PUGET SOUND ENERGY Natural Gas Tariff

RULES AND REGULATIONS (Continued) RULE NO. 23: Interruptible Sales and Transportation Service Priority (Continued)

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3. Notwithstanding the priorities listed in paragraphs 1 and 2 of this section, the Company is not required to:

- a. curtail service to any interruptible Customer(s) that the Company does not believe will contribute to alleviating the supply or distribution capacity constraint, or
- b. delay resuming service to any interruptible Customer because resumption of service to higher priority interruptible Customers involves specific operational procedures that would not affect the availability of service to other lower priority Customers, (such as manual meter reads at a Customer's premise or physically reestablishing service after a physical shut off of gas.)
- 4. When resuming service to interruptible Customers following a Service Curtailment, the priority of service listed in paragraphs 1 and 2 of this section will be observed. However, the Company is not required to resume partial or total service simultaneously to all Customers in a priority class if it believes doing so will affect the system stability or otherwise adversely affect service to higher priority Customers. If necessary, interruptible service may be resumed to any or all Customers in any or all priority classes incrementally, to allow the Company an opportunity to ascertain system stability or otherwise manage its supply and/or distribution system.

(K) Transferred to Sheet No. 37-C.1

(Continued on Sheet No. 37-C.1)

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PUGET SOUND ENERGY Natural Gas Tariff

RULES AND REGULATIONS (Continued) RULE NO. 23: Interruptible Sales and Transportation Service Priority (Continued)						
5.	Ре	Penalty for Unauthorized Use of Gas:				
	1.	Penalty for use of Unauthorized Volumes during Curtailment Period: Interruptible Customers are obligated to cease consuming Interruptible Volumes when notified by the Company. The following penalties will apply to consumption of Unauthorized Volumes (in addition to rates charged under the appropriate rate schedule). Penalties will be assessed on an hourly basis where hourly consumption data is available or on a prorated basis where hourly data is not available.				
		a.	Consumption of Unauthorized Volumes during the first two (2) hours of a Curtailment Period will be assessed a penalty equal to the Unauthorized Volume multiplied by the following rates per therm:	(C) (O) (O)		
			Effective September 4, 2009 - \$5.00	(M)		
		b.	Following the initial two (2) hours of a Curtailment Period Unauthorized Volumes will be assessed a penalty equal to the Unauthorized Volume multiplied by the following rates per therm:	(M) (T) I I		
			Effective September 4, 2009 - \$10.00	т (М)		
	2.	Pe	nalty for use of Unauthorized Volumes during an Overrun or Underrun Entitlement:	(N) 		
		a.	Overrun Entitlement: The penalty that will apply for any Unauthorized Volumes during an Overrun Entitlement will be the greater of \$1 per therm or 150% of the highest individual midpoint price of the following locations: NW Wyo. Pool; NW S. of Green River; Stanfield Ore.; NW Can. Bdr. (Sumas); or Kern River, Opal as shown in the S&P Global Platts publication "Gas Daily" for the applicable Overrun Entitlement. One MMBtu (1,000,000 British thermal units) equals 10 therms.			
		b.	Underrun Entitlement: The penalty that will apply during any Underrun Entitlement will be \$1.00 per therm for any Unauthorized Volumes.	ו ו (N)		
(M) Tra	ansfe	erred from Sheet No. 37-C			

(M) Transferred from Sheet No. 37-D

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PUGET SOUND ENERGY Natural Gas Tariff

	RULES AND REGULATIONS (Continued)	(T)			
RULE NO. 23: Interruptible Sales and Transportation Service Priority (Continued)					
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		(K)			
_					
3.	Additional Penalty: Consumption of Unauthorized Volumes during a Curtailment will also be	(C)			
	assessed a penalty equal to the Unauthorized Volume multiplied by the average cost per	(C)			
	therm of any penalties imposed upon the Company by upstream gas transmission provider(s)				
	on the Gas Day(s) when the Customer consumed Unauthorized Volumes.	(O)			
No	Rights Granted and Physical Curtailment:	(T)			

