



Puget Sound Energy
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PSE.com

June 19, 2012

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

**RE: Advice No. 2012-20
Natural Gas Tariff Filing – Filed Electronically**

Dear Mr. Danner:

Pursuant to RCW 80.28.060 and Chapter 480-80 WAC, please find enclosed for filing the following proposed revisions to the WN U-2 for natural gas service of Puget Sound Energy, Inc. (the “Company” or “PSE”).

2nd Revision of Sheet No. 43-D - Rule No. 29; Terms of Distribution System
Transportation Service (Continued)

The primary purpose of this filing is to clarify the basis for calculating the migration charge or migration credit for customers who choose to switch to distribution transportation service from a natural gas sales service rate schedule or vice versa.

Rule 29, Section 8, paragraph 4.a., clearly states that the purpose of the migration charge is “ensuring that the Customer is required to pay for gas cost under-recoveries or benefit from over-recoveries experienced by the Company during the time the Customer was receiving sales service”. This purpose is reflected again in paragraph 4.b. of Section 8 which states the migration charges or credits will ensure “that the Customer is not required to pay for gas cost under-recoveries or benefit for over-recoveries experienced by the Company prior to the Customer migrating to sales service.” Paragraphs 4.d. i) and ii) of Section 8 currently state that customers will be charged or credited “in each of the subsequent 12 months for consumption multiplied by the rate...”. This provision is unclear if the consumption is current or historical; therefore it is being revised to carry through the intent stated in paragraphs 4.a. and 4.b. of Section 8 of Rule 29. The revision is to clearly state that the consumption is historical so that the customer will not be required to pay for gas cost under-recoveries or benefit from over-recoveries through applying the rate to current usage.

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This filing also allows the charging or crediting due to under-recoveries or over-recoveries of gas costs to occur as a one-time charge or credit. If the migration results in a charge to the customer, the Company will extend time payment arrangements, without interest, so that the customer can re-pay over twelve months.

The tariff sheets described herein reflect issue dates of June 19, 2012, and effective dates of July 20, 2012. Posting of proposed tariff changes, 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 480-90-193. Pursuant to WAC 480-90-195 notice to individual customers who are considering migrating to or from transportation service will be provided notice upon inquiry about migration or request to migrate.

Please contact Lynn Logen at (425) 462-3872 or at lynn.logen@pse.com 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

Enclosure

cc: Sheree Carson, Perkins Coie
Simon ffitch, Public Counsel
Paula Pyron, NWIGU