

**EXHIBIT NO. \_\_\_(JKP-13)  
DOCKET NO. UE-11\_\_\_/UG-11\_\_\_  
2011 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-11\_\_\_  
Docket No. UG-11\_\_\_**

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

**JUNE 13, 2011**

**WN U-2**

Sixth Revision of Sheet No. 3-B  
Canceling  
Fifth Revision of Sheet No. 3-B

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Third Revision of Sheet No. 3-D  
Canceling  
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Thirty-First Revision of Sheet No. 4

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Tenth Revision of Sheet No. 116-A  
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Ninth Revision of Sheet No. 116-A

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PUGET SOUND ENERGY  
NATURAL GAS SCHEDULE NO. 16 (Continued)  
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.  
All mantles @ \$10.73 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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Fifty-Fourth Revision of Sheet No. 123  
Canceling  
Fifty-Third Revision of Sheet No. 123

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

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. Basic Charge per month: \$10.80 (I)
  - b. Delivery Charge: 40.367¢ 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 basic 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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Fiftieth Revision of Sheet No. 131  
Canceling  
Forty-Ninth Revision of Sheet No. 131

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

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. Basic Charge per month: \$34.91 (I)
  - b. Delivery Charge: 34.052¢ 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 basic 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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Fourth Revision of Sheet No. 131T  
Canceling  
Third Revision of Sheet No. 131T

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PUGET SOUND ENERGY  
NATURAL GAS SCHEDULE NO. 31T  
Distribution System Transportation Service (Firm-Commercial and Industrial)

Section 1: Availability

This distribution system transportation service is available throughout the territory served by the Company to non-residential Customers who have executed the service agreement for transportation service under this schedule. Service under this schedule is provided on an annual basis.

Section 2: Terms of Service

Service under this schedule is subject to Rule 29, Terms of Distribution System Transportation Service.

Section 3: 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. Basic charge per month: \$383.97 (I)
3. The total transportation service commodity charge shall be the sum of a. and b. below:
  - a. Transportation Service Commodity Charge: 34.052¢ Per month per therm (I)
  - b. Gas Procurement Credit: (0.584¢) Per month per therm (I)
4. Balancing service charge of 0.070¢ per therm for all therms delivered, for the allocated cost of storage facilities included in the sales portfolio (which shall be credited to FERC Account 191 monthly.).
5. Transportation costs as set forth in the service agreement will be billed to the Customer's account.
6. The minimum monthly charge hereunder shall be the sum of the basic 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.

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Canceling  
Eighteenth Revision of Sheet No. 141-A

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

- 3. Delivery and gas supply demand charges:
  - a. Each charge will be assessed monthly based on the Customer's demand usage volume, which shall be the Customer's highest daily usage in therms per day from the month in which occurs the Company's coincident peak day, from the most recent November 1 through March 31 winter period. The demand usage volume may be based on average daily consumption for the one-month period or, when available, may be based upon a 24-hour actual measured usage from such month. Changes in individual Customer demand usage volume shall become effective for the billing period starting on or after June 1 of each year.
  - b. For a Customer location which has not established a demand usage volume, the Company, in its sole discretion, based upon information supplied by the Customer, will establish a demand usage volume for monthly billing purposes until such time as it is superceded by an actual demand usage volume established pursuant to 3.a. above.
- 4. 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.

Section 5: General Rules and Regulations

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

(M)(T)  
|  
(M)

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PUGET SOUND ENERGY  
NATURAL GAS SCHEDULE NO. 41T  
Distribution System Transportation Service (Firm-Large Volume High Load Factor)

Section 1: Availability

This distribution system transportation service is available throughout the territory served by the Company for nonresidential Customers with large volume use where, in the Company's opinion, its facilities are adequate to render the required service and when the Customer has executed the service agreement for transportation service under this schedule. This schedule is available to those Customers whose natural gas usage or requirement meets the eligibility requirements as described in Section 2 of this schedule. (C)  
(N)  
(N)

Section 2: Eligibility (N)

1. Any Customer that has used 12,000 therms in the past year or a Customer requesting a new service that is expected to use 12,000 therms in the initial year of service is eligible for service under this schedule. Upon approval of this change by the Commission ineligible Customers shall be moved to Schedule No. 31T.
2. Following twelve months of service on this schedule, if a Customer's usage is less than 12,000 therms for any 12-consecutive month period (ending with and including the current month) the Customer is no longer eligible for service under this schedule, in which case the Company shall move the Customer to Schedule No. 31T.
3. Customers on other schedules who have used 12,000 or more therms in any 12-consecutive month period (ending with and including the current month) are eligible for service under this schedule provided the conditions of Rule No. 4 of this tariff are met and the Customer requests service under this schedule. (N)

