

BEFORE THE

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

SEATTLE CHILDREN'S HOSPITAL, a Washington nonprofit corporation; OVERLAKE HOSPITAL MEDICAL CENTER, a Washington nonprofit corporation; HOSPITAL CENTRAL SERVICES ASSOCIATION, a Washington nonprofit corporation; COSTCO WHOLESALE CORPORATION, a Washington corporation; NORTHWEST BAKING LIMITED PARTNERSHIP dba NORTHWEST BAKING COMPANY, a Washington limited partnership; FIRST CALL PLUS OF WASHINGTON, L.L.C., a Washington limited liability company; REPAUL TEXTILES LLC dba STERILE SURGICAL SYSTEMS, a Washington limited liability company; SHINING OCEAN, INC., a Washington corporation; TUCCI & SONS, INC., a Washington corporation; WESTROCK CP, LLC, a Delaware limited liability company; NUCOR STEEL SEATTLE INC., a Delaware corporation; ACE GALVANIZING, INC., a Washington corporation; GARDNER ASPHALT CORPORATION, a Delaware corporation; and WESTERN WOOD PRESERVING CO., a Washington corporation.

Complainants:

v.

PUGET SOUND ENERGY, INC., a Washington Corporation,

Respondent.

Docket _____

COMPLAINT

Seattle Children's Hospital, Overlake Medical Center, Hospital Central Services Association, Costco Wholesale Corporation, Northwest Baking Limited Partnership dba Northwest Baking Company, First Call Plus of Washington, L.L.C., Repaul Textiles dba Sterile Surgical Systems, Shining Ocean, Inc., Tucci & Sons, Inc., Westrock CP, LLC, Nucor Steel Seattle Inc., Ace Galvanizing, Inc., Gardner Asphalt Corporation, and Western Wood Preserving Co. (hereinafter referred to collectively as "Customers") hereby allege as follows:

INTRODUCTION

1. Customers file this Complaint because Puget Sound Energy, Inc. ("Puget") unlawfully imposed upon Customers "Curtailment Penalties" of more than \$900,000 for a period of time in which there was no declared curtailment period.
2. Puget's imposition of such Curtailment Penalties outside of a declared curtailment period is contrary to the plain language and clear intent of Puget's applicable tariffs. Pursuant to Revised Code of Washington ("RCW") 80.04.110 and Washington Administrative Code ("WAC") 480-07-370(1), Customers now seek an immediate refund from Puget of all such unlawfully collected Curtailment Penalties during a declared overrun entitlement with interest from the date of collection.
3. Customers are each natural gas transportation customers of Puget. This means that Customers are responsible for arranging their own gas supply and Puget is responsible for using its natural gas distribution system to deliver Customers' natural gas supply to a designated point of delivery. In turn, Puget's distribution facilities are connected to interstate natural gas pipelines such as the pipeline owned by Northwest Pipeline, LLC ("NW Pipeline"). NW Pipeline's facilities are interconnected with other pipelines, including the Enbridge/Westcoast Pipeline ("Enbridge Pipeline").

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4. Customers use the natural gas transported by Puget to operate various commercial and industrial facilities in the region, employ a significant number of Washingtonians and contribute substantially to the overall financial well-being and prosperity of the entire Pacific Northwest.

5. In order for their respective business operations to remain economically viable, Customers rely on Puget to provide natural gas transportation service that is safe, reliable, and consistent with its duly established tariff provisions.

6. Puget's tariffs set forth the terms and conditions pursuant to which Puget may offer utility services to the public, including natural gas transportation service offered to the Customers. Puget's tariffs are all reviewed and approved by the Washington Utilities and Transportation Commission ("Commission"). Puget is expressly prohibited by Washington law from collecting any charges, fees, or penalties that are inconsistent with tariff provisions duly established by the Commission.¹

7. On October 9, 2018, a rupture occurred on the Enbridge Pipeline ("Rupture"). The Rupture caused significant impacts to the natural gas and energy markets throughout the Pacific Northwest. Among other impacts, NW Pipeline operated from time to time following the Rupture under various stages of "overrun entitlements," ranging from three percent (3%) to thirteen percent (13%). During a declared overrun entitlement, customers must balance their pre-scheduled or "nominated" natural gas usage with their actual natural gas usage within a certain threshold percentage on a daily basis. For example, during a declared "thirteen percent overrun entitlement" period, a customer that takes fifteen percent (15%) more natural gas than it has nominated would receive an overrun entitlement penalty for the two percent of gas used above the declared thirteen percent overrun entitlement. NW Pipeline's overrun entitlement

¹ RCW 80.28.080.

penalties are based on a rate that is the greater of: (i) ten dollars per dekatherm; or (ii) one hundred and fifty percent (150%) of the highest midpoint price at key pricing points on NW Pipeline's system.

8. Puget and other local distribution companies taking service from NW Pipeline also declared "overrun entitlements" on their systems to mirror the operating conditions on the interstate pipeline. The penalties that Puget may charge during an "overrun entitlement," if any, must be consistent with its Commission-approved tariffs.
9. As relevant to this Complaint, the Rupture resulted almost exclusively in the declaration of overrun entitlements by NW Pipeline, Puget, and other local distribution companies.
10. With only one exception, Puget did not declare a "Curtailment Period" as defined in Rule 23 (Interruptible Sales and Transportation Service Priority) ("Rule 23").² The one exception is that a Curtailment Period was declared for one gas day on October 10, 2018.
11. The differences between a "constraint period" and a "Curtailment Period" in Puget's tariffs are meaningful for determining penalties associated with violations of those periods. A constraint period is a period in which capacity is constrained. A constraint period can result in either: (a) an overrun entitlement; (b) an underrun entitlement; or (c) a Curtailment Period. Critically, these three operating conditions are mutually exclusive of each other. In other words, a constraint period that results in an overrun entitlement, by definition, cannot simultaneously be a Curtailment Period.³

² The term "Curtailment Period" is defined in Rule 23, Section 2. A copy of Rule 23 is attached to this Complaint as **Exhibit A**.

³ See Rule 29 (Terms of Distribution System Transportation Service) ("Rule 29"), Section 13 (stating that "[o]nly one type of constraint period may exist at any one time"). A copy of Rule 29 is attached to this Complaint as **Exhibit B**.

12. Following the Rupture, and after declaring an overrun entitlement, Puget levied Curtailment Period penalties on the Customers for exceeding the threshold percentages established for the declared overrun entitlement period. Unlike Puget, neither NW Pipeline nor any other local distribution companies attempted to impose such Curtailment Period penalties during a declared overrun entitlement on their customers for the simple reason that there was no Curtailment Period.
13. Puget's imposition of Curtailment Period penalties on the Customers following the Rupture, at a time when there was no Curtailment Period, violated Rule 23 of its tariffs, Section 5, Paragraph 2 of which is entitled "Penalty for use of Unauthorized Volumes during Curtailment Period" (the "Curtailement Penalty").
14. Although portions of Puget's tariffs provide penalties for violations of a "Curtailement" during a declared Curtailment Period, no tariff language in effect at the time of the Rupture established a penalty for gas usage beyond the threshold percentage allowed during an overrun entitlement. Puget's apparent conflation of the specific term "Curtailement Period" with the general term "constraint period" resulted in unlawful penalties charged to, and collected from, Customers.
15. The Curtailement Penalty in Puget's tariffs is intended to ensure that its customers comply with an order to partially or totally reduce consumption during a declared Curtailment Period, the failure of which can threaten the operational integrity of Puget's gas distribution system.
16. On its face, the Curtailement Penalty may be applied by Puget only during a Curtailment Period and not during any other types of constraint periods. Although it also results in a constraint period, an overrun entitlement is categorically differently from a Curtailment and does not require a customer to partially or totally curtail its load. Rather, an overrun entitlement

addresses the precision of gas nominations and gas use by requiring a customer to not exceed a certain threshold percentage over its nomination on a daily basis.

17. Puget's imposition of the Curtailment Penalty during an overrun entitlement period, and outside of any Curtailment Period, was inconsistent with its applicable tariffs and, therefore, was unlawful.

18. Puget's imposition of the Curtailment Penalty during an overrun entitlement period, and outside of any Curtailment Period, was also unjust and unreasonable in amount.

19. By way of illustration, the Curtailment Penalty unlawfully imposed by Puget on the Customers during a declared overrun entitlement was approximately ten times higher (\$10/therm compared to \$10/dekatherm) than the overrun entitlement penalties in the tariffs of NW Pipeline and other local distribution companies in the region.

20. Customers now request a Commission finding that the Curtailment Penalty, as applied by Puget to the Customers between October 11, 2019 to February 28, 2019, violates RCW 80.28.080. Customers further ask that the Commission order Puget to refund all such unlawful Curtailment Penalties with interest.

21. In the alternative, if the Commission were to determine that Puget may impose the Curtailment Penalty outside of a declared Curtailment Period, the Commission should specifically review the amount of the Curtailment Penalty in the context of overrun entitlements to determine whether it is just, reasonable, and compensatory as required by RCW 80.28.20.

22. The following rules or statutes may be brought into issue by this Complaint: RCW 80.01.040; RCW 80.04.110; RCW 80.04.220; RCW 80.04.230; RCW 80.28.010; RCW 80.28.020; RCW 80.28.080; RCW 34.05.240; and WAC 480-07-370.

PARTIES

23. Customers are natural gas transportation customers served by Puget in the State of Washington. **Pursuant to WAC 480-07-370(1)(b)(i), the names and addresses of the Customers are included in Exhibit G to this Complaint, attached hereto and incorporated here by this reference.**

24. Pursuant to WAC 480-07-370(1)(b)(i), the individuals designated to receive service for the customers, and the attorneys representing Customers in this proceeding, are:

Chad Stokes
Tommy A. Brooks
Cable Huston LLP
1455 SW Broadway, Suite 1500
Portland, OR 97201
Business: (503) 224-3092
cstokes@cablehuston.com
tbrooks@cablehuston.com

25. Pursuant to WAC 480-07-370(1)(b)(ii), the name and address of Puget, the company complained of in this Complaint, is:

Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734

26. Puget is engaged in the business of providing electric and gas service within the State of Washington.

27. Puget owns, operates and maintains a natural gas distribution system and provides natural gas service to customers of all types, including the Customers.