- Interruptible Customers are not granted the right to consume Unauthorized Volumes by
 paying the penalties described above. The Company retains the right to physically curtail
 service to the meter of an interruptible Customer that is consuming Unauthorized Volumes if,
 in the Company's sole judgment, such actions are necessary to protect continuity of service
 to higher priority Customers. If service to an interruptible Customer consuming Unauthorized
 Volumes must be physically curtailed, the Company may physically shut off service to the
 Customer. If the Customer receives both firm and interruptible service through the same
 meter, such physical shut off will stop the flow of both Unauthorized Volumes and firm
 volumes.
- Restoration of Service to Customers Physically Shut Off: The actual cost to restore service shall be charged for restoration of service following shut off of service that occurred in order to protect continuity of service to higher priority Customers. This charge based on actual cost replaces the otherwise applicable charge in Rule 9.

(K) Transferred to Sheet No. 37-C.1

(Continued on Sheet No. 37-E)

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PUGET SOUND ENERGY Natural Gas Tariff

RULES AND REGULATIONS (Continued) RULE NO. 29: Terms of Distribution System Transportation Service (Continued)

- Priority of Service: Sales gas volumes shall be measured as first through the meter. Following measurement of sales gas service, transportation services will be provided in the following sequence:
 - a. Firm transportation service.
 - b. Interruptible transportation service.
 - c. Balancing service.
 - d. Unauthorized use of gas.

6. Telemetering Requirement:

- 1. Service under a transportation schedule listed in Section 1 above requires Companyspecified metering/telemetering equipment or data transmission equipment as specified in the distribution system transportation service agreement.
- 2. The cost of the initial installation of metering/telemetering equipment or data transmission equipment at the Customer's facility, including associated labor costs, will be borne by the Company. The Customer shall pay for the initial installation cost and ongoing charges for telephone service required by the telemetering or data transmission equipment. The cost of any subsequent change in the metering/telemetering equipment or data transmission equipment, including associated labor costs, necessitated by a change in the Customer's requirements, will be charged to the Customer. After the above-described initial installation, any Company-ordered changes or additions in metering/telemetering equipment, data transmission equipment, and any associated facilities required for the installation, will be acquired and installed at the Company's expense.

(K) Transferred to Sheet No. 43-B.1

(Continued on Sheet No. 43-C)

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PUGET SOUND ENERGY Natural Gas Tariff

	RULES AND REGULATIONS (Continued) RULE NO. 29: Terms of Distribution System Transportation Service (Continued)	(T)		
7.	Unauthorized Use of Gas:			
	Curtailment: If the Customer fails to comply with the Company's request to partially or totally curtail its use of gas in accordance with the provisions set forth in Section 13 of this rule, all gas used in excess of such Curtailment will be billed at the applicable Rate Schedule 41 delivery and gas cost commodity rates; and, in addition, the Customer shall pay any applicable Curtailment penalties as described in Rule No. 23 of this tariff. The provisions of this paragraph are exclusive of, and in addition to, the Company's right to enforce compliance with its Curtailment or interruption request by immediate suspension of all gas service to the Customer.	I (T) I (O) I I I I I I I (M)(O)		
	Entitlement: If the Customer fails to comply with the Company's declaration of an Overrun Entitlement in accordance with the provisions set forth in Section 13 of this rule, all gas used outside of the entitlement tolerance percentage declared by the Company, on a specified Gas Day or during a specified Entitlement period, will be subject to: 1) Rate Schedule 41T volumetric charge; and 2) a credit at the average volumetric rate that Customer would pay under the Customer's own transportation service Rate Schedule. The Customer will also pay any applicable Overrun or Underrun Entitlement penalties as described in Rule No. 23 of this tariff for any failure to comply with the Company's declaration of an Overrun or Underrun Entitlement.	(N) (N)		

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PUGET SOUND ENERGY NATURAL GAS RULES AND REGULATIONS RULE NO. 29: Terms of Distribution System Transportation Service (Continued)

Section 12: Balancing Services--Aggregation

A Customer with meters at multiple sites may request that the Company aggregate such meters for the purpose of determining the calculation of any balancing service charges provided that aggregated meters are served by a single city gate as determined by the Company, at its sole discretion. The city gate will be specified in the Customer's service agreement. Aggregation will continue by the Company unless, at the end of the Customer's service agreement, the Customer requests that aggregation be discontinued.

