 3.255¢ | Per month per therm for next 100,000 therms | |
| 2.405¢ | Per month per therm for next 300,000 therms | |
| 1.905¢ | Per month per therm for all over 500,000 therms | (R) |
5. Balancing service charge of 0.140¢ per therm for all therms delivered, for the allocated cost of storage facilities included in the sales portfolio (of which 0.070¢ per therm shall be credited to FERC Account 191 monthly.) (I)
 (I)
6. Transportation costs as set forth in the service agreement will be billed to the Customer's account.
7. The minimum monthly charge hereunder shall be the sum of the customer charge, the firm contract demand charge, and amounts otherwise due under this schedule. The minimum monthly charge shall not be subject to cancellation or reduction for seasonal or temporary periods.
8. The rates named herein are subject to conditions and adjustments as set forth in Schedule No. 1 and other supplemental schedules, when applicable.

Section 8: Unauthorized Use of Gas

If the Customer fails to comply with the Company's request to partially or totally curtail its use of gas in accordance with the provisions set forth in Section 15 of this rate schedule, all gas used in excess of such curtailment will be billed at the applicable Rate Schedule No. 41 delivery and gas cost commodity rates; and, in addition, the Customer shall pay any applicable penalties as described in Rule 23 of this tariff. The provisions of this paragraph are exclusive of, and in addition to, the Company's right to enforce compliance with its curtailment or interruption request by immediate suspension of all gas service to the Customer.

(Continued on Sheet No. 157-D)

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Nineteenth Revision of Sheet No. 171
Canceling
Eighteenth Revision of Sheet No. 171

PUGET SOUND ENERGY
NATURAL GAS SCHEDULE NO. 71
Residential Water Heater Rental Service

(T)

Section 1: Availability; Closed to New Accounts

1. Throughout territory served, at the option of the Company, for residential use in single- or multiple-dwelling units where the Customer qualifies for and has entered into an agreement with the Company for the rental of water heater(s) owned and maintained by the Company.
2. Rental service is restricted for all models of water heaters with energy factors less than .60 as indicated in Section 3 below.

Section 2: General Rules and Regulations

Service under this schedule is subject to the rules and regulations contained in Company's tariff.

Section 3: Rates

1. Monthly rental charge for water heaters of not over fifty-five gallon storage capacity or 60,000 Btu input:

a.	Standard Models	\$6.35*	(l)
b.	Conservation Models	\$10.20**	
c.	Direct Vent Models	\$14.30**	
d.	High Recovery Models	\$14.00**	
e.	High Efficiency Standard (Energy Factor ≥ .60) ¹	\$5.10***	
f.	High Efficiency Direct Vent (Energy Factor ≥ .60) ¹	\$8.95***	(l)

¹ As listed in the current Gas Appliance Manufacturers Association publication, "Consumers' Directory of Certified Energy Ratings."
 * Limited to those existing installations where tank is owned and maintained by the Company and was being served under this schedule as of May 21, 1986.
 ** Limited to those existing installations where tank is owned and maintained by the Company and was being served under this schedule as of October 9, 1993.
 *** Limited to those existing installations where tank is owned and maintained by the Company and was being served under this schedule as of June 18, 2000.

(Continued on Sheet No. 171-A)

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Fourteenth Revision of Sheet No. 174
Canceling
Thirteenth Revision of Sheet No. 174

PUGET SOUND ENERGY
NATURAL GAS SCHEDULE NO. 74
Gas Conversion Burner Rental Service

(T)

Section 1: Availability; Closed to New Accounts

1. Throughout territory served, at the option of the Company, to only those residential Customers on Rate Schedule No. 23 and commercial Customers on Rate Schedules No. 31, 36, or 41 whose premises are adjacent to any street, alley, or lane in which the Company's mains with adequate capacity to serve the load are located, who qualify for and have entered into an agreement with the Company for the rental of gas conversion burners owned and maintained by the Company.
2. The availability of this schedule is limited to those existing installations where the equipment is owned and maintained by the Company and was being served under this schedule as of October 9, 1993.