28. Puget is a "public service company" subject to the regulatory authority of the Commission for its rates, service, facilities, and practices.

JURISDICTION

29. The Commission has jurisdiction over this Complaint and the parties pursuant to RCW 80.01.040 (general powers and duties of the Commission), RCW 80.04.110 (complaints), RCW 80.04.220 (reparations), RCW 80.04.230 (overcharges and refunds), RCW 80.04.010(14) (defining “Gas company”), RCW 80.04.020 (procedure before Commission courts), RCW 80.28.020 (Commission to fix just, reasonable, and compensatory rates), and WAC 480-07-370(1) (formal complaints).
30. The Commission has the statutory authority and responsibility to determine whether any costs or penalties that public service companies recover from their customers are in excess of a lawful tariff rate.
31. The Commission has the statutory authority and responsibility to order refunds or reparations for unlawful charges imposed by a public service company.
32. The Commission has the statutory authority and responsibility to determine fair, just, and reasonable rates.

STATEMENT OF FACTS

33. The Enbridge Pipeline is a natural gas pipeline that supplies natural gas to portions of British Columbia and that connects with NW Pipeline’s facilities at the Canada-United States border at Huntington/Sumas.
34. NW Pipeline transports natural gas to local distribution companies and other customers in Washington, Oregon, and Idaho, including Puget.
35. The Rupture resulted in a loss of all deliveries for gas day October 10th, as Enbridge’s thirty-six-inch line and its parallel thirty-inch line were both shut down. Although service was

partially restored after the Rupture, the Enbridge Pipeline has and continues to operate at reduced pressure and capacity.

36. Following the Rupture, NW Pipeline declared a Curtailment Period only on October 10, 2018, which was lifted on October 11, 2018. At that time, NW Pipeline began operating under various stages of overrun entitlements.
37. Like the NW Pipeline system to which it is connected, Puget has also been operating its distribution system under various stages of overrun entitlements since the Rupture. Puget also declared a Curtailment Period only on October 10, 2018, which was lifted on October 11, 2018. Puget declared no other Curtailment Period following the Rupture.
38. Puget's tariffs applicable to transportation customers following the Rupture prescribe the terms and conditions applicable during a declared overrun entitlement. Applicable tariffs include Puget Natural Gas Tariff and Regulation Rule 29, Rule 23, and Rule 2 (Definitions) ("Rule 2").⁴
39. Section 13(2) of Rule 29 establishes three distinct categories of constraint periods: "Each constraint period will be specified as either a distribution system Curtailment, an Overrun Entitlement, or an Underrun Entitlement. Only one type of constraint period may exist at any one-time." (Emphasis added). In other words, Puget's own tariff dictates that there cannot be simultaneously a Curtailment Period and an overrun entitlement period.
40. During a distribution system Curtailment Period, Rule 29, Section 13 of Puget's tariffs provide that "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 Rule 29."

⁴ A copy of Rule 2 is attached to this Complaint as **Exhibit C**.
PAGE 9 – COMPLAINT

The “daily firm demand” means the minimum non-interruptible volume of gas which a customer is entitled to under the customer’s service agreement.

41. The overrun entitlement language in Rule 29, Section 13(2)(a) directs one to the same Section 7 as the Curtailment language.

42. During an Overrun Entitlement, Rule 29, Section 13(2)(b) provides that allowable “daily delivered volumes are limited to less than or equal to 103% of the Confirmed Nomination or some other larger percentage entitlement determined by [Puget]” and volumes delivered and consumed in excess of 103% (or other percentage as determined by Puget) of the Confirmed Nomination “will be billed at the unauthorized use of gas rate described in Section 7 of [Rule 29].” Pursuant to Rule 2, Section 12, the term “Confirmed Nomination” means the quantity of gas a transportation customer “has requested an interstate pipeline to deliver” on a specific gas day—in other words, the customer’s prescheduled or nominated gas supply.

43. Despite the language in Rule 29, Section 13(2)(b), Section 7 of Rule 29 does not describe an “unauthorized use of gas rate.” Instead, that section states that excess gas “will be billed at the applicable Rate Schedule No. 41 delivery and gas cost commodity rates; and, in addition, the Customer shall pay any applicable penalties as described in Rule 23 of this tariff.” (Emphasis added). The referenced Rule 23 penalties are specifically and exclusively the Curtailment Penalties. No penalties are applicable to an overrun entitlement.

44. Puget has acknowledged that the penalties referred to in Section 7 of Rule 29 are applicable only to unauthorized gas uses during Curtailment Periods. In 2009, Puget revised Rule 23 to provide for a substantially higher Curtailment Penalty than had previously existed in its tariffs. After reviewing the penalty provisions that apply when interruptible customers fail to

interrupt service, Puget determined that a two dollar per therm penalty was “not sufficient incentive for customers to partially or completely discontinue consumption.” Puget stated that:

Many interruptible customers take some level of firm gas supply for critical operations, and physical disconnection of service for failing to curtail use of interruptible volumes would result in interruption of this firm supply as well, so disconnection of service is not a workable option. If interruptible customers fail to curtail when requested, the Company’s ability to serve firm customers may be affected. These changes provide an economic incentive to customers to curtail when requested.⁵

Puget notified customers of these changes, stating that “Business customers on interruptible rate schedules who fail to curtail interruptible use when requested will incur the updated fees on all interruptible therms used during a curtailment period.”⁶ Again, “Curtailment Period” is a defined term that is mutually exclusive of an overrun entitlement.

45. Although it has since been amended, the Curtailment Penalty at issue here specifically provided that the penalty for use of “Unauthorized Volumes” during a “Curtailment Period” was five dollars per therm for the first two hours of the Curtailment Period and ten dollars per therm thereafter. Section 5 of Rule 23 also provided for an “additional penalty” equal to the “Unauthorized Volume multiplied by the average cost per therm of any penalties imposed on the Company by upstream gas transmission provider(s)” during a curtailment period when the customer consumed “Unauthorized Volumes” (the “Additional Penalty”).

46. According to the plain language and clear intent of Rule 23, the Curtailment Penalty applies only if there is a Curtailment Period.

⁵ Advice No. 2009-15 (Aug. 4, 2009) (addressing revisions to Puget Natural Gas Tariff WN U-2, including Rule 23) (emphasis added). A copy of Rule Advice No. 2009-15 is attached to this Complaint as **Exhibit D**.

⁶ Notice Letter UG-091258, Advice No. 2009-15 (Sept. 28, 2009) (emphasis added). A copy of Notice Letter UG-091258 is attached to this Complaint as **Exhibit E**.

47. Pursuant to Rule 23 and Rule 2, the terms “Curtailement” and “Overrun Entitlement” are distinct and separate types of constraint periods representing different system constraints. A “Curtailement” is a condition specifically and expressly declared by Puget during which interruptible customers must “partially or totally stop consumption” of natural gas “in excess of the firm contracted amount.”⁷ The “firm contracted amount” means the minimum non-interruptible volume of gas which a customer is entitled to under the customer’s service agreement. By contrast, Rule 2, Section 24 states that an “Overrun Entitlement” is “[a] period of time in which delivered gas volumes to a transportation Customer on the Company’s distribution system may not exceed the Customer’s Confirmed Nomination for that day.” Again, “Confirmed Nomination” means the firm and interruptible daily consumption requested by the customer for that day.

48. During all periods relevant to this Complaint, Rule 23 contained a penalty applicable only to a violation of a declared Curtailement. This Curtailement Penalty does not apply to, and may not be imposed during, a declared overrun entitlement.

49. Contrary to the language in Rule 23 and related tariff provisions, between October 11, 2018 and February 28, 2019, Puget unlawfully imposed significant Curtailement Penalties on the Customers when there was no Curtailement Period. Due to the length of the declared overrun entitlement, Puget assessed substantially all such unlawful Curtailement Penalties at the rate of ten dollars per therm (\$10/thm).

⁷ Rule 23, Section 2 defines “Service Curtailement” as “[t]he requirement of interruptible sales and interruptible transportation customers to reduce or cease consumption of Interruptible Volumes.” The term “Interruptible Volumes” means “[t]he volume of gas for an interruptible customer in excess of the firm contracted amount as identified in such customer’s service agreement, or if no service agreement is in effect, on the most recent service agreement between such interruptible customer and the company.” Rule 23, Section 2. Rule 2, Section 12 defines “Curtailement” as “[a] condition declared by the Company during which a Customer is required to partially or totally stop consumption of natural gas.”

50. Upon information and belief, Puget paid no corresponding penalties to NW Pipeline or any other upstream pipeline during the overrun entitlement period declared by NW Pipeline.
51. Upon information and belief, Puget did not suffer any system outages or other negative consequences as a result of the declared overrun entitlement or the Customers' gas nominations during the overrun entitlement period.
52. In order for the Customers to comply with a declared overrun entitlement, Puget needs to provide accurate usage information so that the Customers can accurately nominate their gas loads. Upon information and belief, Puget failed to provide usage information on a daily basis during certain periods of declared overrun entitlements as required by its tariff.
53. On January 25, 2019, Puget filed a revision to Rule 23 (the "Rule 23 Revision").⁸ The Rule 23 Revision became effective March 1, 2019.
54. Puget's revised tariff confirms the Curtailment Penalty is not applicable to overrun entitlements. The Rule 23 Revision retained the penalty for "use of Unauthorized Volumes during [a] Curtailment Period," including the penalty of five dollars per therm during the first two hours of a Curtailment Period and ten dollars per therm thereafter. The Rule 23 Revision, however, added a new penalty for "use of Unauthorized Volumes during an Overrun or Underrun Entitlement" (the "Overrun Entitlement Penalty"). Similar to NW Pipeline, Puget's new Overrun Entitlement Penalty is "the greater of \$1 per therm or 150% of the highest individual midpoint price of the following locations: NW Wyo. Pool; NW S. Green River; Stanfield Ore.; NW Can. Bdr. (Sumas); or Kern River, Opal as shown in the S&P Global Platts

⁸ A copy of the Rule 23 Revision is attached to this Complaint as **Exhibit F**. Effective March 1, Puget also amended Rule 29 to explicitly provide for overrun or underrun entitlement penalties as described in the Rule 23 Revision. A copy of the revised Rule 29 is included in the Rule 23 Revision attached to this Complaint as **Exhibit F**.

publication ‘Gas Daily’ for the applicable Overrun Entitlement.” Puget’s new overrun entitlement penalty now fills a gap in Puget’s Rule 23 where there had previously been no specifically applicable penalty.