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(K) Transferred to Sheet No. 43-I

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PUGET SOUND ENERGY **Natural Gas Tariff**

RULES AND REGULATIONS (Continued) RULE NO. 29: Terms of Distribution System Transportation Service (Continued)				((T)	
	п		2 NO. 23. Terms of Distribution System Transportation Service (Continued)			
	 Balancing Services—Constraint Periods: I. Constraint Periods, to be declared at the sole judgment and discretion of the Company, may occur for any or all Customers for one or more hours and/or days. Curtailments may occur as described in Rule No. 23 of this tariff. 			(K) (M) (7 (C (C 		
2		Ove exis suff pers ("Co Cus the Per bec on I una	ch Constraint Period will be specified as either a distribution system Curtailment, an errun Entitlement, or an Underrun Entitlement. Only one type of Constraint Period may st at any one time. Notices with respect to the initiation of a Constraint Period shall be ficient if given by the Company in writing, orally in person, or by telephone to one of the sons designated in the Authorized Curtailment/Entitlement Contact Personnel List ontact"), an exhibit to Customer's gas transportation service agreement which the stomer has agreed to complete and update upon change at least annually and provide to Company. In the event that the Company is unable to provide notice of a Constraint iod either because a Customer's Contact on record with the Company is not current or rause the Company is unable to reach any of the named authorized emergency contacts record, all gas usage by the Customer within the Constraint Period will be considered authorized and the Company will bill, and the Customer will be responsible to pay the natities and charges as set forth in Rule Nos. 23 and 29 of this tariff.	 (K) 		(O) (O) (N) I I I I I I (N)
		a.	Distribution system Curtailment: Allowable daily delivered volumes are limited to the lesser of the contracted daily firm demand or the Confirmed Nomination. Volumes consumed in excess of the allowed volumes will be billed at the unauthorized use of gas rate described in Section 7 of this rule.	(I I I M)	
		b.	Entitlement: The Company, in its discretion, will determine if and when it is appropriate to declare an Overrun Entitlement or an Underrun Entitlement for individual Customers or all Customers on a rate schedule or all Customers on its system on a specified Gas Day or during a specified entitlement period. The Company may declare an entitlement tolerance percentage at any of four levels: Stage 1 (3%), Stage 1A (5%) for an entitlement declared on the day it is to be in effect, Stage 2 (8%), and Stage 3 (13%) upon receiving notice of entitlement from Northwest Pipeline Corp. or due to operational difficulties on the Company's system.			(N)
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(K) Transferred to Sheet No. 43-J

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PUGET SOUND ENERGY **Natural Gas Tariff**

RULES AND REGULATIONS (Continued)

RULE NO. 29: Terms of Distribution System Transportation Service (Continued)

13. Balancing Services—Constraint Periods: (Continued)

- (M) c. Overrun Entitlement: Allowable daily delivered volumes are equal to 100% of the (C) Customer's Confirmed Nomination or more up to the entitlement tolerance percentage Т declared by the Company that is applied to the Customers affected by that specific entitlement period. Volumes delivered in excess of allowable daily delivered volumes will T I be billed at the unauthorized use of gas rate described in Section 7 of this rule.
- T I d. Underrun Entitlement: Allowable daily delivered volumes are equal to 100% of Customer's Confirmed Nomination or no less than the entitlement tolerance percentage I I declared by the Company that is applied to the Customers affected by that specific T I entitlement period. Volumes not delivered in excess of allowable daily delivered volumes Т I will be billed at the unauthorized use of gas rate described in Section 7 of this rule. (M) (C)
- For purposes of this rule, entitlement or Curtailment for any portion of a twenty-four hour Gas (M) day will be considered one day's entitlement or Curtailment. The gas delivery day or Gas Т day is defined as a twenty-four consecutive hour period beginning and ending at the times T specified in Rule No. 2 of this tariff. I
- 14. Adjustments: Rates in this rule are subject to conditions and adjustments as set forth in I Schedule No. 1 of this tariff and to adjustment by rates in supplemental schedules applicable to I the transportation schedule under which the Customer receives service, when applicable. Т However, the Customer will only be billed once for each therm under an applicable supplemental Т schedule. (M)

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