Section 2: General Rules and Regulations

Service under this schedule is subject to the rules and regulations contained in the Company's tariff.

Section 3: Rates

1. Monthly rental charge for residential and commercial conversion burners:

Burner Input Btu's Per Hour		Standard Models	Conservation Models	
45,000 to	400,000	\$ 8.63	\$12.98	(I)(I)
401,000 to	700,000	\$22.88		
701,000 to	1,300,000	\$30.90		(I)

2. The rates named herein are subject to subsequent tariff revisions and to additions as set forth in Schedule No. 1.

Section 4: Payment

The rental charge will be billed as such and is payable monthly in accordance with the Company's regular billing schedule for gas service.

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Thirteenth Revision of Sheet No. 185-C
Canceling
Twelfth Revision of Sheet No. 185-C

PUGET SOUND ENERGY
NATURAL GAS SCHEDULE NO. 85 (Continued)
Interruptible Gas Service with Firm Option

(T)

Section 6: Unauthorized Use of Gas

If the Customer fails to comply with the Company's request to partially or totally curtail use of gas in accordance with the conditions set forth in Section 5 of this schedule and in Rule 23 of this tariff, penalties described in Rule 23 will be assessed to the Customer.

Section 7: Rates

1. For purposes of this rate, the measurement of service shall be expressed in therms, one therm being the equivalent of 100,000 British thermal units.
2. Customer charge per month, \$500.00
3. The total interruptible gas rate shall be the sum of the total interruptible delivery charges and the gas cost charge.
 - a. Total Interruptible Delivery Charge, the sum of i. and ii. below:
 - i. Interruptible Delivery Charge

9.570¢	Per month per therm for first 25,000 therms	(I)
7.150¢	Per month per therm for next 25,000 therms	(I)
4.950¢	Per month per therm for all over 50,000 therms	(R)
 - ii. Gas Procurement Charge: 0.500¢ per therm for all therms delivered per month. (I)
 - b. Gas Cost Charge – Interruptible gas cost is: All therms per month multiplied by the sum of the rates in ¢ per therm as shown on Supplemental Schedule No. 101 (Sheet No. 1101) and Supplemental Schedule No. 106.

(Continued on Sheet No. 185-D)

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Fourteenth Revision of Sheet No. 185-D
 Canceling
 Thirteenth Revision of Sheet No. 185-D

PUGET SOUND ENERGY
 NATURAL GAS SCHEDULE NO. 85 (Continued) (T)
 Interruptible Gas Service with Firm Option

4. The total firm gas rate shall be the sum of the demand charges and commodity charge as defined below:
- a. Delivery demand charge: \$1.02 per therm per month multiplied by the maximum daily delivery of firm use gas as set forth in the service agreement. (I)
 - b. Gas supply demand charge: a rate per therm per month as shown on Supplemental Schedule No. 101 (Sheet No. 1101-B) multiplied by the maximum daily delivery of firm use gas as set forth in the service agreement.
 - c. Commodity charge: All firm gas shall be combined with the Customer's interruptible gas and billed at the interruptible gas rates for delivery and gas costs in part 3 herein.
5. Minimum monthly charge:
- a. Minimum monthly therms for the purpose of calculating the minimum monthly charge shall be the greater of:
 - (1) fifty percent of the Customer's highest monthly volume in the last twelve months; or
 - (2) 15,000 therms.
 - b. The minimum monthly charge shall be the sum of:
 - (1) the customer charge;
 - (2) the firm delivery demand charge;
 - (3) the firm gas supply demand charge;
 - (4) the total interruptible gas rate applied to all monthly therms delivered; and
 - (5) if the monthly therms delivered are less than the minimum monthly therms, the difference of the minimum monthly therms less monthly therms delivered multiplied by the sum of the Company's initial block interruptible delivery charge effective rate plus the gas procurement charge (Section 7, items 3.a.i. and 3.a.ii.). (C)
 - c. A provision for the suspension of the interruptible portion of the minimum charge for a specified period may be made as part of the service agreement executed by the Company and the Customer. (C)
6. The rates named herein are subject to adjustments as set forth in Schedule No. 1 and other supplemental schedules, when applicable.