55. Puget bills the Customers on a monthly basis. Thus, Puget unlawfully billed Customers for Curtailment Penalties allegedly incurred under Rule 23 on a monthly basis prior to March 1, 2019. To avoid paying thousands of dollars in late fees, some of the Customers elected to pay the Curtailment Penalty under protest and take legal action to recover such amounts.

FIRST CLAIM AGAINST PUGET

56. Customers reallege the allegations set forth in paragraphs 1 through 55 above.

57. Pursuant to RCW 80.28.080, “no gas company, electrical company, wastewater company, or water company may charge, demand, collect or receive a greater or less or different compensation for any service rendered or to be rendered than the rates and charges applicable to such service as specified in its schedule filed and in effect at the time.”

58. Pursuant to RCW 80.04.230, “[w]hen complaint has been made to the commission that any public service company has charged an amount for any service rendered in excess of the lawful rate in force at the time such charge was made, and the same has been investigated and the commission has determined that the overcharge allegation is true, the commission may order that the public service company pay to the complainant the amount of the overcharge so found, whether such overcharge was made before or after the filing of said complaint, with interest from the date of collection of such overcharge.”

59. The Curtailment Penalty was and is applicable only during a Curtailment Period specifically declared by Puget. Puget declared a Curtailment Period only for a single gas day on

October 10, 2018. No Puget tariff in effect prior to March 1, 2019, including Rule 23 and Rule 29, imposed a penalty for use of volumes of gas in excess of a declared overrun entitlement.

60. Accordingly, Puget's collection of the Curtailment Penalty from Customers was not authorized by its tariff, and Puget must refund such amounts to Customers with interest from the date of collection of that overcharge.

SECOND CLAIM AGAINST PUGET

61. Customers reallege the allegations set forth in paragraphs 1 through 60 above.

62. To the extent it applies to violations of a declared overrun entitlement, the Curtailment Penalty is exorbitant, excessive, and not designed to prevent harm to the operational integrity of the utility for the risks associated with overrun entitlements.

63. Upon information and belief, Puget failed to provide usage information on a daily basis during all periods of declared overrun entitlements.

64. Pursuant to RCW 80.28.020 and RCW 80.04.220, the Commission should commence an adjudicative proceeding to determine whether the Curtailment Penalty as applied to the Customers' overrun entitlement violations before March 1, 2019 was excessive, exorbitant, unjust, unreasonable, or not intended to yield a reasonable compensation for the service rendered.

PRAYER FOR RELIEF

WHEREFORE, Customers respectfully request that the Commission issue an order:

65. Finding that Puget's tariffs effective from October 11, 2018 to February 28, 2019, including Rule 23 and Rule 29, authorized Puget to impose Curtailment Penalties only for use of unauthorized Volumes of gas during a declared Curtailment Period. During this time period,

Puget did not declare a Curtailment Period. Therefore, Puget's imposition of Curtailment Penalties during such time period was not authorized by its tariff and was therefore unlawful.

66. In the alternative, commencing an adjudicative proceeding to determine whether Puget's application of Curtailment Penalties during a declared overrun entitlement is and was excessive and exorbitant or, in the alternative, not just and reasonable, or both.

67. Ordering Respondent to immediately cease and desist from collecting any Curtailment Penalties for the use of gas in excess of the penalty free threshold of a declared overrun entitlement incurred between October 11, 2018 and February 28, 2019.

68. Ordering that Respondent immediately refund with interest any and all Curtailment Penalties unlawfully collected from Customers when there was no Curtailment Period.

69. Ordering any other and further relief as the Commission may deem necessary and appropriate.

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Dated this 1st day of October 2019.

Respectfully submitted,



Chad M. Stokes, WSBA 37499, OSB 004007
Tommy A. Brooks, WSBA 40237, OSB 076071
Cable Huston LLP
1455 SW Broadway, Suite 1500
Portland, OR 97201-3412
Telephone: (503) 224-3092
Facsimile: (503) 224-3176
E-mail: cstokes@cablehuston.com
tbrooks@cablehuston.com

Of Attorneys for Seattle Children's Hospital, Overlake Medical Center, Hospital Central Services Association, Costco Wholesale Corporation, Northwest Baking Limited Partnership dba Northwest Baking Company, First Call Plus of Washington, L.L.C., Repaul Textiles dba Sterile Surgical Systems, Shining Ocean, Inc., Tucci & Sons, Inc., Westrock CP, LLC, Nucor Steel Seattle Inc., Ace Galvanizing, Inc., Gardner Asphalt Corporation, and Western Wood Preserving Co.

EXHIBIT A

EXHIBIT A

WN U-2

Seventh Revision Sheet No. 37
Cancelling
Sixth Revision Sheet No. 37

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

Section 1: Purpose of Interruptible Service

1. The company's gas distribution system and gas supply resource portfolio are designed to meet the needs of firm customers. Interruptible service is made available as long as, in the company's sole judgment and discretion, any one of the following conditions exists:
 - a. distribution capacity and/or contracted gas supply resources are not needed to meet the expected demand of firm customers, or
 - b. any excess distribution capacity and/or supply resources may be used by interruptible customers without jeopardizing continuous service to firm customers, or
 - c. maintenance, repair or operational conditions of the company's gas distribution system do not prevent or limit service to interruptible customers.

Section 2: Definitions

The following definitions will apply for purposes of this rule:

1. **Curtailment Period:** The time period during which interruptible customers must partially or completely discontinue the consumption of Interruptible Volumes. The Curtailment Period begins at the time at which the interruptible customer is advised by the company that the Curtailment Period will commence. The Curtailment Period ends at the time at which the interruptible customer is advised by the company that the Curtailment Period will end and resumption of interruptible service may commence.
2. **Interruptible Volumes:** The volume of gas for an interruptible customer in excess of the firm contracted amount as identified in such customer's service agreement, or if no service agreement is in effect, on the most recent service agreement between such interruptible customer and the company.
3. **Service Curtailment:** The requirement of interruptible sales and interruptible transportation customers to reduce or cease consumption of Interruptible Volumes.

(Continued on Sheet No. 37-A)

(K) Transferred to Sheet No. 37-B

ADVICE NO: 2000-17

Issued: November 7, 2000

Effective: December 14, 2000

Issued By: Puget Sound Energy

By: _____



Steve Secrist

Title: Director, Rates & Regulation

EXHIBIT A

WN U-2

Third Revision of Sheet No. 37-A
Canceling
Second Revision of Sheet No. 37-A

PUGET SOUND ENERGY
NATURAL GAS RULES AND REGULATIONS (Continued)
RULE NO. 23: Interruptible Sales and Transportation Service Priority (Continued)

- 4. Unauthorized Volumes: Gas consumed during a Curtailment Period in excess of the firm contracted amount listed in the Customer's service agreement; and greater than the Interruptible Volumes authorized by the Company, if only a partial Service Curtailment is implemented. Unauthorized Volumes include volumes described in Rule 29, Terms of Distribution System Transportation Service, Section 7, Unauthorized Use of Gas. (T)
(T)
(N)
(N)

Section 3: Types and Conditions of Service Curtailments

- 1. Supply Curtailment - The Company may initiate a partial or total Service Curtailment for any or all interruptible sales Customers under Schedules 85, 86, 87, or special contract Customers taking Interruptible Volumes, for one or more hours and/or days if, in the Company's sole determination: (T)
 - a. the Company's contracted gas supply and/or upstream transportation capacity is insufficient to meet the expected total demands of firm and interruptible sales Customers, or (T)
 - b. the Company's storage inventory levels and/or deliverability may be insufficient to reliably serve the expected demands of firm sales Customers in future periods. (T)
- 2. Distribution Curtailment - The Company may initiate a partial or total Service Curtailment for any or all interruptible sales and transportation Customers under Schedules 85, 86, 87, 85T, 86T, 87T or special contracts for one or more hours and/or days if, in the Company's sole determination: (T)
 - a. the capacity of the Company's distribution system or any portion thereof, is insufficient to meet expected requirements for all firm and interruptible sales and transportation service Customers, or (T)
 - b. partial or total Service Curtailment is judged to be required to facilitate the repair or maintenance of the Company's distribution system, or to manage operating conditions and pressures on the Company's distribution system or any portion thereof. (T)

(Continued on Sheet No. 37-B)

Issued: August 4, 2009
Advice No.: 2009-15

Effective: September 4, 2009

Issued By Puget Sound Energy

By: Tom DeBoer Tom DeBoer Title: Director, Federal & State Regulatory Affairs

EXHIBIT A

WN U-2

First Revision of Sheet No. 37-B
Canceling
Original Sheet No. 37-B

PUGET SOUND ENERGY
NATURAL GAS RULES AND REGULATIONS (Continued) (T)
RULE NO. 23: Interruptible Sales and Transportation Service Priority (Continued)

Section 4: Service Curtailment and Resumption Priorities

When a Service Curtailment must be initiated, then, to the extent permitted by the operating characteristics of the Company's gas distribution system and gas supply resource portfolio, the Company will accomplish Supply and Distribution Curtailments in the following sequences unless it is necessary, in the sole judgment of the Company, to vary said sequence in order to protect system performance, integrity, reliability, or stability and to meet the needs of firm Customers. Restoration of service will be accomplished in the reverse sequence, unless it is necessary, in the sole judgment of the Company, to vary said sequence in order to protect system performance, integrity, reliability, or stability and to meet the needs of firm Customers. (N)