Section 3: Terms of Service (T)

Service under this schedule is subject to Rule 29, Terms of Distribution System Transportation Service

Section 4: Rates and Charges (T)

1. For purposes of this rate, the measurement of service shall be expressed in therms, each equivalent to 100,000 British thermal units.
2. Basic charge per month: \$433.98 (I)
3. Transportation delivery demand charge: \$1.28 per therm per month as described in item 8. (I)
4. The total transportation service commodity charge shall be the sum of a. and b. below: (K)
  - a. Transportation Service Commodity Charge:
    - 14.430¢ Per month per therm for first 5,000 therms (I)
    - 11.776¢ Per month per therm for all over 5,000 therms (I)
  - b. Gas Procurement Credit:
    - (0.584¢) Per month per therm (I)(K)

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Fourth Revision of Sheet No. 141T-A  
Canceling  
Third Revision of Sheet No. 141T-A

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PUGET SOUND ENERGY  
NATURAL GAS SCHEDULE NO. 41T  
Distribution System Transportation Service (Firm-Large Volume High Load Factor)  
(Continued)

- 5. Balancing service charge of 0.070¢ per therm for all therms delivered, for the allocated cost of storage facilities included in the sales portfolio (which shall be credited to FERC Account 191 monthly.). (M)
- 6. Transportation costs as set forth in the service agreement will be billed to the Customer's account. (M)
- 7. The minimum monthly charge hereunder shall be the sum of the basic charge, the demand charge, \$129.87 of transportation service commodity 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. (I)
- 8. Transportation delivery demand charge:
  - a. The charge will be assessed monthly based on the Customer's demand usage volume, which shall be the Customer's highest daily usage in therms per day from the month in which occurs the Company's coincident peak day, from the most recent November 1 through March 31 winter period. The demand usage volume may be based on average daily consumption for the one-month period or, when available, may be based upon a 24-hour actual measured usage from such month. Changes in individual Customer demand usage volume shall become effective for the billing period starting on or after June 1 of each year.
  - b. For a Customer location which has not established a demand usage volume, the Company, in its sole discretion, based upon information supplied by the Customer, will establish a demand usage volume for monthly billing purposes until such time as it is superceded by an actual demand usage volume established pursuant to 8.a. above.

Section 5: Adjustments (T)

Rates in this schedule are subject to conditions and adjustments as set forth in Schedule No. 1 and to adjustment by Supplemental Schedule Nos. 112, 119, 129 and 132 in this tariff and other adjusting and supplemental schedules, when applicable.

Section 6: Payment (T)

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

Section 7: General Rules and Regulations (T)

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

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Canceling  
Ninth Revision of Sheet No. 153-B

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

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. Basic charge per month: \$10.80 (I)
  - b. Delivery Charge: 40.367¢ 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 basic 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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First Revision of No. 161-A

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PUGET SOUND ENERGY  
NATURAL GAS SCHEDULE NO. 61 (Continued)  
Special Standby and Auxiliary Heating Service

Section 4: Rate

1. A demand charge of \$0.11 per month per 1,000 Btu per hour, or fraction thereof, of the rated input capacity of customer's qualifying equipment. (I)
2. The minimum bill per month shall be the demand charge.
3. Charges under this schedule shall be in addition to the charges as set forth under any other rate schedule.
4. The rates named herein are subject to adjustments as set forth in Schedule No. 1, when applicable.