Section 8: Payment of Bills

Bills are issued net, are due and payable when rendered, and become past due after fifteen days from date of bill.

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Canceling
Twelfth Revision of Sheet No. 186-C

PUGET SOUND ENERGY
NATURAL GAS SCHEDULE NO. 86 (Continued)
Limited Interruptible Gas Service with Firm Option (Optional)

(T)

Section 6: Unauthorized Use of Gas

If the Customer fails to comply with the Company's request to partially or totally curtail use of gas in accordance with the conditions set forth in Section 5 of this schedule and in Rule 23 of this tariff, penalties described in Rule 23 will be assessed to the Customer.

Section 7: Rates

1. For purposes of this rate, the measurement of service shall be expressed in therms, one therm being the equivalent of 100,000 British thermal units.
2. Customer charge per month, \$100.00
3. The total interruptible gas rate shall be the sum of the total interruptible delivery charges and the gas cost charge.
 - a. Total Interruptible Delivery Charge, the sum of i. and ii. below:
 - i. Interruptible
Delivery Charge

20.520¢	Per month per therm for first 1,000 therms	(I)
15.520¢	Per month per therm for all over 1,000 therms	
 - ii. Gas Procurement Charge: 0.500¢ per therm for all therms delivered per month. (I)
 - b. Gas Cost Charge – Interruptible gas cost is: All therms per month multiplied by the sum of the rates in ¢ per therm as shown on Supplemental Schedule No. 101 (Sheet No. 1101) and Supplemental Schedule No. 106.

(Continued on Sheet No. 186-D)

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PUGET SOUND ENERGY
 NATURAL GAS SCHEDULE NO. 86 (Continued) (T)
 Limited Interruptible Gas Service with Firm Option (Optional)

4. The total firm gas rate shall be the sum of the demand charges and commodity charge as defined below: (I)
- a. Delivery demand charge: \$1.02 per therm per month multiplied by maximum daily delivery of firm use gas as set forth in the service agreement.
 - b. Gas supply demand charge: a rate per therm per month as shown on Supplemental Schedule No. 101 (Sheet No. 1101-B) multiplied by the maximum daily delivery of firm use gas as set forth in the service agreement.
 - c. Commodity charge: All firm gas shall be combined with Customer's interruptible gas and billed at the interruptible gas rates in part 3 herein.
5. The minimum monthly charge shall be the sum of the customer charge (Section 7, item 2) and the demand charges (Section 7, items 4.a. and 4.b.).
6. Minimum annual charge:
- a. The minimum annual charge shall be the combination of the minimum annual purchase obligation of 10,000 therms multiplied by the Company's initial block total interruptible delivery charge (Section 7, item 3.a.), plus the sum of the monthly demand charges (Section 7, items 4.a. and 4.b.) plus the sum of the monthly customer charges (Section 7, item 2.). The 10,000 therm minimum annual purchase obligation portion of the minimum annual charge shall be prorated for partial years of gas service or for the number of days that service was available without curtailment.
 - b. Any payments for gas used in excess of curtailment requests, as set forth in Rule No. 23, shall not be credited to minimum annual charge.
 - c. The annual period for purposes of determining minimum annual billing charges shall be the twelve-month period ending with the September billing cycle. Minimum annual billing charges, if applicable, will be added to the September billing.
7. The rates named herein are subject to adjustments as set forth in Schedule No. 1 and other supplemental schedules, when applicable.

Section 8: Payment of Bills

Bills are issued net, are due and payable when rendered, and become past due after fifteen days from date of bill.