- 1. Supply Curtailments—The service priority for Service Curtailments and resumption of service following a supply curtailment as described in paragraph 1 of Section 3, above, is as follows:
 - a. Highest Priority (Last Curtailed/First Resumed)—service to Schedule No. 86 Customers. (T)
 - b. Second Priority (Second Curtailed/Second Resumed)—service to Schedule No. 85 Customers. (T)
 - c. Lowest Priority (First Curtailed/Last Resumed)—service to Schedule No. 87 Customers and service to special contract interruptible sales Customers. (T)
 - d. Notwithstanding the service priority established in provisions (a)-(c) of this paragraph, a Customer taking interruptible service under a special contract will have the service priority that is consistent with the terms and conditions of such special contract. (T)
- 2. Distribution Curtailments--The service priority for Service Curtailments and resumption of service following a distribution curtailment, as described in paragraph 2 of Section 3, above, is as follows:
 - a. Highest Priority (Last Curtailed/First Resumed)—service to Schedule Nos. 86 and 86T Customers. (C)
 - b. Second Priority (Second Curtailed/Second Resumed)—service to Schedule Nos. 85 and 85T Customers. (T)
 - c. Lowest Priority (First Curtailed/Last Resumed)—service to Schedule Nos. 87 and 87T Customers, and interruptible sales or transportation special contract Customers. (C)
 - d. Notwithstanding the service priority established in provisions (a)-(c) of this paragraph, a Customer taking interruptible service under a special contract will have the service priority that is consistent with the terms and conditions of such special contract. (T)

(Continued on Sheet No. 37-C)

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EXHIBIT A

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PUGET SOUND ENERGY
NATURAL GAS RULES AND REGULATIONS (Continued)
RULE NO. 23: Interruptible Sales and Transportation Service Priority (Continued)

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

Section 5: Penalty for Unauthorized Use of Gas

1. 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. (T)
2. Penalty for use of Unauthorized Volumes during Curtailment Period: 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)
- Effective September 4, 2009 – \$5.00 (N)

(Continued on Sheet No. 37-D)

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PUGET SOUND ENERGY
NATURAL GAS RULES AND REGULATIONS (Continued)
RULE NO. 23: Interruptible Sales and Transportation Service Priority (Continued)

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: (N)
Effective September 4, 2009 – \$10.00 (N)

- 3. Additional Penalty: Consumption of Unauthorized Volumes during a Curtailment Period will also be assessed a penalty equal to the Unauthorized Volume multiplied by the average cost per 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; (C)
(C)
(C)(D)

Section 6: No Rights Granted and Physical Curtailment

- 1. 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. (T)
(T) (D)
- 2. 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. (N)
(N)

(Continued on Sheet No. 37-E)

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PUGET SOUND ENERGY
NATURAL GAS RULES AND REGULATIONS (Continued)
RULE NO. 23: Interruptible Sales and Transportation Service Priority (Continued)

3. To minimize the potential of physical shut off of gas for both firm and interruptible volumes, a Customer may request and pay the full cost for separate metering of firm and Interruptible Volumes in advance of Curtailment. However, said request must be sufficiently in advance of the date of Curtailment to allow the Company to obtain and install the additional meter. If a Customer with dual meters consumes Unauthorized Volumes through the firm meter, the Company may physically shut off service through both meters if, in the Company's sole judgment, such actions are necessary to protect the continuity of service to higher priority Customers. (T)
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|
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(T)
(T)

Section 7: Company's Liability

The Company shall not be liable to any Customer or any other person or entity for any Service Curtailment or any loss or damage caused thereby, including situations where the Company physically shuts off service to the Customer as provided above in section 6, stopping the flow of Unauthorized Volumes and/or firm volumes. (T)
|
(T)

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

Section 1: Availability

Distribution system transportation service is available throughout the territory served by the Company to Customers who have executed a service agreement for transportation service under one of the following Rate Schedules No.: 31T, 41T, 85T, 86T, or 87T. Transportation service through the Company's facilities is available from the point of receipt into the Company's distribution system to the Customer's premise, provided that, in the sole judgment of the Company, there are adequate facilities in place to provide such service. In Kittitas County, the interruptible service option under this rule shall be available to Customers that do not take any Gas Service during the months of October through March. Transportation service under all of the above schedules is subject to the provisions of this rule. (O)

Section 2: General Rules and Regulations

Transportation service is subject to the rules and regulations contained in the Company's tariff and to those prescribed by the Washington Utilities and Transportation Commission and as they may from time to time be legally amended or superseded.

Section 3: Nature of Service

1. Service under a transportation schedule includes the following:
 - a. Receipt of gas and transportation through the Company's distribution facilities to a single delivery point specified in the service agreement.
 - b. Measurement and delivery of Customer's gas at the delivery point specified in the service agreement.
 - c. Balancing Confirmed Nominations and deliveries. (O)
2. Service, unless otherwise contracted for, is on an interruptible basis only for Rate Schedules No. 85T, 86T, and 87T. A Customer contracting for firm transportation service under this rule must specify in the service agreement the daily firm demand quantity, expressed in therms. Requests for firm transportation service may require a contribution to capital improvement costs if determined necessary by the Company.
3. Transportation service supplied shall not be interchangeable with any other Gas Service supplied by the Company. (O)
4. The Customer must inform the Company of the amount of gas that the Customer plans to have delivered to the Company's system daily (the daily Nomination). The Customer may name an agent ("Agent") to make Nominations on their behalf. Nominations made by an Agent are binding on the Customer. Only one party, the Customer or the Agent, may make daily Nominations for deliveries to the Company's system. (N)
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|
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(N)

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

Section 4: Service Agreement--Term and Notice, Sales Gas Service

1. Customers receiving service under a transportation schedule listed in Section 1 above must execute a service agreement for a period of one year from the effective date of the agreement. The agreement shall state the maximum daily volume of gas to be transported. (C)
(D)
(C)
 - a. During the initial year of service, the agreement shall require that the Company receive from the Customer a minimum of thirty days notice prior to the expiration of the initial term to make any change in the agreement, to extend the agreement for one year, or to switch to sales service. Absent such notice, service will be provided without changes to the agreement for a period of one year and the agreement for that period will be executed as soon as possible. Following the initial year of service the agreement shall require a minimum of thirty days notice prior to the requested termination date to end the agreement in order to switch to sales service. (C)
|
(C)
 - b. A Customer switching schedules must pay all conversion, migration and applicable gas costs. A conversion fee may be imposed by the Company for failure to provide the required notice to compensate the Company for costs of acquiring incremental supply and deliverability resources. Customers who require a return to sales gas service after taking transportation service for a minimum of one year but before the end of their transportation contract term will be subject to a conversion penalty rate for such sales service. The conversion rate shall apply for the duration of the unexpired term of the Customer's transportation service agreement and shall be composed of the applicable effective rate of the requested gas sales service rate schedule, plus fifty percent of the tariffed weighted average demand and commodity cost of gas (WACOG) for that rate schedule. Customers who require a return to sales gas service may be subject to charges for distribution system modification and improvement. (C)
|
(C)
2. Uncollected Gas Cost Adjustment for Migrating Customers--A Customer migrating service (completely or partially) from any of the Company's gas sales schedules to a transportation service rate schedule or from a transportation service rate schedule to any of the Company's gas sales schedules will be subject to additional charges or credits representing that Customer's portion of under- or over- collected deferred gas costs at the time the Customer migrates. The Uncollected Gas Cost Adjustment for Migrating Customers is further described in Section 8 Paragraph 4 of this rule.
3. A transportation Customer also contracting for gas sales service must specify in the service agreement the daily sales quantity required, expressed in therms, and the sales rate schedule elected.

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Original Sheet No. 43-B

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

(N)

Section 5: 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.

Section 6: Telemetering Requirement

- 1. Service under a transportation schedule listed in Section 1 above requires Company-specified 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.

Section 7: Unauthorized Use of Gas

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 No. 41 delivery and gas cost commodity rates; and, in addition, the Customer shall pay any applicable penalties as described in Rule 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.

(N)

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

(N)

Section 8: Other Costs, Charges, Penalties

1. The Company shall not be responsible for charges or fees incurred by the Customer due to imbalances on the Customer's supply and/or transportation contracts with others that result from interruption or curtailment of Customer's interruptible transportation volumes by the Company for any reason. The Customer shall reimburse the Company for extra costs, charges, and penalties assessed against the Company but attributable to the Customer.
2. End-use taxes, fees, and/or charges levied on Customer-owned gas transported by others or by the Company are the responsibility of the Customer.
3. Billing and payment arrangements for gas supply and pipeline transportation of volumes are the sole responsibility of the Customer.
4. Uncollected Gas Cost Adjustment for Migrating Customers— the Company shall charge or credit a Customer migrating (or a portion of service thereof) from sales service (pursuant to one of the Company's sales rate schedules) to transportation service (pursuant to this rule) or from transportation service to sales service to ensure the fair treatment of existing gas cost deferral account balances among all Customers. The following Uncollected Gas Cost Adjustment for Migrating Customers will apply:
 - a. A Customer migrating from sales to a transportation service rate schedule will be assessed charges or issued credits to effectively apply any deferred gas cost amortization charges or credits that would have been applicable to the Customer under the previous sales rate schedule thus 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.
 - b. A Customer migrating from a transportation service rate schedule to one of the Company's gas sales schedules will be assessed charges or issued credits to effectively negate any deferred gas cost amortization credits or charges applicable to the Customer under the new sales rate schedule thus ensuring that the Customer is not required to pay for gas cost under-recoveries or benefit from over-recoveries experienced by the Company prior to the Customer migrating to sales service.

(N)

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

- c. To establish a unit rate applicable to the migrating Customer, the balance of the Company's 191 (gas cost deferral) accounts (as of the end of the last complete calendar month prior to migration) will be allocated to the various rate schedules using the Company's normal gas cost allocation procedures and rate calculation method as described in Rule No. 26 and assuming a 12 month deferral amortization period. (O)
 - d. In addition to all charges applicable to service under the new (after migration) rate schedule: (O)
 - i) Customers migrating from a sales schedule to transportation service will be assessed a charge or issued a credit based on 12 months of consumption multiplied by the rate calculated in c) above. (C)
 - ii) Customers migrating from transportation service to a sales service schedule will be assessed a charge or issued a credit based on 12 months of consumption multiplied by the rate calculated in c) above multiplied by a negative 1. (T)
- If the Customer's load is expected to change as a result of industrial or commercial process changes, the 12 months of consumption may be adjusted so that the migrating Customer's charge or credit meets the intent of paragraphs 4, 4.a. and 4.b. above. (N)

Section 9: Payment

Bills are issued net, are due and payable when rendered, and become past due after fifteen days from date of bill. Payment of migration charges, if billed in a single month, may be made in equal payments over twelve months without interest upon notice to the Company. (N)

Section 10: Balancing Services--Program Description

Balancing service is included in the transportation service commodity charge under the applicable rate schedule. This service will provide daily balancing equivalent to the difference between the Customer's daily Confirmed Nomination and daily delivered volumes. All accumulated daily delivered volumes during a billing period are subject to the monthly balancing provisions of this rule. Balancing service is subject to the terms and conditions of this rule and may be modified during constraint periods as described in Section 13 below.

