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

March 31, 2009

Mr. David Danner, Secretary and Executive Director Washington Utilities and Transportation Commission P.O. Box 47250 Olympia, Washington 98504-7250

Re: Advice No. 2009-10 – Natural Gas Tariff Filing - Filed Electronically

Dear Mr. Danner:

Puget Sound Energy, Inc. (the "Company" or "PSE") hereby submits proposed revisions to its natural gas Rules 1, 4 and 29, Natural Gas Rules And Regulations and to service agreements for service under Schedules 31T, 41T, 85, 85T, 86, 86T, 87, and 87T. This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, proposes revisions in the following natural gas tariff sheets.

WN U-2 - (Natural Gas Tariff):

Seventh Revision of Sheet No. 10 - Rule 1, Natural Gas Rules And Regulations (Continued)

General

Fifth Revision of Sheet No. 14 - Rule 4, Natural Gas Rules And Regulations (Continued)

Election of Rate Schedules

First Revision of Sheet No. 43-A - Rule 29, Natural Gas Rules And Regulations (Continued)

Terms of Distribution System Transportation Service (Continued)

Attachment "A" to Schedule 31T - Transportation Service Agreement - Effective May 1, 2009

Attachment "A" to Schedule 41T - Transportation Service Agreement - Effective May 1, 2009

Attachment "A" to Schedule 85 – Interruptible Gas Service Agreement with Firm Option – Effective May 1, 2009

Attachment "A" to Schedule 85T - Transportation Service Agreement - Effective May 1, 2009

Attachment "A" to Schedule 86 – Interruptible Gas Service Agreement with Firm Option – Effective May 1, 2009

Attachment "A" to Schedule 86T - Transportation Service Agreement - Effective May 1, 2009

Attachment "A" to Schedule 87 – Interruptible Gas Service Agreement with Firm Option – Effective May 1, 2009

Attachment "A" to Schedule 87T - Transportation Service Agreement - Effective May 1, 2009

The primary purpose of this filing is to implement changes to the notice provisions required from customers who wish to switch from a sales service schedule to a transportation service schedule. The Company does not expect this proposal to increase revenues, but it may result in a reduction in revenues due to the added flexibility given to customers. All interruptible rate schedules for natural gas service and all rate schedules for distribution system transportation service are affected by this proposal. In addition this filing makes changes to Rule 1 to clarify whether the tariff or the service agreement controls when

Advice No. 2009-10 Page 2 March 31, 2009 Mr. David Danner

there is a conflict. In addition to changes to Rule 4 to provide added flexibility in changing schedule, changes were made to clarify (1) what assistance the Company may provide Customers when selecting schedules, (2) when transportation service must start, and (3) other charges that may apply. The changes to Rule 29 also address notice required before switching schedules and charges that may apply when Customers switch schedules.

In the Partial Settlement Agreement accepted by the Commission in Docket Nos. UG-040640 and UE-040641 (the "Order") the switching between sales and transportation service was addressed. The Company made changes to comply with the Order. Recently the Company was approached by a party to the same Dockets about the Company's interpretation and application of those changes. The Company has agreed that, at this time, it can make additional changes to our tariff to accommodate more flexible movement between rate schedules. This filing incorporates those additional changes.

The tariff sheets described herein reflect an issue date of March 31, 2009, and an effective date of May 1, 2009. Posting of proposed tariff changes, as required by WAC 480-90-193, is being made by posting the proposed tariff sheet on the PSE web site immediately prior to or coincident with the date of this transmittal letter. Notice to the public will be provided under the provisions of WAC 480-90-195(2) through notice on or with the first bill after the change becomes effective.

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,

Tam DI Boy

Tom DeBoer

Director, Federal & State Regulatory Affairs

Enclosures

cc:

Simon J. ffitch Sheree Carson Paula Pyron