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PUGET SOUND ENERGY
NATURAL GAS SCHEDULE NO. 87 (Continued)
Non-Exclusive Interruptible Gas Service with Firm Option (Optional)

(T)

Section 7: Rates

1. For purposes of this rate, the measurement of service shall be expressed in therms, one therm being the equivalent of 100,000 British thermal units.
2. Customer charge per month, \$500.00
3. The monthly contract volume charge shall be the sum of the tailblock of the interruptible delivery charge effective rate per therm identified in item 4.a.i. below plus the gas procurement charge per therm rate identified in item 4.a.ii. below multiplied by the deficiency volume, if any, defined as (a) the monthly contract volume, minus (b) the total interruptible gas delivered.
4. The total interruptible gas rate shall be the sum of the contract volume charge and the total interruptible delivery charges and the gas cost charge.
 - a. Total Interruptible Delivery Charge, the sum of i. and ii. below:
 - i. Interruptible Delivery Charge

12.512¢	Per month per therm for first 25,000 therms	(I)
7.650¢	Per month per therm for next 25,000 therms	(I)
4.950¢	Per month per therm for next 50,000 therms	(R)
3.255¢	Per month per therm for next 100,000 therms	
2.405¢	Per month per therm for next 300,000 therms	
1.905¢	Per month per therm for all over 500,000 therms	(R)
 - ii. Gas Procurement Charge: 0.500¢ per therm for all therms delivered per month. (I)
 - b. Gas Cost Charge – Interruptible gas cost is: All therms per month multiplied by the sum of the rates in ¢ per therm as shown on Supplemental Schedule No. 101 (Sheet No. 1101) and Supplemental Schedule No. 106.
5. The total firm use gas rate shall be the sum of the demand charges and commodity charge as defined below:
 - a. Delivery demand charge: \$1.02 per therm per month multiplied by the maximum daily delivery of firm use gas as set forth in the service agreement. (I)
 - b. Gas supply demand charge: a rate per therm per month as shown on Supplemental Schedule No. 101 (Sheet No. 1101-B) multiplied by the maximum daily delivery of firm use gas as set forth in the service agreement.
 - c. Commodity charge: All firm use gas shall be combined with Customer's interruptible gas and billed at the interruptible gas rates in part 4. herein.

(Continued on Sheet No. 187-E)

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Twenty-Eighth Revision of Sheet No. 1101
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Twenty-Seventh Revision of Sheet No. 1101

PUGET SOUND ENERGY
NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 101 (T)
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) *1.04569	(R)
<u>Residential</u>					
23	8.244	67.544	75.788	79.251	(I)
16*	\$1.57*	\$12.83*	\$14.40*	\$15.06*	(I)
<u>Commercial & Industrial</u>					
31,36, & 51	7.883	67.544	75.427	78.873	(I)
41	0.190	67.544	67.734	70.829	(R)
50	5.088	67.544	72.632	75.951	(I)
<u>Large Volume</u>					
85	4.305	67.544	71.849	75.132	(R)
86	4.623	67.544	72.167	75.464	(R)
87	4.736	67.544	72.280	75.582	(I)

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

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

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PUGET SOUND ENERGY
 NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 101 (T)
 Gas Cost Rates

Section 5: Gas Supply Demand Charge Rates for Natural Gas Service

Schedule No. (a)	Demand Cost	Total Rate with Revenue Related Taxes	
	\$ per therm (b)	\$ per therm (c)=(b)*1.04569	
<u>Commercial & Industrial</u>			
41	\$ 1.25	\$ 1.31	(I)
<u>Large Volume</u>			
85	\$ 1.25	\$ 1.31	(I)
86	\$ 1.25	\$ 1.31	
87	\$ 1.25	\$ 1.31	(I)

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

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

(T)

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

1. The rates of firm gas service schedules listed in this paragraph are to be adjusted as 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.