Section 11: Balancing Services--Monthly Balancing

- 1. Daily delivered volumes will be accumulated at the end of the current billing period and shall be equal to the Customer's total Confirmed Nominations for the current billing period. For any accumulated delivered volumes not equal to accumulated Confirmed Nominations, the provisions in Paragraphs 2, 3, 4 and 5 of this section apply. The Company will communicate on each business day (Monday through Friday except holidays) to the Customer and/or Customer's Agent (as authorized by Customer) information regarding any imbalance (Overrun or Underrun) on a business day basis. The monthly bill, typically issued in the first week of the month for the prior month's service, will include, either with the bill or as a separate mailing, any cumulative imbalance and is notice to the Customer of such imbalance. (O)

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

2. Monthly Imbalances:

- a. At each month end, a "Monthly Imbalance" occurs if the accumulated daily delivered volumes for the billing period differ from the accumulated daily Confirmed Nominations for the billing period. If the accumulated daily delivered volumes for the billing period are in excess of the accumulated daily Confirmed Nominations for the billing period, the Monthly Imbalance is a "Monthly Overrun". If the accumulated daily delivered volumes for the billing period are less than the accumulated daily Confirmed Nominations for the billing period, the Monthly Imbalance is a "Monthly Underrun". A "Cumulative Imbalance" is the result of any accumulated Monthly Imbalances (Overrun or Underrun) of a Customer.
- b. A Cumulative Imbalance must be within the "Allowed Imbalance Tolerance", a range that is +/- 5% of the current billing period's cumulative daily Confirmed Nominations. If a Cumulative Imbalance is not within the Allowed Imbalance Tolerance, the Cumulative Imbalance (Overrun or Underrun) may be subject to the applicable charges as Excess Volume or Deficiency Volume. If the Cumulative Imbalance is within the Allowed Imbalance Tolerance, or has gone from positive to negative or negative to positive, there is no current monthly charge applicable to those volumes as an Excess Volume or Deficiency Volume.

(D)(N)

3. Cumulative Overrun:

- a. A "Cumulative Overrun" exists when the sum of the current Monthly Imbalance and the prior month's Cumulative Imbalance yields an Overrun. "Excess Volume" is determined at each month end when a Cumulative Overrun exists. Excess Volume is defined as the number of therms of Cumulative Overrun that are greater than the upper end of the Allowed Imbalance Tolerance.
- b. A Cumulative Overrun amount will be communicated with monthly bills. For a bill that reflects an Excess Volume, the Customer will be given until the end of the second subsequent billing period following the bill reflecting an Excess Volume (approximately 50 non-Constraint Period days) to eliminate all Excess Volume by bringing the Cumulative Overrun within the Allowed Imbalance Tolerance or by creating a Cumulative Underrun. If the Excess Volume is not eliminated by the second subsequent bill, the Customer will be billed a charge of \$1.00 per therm for all Excess Volume in addition to the Customer's normal charges. In the event the month end Excess Volume has not been eliminated at the end of billing periods following the second subsequent bill, the Customer will again be billed an amount equal to the Excess Volume at a charge of \$1.00 per therm. Billing for Excess Volume will continue each month until a month end when the Excess Volume is eliminated. A total month end Excess Volume of less than 10 therms will not be considered an Excess Volume for billing purposes.

(K)

(K)

(D)(N)

(K) Transferred to Sheet No. 43-G

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

- c. In lieu of the charge for Excess Volume, the Customer may buy out the Excess Volume by paying the Company the higher of a price per therm that is 150% of the cost of gas as shown on Schedule No. 101 (Total Rate with Revenue Related Taxes) for the sales schedule corresponding to the transportation schedule under which the Customer is currently taking transportation service or 125% of the then-current first-of-month index for the point entitled Northwest Pipeline Corp. Canadian Border as reported in the Platts publication Inside FERC's Gas Market Report (including revenue related taxes). Customer must notify the Company in writing of its intent to exercise the option to buy out the Excess Volume not later than the fifteenth (15th) day of the month in which the Excess Volume charge would be assessed. If a Customer exercises this buy out option, the Customer's Excess Volume is eliminated, and the Cumulative Overrun is reduced by the current Excess Volume purchased. The Customer must include payment at 150% of Schedule No. 101 rates with its written letter of intent. The Company will bill the Customer for additional amounts if the monthly index price option results in higher charges. (K) (N)
- 4. Cumulative Underrun:
 - a. A "Cumulative Underrun" exists when the sum of the current Monthly Imbalance and the prior month's Cumulative Imbalance yields an Underrun. Deficiency Volume is determined at each month end when a Cumulative Underrun exists. "Deficiency Volume" is defined as the number of therms of Cumulative Underrun that are less than the lower end of the Allowed Imbalance Tolerance. (K)
 - b. A Cumulative Underrun amount will be communicated with monthly bills. For a bill that reflects a Deficiency Volume, the Customer will be given until the end of the second subsequent billing period following the bill reflecting a Deficiency Volume (approximately 50 non-Constraint Period days) to eliminate the Deficiency Volume by bringing the Cumulative Underrun within the Allowed Imbalance Tolerance or by creating a Cumulative Overrun. If the Deficiency Volume is not eliminated by the second bill, the Customer will be billed a charge of \$1.00 per therm for all Deficiency Volume in addition to the Customer's normal charges. In the event the Deficiency Volume has not been eliminated at the end of billing periods following the second subsequent bill, the Customer will again be billed an amount equal to the Deficiency Volume at a charge of \$1.00 per therm. Billing for Deficiency Volumes will continue each month until a month end when the Deficiency Volume has been eliminated. A total month end Deficiency Volume of less than 10 therms will not be considered a Deficiency Volume for billing purposes. (N)

(K) Transferred to Sheet No. 43-G
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PUGET SOUND ENERGY
NATURAL GAS RULES AND REGULATIONS
RULE NO. 29: Terms of Distribution System Transportation Service (Continued)

- c. In lieu of the charge for Deficiency Volume, the Customer may elect to cash out its Deficiency Volume and Company will then pay the Customer on the Deficiency Volume a price per therm that is the lesser of 50% of the cost of the gas as shown on Schedule No. 101 (Total Rate with Revenue Related Taxes) for the sales schedule corresponding to the transportation schedule under which the Customer is currently taking transportation service or 75% of the then-current first-of-month index for the point entitled Northwest Pipeline Corp. Canadian Border, as reported in the Platts publication Inside FERC's Gas Market Report, (including revenue related taxes). Customer must notify the Company in writing of its intent to exercise the option to receive the buy out of the Deficiency Volume not later than the fifteenth (15th) day of the month in which the Deficiency Volume charge would be assessed. If a Customer elects this buy out option, the Deficiency Volume is eliminated and the Cumulative Underrun is reduced by the Deficiency Volume sold. The Company will credit the Customer's account within thirty days of receipt of the Customer's written intent to exercise the option to receive the buy out of the Deficiency Volume. (N)(K)
- 5. Constraint Period provision: If the delivery of the Customer's gas supply is delayed because of a Company-imposed constraint (Curtailment or entitlement) of service (a "Constraint Period"), the period for balancing the volume delivered to the Customer with the Customer's Confirmed Nomination will be extended by the number of days service was constrained. (M)(O)
- 6. Balancing upon termination: If there exists a Cumulative Overrun upon termination of service or upon transfer to another schedule in this tariff (together, "Termination" or "Terminated" in this paragraph) the Customer shall have 15 non-Constraint Period days following Termination to eliminate the Cumulative Overrun. At the end of the 15 day period the following charges apply: a charge equal to the greater of 150% of the cost of gas as shown on Schedule No. 101 (Total Rate with Revenue Related Taxes) for the sales schedule corresponding to the schedule under which the Customer was taking transportation service at the time the Customer Terminated service, or 125% of the then-current first-of-month index for the point entitled Northwest Pipeline Corp. Canadian Border, as reported in the Platts publication Inside FERC's Gas Market Report (including revenue related taxes). If a Cumulative Underrun exists following 15 non-Constraint Period days after Termination by the Customer the Underrun amount shall become the property of the Company by its purchase at the lesser of 50% of the cost of the gas as shown on Schedule No. 101 (Total Rate with Revenue Related Taxes) for the corresponding sales schedule under which the Customer was taking transportation service at the time the Customer Terminated of service, or 75% of the then-current first-of-month index for the point entitled Northwest Pipeline Corp. Canadian Border as reported in the Platts publication Inside FERC's Gas Market Report (included revenue related taxes). (M)(C)

(K) Transferred to Sheet No. 43-I

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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.

(M)
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(C)
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(C)
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(N)
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(N)

Section 13: Balancing Services--Constraint Periods

1. 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 23 of this tariff.
2. Each constraint period will be specified as either a distribution system Curtailment, an Overrun Entitlement, or an Underrun Entitlement. Only one type of constraint period may exist at any one time.
 - 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.
 - b. Overrun Entitlement: Allowable daily delivered volumes are limited to less than or equal to 103% of the Confirmed Nomination or some other larger percentage for a specific entitlement period determined by the Company that is uniformly applied to all Customers affected by that specific entitlement period. Volumes delivered in excess of 103% (or other percentage as determined above) of the Confirmed Nomination will be billed at the unauthorized use of gas rate described in Section 7 of this rule.
 - c. Underrun Entitlement: Allowable daily delivered volumes must be greater than or equal to ninety-five percent of Confirmed Nominations (constituting a five percent tolerance level) or some other larger percentage for a specific entitlement period determined by the Company that is uniformly applied to all Customers affected by that specific entitlement period. Title to quantities in excess of the five percent (or other percentage as determined above) tolerance will automatically transfer to the Company at no cost.

