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PSE.com

September 25, 2009

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

**RE: Advice No. 2009-24
Natural Gas Tariff Filing – Filed Electronically**

Dear Mr. Danner:

Pursuant to RCW 80.28.060 and Chapter 480-80 WAC, please find the following proposed revisions to the WN U-2, Tariff for natural gas service of Puget Sound Energy (the "Company" or "PSE"):

- 8th Revision of Sheet No. 107D - Schedule No. 7: Facilities Extension Standards (Continued)
- 8th Revision of Sheet No. 107E - Schedule No. 7: Facilities Extension Standards (Continued)
- 10th Revision of Sheet No. 107F - Schedule No. 7: Facilities Extension Standards (Continued)

These revised sheets set forth proposed updates to Schedule No. 7: Facilities Extension Standards. Revised tariff sheets regarding electric line extension and service line costs, Schedule No. 85, are also being filed concurrently under Advice No. 2009-23.

The purpose of this filing is to revise natural gas facilities extension standard costs. The proposed main and service costs were first presented to the Commission in Docket No. UG-09585, Natural Gas Line Extension Costs Study ("Study") informational filing. The cost basis of the Study included work orders completed between July 1, 2007, and June 30, 2008. An electronic copy of the detailed work papers that support the Study results was provided to the Commission Staff on May 6, 2009, in PSE's response to the WUTC Informal Data Request No. 001 of the aforementioned docket.

In preparation of this tariff filing, the Company also conducted a meter cost study to revise the costs associated with various standard meter set assemblies ("MSA"s). The standard costs of Class 250 through Class 1000 MSAs with low pressure delivery are updated using the typical installed costs of a meter set assembly: the meter, meter bar, and connected pipe and fittings. The costs for larger meter set assemblies without manifold and Class 1000 MSA with intermediate pressure delivery are revised using the actual work orders completed between July 1, 2007, and June 30, 2008. Supporting documents of MSA cost updates are enclosed as Attachment A.

The total costs associated with guard post installation have also been added in this filing in consideration of safety concerns and construction standards enforcement. Guard posts provide protection to aboveground facilities that may be subject to vehicular damage when existing street barriers are not able to provide adequate protection. When guard posts are called for, PSE's

Mr. David Danner
Advice No. 2009-24
Page 2
September 25, 2009

Operating Standards ("Standards") stipulate: "In no case shall a meter be turned on until required guard posts have been installed". The Standards also prescribe explicit guard post installation requirements. In the past, new customers have had the option to install the guard posts themselves or to hire a contractor for the installation. However, at times, some customer-installed guard posts didn't meet PSE's Standards requirements, which caused safety concerns. Reworking these irregular guard posts also resulted in construction delays. By eliminating the customer-installation of guard posts option, PSE will be better able to assure that construction adheres to its Standards and will assure compliance with federal safety mandates. With approval of the new costs, PSE will be installing the guard posts when needed and the costs associated with the installation will be part of input in the Facilities Investment Analysis when evaluating facility extensions for customers. Relevant PSE Standards and federal regulations are enclosed as Attachment B. Documents supporting the new guard post costs are enclosed as Attachment C.

The tariff sheets described herein reflect an issue date of September 25, 2009, and an effective date of November 1, 2009. The new guard posts costs will become effective on November 1, 2009. The proposed main, service and MSA standard costs updates, however, will become effective on January 1, 2010. The time difference between the effective date of the tariff sheets and the standard costs (except guard posts) will allow customers to plan for the line extension standard cost changes.

These tariff changes do not increase recurring charges or restrict access to services. The Company provides cost quotes to customers who request facility extension or modification prior to construction. Posting of the proposed tariff change, as required by WAC 480-90-193, is being made by posting the proposed tariff sheets on the PSE web site immediately prior to, or coincident with, the date of this transmittal letter. Notice of proposed tariff change, as required by law and the Commission's rules and regulations (including WAC 480-90-195(3)), 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.

Please contact Mei Cass at (425) 462-3800 or 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, Federal & State Regulatory Affairs

Enclosures

cc: Simon J. ffitich, Public Counsel
Sheree Carson, Perkins Coie