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

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. Basic charge per month, \$575.59 (l)
- 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., ii. and iii. below:
    - i. Interruptible Delivery Charge -
 

10.809¢	Per month per therm for first 25,000 therms	(l)
5.541¢	Per month per therm for next 25,000 therms	
5.318¢	Per month per therm for all over 50,000 therms	
    - ii. Gas Procurement Charge - 0.696¢ per therm for all therms delivered per month. (l)
    - iii. Low Income Charge - The low income program rates shown on Schedule 129 per therm for all therms delivered per month.
  - 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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PUGET SOUND ENERGY  
NATURAL GAS SCHEDULE NO. 85 (Continued)  
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: \$1.28 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. Annual minimum load charge: The annual minimum load charge will be charged every year on the anniversary of the effective date of service agreement with the Customer. The annual minimum load charge will be prorated for periods of less than one full year, such as when a Customer changes schedule, starts service, discontinues service, to adjust the annual minimum charge to the billing cycle that includes the anniversary of the effective date of the service agreement with the Customer, or for Curtailment days in excess of sixty days during the year.
  - a. Minimum Annual Therms for the purpose of calculating the annual charge shall be:
 

Through Oct. 31, 2010, the greater of:	Beginning Nov. 1, 2010:
(1) fifty percent of the Customer's highest monthly volume in the last twelve months multiplied by 12; or	180,000 therms
(2) 180,000 therms	
  - b. The annual minimum load charge shall be calculated as follows:
    - (1) If the actual total annual therms delivered to the Customer in the last year are less than the Minimum Annual Therms (calculated in 5.a above), the Minimum Annual Therms less the actual total annual therms delivered multiplied by the initial block of the total interruptible delivery charge (Section 7, item 3.a.) is the annual minimum load charge.
    - (2) If the actual total annual therms delivered are greater than the Minimum Annual Therms the annual minimum load charge is \$0.
  
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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PUGET SOUND ENERGY  
NATURAL GAS SCHEDULE NO. 85 (Continued)  
Interruptible Gas Service with Firm Option

Section 9: General Rules and Regulations

Service under this schedule is subject to the rules and regulations contained in the Company's tariff and to those prescribed by the Washington Utilities and Transportation Commission and as they may from time to time be legally amended or superseded.

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(M)

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PUGET SOUND ENERGY  
NATURAL GAS SCHEDULE NO. 85T  
Distribution System Transportation Service (Interruptible with Firm Option)

Section 1: Availability; Term of Agreement

- 1. This distribution system transportation service is available throughout the territory served by the Company to non-residential Customers outside of Kittitas County or any nonresidential Customers in Kittitas County that take no gas service at all during the months of October through March and have executed the service agreement for transportation service under this schedule and where, in the Company's opinion, its facilities are adequate to render the required service. (N)
- 2. This schedule is available to those nonresidential interruptible Customers whose natural gas usage or requirement meets the eligibility requirements as described in Section 2 of this schedule. (N)
- 3. Any increase in existing firm or interruptible contract volume is subject to the Company's determination of facilities and gas supply being adequate. (T)
- 4. The term of the agreement between the Company and the Customer shall be set forth in the service agreement. (T)

Section 2: Eligibility (N)

Any Customer on another schedule that has used at least 150,000 therms in the past year or a Customer requesting a new service that is expected to use at least 150,000 therms in the initial year of service is eligible for service under this schedule. Following twelve months of service on this schedule, if a Customer who moved to or started service on this schedule has usage that is less than 150,000 therms for any 12-consecutive month period (ending with and including the current month) the Customer is no longer eligible for service under this schedule. The Company shall move Customers that are not eligible for service on this schedule to Schedule No. 86T unless the Customer is eligible for and has requested service under another schedule within 15 days of receiving notice of their ineligibility. Provided, however, that the Company shall not cause Customers taking service under this schedule as of the effective date of this annual minimum eligibility requirement to change schedule, regardless of their usage.

Section 3: Terms of Service (T)

Service under this schedule is subject the provisions of this Schedule and to Rule 29, Terms of Distribution System Transportation Service.

Section 4: Rates and Charges (K)(T)

- 1. For purposes of this rate, the measurement of service shall be expressed in therms, each equivalent to 100,000 British thermal units.
- 2. Basic charge per month: \$920.92 (I)
- 3. The total transportation service commodity charge (for all therms delivered) is the sum of a. and b. below:
  - a. Transportation Service Commodity Charge -
    - 10.809¢ Per month per therm for first 25,000 therms (I)
    - 5.541¢ Per month per therm for next 25,000 therms (K) |
    - 5.318¢ Per month per therm for all over 50,000 therms (I)