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(C)
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(C)
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(O)
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(N)
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(N)
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(O)
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(N)
|
(M) (N)

(M) Transferred from Sheet No. 43-F

Issued: April 13, 2011
Advice No.: 2011-11

Effective: May 14, 2011

Issued By Puget Sound Energy

By: Tom DeBoer Tom DeBoer

Title: Director, Rates & Regulatory Affairs

EXHIBIT B

WN U-2

Original Sheet No. 43-I

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

3. For purposes of this rule, entitlement or Curtailment for any portion of a twenty-four hour Gas day will be considered one day's entitlement or Curtailment. The gas delivery day or Gas day is defined as a twenty-four consecutive hour period beginning and ending at the times specified in Rule 2 of this tariff.

(M)(O)
 | (O)
 | (T)
 (M)(T)(C)

Section 14: Adjustments

Rates in this rule are subject to conditions and adjustments as set forth in Schedule No. 1 of this tariff and to adjustment by rates in supplemental schedules applicable to the transportation schedule under which the Customer receives service, when applicable. However, the Customer will only be billed once for each therm under an applicable supplemental schedule.

(N)
 |
 |
 |
 (N)

(M) Transferred from Sheet No. 43-G

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EXHIBIT C

EXHIBIT C

WN U-2

Sixth Revision of Sheet No. 11
Canceling
Fifth Revision of Sheet No. 11

PUGET SOUND ENERGY
NATURAL GAS RULES AND REGULATIONS (Continued)
RULE NO. 2: Definitions

- The following terms have the meanings listed below whether capitalized or not, unless defined otherwise within a specific rule or rate schedule. Defined terms that are capitalized are done so only to bring attention to the fact that the term is defined. (C)
(N)
(N)
1. Average Gas Temperature: The local daily average ambient temperature for the billing period computed to the nearest whole number, or sixty degrees Fahrenheit for inside meters, or the recorded average temperature from a billing chart or electronic volume corrector. (O)
 2. Base Atmospheric Pressure: 14.73 pounds per square inch absolute. (O)
 3. Base Gas Temperature: Sixty degrees Fahrenheit. (O)
 4. Btu (British thermal unit): The amount of thermal energy required to raise the temperature of one pound of water from 58.5° Fahrenheit to 59.5° Fahrenheit at standard pressure.
 5. Btu Factor: (O)
 - a. For low pressure billing: For a billing period, the average of the daily average heating value of gas received into the Company's distribution system (expressed in Btu's per cubic foot) divided by 1,000, times the Pressure Factor, times the Temperature Factor, times the Supercompressibility Factor. (O)
(O)
 - b. For other than low pressure billing: For a billing period, the average of the daily average heating value of gas received into the Company's distribution system (expressed in Btu's per cubic foot) divided by 1,000.
 6. Budget Payment Period: For Residential Customers choosing the budget payment plan, a consecutive twelve-month period over which the Customer's estimated usage and an average monthly installment amount are calculated. (O)

(Continued on Sheet No. 12)

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EXHIBIT C

WN U-2

Ninth Revision of Sheet No. 12
Canceling
Eighth Revision of Sheet No. 12

PUGET SOUND ENERGY
NATURAL GAS RULES AND REGULATIONS (Continued)
RULE NO. 2: Definitions (Continued)

7. Ccf (One hundred cubic feet):
- a. For low pressure locations: The difference between the previous and current meter readings in hundreds of cubic feet.
 - b. For other than low pressure locations: The difference between the previous and current meter readings in hundreds of cubic feet, times Pressure Factor, times Temperature Factor, times Supercompressibility Factor. (O)
(O)
8. Commercial Service or Commercial: Service for Non-residential purposes to Customers engaged in wholesale or retail trade, service occupations, agriculture, communications, finance, fisheries, forestry, utilities, government, real estate, transportation, education, social activities, multiple housing, health services, etc., and activities that do not come directly under another classification of service. Service to an adult family home, as defined in paragraph 28 d. below, is not eligible for Commercial Service as required by RCW 70.128.140(2). (T)
(N)
(N)
9. Company: Puget Sound Energy, Inc. acting through its duly authorized officers, employees, or representatives within the scope of their respective duties.
10. Confirmed Nomination: The Company's verification of a transportation Customer's report of the quantity of gas it has requested an interstate pipeline to deliver to the Company's distribution system on a specific Gas Day. (O)
(O)
11. Contiguous Property: Property under one ownership and continuously adjacent; i.e., not separated by any public street, road, highway, alley, railroad, waterway, or any other public thoroughfare. (O)
12. Curtailment: A condition declared by the Company during which a Customer is required to partially or totally stop consumption of natural gas.
13. Customer: Any individual, firm, corporation, or other entity legally responsible for the payment of bills for gas service received from the Company at one location and under one rate schedule or contract. If gas service is supplied under the same rate schedule at more than one location or at multiple meter installations at a single location, each location and meter installation is counted as a separate Customer account. However, consumption at several locations or meter installations may be combined for specific purposes in accordance with the provisions of a particular rate schedule.

(Continued on Sheet No. 12-A)

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EXHIBIT C

WN U-2

Fourth Revision of Sheet No. 12-A
Canceling
Third Revision of Sheet No. 12-A

PUGET SOUND ENERGY
NATURAL GAS RULES AND REGULATIONS (Continued)
RULE NO. 2: Definitions

14. Essential Agricultural Customer: A Customer using natural gas for agricultural production; natural fiber production or processing; food processing; food quality maintenance; irrigation pumping; crop drying; or as process fuel or feedstock in the production of fertilizer, agricultural chemicals, animal feed, or food; as determined by the Secretary of Agriculture as necessary for full food and fiber production and as further defined in 7CFR2900.3. Such Customer must have certified to the Company its requirements for essential agricultural uses. (O)
15. Gas Day: Twenty-four consecutive hours beginning at 7:00 a.m. Pacific Time on a given calendar day and ending at 7:00 a.m. Pacific Time on the next calendar day, or such twenty-four hour period as may be designated from time to time. (O)
16. Gas Service: All services rendered to effect the initiation, administration, or maintenance of: (O)
- a. Installation and operation of distribution facilities;
 - b. Sale or transportation of gas on the Company's system;
 - c. Rental of natural gas equipment;
 - d. Safety and inspection services;
 - e. Demand-side management (gas conservation) programs; or
 - f. Other utility services provided by the Company; and
 - g. The availability of natural gas for use by the Customer, irrespective of whether natural gas is actually used. (N)
|
(N)
17. Industrial Service or Industrial: Gas Service for Non-residential purposes to Customers engaged primarily in a process which extracts raw materials from the earth or changes raw or unfinished materials into another form or product. Service to an adult family home, as defined in paragraph 28 d. below, is not eligible for Industrial Service as required by RCW 70.128.140(2). (T)
(N)
|
(N)
18. Institutional Service: Gas Service for Non-residential purposes to public and private schools; hospitals and other medical care facilities; churches; and facilities of municipal, state, and federal governments and agencies, except those leased or rented for non-governmental purposes. Service to an adult family home, as defined in paragraph 28 d. below, is not eligible for Industrial Service as required by RCW 70.128.140(2). (N)
(N)
19. Meter reading: Determination of the cumulative consumption of natural gas as indicated by advancement of the dials or other recording devices on a meter index. This may include calculated estimation whenever actual reading of the meter index is not accomplished for any reason. (T)

(Continued on Sheet No. 12-B)

Issued: April 16, 2012
Advice No.: 2012-09

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By:



Tom DeBoer

Title: Director, Federal & State Regulatory Affairs

EXHIBIT C

WN U-2

Fourth Revision of Sheet No. 12-B
Canceling
Third Revision of Sheet No. 12-B

PUGET SOUND ENERGY
NATURAL GAS RULES AND REGULATIONS (Continued)
RULE NO. 2: Definitions (Continued)

20. Metering Pressure: (O)
a. For low pressure metering: A pressure of about six inches of water column (.22 psig) at the inlet of the meter.
b. For other than low pressure metering: The recorded average pressure from the billing chart or electronic volume corrector, or the recorded pressure when the meter was set and as checked in accordance with the Company's Gas Operating Standards.
21. Nomination: A specific quantity of natural gas which a transportation Customer requests the Company to transport from one specific location to another on a given Gas Day. (T)(O)
22. Non-residential Service or Non-residential: Gas Service for purposes other than for Residential Service. (N)(N)
23. Overrun: An Overrun occurs when the amount of natural gas delivered to a transportation Customer by the Company exceeds the amount of the natural gas Nomination by the Customer. (T)
24. Overrun Entitlement: A period of time in which delivered gas volumes to a transportation Customer on the Company's distribution system may not exceed the Customer's Confirmed Nomination for that day. (T)(O)(O)
25. PSIA: Pounds per square inch absolute. (T)
26. PSIG: Pounds per square inch gauge. (T)
27. Pressure Factor: The sum of the Metering Pressure and the Standard Atmospheric Pressure divided by the Base Atmospheric Pressure. (T)(O)(O)
28. Residential Service or Residential: Gas Service for residential purposes in: (T)(O)
a. a single-family dwelling, (C)(T)
b. an individually-metered single-family apartment in a multiple-family structure, or
c. a separately-metered portion of an otherwise commercial or industrial building occupied as the residence of one or more persons, or (N)
d. an adult family home which means a residential home in which a person or persons provide personal care, special care, room, and board to more than one but not more than six adults who are not related by blood or marriage to the person or persons providing the services. In accordance with RCW 70.128.140(2) adult family homes must be considered as residential for utility rate purposes. (N)
29. Service Classification: Residential, Commercial, or Industrial Gas Service as defined in this rule. (T)(O)(K)(K)

(K) Transferred to Sheet No. 12-C

(Continued on Sheet No. 12-C)

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Title: Director, Federal & State Regulatory Affairs

EXHIBIT C

WN U-2

Third Revision of Sheet No. 12-C
Canceling
Second Revision of Sheet No. 12-C

PUGET SOUND ENERGY
NATURAL GAS RULES AND REGULATIONS (Continued)
RULE NO. 2: Definitions (Continued)

