



Puget Sound Energy  
P.O. Box 97034  
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PSE.com

November 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. 2011-40  
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 tariff for natural gas service of Puget Sound Energy (the “Company” or “PSE”).

Fourth Revision of Sheet No. 1132 - Schedule 132 – Merger Rate Credit  
Fifth Revision of Sheet No. 1132-A - Schedule 132 – Merger Rate Credit (Continued)

The purpose of this filing and the electric tariff filing being submitted coincident with this filing is to temporarily delay the annual update to the Merger Rate Credit required as part of the Multiparty Settlement Stipulation in Docket No. U-072375 by proposing a change of the annual effective date in Schedule 132. The Multiparty Settlement Stipulation is Attachment A to Order No. 8 in Docket No. U-072375 (the “Order”). The Merger Rate Credit (Transaction Commitment number 34) is a commitment to provide rate credits of \$100 million over a 10-year period (\$10 million per year for ten years).

The Company is requesting a change in the annual effective date for this year in order that this filing and the expected treasury grant filing under Schedule 95A and the Schedule 137, Renewable Energy Credit (REC), filing can all become effective on the same day thereby eliminating the impact on customers of separate rate changes. This filing alone would increase rates a very small amount (\$0.02 per month for the typical residential customer using 68 therms per month). For customers who receive both natural gas and electric service the combined impact of all filings will be a decrease in their total billing.

This filing proposes that 1) current rates will remain in effect until the coincident filings of Schedules 95A, 132 and 137 are made and 2) that the impacts of delay are trued-up in the filing for 2014 rates so the delay will not have an impact on the overall amounts refunded to customers in 2013.

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The Company is obligated to submit four filings with proposed effective dates of January 1, 2013. Those filings are of natural gas and electric Schedule 132, Merger Rate Credit, electric Schedule 137, Temporary Customer Charge (aka REC credit) and electric Schedule 95A, Federal Incentive Tracker. The Company filed Schedule 95A on October 31, 2012 and requested that the rates for 2013 remain unchanged until the Company receives the Treasury Grant related to the Lower Snake River ("LSR") wind generation project. The expected LSR Treasury Grant will result in a reduction to electric rates and a filing will be submitted to reduce electric rates shortly after the grant is received which is currently anticipated to be received by February 1, 2013. While that anticipated Schedule 95A filing will result in a decrease in electric rates the other 3 filings would result in a mix of increases and decreases.

This filing will be published by posting the change on the PSE web site immediately prior to, or coincident with the date of this transmittal letter and making information available by telephone and mail, all in accordance with WAC 480-90-193(1).

The tariff sheets described herein reflect an issue date of November 30, 2012, and an effective date of January 1, 2013. Posting of proposed tariff change, as required by WAC 480-90-193, is being made by posting the proposed tariff sheet on the PSE web site immediately prior to, or coincident with, the date of this transmittal letter in accordance with WAC 480-90-193(1).

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, Public Counsel  
Ed Finklea, NWIGU  
Sheree Carson, Perkins Coie