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

- b. Low Income Charge - The low income program rates shown on Schedule 129 per therm for all therms delivered per month.
- 4. The total firm gas rate shall be the sum of the demand charges and commodity charges as defined below:
  - a. Transportation firm contract delivery demand charge: \$1.28 per therm of daily contract demand per billing period.
  - b. Commodity charge: All firm gas shall be combined with the Customer's interruptible gas and billed at the interruptible gas rates for delivery in part 3 above.
- 5. Balancing service charge of 0.070¢ per therm for all therms delivered, for the allocated cost of storage facilities included in the sales portfolio (which shall be credited to FERC Account 191 monthly).
- 6. Transportation costs as set forth in the service agreement will be billed to the Customer's account.
- 7. Annual minimum load charge: The annual minimum load charge will be charged every year on the anniversary of the effective date of service agreement with the Customer. The annual minimum load charge will be prorated for periods of less than one full year, such as when a Customer changes schedule, starts service, discontinues service, to adjust the annual minimum charge to the billing cycle that includes the anniversary of the effective date of the service agreement with the Customer, or for Curtailment days in excess of sixty days during the year.

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(M)

a. Minimum Annual Therms for the purpose of calculating the annual charge shall be:

Through Oct. 31, 2010, the greater of:	Beginning Nov. 1, 2010:
(1) fifty percent of the Customer's highest monthly volume in the last twelve months multiplied by 12; or	180,000 therms
(2) 180,000 therms	

(K)  
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(K)

- b. The annual minimum load charge shall be calculated as follows:
  - (1) If the actual total annual therms delivered to the Customer in the last year are less than the Minimum Annual Therms (calculated in 7.a above), the Minimum Annual Therms less the actual total annual therms delivered multiplied by the initial block of the total transportation service commodity charge (Section 3, item 3.) is the annual minimum load charge.
  - (2) If the actual total annual therms delivered are greater than the Minimum Annual Therms the annual minimum load charge is \$0.

(M) Transferred From Sheet No. 185T (K) Transferred to Sheet No. 185T-B

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First Revision of Sheet No. 185T-C  
Canceling  
Original Sheet No. 185T-C

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

Section 8: Nature of Service; Curtailment

1. Gas Service supplied on this schedule shall not be interchangeable with any other Gas Service supplied by the Company.
2. Delivery of interruptible gas under this schedule is subject to partial or total Curtailment as described in Rule No. 23 of this tariff.
3. Firm use gas, as defined in Section 5 of this schedule, will not be curtailed except when Customer exceeds the contracted hourly or daily rates of delivery or as specified in Rule No. 21 and Rule No. 23 of this tariff.
4. The Company shall not be liable for damages occasioned by Curtailment or interruption of interruptible or firm use Gas Service supplied under this schedule.

(M)(T)

(T)

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Section 9: 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 7 of this schedule and in Rules 23 and 29 of this tariff, including the provision of Rule 29 titled "Unauthorized Use of Gas", penalties and charges described in Rules 23 and 29 will be assessed to the Customer.

(T)

Section 10: Payment

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

(T)

Section 11: General Rules and Regulations

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

(T)

(M) Transferred from Sheet No. 185T-B


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Tenth Revision of Sheet No. 186  
Canceling  
Ninth Revision of Sheet No. 186

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

Section 1: Availability; Term of Agreement

1. This rate schedule is available in the service area of the Company to any nonresidential Customer outside of Kittitas County or nonresidential Customers in Kittitas County that take no gas service at all during the months of October through March, where the Customer and the Company have executed a service agreement for interruptible gas service to:
  - a. Steam and hot water boilers; or
  - b. Gas engines or gas turbines; or
  - c. Student-occupied building(s) of a school district; or
  - d. Student-occupied building(s) of a school that is educational in nature and operates on any graded level between the first and twelfth grades inclusive; or
  - e. Student-occupied building(s) of an accredited educational school or college of higher education; or
  - f. Customers that the Company has removed from Schedule No. 85 due to ineligibility for Schedule No. 85.

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(N)  
(N)

and where, in the Company's opinion, its facilities and gas supply are adequate to render the required service; provided, however, that interruptible gas service shall not be available to essential agricultural users who, in accordance with Section 401 of the Natural Gas Policy Act of 1978, have requested higher priority of service than that afforded by this rate schedule.

2. This schedule is available to those interruptible Customers whose current or anticipated requirement is at least 10,000 therms per year.
3. Any increase in existing firm or interruptible contract volume is subject to the Company's determination of facilities and gas supply being adequate.
4. The term of the agreement between the Company and the Customer shall be set forth in the service agreement.

