



PUGET SOUND ENERGY

The Energy To Do Great Things

Puget Sound Energy, Inc.

P.O. Box 97034

Bellevue, WA 98009-9734

October 30, 2012

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

Re: Advice No. 2012-31
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”):

**21st Revision of Sheet No. 101-B – Natural Gas Schedule No. 1, Tax Adjustment
(Continued)**

The purpose of this filing is to incorporate the effect of a recent municipal tax assessment made by the City of Snoqualmie (the “City”). A copy of the letter making the assessment is enclosed.

The City of Snoqualmie, in 2004, revised their city code and in that process eliminated the deductions for bad debts and for the city tax itself. The Company can find no record of being notified by the City of this change and only became aware of the change recently. The Company contacted the City to discuss this situation and the City’s decision is embodied in the attached letter assessing the Company for unpaid taxes for 2008 through April 2012 without any penalty or interest. Due to the removal of the tax deductions, on October 29, 2012 the Company changed the rate used in billing the effect of Snoqualmie city tax from 5.67% to 6.69%.

The assessment is made up of back taxes on natural gas revenues amounting to \$108,694.75 and \$177,150.83 on electric revenues for a total of \$285,846. The natural gas related assessment is grossed up to reflect the city tax, state utility tax and UTC filing fee that the Company will be obligated to pay due to increased revenue when passing through the assessment. This results in a total amount to pass through of \$120,370.74 and results in an additional rate of 2.89% when passed through over one year.

The tariff sheet described herein reflects an issue date of October 30, 2012, and an effective date of December 1, 2012. Posting of proposed tariff changes, as required by law and the Commission’s rules and regulations, is being completed through web, telephone and mail access in accordance with WAC 480-90-193. Pursuant to WAC 480-90-195 notice to customers will be provided in the first billing after

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the tariff revision becomes effective; the customers within the City will receive notification in the form of a bill message.

Please contact Lynn Logen at lynn.logen@pse.com or (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. ffitch, Public Counsel
Sheree Carson, Perkins Coie