



Puget Sound Energy
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March 1, 2011

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

**Re: Advice No. 2011-06
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 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):

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

The primary purpose of this filing is to implement changes to rates under the conservation tracker mechanism, 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 \$4,913,753 or 0.50%. 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. Work papers supporting this filing are attached.

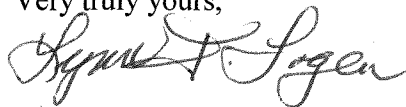
The baseline target level for acquisition of natural gas energy efficiency resources in 2010 and 2011 is 9,054,000 therms. This is the same target level underlying the conservation program tariffs filed in Docket Nos. UE-091859 and UG-091860 on November 30, 2009 and approved by the Commission at the December 23, 2009 Open Meeting. This baseline target was set after being discussed with the Conservation Resource Advisory Group (CRAG). Natural gas energy efficiency costs are recovered in tracker rates in the rate-year starting April 1, following the year of expenditures, therefore, the costs being recovered starting on April 1, 2011 are associated with this target level.

The tariff sheets described herein reflect issue dates of March 1, 2011, and effective dates of April 1, 2011. Posting of proposed tariff changes, as required by WAC 480-90-193, is being accomplished 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.

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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,



Lynn F. Logen, Tariff Consultant
for Tom DeBoer
Director, Federal & State Regulatory Affairs

Enclosures

cc: Simon J. ffitc
Sheree Carson
Paula Pyron