PUGET SOUND ENERGY Natural Gas Tariff

SUPPLEMENTAL SCHEDULE 149 Cost Recovery Mechanism for Pipeline Replacement (CRM)

Applicability: This schedule is applicable to all Customers of the Company that receive Gas Service under Schedules 16, 23, 31, 31T, 41, 41T, 53, 85, 85T, 86, 86T, 87 and 87T and special contracts. Rates in this schedule will be applied to all bills under applicable schedules with Energy usage during a month when this schedule is effective.

Purpose: The purpose of this schedule is recovery of the depreciation expense and return on the Company's post October 2013 investment associated with the Company's Pipeline Replacement Program Plan until such expense and return are included in base rates for Gas Service.

Mechanism: This mechanism conforms to the CRM elements outlined in the Commission's Policy on Accelerated Replacement of Pipeline Facilities with Elevated Risk in Docket No. UG-120715.

Monthly Rate: The rate shown below for each schedule shall be added to the monthly rate(s) for each schedule identified thereby changing the rate charged for natural gas. Customer bills shall reflect the sum of this Supplemental Schedule 149 rate and the rates(s) otherwise charged for natural Gas Service under the applicable schedules.

	To be set to zero in			
Schedule	Base CRM Rate	Dec. 2017 GRC Compliance Filing	Schedule 149 Total Effective Rate	
16	\$0.19	\$0.00	\$0.19 per mantle	(I)
23 and 53	\$0.01005	\$0.00	\$0.01005 per therm	I
31 and 31T	\$0.00981	\$0.00	\$0.00981 per therm	1
41 and 41T	\$0.00521	\$0.00	\$0.00521 per therm	I
85 and 85T	\$0.00251	\$0.00	\$0.00251 per therm	I
86 and 86T	\$0.00375	\$0.00	\$0.00375 per therm	I
87 and 87T	\$0.00184	\$0.00	\$0.00184 per therm	I
Special Contracts	\$0.00190	\$0.00	\$0.00190 per therm	(1)

Adjustments: Rates in this schedule and those rates reflected in the schedules for natural Gas Service to which this mechanism applies, as listed in the Applicability section above, are subject to adjustment by such other schedules in this tariff as may apply.

General Rules and Regulations: Service under this schedule is subject to general Rules and Regulations contained in this tariff as they may be modified from time to time and other schedules of such tariff that may apply as they may be modified from time to time.

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