



Puget Sound Energy, Inc.  
P.O. Box 97034  
Bellevue, WA 98009-9734

January 9, 2008

Ms. Carole J. Washburn, Executive Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, Washington 98504-7250

**Re: Advice No. 2008-01 – Natural Gas Tariff Filing – Filed Electronically**

Dear Ms. Washburn:

Pursuant to RCW 80.28.060 and WAC 480-80-101 and WAC 480-80-105(1)(c), please find enclosed for filing the following proposed revision to the WN U-2 Tariff for natural gas service of Puget Sound Energy, Inc. (the "Company" or "PSE"):

3<sup>rd</sup> Revision of Sheet No. 3-B - Index (Continued)

The purpose of this filing is to cancel Schedule 50, Compressed Natural Gas ("CNG") for Vehicle Fuel. The Company desires to discontinue this service because: (1) CNG service is conveniently available now from other providers that are in the business of providing this service; (2) continuation of this service will require that the Company invest in replacing or upgrading the equipment used for tracking and billing the retail sales; and (3) there are security issues associated with maintaining the only remaining Company location where this service is offered. The Company originally proposed this service to encourage the use of clean natural gas fueled vehicles in Docket No. UG-920840. At the time, the Company believed it was in the best interest of the Company and its customers to offer this service and grow the CNG business. Since then, the market has matured in the non-regulated sector and the Company no longer believes it should continue to maintain its compression facilities for such service. Accordingly, it is proposing to discontinue Schedule 50 on February 9, 2008.

The Company currently has only three remaining customers regularly taking service under this schedule. Of these, only two are regular users, the largest being a Sea-Tac based taxi association and the third subscribes to the service for alternative supply purposes, but seldom uses it. A private company is now offering CNG service at Sea-Tac, which is available to serve the Sea-Tac based taxis. This same company has scheduled the opening of a fourth public station in the Company's service area in January 2008 and is planning to open a fifth station in the Seattle area by the end of 2008. All of its stations are open twenty-four hours a day, seven days a week, whereas PSE's location is only available Monday through Friday during normal working hours. This service is also available from another provider in Seattle. It is anticipated that closure of Schedule 50 will even further encourage expansion in the non-regulated sector.

The tariff sheet included in this filing is currently under suspension in Consolidated Docket Nos. UE-072300 and UE-072301. Therefore, in order to make this filing, the Company requests authorization from the Commission to make the necessary changes to this suspended tariff sheet. Also under suspension in the same Dockets is Schedule

Ms. Carole J. Washburn

January 9, 2008

Page 2

50 (9<sup>th</sup> Revision of Sheet No. 150). The Company recognizes that this suspended sheet will need to be addressed in the course of the proceeding.

The tariff sheet described herein reflects an issue date of January 9, 2008, and an effective date of February 9, 2008. Notice of the proposed tariff change, as required by law and the Commission's rules and regulations, is being given to the public immediately prior to or coincident with the date of this transmittal letter, through web, telephone and mail access in accordance with WAC 480-90-193(1). This filing represents restriction of access to this service, therefore, the Company will provide notice to customers by a 30-day notice to each customer in accordance with WAC 480-90-194(1). A copy of the letter/notice to affected customers is attached.

Please contact Lynn Logen at (425) 462-3872 for additional information about this filing. If you have any other questions please contact me at (425) 462-3495.

Very truly yours,



Tom DeBoer

Director, Rates & Regulatory Affairs

Enclosures

cc: Simon J. ffitc  
Sheree Strom Carson