Section 2: General Rules and Regulations

Service under this schedule is subject to the rules and regulations contained in the Company's tariff and to those prescribed by the Washington Utilities and Transportation Commission and as they may from time to time be legally amended or superseded.

(Continued on Sheet No. 186-A)

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

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. Basic charge per month, \$142.04 (R)
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., ii. and iii. below:
    - i. Interruptible  
Delivery Charge -  
 20.199¢ Per month per therm for first 1,000 therms (R)  
 14.482¢ Per month per therm for all over 1,000 therms |
    - ii. Gas Procurement Charge - 0.671¢ per therm for all therms delivered per month. (R)
    - iii. Low Income Charge - The low income program rates shown on Schedule 129 per therm for all therms delivered per month.
  - 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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Fifteenth Revision of Sheet No. 186-D

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PUGET SOUND ENERGY  
NATURAL GAS SCHEDULE NO. 86 (Continued)  
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:
  - a. Delivery demand charge: \$1.28 per therm per month multiplied by 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 Customer's interruptible gas and billed at the interruptible gas rates in part 3 herein.
  
5. Minimum annual load charge:
  - a. If the actual total annual therms delivered to the Customer in the last year are less than 10,000 therms, the minimum annual load charge shall be the difference between the minimum annual purchase obligation of 10,000 therms multiplied by the Company's initial block total interruptible deliver charge (Section 7, item 3.a.) and the actual total annual therms multiplied by the Company initial block total interruptible deliver charge (Section 7, item 3.a.),. The annual minimum load 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.
  - d. If the actual total annual therms delivered to the Customer in the last year are greater than 10,000 therms, the minimum annual load charge is equal to \$0.
  
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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PUGET SOUND ENERGY  
NATURAL GAS SCHEDULE NO. 86T  
Distribution System Transportation Service (Interruptible with Firm Option)

Section 1: Availability

1. This distribution system transportation service is available throughout the territory served by the Company to any non-residential Customers outside of Kittitas County or nonresidential Customers in Kittitas County that take no gas service at all during the months of October through March, who have executed the service agreement for transportation service under this schedule for natural gas service to:
  - a. Steam and hot water boilers; or
  - b. Gas engines or gas turbines; or
  - c. Student-occupied building(s) of a school district; or
  - d. Student-occupied building(s) of a school that is educational in nature and operates on any graded level between the first and twelfth grades inclusive; or
  - e. Student-occupied building(s) of an accredited educational school or college of higher education; or
  - f. Customers that the Company has removed from Schedule No. 85T due to ineligibility for Schedule No. 85T.

and where, in the Company's opinion, its facilities are adequate to render the required service.
2. This schedule is available to those interruptible Customers whose current or anticipated requirement is at least 10,000 therms per year.
3. Any increase in existing firm or interruptible contract volume is subject to the Company's determination of facilities being adequate.
4. The term of the agreement between the Company and the Customer shall be set forth in the service agreement.

(T)  
(N)  
(N)

Section 2: Terms of Service

Service under this schedule is subject to Rule 29, Terms of Distribution System Transportation.

Section 3: 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. Basic charge per month: \$451.94
3. The total firm gas rate shall be the sum of the demand charges and commodity charges as defined below:
  - a. Transportation firm contract delivery demand charge: \$1.28 per therm of daily contract demand per billing period.
  - b. Commodity charge: All firm gas shall be combined with the Customer's interruptible gas and billed at the interruptible gas rates for delivery in part 4 below.

(R)

(I)

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Canceling  
Second Revision of Sheet No. 186T-A

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PUGET SOUND ENERGY  
NATURAL GAS SCHEDULE NO. 86T  
Distribution System Transportation Service (Interruptible with Firm Option)  
(Continued)

4. The total transportation service commodity charge (for all therms delivered) is the sum of a. and b. below:
  - a. Transportation Service Commodity Charge -

20.199¢	Per month per therm for first 1,000 therms	(R)
14.482¢	Per month per therm for all over 1,000 therms	(R)
  - b. Low Income Charge – The low income program rates shown on Schedule 129 per therm for all therms delivered per month
5. Balancing service charge of 0.070¢ per therm for all therms delivered, for the allocated cost of storage facilities included in the sales portfolio (which shall be credited to FERC Account 191 monthly).
6. Transportation costs as set forth in the service agreement will be billed to the Customer's account.
7. Minimum annual load charge:
  - a. If the actual total annual therms delivered to the Customer in the last year are less than 10,000 therms, the minimum annual load charge shall be the difference between the minimum annual purchase obligation of 10,000 therms multiplied by the Company's initial block total interruptible delivery charge (Section 3, item 4.) and the actual total annual therms multiplied by the Company's initial block total interruptible delivery charge (Section 3, item 4.), The minimum annual load 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.
  - d. If the actual total annual therms delivered to the Customer in the last year are greater than 10,000 therms, the minimum annual load charge is equal to \$0.

