



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

August 30, 2010

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

**Re: Advice No. 2010-20 – Natural Gas Tariff Filing – Filed Electronically**

Dear Mr. Danner:

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 (the “Company” or “PSE”):

- 6<sup>th</sup> Revision of Sheet No. 1129 - Low Income Program
- 3<sup>rd</sup> Revision of Sheet No. 1129-A - Low Income Program (Continued)
- 9<sup>th</sup> Revision of Sheet No. 1129-B - Low Income Program (Continued)

The purpose of this filing and the companion electric tariff filing under Advice No. 2010-19 is two-fold. First, the filing adjusts and trues-up the low income rates as provided in Exhibit G to the Settlement Stipulation Agreement approved by the Commission in Docket Nos. UE-011570 and UG-011571 (the “Settlement”) and as provided in the Multiparty Settlement Stipulation in Docket No. U-072375 and the Partial Settlement in Docket Nos. UE-072300 and UG-072301. Specifically, the purpose of this filing is to revise the Low Income Program charges in order to reflect actual program funding costs due to changes in billing determinants and the collections over the past year.

Second, this filing reflects a 1.0 percent increase in the annual level of low-income natural gas bill assistance funding. This requested increase is consistent with the increase to residential customers that PSE originally proposed in Docket Nos. UE-090704 and UG-090705 as described in PSE’s Initial Brief in the same Docket, as follows:

The company proposed to increase the annual level of low-income electric and natural gas bill assistance funding by the corresponding percent increase to the residential class that are approved by this Commission. The amount of this percentage increase would be added to the low income tariff in the next program year.

Work papers detailing the rate spread will be provided directly to the Commission’s staff.

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Several program clarifications are included in this filing as well. First, to achieve more consistency with the Settlement, restrictions were eliminated as to when carry-over funds are to be used within the following program year. Finally, the annual limit to individual customer benefits has been updated to the amount of \$1,000, which is inline with the Low Income Home Energy Assistance Program cap.

All natural gas customers who are billed for therms, except those taking service under existing special contracts, are affected by this filing. The amount of change in the total natural gas revenue to be collected through Schedule 129 from that collected over the last year is \$358,375 or 0.03% of the Company's average revenues. This filing does not result in any net increase in revenue to the Company.

The tariff sheets described herein reflect issue dates of August 30, 2010, and effective dates of October 1, 2010. Posting of the proposed tariff change for public inspection and review, as required by law and the Commission's rules and regulations, is being completed immediately prior to or coincident with the date of this transmittal letter, through web, telephone and mail access in accordance with WAC 480-100-193(1).

This filing represents an increase in customer bills, therefore, the Company will provide notice to customers in accordance with WAC 480-100-194(2) through a notice published at least thirty days before the stated effective date of the filing.

Please contact Julie Waltari at (425) 456-2945 for additional information about this filing. If you have any other questions please contact me at (425) 462-3495.

Very truly yours,

  
Manager, Regulatory Initiatives & Tariffs  
for Tom DeBoer  
Director, Federal & State Regulatory Affairs

Enclosures

cc: Simon J. ffitch  
Sheree Carson