30. Service Piping: The piping and equipment between the gas main and the gas meter set assembly unit. (M)
(M)
31. Standard Atmospheric Pressure: A local atmospheric pressure equal to 14.73 PSIA or as assigned by meter location and elevation. (T)(O)
32. Supercompressibility Factor: A factor used to account for the variation in specific weight of natural gas under different pressures at standard temperatures. This factor is calculated per the American Gas Association recommendations. (T)(O)
33. Temperature Factor: The sum of the Base Gas Temperature plus 460, divided by the sum of the Average Gas Temperature plus 460. (T)(O)
(O)
34. Underrun: An Underrun occurs when the amount of natural gas Nomination by a transportation Customer exceeds the amount of the natural gas delivered to the Customer by the Company. (T)
35. Underrun Entitlement: A period of time in which delivered natural gas volumes to a transportation Customer on the Company's distribution system is required to be equal to or more than its confirmed Nomination. (T)(O)
(O)

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Advice No.: 2012-09

Effective: May 17, 2012

Issued By Puget Sound Energy

By:

Tom DeBoer

Tom DeBoer

Title: Director, Federal & State Regulatory Affairs

EXHIBIT D

www.pse.com



PUGET SOUND ENERGY

The Energy To Do Great Things

Puget Sound Energy, Inc.
P.O. Box 97034
Bellevue, WA 98009-9734

August 4, 2009

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

Re: Advice No. 2009-15 – Natural Gas Tariff Filing - Filed Electronically

Dear Mr. Danner:

Puget Sound Energy, Inc. (the "Company" or "PSE") hereby submits proposed revisions to its Natural Gas Rules and Regulations, Rule 21, Firm Service Priority and Rule 23, Interruptible Sales and Transportation Service Priority. This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, proposes revisions in the following natural gas tariff sheets.

WN U-2 - (Natural Gas Tariff):

- Fourth Revision of Sheet No. 35 - Rule 21, Natural Gas Rules and Regulations (Continued)
Firm Service Priority (Continued)
- Third Revision of Sheet No. 37-A - Rule 23, Natural Gas Rules and Regulations (Continued)
Interruptible Sales and Transportation Service Priority (Continued)
- First Revision of Sheet No. 37-C - Rule 23, Natural Gas Rules and Regulations (Continued)
Interruptible Sales and Transportation Service Priority (Continued)
- Second Revision of Sheet No. 37-D - Rule 23, Natural Gas Rules and Regulations (Continued)
Interruptible Sales and Transportation Service Priority (Continued)
- First Revision of Sheet No. 37-E - Rule 23, Natural Gas Rules and Regulations (Continued)
Interruptible Sales and Transportation Service Priority (Continued)

The purpose of this filing is to implement changes to the penalty provisions for unauthorized use of gas during a curtailment period by firm and interruptible customers. Specifically, this filing revises the penalty for interruptible customers in Rule 23 from the present rate that is the greater of (a) a market based penalty or (b) \$2.00 per therm and revises the penalty for firm customers in Rule 21 from the present rate of \$2.00 per therm for all therms. This proposal increases the rates in Rule 23 over the next five years from \$1.00 to \$10.00 per therm for unauthorized use during the first two hours of a curtailment period and from \$2.00 to \$15.00 per therm for unauthorized use after the first two hours of a curtailment period, plus a pass-through of any penalties imposed upon the Company by upstream gas transmission provider(s). Rates per year are shown in the following table. For firm customers (Rule 21) this filing revises the penalty over the next five years from \$2.00 to \$15.00 consistent with the last column of the following table.

EXHIBIT D

Advice No. 2009-15
Page 2 of 3
August 4, 2009
Mr. David Danner

Implementation Date	First Two Hours	Subsequent Hours
Current	\$1.00	\$2.00
September 4, 2009	\$5.00	\$10.00
September 1, 2010	\$6.00	\$11.00
September 1, 2011	\$7.00	\$12.00
September 1, 2012	\$8.00	\$13.00
September 1, 2013	\$9.00	\$14.00
September 1, 2014	\$10.00	\$15.00

The Company does not expect this proposal to increase revenues, but it may result in a reduction in revenues. All firm and interruptible rate schedules for natural gas service are affected by this proposal. Customers who do not violate the tariff provision prohibiting the use of gas during a curtailment period will not be impacted by this change.

In Appendix B, Partial Settlement Agreement Re: Natural Gas Rate Spread and Rate Design in Docket Nos. UE-072300 and UG-072301, the requirement that interruptible customers maintain a back-up fuel was eliminated to respond to opposition to the back-up requirements by transportation customers and to achieve consistency between sales and transportation service. Because of the elimination of the requirement for back-up fuel sources to be used during periods of interruption, the Company reviewed the penalty provisions that apply when interruptible customers fail to interrupt service. The current provision of \$2.00 per therm has been in existence since 1994 and the market based penalty was added in 2000. With the elimination of the back-up fuel requirement, this level of penalty is not sufficient incentive for customers to partially or completely discontinue consumption. Many interruptible customers take some level of firm gas supply for critical operations, and physical disconnection of service for failing to curtail use of interruptible volumes would result in interruption of this firm supply as well, so disconnection of service is not a workable option. If interruptible customers fail to curtail when requested, the Company's ability to serve firm customers may be affected. These changes provide an economic incentive to customers to curtail when requested.

A work paper supporting the calculation of this revised rate is included. The rate is based on the cost of restarting service to customers after an outage. If failure of customers to curtail were to cause an outage on part of the system, there would be additional costs such as the inconvenience to other customers and the loss of revenues to the Company. These additional costs are not included in the proposed penalty rate.

The penalty for unauthorized use by firm customers in Rule 21 was increased to match that of interruptible customers. The current provision of \$2.00 per therm has been in existence since 1980. To the best of PSE's corporate memory, curtailment under this rule has not taken place in at least 30 years and perhaps never has. However, should curtailment of firm customers ever become necessary, it is important to have a penalty that is sufficient to encourage such curtailment.

Sheet 37-A was modified to clarify that the penalty referred to in Rule 29, Section 7, is the same for unauthorized usage. Sheet 37-E was included to revise a paragraph number. All sheets in this filing

EXHIBIT D

Advice No. 2009-15
Page 3 of 3
August 4, 2009
Mr. David Danner

have been revised to use capital letters as the initial letter of defined terms. These changes are coded with a T. Capitalization is used to indicate to the reader that the term is defined.

The tariff sheets described herein reflect an issue date of August 4, 2009, and an effective date of September 4, 2009. Posting of proposed tariff changes, 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. Notice to the public will be provided under the provisions of WAC 480-90-195(2) through notice on or with the first bill after the change becomes effective.

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
Sheree Carson
Paula Pyron

WN U-2

Fourth Revision of Sheet No. 35
Canceling
Third Revision of Sheet No. 35

PUGET SOUND ENERGY
NATURAL GAS RULES AND REGULATIONS (Continued)
RULE NO. 21: Firm Service Priority (Continued)

(T)

The Company may curtail firm service for force majeure or other limited period of approximately seven days or less without reference to the priorities listed above should such Curtailment or further Curtailment become necessary.

(T)
(T)

The Company will endeavor to give advance notice of any limitation of gas imposed under this rule as far in advance of actual Curtailment as conditions permit, but in no event less than two hours' notice unless prevented from doing so by force majeure conditions.

(T)
(T)

Section 4: Unauthorized Use Charge

1. The Company is entitled to collect an unauthorized use charge from any Customer receiving gas in violation of a Curtailment notice issued by the Company under this rule. The unauthorized use charge will be computed upon unauthorized quantities at the rate per therm as follows:

(T)
(T)

- Effective September 4, 2009 – \$10.00
- Effective September 1, 2010 – \$11.00
- Effective September 1, 2011 – \$12.00
- Effective September 1, 2012 – \$13.00
- Effective September 1, 2013 – \$14.00
- Effective September 1, 2014 – \$15.00

(C)
(N)
|
|
|
|
(N)

and will accrue in addition to the regular charges incurred under the firm rate schedule under which the Customer is normally billed. Payment of the unauthorized use charge shall not entitle the Customer to take unauthorized quantities of gas nor shall it exclude or limit any remedies the Company may have available to it to prevent such unauthorized use, including physical discontinuance of service to such Customer. The unauthorized use charge will be assessed on an hourly basis where hourly consumption data is available or on a prorated basis where hourly data is not available.

(T)
|
|
(T)(N)
|
(N)

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By:

Tom DeBoer

Tom DeBoer

Title: Director, Federal & State Regulatory Affairs

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Third Revision of Sheet No. 37-A
Canceling
Second Revision of Sheet No. 37-A

PUGET SOUND ENERGY
NATURAL GAS RULES AND REGULATIONS (Continued)
RULE NO. 23: Interruptible Sales and Transportation Service Priority (Continued)

- 4. Unauthorized Volumes: Gas consumed during a Curtailment Period in excess of the firm contracted amount listed in the Customer's service agreement; and greater than the interruptible Volumes authorized by the Company, if only a partial Service Curtailment is implemented. Unauthorized Volumes include volumes described in Rule 29, Terms of Distribution System Transportation Service, Section 7, Unauthorized Use of Gas. (T)
(T)
(N)
(N)

Section 3: Types and Conditions of Service Curtailments

- 1. Supply Curtailment - The Company may initiate a partial or total Service Curtailment for any or all interruptible sales Customers under Schedules 85, 86, 87, or special contract Customers taking Interruptible Volumes, for one or more hours and/or days if, in the Company's sole determination: (T)
 - a. the Company's contracted gas supply and/or upstream transportation capacity is insufficient to meet the expected total demands of firm and interruptible sales Customers, or (T)
 - b. the Company's storage inventory levels and/or deliverability may be insufficient to reliably serve the expected demands of firm sales Customers in future periods. (T)

- 2. Distribution Curtailment - The Company may initiate a partial or total Service Curtailment for any or all interruptible sales and transportation Customers under Schedules 85, 86, 87, 85T, 86T, 87T or special contracts for one or more hours and/or days if, in the Company's sole determination: (T)
 - a. the capacity of the Company's distribution system or any portion thereof, is insufficient to meet expected requirements for all firm and interruptible sales and transportation service Customers, or (T)
 - b. partial or total Service Curtailment is judged to be required to facilitate the repair or maintenance of the Company's distribution system, or to manage operating conditions and pressures on the Company's distribution system or any portion thereof. (T)

(Continued on Sheet No. 37-B)