	Rate before taxes ¢ per therm	Rate with revenue related taxes ¢ per therm	
a. Rate Schedule No. 23	3.860	4.036	(R)(R)
b. Rate Schedules No. 31, 36, and 51	3.811	3.985	(I) (I)
c. Rate Schedule No. 41	3.589	3.753	
d. Rate Schedule No. 50	3.428	3.585	(I) (I)

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

	<u>per month per mantle</u>	<u>per month per mantle</u>	
a. Rate Schedule No. 16	\$0.73	\$0.76	(I) (I)

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

	<u>¢ per therm</u>	<u>¢ per therm</u>	
a. Rate Schedule No. 85	3.435	3.592	(R)(R)
b. Rate Schedule No. 86	3.507	3.667	(R)(R)
c. Rate Schedule No. 87	3.384	3.539	(I) (I)

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

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Original Sheet No. 1118

PUGET SOUND ENERGY
NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 118
Gas Revenue Normalization Adjustment

(N)

Section 1: Applicability

To all Customers served under Schedule No. 23, Residential General Service, Schedule No. 31, Commercial and Industrial General Service, Schedule No. 36, Special Commercial Heating Service (Optional), Schedule No. 51, Special Multiple Unit Housing Service (Optional) and Schedule No. 53, Propane Service throughout the Company's service territory.

Section 2: Purpose

To recover the margin per customer, as established in the Company's most recent general rate case, that is lost due to sales variability caused by weather and energy efficiency actions on the part of the Customer.

Section 3: Rate

The rates of gas sales service schedules listed in this section will be adjusted as shown in all blocks of the rate schedules, including minimum charges related to therms. The rate shall reflect the calculation for the year as described in Section 4 plus a true-up of the prior year.

Rate Schedule Nos. 23 & 53	0.000000 cents per therm
Rate Schedule No. 31	0.000000 cents per therm
Rate Schedule No. 36	0.000000 cents per therm
Rate Schedule No. 51	0.000000 cents per therm

Section 4: Decoupling Adjustment Account

1. For each schedule listed in Section 3 above, the Company will maintain a Decoupling Adjustment Account ("DAA") to record the total under or over collection from each month. Each DAA shall accrue interest on a monthly basis utilizing the "FERC interest rate" as described in WAC 480-90-233(4) as it exists on the initial effective date of this schedule. Each month, the Company will compute either a credit or a charge to each DAA by comparing the actual margin revenues for the applicable schedule to predetermined target margin revenues and either crediting the over-collection or charging (debiting) the under-collection to the account.
2. The amount to be charged or credited to the DAA shall be determined as follows:
 - a. Average therm use per billing meter (as shown in Section 5) and number of billing meters by schedule (as shown in Section 6) shall be utilized from the latest general rate proceeding for each applicable schedule.
 - b. The change in margin revenues (Customer Charge revenue plus Delivery Charge revenue) shall be as calculated as described in c. and d. below.

(N)

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PUGET SOUND ENERGY
NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 118
Gas Revenue Normalization Adjustment
(Continued)

(N)

Section 4: Decoupling Adjustment Account (Continued)

- c. The current Customer Charge from each rate schedule shall be multiplied by the net change in billing meters from the test year for each schedule to arrive at a Customer growth adjustment to Customer Charge revenue for the test year.
- d. The test year average use per billing meter (on a monthly basis as shown in Section 5) shall be multiplied by the net change in the number of billing meters from the test year to produce a change in terms. Such terms shall be multiplied by the Delivery Charge per therm for each rate schedule to develop a Customer growth adjustment to Delivery Charge revenue for the test year.
- e. Actual margin revenue billed on a monthly basis shall be compared to the restated test year margin revenues (calculated in a. through d. above) to establish the amount of the required adjustment to the DAA.
- f. Annually, the balance in the DAA shall be divided by the estimated firm throughput for the succeeding 12 months to develop a rate per therm adjustment to the Delivery Charge.