Section 4: Adjustments

Rates in this schedule are subject to conditions and adjustments as set forth in Schedule No. 1 and to adjustment by Supplemental Schedule Nos. 112, 119, 129 and 132 in this tariff and other adjusting and supplemental schedules, when applicable.

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

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. Basic charge per month, \$627.31 (I)
3. The contract volume charge rate shall be the tailblock of the total interruptible delivery charge per therm identified in item 4.a. below.
4. The total monthly 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., ii. and iii. below:
    - i. Interruptible Delivery Charge -
 

15.905¢	Per month per therm for first 25,000 therms	(I)
9.710¢	Per month per therm for next 25,000 therms	
6.270¢	Per month per therm for next 50,000 therms	
4.110¢	Per month per therm for next 100,000 therms	
3.027¢	Per month per therm for next 300,000 therms	
2.392¢	Per month per therm for all over 500,000 therms	
    - ii. Gas Procurement Charge - 0.584¢ per therm for all therms delivered per month. (I)
    - iii. Low Income Charge - The low income program rates shown on Schedule 129 per therm for all therms delivered per month.
  - 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: \$1.28 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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Fourth Revision of Sheet No. 187T  
Canceling  
Third Revision of Sheet No. 187T

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PUGET SOUND ENERGY  
NATURAL GAS SCHEDULE NO. 87T  
Distribution System Transportation Service (Non-Exclusive Interruptible with Firm Option)

Section 1: Availability

1. This distribution system transportation service is available throughout the territory served by the Company to any nonresidential Customers outside of Kittitas County or nonresidential Customers in Kittitas County that take no gas service at all during the months of October through March and have executed the service agreement for transportation service under this schedule and where, in the Company's opinion, its facilities are adequate to render the required service.
2. This schedule is limited to those interruptible Customers whose current or anticipated requirement is in excess of 1,000,000 therms per year.
3. Any increase in existing firm or interruptible contract volume is subject to the Company's determination of facilities and gas supply being adequate.
4. The term of the agreement between the Company and the Customer shall be set forth in the service agreement. For purpose of the annual contract volume, the contract year shall be the twelve-month period starting with the billing cycle that includes the effective date of the service agreement with the Customer.

Section 2: Terms of Service

Service under this schedule is subject to Rule 29, Terms of Distribution System Transportation Service

Section 3: 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. Basic charge per month: \$1,003.70 (I)
3. The total firm gas rate shall be the sum of the demand charges and commodity charges as defined below:
  - a. Transportation firm contract delivery demand charge: \$1.28 per therm of daily contract demand per billing period. (I)
  - b. Commodity charge: All firm gas shall be combined with the Customer's interruptible gas and billed at the interruptible gas rates for delivery in part 4 below.

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Third Revision of Sheet No. 187T-A  
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Second Revision of Sheet No. 187T-A

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PUGET SOUND ENERGY  
NATURAL GAS SCHEDULE NO. 87T  
Distribution System Transportation Service (Non-Exclusive Interruptible with Firm Option)  
(Continued)

4. The total transportation service commodity charge (for all therms delivered) is the sum of a. and b. below:
- a. Transportation Service Commodity Charge -
    - 15.905¢ Per month per therm for first 25,000 therms
    - 9.710¢ Per month per therm for next 25,000 therms
    - 6.270¢ Per month per therm for next 50,000 therms
    - 4.110¢ Per month per therm for next 100,000 therms
    - 3.027¢ Per month per therm for next 300,000 therms
    - 2.392¢ Per month per therm for all over 500,000 therms
  - b. Low Income Charge – The low income program rates shown on Schedule 129 per therm for all therms delivered per month.
5. Balancing service charge of 0.070¢ per therm for all therms delivered, for the allocated cost of storage facilities included in the sales portfolio (which shall be credited to FERC Account 191 monthly).
6. Transportation costs as set forth in the service agreement will be billed to the Customer's account.
7. Annual minimum load charge: The annual minimum load charge will be charged every year on the anniversary of the effective date of the service agreement with the Customer. The annual minimum load charge will be prorated for periods of less than one full year, such as when a Customer changes schedule, starts service, discontinues service, to adjust the annual minimum load charge to the billing cycle that includes the anniversary of the effective date of the service agreement with the Customer, or for Curtailment days in excess of sixty days during the year.

