



PUGET SOUND ENERGY

The Energy To Do Great Things

Puget Sound Energy, Inc.

P.O. Box 97034

Bellevue, WA 98009-9734

March 4, 2010

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

**Re: Advice No. 2010-05 – Natural Gas Tariff Filing - Filed Electronically
Request for an order allowing less than statutory notice**

Dear Mr. Danner:

Puget Sound Energy, Inc. (the “Company” or “PSE”) hereby submits proposed revisions to its natural gas Schedule 120, Natural Gas Conservation Service Tracker. This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, proposes revisions in the following natural gas tariff sheet.

WN U-2 - (Natural Gas Tariff):

Fourteenth Revision of Sheet No. 1120 - Supplemental Schedule 120, Gas Conservation Service Tracker

The primary purpose of this filing, and the companion electric tariff filing under Advice No. 2010-04, is to implement changes to rates under the conservation tracker and rider mechanisms, as provided in Exhibit F to the Settlement Stipulation Agreement approved by the Commission in Docket Nos. UE-011570 and UG-011571. Specifically, the purpose of this filing is to revise the Gas Conservation Service Tracker charges upward in order to reflect actual costs and collections over the past years for conservation programs. Overall, this proposal represents an increase of \$5,756,463 or 0.60%. All rate schedules for natural gas service are affected by this increase with the exception of transportation schedules 31T, 41T, 85T, 86T and 87T as transportation customers are not billed under the Conservation Service Tracker.

The baseline target level for acquisition of natural gas energy efficiency resources in 2010 and 2011 is 9,054,000 therms. This is the same target level underlying the conservation program tariffs filed in Docket Nos. UE-091859 and UG-091860 on November 30, 2009 and approved by the Commission at the December 23, 2009 Open Meeting. This baseline target was set after being discussed with the Conservation Resource Advisory Group (CRAG) on an ongoing basis. The CRAG provided valuable insight in setting the baseline target and discussions provided a robust process for the individual members to conduct a detailed review of the baseline target. The ambitious two-year target level of 9,054,000 therms, exceeds PSE’s achievement of 8,864,690 therms in 2008 (3,672,300 therms) and 2009 (5,192,390 therms). As natural gas energy efficiency costs are recovered in tracker rates in the rate-year starting April 1, following the year of expenditures, this target level does not impact rates in this filing.

There are currently pending before the Commission a number of issues related to PSE’s electric and gas conservation programs. These include: (1) the Staff investigation ordered by the Commission on December

Mr. David Danner
March 4, 2010
Advice No. 2010-05
Page 2 of 2

23, 2009, related to program descriptions, budgets, cost-effectiveness, and evaluation of PSE's electric and natural conservation program tariffs filed in Docket Nos. UE-091859 and UG-091860 on November 30, 2009; (2) PSE's ten-year achievable conservation potential and biennial conservation target filed on January 29, 2010, in Docket No. UE-100177; and (3) these Schedule 120 filings which support the programs and the conservation targets. While the conservation programs and budget process is not new, the conservation targets required by WAC 480-109-010(3) is a new requirement as of 2010.

As described in the electric conservation filing, Advice No. 2010-04, PSE is requesting less than statutory notice ("LSN") for the above reasons. The Company has a large number of customers with both gas and electric service. A bill to these customers reflecting the rate changes in the conservation rider (electric) and tracker (gas) on different dates would cause confusion. Therefore, the Company respectfully requests that the Commission allow this tariff change to become effective on April 1, 2010, with less than statutory notice ("LSN"), in order to allow the Company to adjust rates to customers in a timely manner. The information required by WAC 480-80-122 is contained throughout this letter and on the attached LSN form provided by the Commission. Tom DeBoer is authorized to issue tariff changes on behalf of the Company. The Company provided Staff with the proposed tariff sheets and work papers on March 3, 2010, to allow Staff as much time as possible to review the filing.

The tariff sheets described herein reflect issue dates of March 4, 2010, and effective dates of April 4, 2010. The effective date will be adjusted upon receipt of the Commission's order allowing the changes to become effective with less than statutory notice. Posting of proposed tariff changes, 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 to the public will be provided under the provisions of WAC 480-90-194(2) through a published notice at least thirty days before the originally stated effective date of the tariff change.

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, Federal & State Regulatory Affairs

Enclosures

cc: Simon J. ffitc
Sheree Carson
Paula Pyron