Section 5: Per Meter Usage

Schedule	Month											
	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
23/53	128	96	98	67	43	26	20	20	28	64	98	131
31	534	377	438	287	209	139	130	128	149	258	383	543
36	1123	893	913	669	510	342	275	259	336	619	870	1127
51	3950	3176	3777	2898	2384	1810	1558	1434	1697	2708	3380	4071

Section 6: Billing Meter Count

Schedule	Month											
	Jan	Feb	Mar	Apr	May	Jun	July	Aug	Sep	Oct	Nov	Dec
23/53	622004	623943	625293 4617	626541	627646 4629	628781 4630	629190	629786	630910	615709	618059	619513
31	46003	46091	8	46219	1	5	46301	46318	46384	45418	45672	45814
36	5112	5109	5112	5123	5124	5122	5113	5105	5109	5091	5098	5103
51*	340	260	330	430	250	520	250	340	340	340	340	340

*Schedule No. 51 billing meter count reflects the number of housing units billed the customer charge

(N)

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PUGET SOUND ENERGY
NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 118
Gas Revenue Normalization Adjustment
(Continued)

(N)

Section 7: Special Conditions

The Company will file annually to update the rates in this schedule consistent with its annual Schedule Nos. 101 and 106 filings.

Section 8: General Rules and Regulations

Service under this schedule is subject to the Rules and Regulations contained in this tariff as they may be modified from time to time and other schedules of such tariff that may from time to time apply as they may be modified from time to time.

(N)

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Original Sheet No. 1124

PUGET SOUND ENERGY
NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 124
DEPRECIATION TRACKER

(N)

Section 1: Availability/Applicability

The charges under this Depreciation Tracker shall be applicable to the natural gas delivered to Customers of the Company under any schedule contained in this tariff. This Depreciation Tracker rate shall be applicable to the natural gas delivered to Customers under any special contract unless specifically excluded by such special contract.

Section 2: Rate

The rate shown below and on the following sheet shall be added to the rate per therm on each applicable schedule for natural gas service. From the effective date of this schedule through December 31, 2006, all rates are equal to \$0.0000 per therm.

Rates effective January 1, 2007:

Rate Schedule Nos.: 16, 23 & 53

Delivery Charge: 1.415 cents per therm

Rate Schedule Nos.: 31, 36, 51 & 61

Delivery Charge: 1.200 cents per therm

Rate Schedule No.: 41

Delivery Charge: 0.636 cents per therm

Rate Schedule No.: 50

Delivery Charge: 0.186 cents per therm

Rate Schedule No.: 57

Delivery Charge: 0.135 cents per therm

Rate Schedule No.: 85

Delivery Charge: 0.215 cents per therm

Rate Schedule No.: 86

Delivery Charge: 0.568 cents per therm

Rate Schedule No.: 87

Delivery Charge: 0.189 cents per therm

Special Contracts

Delivery Charge: 0.254 cents per therm

(N)

(Continued on Sheet No. 1124-A)

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PUGET SOUND ENERGY
NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 124
DEPRECIATION TRACKER
(Continued)

(N)

Section 3: Adjustments

Rates in this schedule and those rates reflected in the schedules for natural gas sales and transport service to which this Depreciation Tracker applies, are subject to adjustment by such other schedules in this tariff as may apply.

Section 4: General Rules and Regulations

Service under this schedule is subject to the Rules and Regulations contained in this tariff as they may be modified from time to time and other schedules of such tariff that may from time to time apply as they may be modified from time to time.

(N)

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PUGET SOUND ENERGY
NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 129
LOW INCOME PROGRAM

(T)

AVAILABILITY/APPLICABILITY:

The benefits available under this Low Income Program ("Program") (as approved in Docket Nos. UE-011570 and UG-011571) are available to Customers of the Company meeting the criteria described herein. The charges under this schedule apply to all Customers of the Company except Customers taking service under existing special contracts.