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The annual minimum load charge shall apply when the actual total interruptible therms delivered to the Customer in the last year are less than the annual contract volume. The deficiency volume shall be the greater of zero or the actual total interruptible therms delivered subtracted from the annual contract volume. The amount of the annual minimum load charge shall be equal to the deficiency volume multiplied by the contract volume charge rate which is equal to the tailblock of the total transportation service commodity charge, per therm, identified in item 4. above.

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PUGET SOUND ENERGY  
NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 139  
Gas Conservation Savings Adjustment Rate

(N)

Section 1: Applicability

This Conservation Savings Adjustment ("CSA") rate is applicable to sales Customers served under Schedule Nos. 23, 31, 41, 53, 85, 86 and 87.

Section 2: Purpose

This schedule recovers costs that would otherwise go unrecovered by the Company as a result of the services provided under Gas Conservation Service Schedules numbered between 200 and 299.

Section 3: Definitions

1. Annual Conservation Report – The Company’s annual report on conservation results, filed on or before February 15 of each year in accordance with the Commission’s order in Docket No. UE-970686.
2. Recovery Year – The calendar year prior to each CSA rate filing.
3. Savings Adjustment – The accumulated conservation gas savings reported in the Company’s Annual Conservation Reports that is not reflected in the test year loads used to determine gas service rates in effect during the Recovery Year. The Savings Adjustment will be tracked separately, by month, for each rate group listed in Section 5.
4. Fixed Cost Rate ("FCR") – Is a rate per therm calculated for each rate group listed in Section 5 that is used to calculate the UFCA. The FCR is equal to the applicable proforma test year margin revenue for base rates in effect during each month of the Recovery Year, less any associated basic and minimum charge revenue, divided by the corresponding proforma test year gas sales.
5. Unrecovered Fixed Cost Amount ("UFCA") – The Savings Adjustment for each rate group multiplied by the associated FCR for each month, summed across the months within the Recovery Year.

Section 4: Rate Calculations

1. No greater than seventy-five (75) percent of the UFCA for each Recovery Year will be recovered in the first CSA rate year following the Recovery Year, which begins May 1 of each year, subject to true-up in subsequent CSA filings.

(N)

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PUGET SOUND ENERGY  
NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 139  
Gas Conservation Savings Adjustment Rate  
(Continued)

(N)

2. The remaining UFCA for a given Recovery Year will be recovered in CSA rates no sooner than the second CSA rate year following the Recovery Year, subject to:
  - a. verification and possible modification by a third-party evaluator of the conservation savings used to determine the applicable Savings Adjustment;
  - b. the limitation that the UFCA recovered for the given Recovery Year does not result in the Company's actual rate of return, as derived from the Company's audited year-end financial statements, exceeding its authorized rate of return in the Recovery Year; and
  - c. a true-up in subsequent CSA filings.
3. CSA rates for each rate group will be determined by dividing the applicable UFCA by the projected sales for the associated rate group in the CSA rate year.
4. The UFCA in the 2011 Recovery Year will be calculated using the Savings Adjustment resulting from the conservation savings reported in the Company's 2010 Annual Conservation Report and the conservation savings projected for calendar year 2011 in the Company's 2011 Annual Conservation Plan ("ACP"). The non-residential conservation savings estimated in the ACP for calendar year 2011 will be allocated between the non-residential rate groups based upon their relative proportion of reported conservation savings in 2010. These estimates will be trueed-up to actual results in a subsequent CSA filing.
5. New CSA rates shall be filed no later than March 1 of each year.

Section 5: Rates

Schedules 23 and 53	0.161 ¢ per therm
Schedules 31 and 41	0.182 ¢ per therm
Schedules 85, 86 and 87	0.120 ¢ per therm

Section 6: Adjustments

Rates in this schedule or amounts charged under this schedule are subject to adjustment by such other schedules in this tariff as they may be added or modified from time to time.

Section 7: General Rules and Regulations

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

(N)

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