BENEFITS:

1. Benefits under this Program are available through designated agencies (herein "Agencies") that: a) meet the criteria for a "Qualifying Organization" as defined in RCW 82.16.0497, b) the Company accepts as capable of performing necessary obligations under this Program, and c) executes a contract with the Company that is: i) consistent with this schedule, ii) provides for periodic auditing, and iii) provides for an annual administration evaluation. The Agencies will ascertain whether specific Customer households seeking assistance with their natural gas bills are eligible for assistance under the Program.

- a. The Agencies will determine whether a Customer meets the federal definition for Low Income Home Energy Assistance Program ("LIHEAP") qualification.
 - i) If the Customer is eligible, it will receive LIHEAP funds in lieu of funds under this Program unless or until LIHEAP funds are exhausted. Thereafter, the Customer will be considered for this Program.
 - ii) If the Customer is not eligible to receive LIHEAP funds, but meets the Company criteria, the Customer will be considered for this Program.
 - iii) If the Customer meets all applicable criteria, the Customer will be eligible to receive assistance under the Company's Program.

b. Total benefits under this Program plus administrative fees and program costs are subject to an annual cap of \$3.4 million for just the gas Program and \$9.5 million for both this gas Program and the low income program under the Company's electric tariff. The annual caps for electric and gas are annually re-established by the Company using the Four-Factor Allocator as provided in the Company's annual Commission Basis Report, subject to an annual true-up.

(C)
(N)
(N)

c. A qualifying Customer may receive assistance through this Program once during a program year. Customers shall be requalified annually by one of the Agencies. Total benefits to an individual eligible Customer under this program are subject to an annual cap equal to the LIHEAP cap (currently \$750.00).

(Continued on Sheet No. 1129-A)

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PUGET SOUND ENERGY
NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 129
LOW INCOME PROGRAM
(Continued)

INCOME ELIGIBILITY CRITERIA:

With exceptions as noted, eligibility will be restricted to “very low-income households”, as defined by the Washington Department of Community, Trade and Economic Development for purposes of affordable housing in RCW 43.63A.510. Currently that definition identifies households with an income not to exceed 50% of area median income. For purposes of this Program, in areas where 50% of median income exceeds 150% of federal poverty guidelines, eligibility will be capped at 150% of federal poverty guidelines; and in areas where 50% of median income falls below 125% of federal poverty guidelines, eligibility will be capped at 125% of federal poverty guidelines. To summarize, the income-eligibility ceiling for the Program fluctuates in a range between 125% and 150% of federal poverty guidelines; within the range, the precise figure equals 50% of the median income of an area.

INFORMATION SERVICES:

1. Agencies will provide qualifying Customers with the following education and information.
 - a. Low-income weatherization program information.
 - b. Personal Energy Management (PEM) and, if applicable, Time of Day rate education.
 - c. Information on deferred payment arrangements and budget billing.
 - d. Conservation education and information.
2. The Company will provide qualifying Customers with the following information.
 - a. Information to Customers dealing with delinquent utility bills on how to access low-income assistance.

FUNDING:

1. There will be a prescribed agency administrative fee structure based on actual costs to local contractors to operate the LIHEAP program in Washington State. The administrative fees paid to Agencies will be considered part of the benefits paid under this Program. Funding of benefits under this Program will be allocated in the Company’s service area proportionate to LIHEAP payments to PSE for natural gas in the most recent LIHEAP fiscal year.
2. There will be a surcharge on all natural gas (therms, either delivered or minimum quantity) to all firm and interruptible gas sales and transport service Customers that will be subject to an annual true-up so that the benefits under this Program are equal to the Funding amounts collected by the surcharge minus the effect of taxes.

MONTHLY RATE:

In addition to the amount set as the annual cap (see Benefits section), the rates under this schedule shall include amounts sufficient to recover the costs related to revenue sensitive items and taxes.

(C)
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(Continued on Sheet No. 1129-B)

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