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By: Tom DeBoer Tom DeBoer Title: Director, Federal & State Regulatory Affairs

WN U-2

First Revision of Sheet No. 37-C
Canceling
Original Sheet No. 37-C

PUGET SOUND ENERGY
NATURAL GAS RULES AND REGULATIONS (Continued)
RULE NO. 23: Interruptible Sales and Transportation Service Priority (Continued)

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

- 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. (T)

Section 5: Penalty for Unauthorized Use of Gas

- 1. 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. (T)

- 2. Penalty for use of Unauthorized Volumes during Curtailment Period: 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: (N)
 - Effective September 4, 2009 – \$5.00 (N)
 - Effective September 1, 2010 – \$6.00
 - Effective September 1, 2011 – \$7.00
 - Effective September 1, 2012 – \$8.00
 - Effective September 1, 2013 – \$9.00
 - Effective September 1, 2014 – \$10.00 (N)

(Continued on Sheet No. 37-D)

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Tom DeBoer

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Second Revision of Sheet No. 37-D
Canceling
First Revision of Sheet No. 37-D

PUGET SOUND ENERGY
NATURAL GAS RULES AND REGULATIONS (Continued)
RULE NO. 23: Interruptible Sales and Transportation Service Priority (Continued)

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: (N)

- Effective September 1, 2009 – \$10.00
- Effective September 1, 2010 – \$11.00
- Effective September 1, 2011 – \$12.00
- Effective September 1, 2012 – \$13.00
- Effective September 1, 2013 – \$14.00
- Effective September 1, 2014 – \$15.00

3. Additional Penalty: Consumption of Unauthorized Volumes during a Curtailment Period will also be assessed a penalty equal to the Unauthorized Volume multiplied by the average cost per 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; (C)
(C)
(C)(D)

Section 6: No Rights Granted and Physical Curtailment

1. 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. (T)
(T)(D)
2. 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. (N)
(N)

(Continued on Sheet No. 37-E)

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Tom DeBoer

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WN U-2

First Revision of Sheet No. 37-E
Canceling
Original Sheet No. 37-E

PUGET SOUND ENERGY
NATURAL GAS RULES AND REGULATIONS (Continued)
RULE NO. 23: Interruptible Sales and Transportation Service Priority (Continued)

3. To minimize the potential of physical shut off of gas for both firm and interruptible volumes, a Customer may request and pay the full cost for separate metering of firm and interruptible Volumes in advance of Curtailment. However, said request must be sufficiently in advance of the date of Curtailment to allow the Company to obtain and install the additional meter. If a Customer with dual meters consumes Unauthorized Volumes through the firm meter, the Company may physically shut off service through both meters if, in the Company's sole judgment, such actions are necessary to protect the continuity of service to higher priority Customers. (T)
|
|
|
(T)
(T)

Section 7: Company's Liability

The Company shall not be liable to any Customer or any other person or entity for any Service Curtailment or any loss or damage caused thereby, including situations where the Company physically shuts off service to the Customer as provided above in section 6, stopping the flow of Unauthorized Volumes and/or firm volumes. (T)
|
(T)

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Advice No.: 2009-15

Effective: September 4, 2009

Issued By Puget Sound Energy

By: Tom DeBoer Tom DeBoer Title: Director, Federal & State Regulatory Affairs

EXHIBIT E

EXHIBIT E



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
www.pse.com

Sept. 28, 2009

«CustomerName»

«BillingAddress»

«Billingcity» «BillingState» «Zip»

Important Information About Your Interruptible Natural Gas Service This Winter

Dear Customer:

Puget Sound Energy is pleased to provide you with natural gas service under the terms of your interruptible rate schedule.

With the approach of winter, we need to update our list of contacts to make sure both PSE and you are prepared for any requested interruption or curtailment of your natural gas service. We also want to make sure you are aware of an increase in the penalties for PSE interruptible service customers who fail to comply with their service agreement when a curtailment is declared.

Please review the information below and return the updated Authorized Interruptible Personnel List by October 15, 2009.

Authorized Interruptible Personnel List On the enclosed Authorized Interruptible Personnel List, please verify or provide an updated list of your personnel to be contacted in the event of a curtailment. The Personnel List must be updated, signed and returned in the envelope provided no later than October 15, 2009. You may also email the signed document as a PDF file to us at BusinessAccountServices@pse.com or send by facsimile to 425-462-3496.

Updated Penalties for Unauthorized Use of Gas Updated fees for the failure to discontinue natural gas use when requested by Puget Sound Energy went into effect Sept. 4, 2009. Business customers on interruptible rate schedules who fail to curtail interruptible use when requested will incur the updated fees on all interruptible therms used during a curtailment period ("Unauthorized Use"). The updated fee for Unauthorized Use is \$5 per therm during the first two hours, then \$10 per therm thereafter. This new fee structure is associated with PSE gas schedules 85, 85T, 86, 86T, 87 and 87T.

EXHIBIT E

Account Managers and Account Executives If you have any questions about your interruptible account, gas rates, the possibility of moving to firm service or questions regarding the new Penalties for Unauthorized Use of Gas, please contact your Account Executive or Manager listed below. If you do not know your Account Manager's name, email us at BusinessAccountServices@pse.com and your email will be forwarded to the appropriate manager. You may also call Business Account Services at 425-462-3111.

Sincerely,

The Major Accounts Team

George Pohndorf, Director Major Accounts, (425) 462-3272, george.pohndorf@pse.com

John Campion, Account Executive, (425) 456-2298, john.campion@pse.com

Scott Corzine, Account Executive, (360) 766-5468, scott.corzine@pse.com

Rachelle Lewis, Account Executive, (425) 456-2856, rachelle.lewis@pse.com

Jason Sanders, Account Executive, (425) 462-3397, jason.sanders@pse.com

Jacoline Stewart, Account Executive, (425) 456-2942, jacoline.stewart@pse.com

Kay Taft, Supervisor, Support Services, (425) 456-2135, kay.taft@pse.com

Tisha Helmer, Sr. Account Manager, (425) 462-3588, patricia.helmer@pse.com

Kathy Larson, Sr. Account Manager, (425) 462-3548, kathy.larson@pse.com

Sadie Bronk, Account Manager, (425) 462-3657, sadie.bronk@pse.com

Jonelle Garcia, Associate Account Representative, (425) 456-2431, jonelle.garcia@pse.com

Valerie Rucker, Associate Account Representative, (425) 456-2725, valerie.rucker@pse.com

Katy Bergman, Administrative Specialist, (425) 457-5239, katy.bergman@pse.com

Rose Cain, Administrative Specialist, (425) 457-5815, rosemary.cain@pse.com

EXHIBIT E



Authorized Interruptible Personnel List PSE 844.1 (08/05)

Customer ID: «SpecialAccountID» Interruptible Max Day «DailyInterruptible» PD/«HourlyInterruptible» PH Firm Max Day «DailyFirm» PH/ «HourlyFirm» PH

Business Account Services: (425) 462-3111 Fax: (425) 462-3496

«CustomerName»

Mailing Address:

«BillingAddress»
 «BillingCity» «BillingState» «BillingZip»

Service Address:

«ServiceAddress»
 «ServiceCity» «ServiceState» «ServiceZip»

GAS USAGE INFORMATION

Interruptible Gas «InterruptibleGasEquip»
 Equipment:
 Firm Gas Equipment: «FirmGasEquip»
 Alternate Fuel: «AlternateFuel»

CURTAILMENT / ENTITLEMENT PERSONNEL

Below are listed the names of people authorized to receive the notice of curtailment/entitlement of interruptible gas service. Each of them understands that service may be interrupted at any time during the day or night and each is authorized to handle all curtailment operations of the above named organization under the terms and conditions of the Interruptible Gas Service Agreement. Please prioritize your personnel list below, and report any changes affecting this list to Puget Sound Energy at once.

Person to notify	Work Phone - Ext	Fax	Cell Phone	Home Phone
«ContactPerson1»	«WorkNumber1»	«FaxNumber1»	«CellNumber1»	«HomeNumber1»
«ContactPerson2»	«WorkNumber2»	«FaxNumber2»	«CellNumber2»	«HomeNumber2»
«ContactPerson3»	«WorkNumber3»	«FaxNumber3»	«CellNumber3»	«HomeNumber3_»
«ContactPerson4»	«WorkNumber4»	«FaxNumber4»	«CellNumber4»	«HomeNumber4»
«ContactPerson5»	«WorkNumber5»	«FaxNumber5»	«CellNumber5»	«HomeNumber5»

E-Mail Addresses: «EmailAddress1» «EmailAddress2» «EmailAddress3» «EmailAddress4» «EmailAddress5»

CERTIFICATION

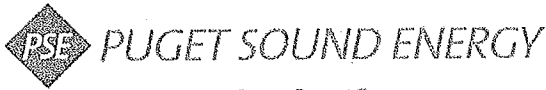
I understand that during periods of curtailment there will be no natural gas available for use except that amount previously contracted for on a firm use basis.

Transportation Customers Only:

I understand that as a transporter, during periods of overrun entitlement, only the natural gas I have been allocated may be used.

Signed: _____ Title: _____ Date: _____

EXHIBIT F



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
PSE.com

January 25, 2019

Filed Via Web Portal

Mr. Mark L. Johnson, Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

Received
Records Management
01/25/19 14:42
State Of WASH.
UTIL. AND TRANSP.
COMMISSION

**RE: Advice No. 2019-02
Natural Gas Tariff Filing – Filed Electronically**

Dear Mr. Johnson:

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 (“PSE”).

WN U-2 Tariff

- 2nd Revision of Sheet No. 37-C - Rule No. 23, Interruptible Sales and Transportation Service (Continued)
- Original Sheet No. 37-C.1- Rule No. 23, Interruptible Sales and Transportation Service (Continued)
- 3rd Revision of Sheet No. 37-D - Rule No. 23, Interruptible Sales and Transportation Service (Continued)
- 1st Revision of Sheet No. 43-B - Rule No. 29: Terms of Distribution System Transportation Service (Continued)
- Original Sheet No. 43-B.1 - Rule No.29: Terms of Distribution System Transportation Service (Continued)
- 1st Revision of Sheet No. 43-H - Rule No. 29: Terms of Distribution System Transportation Service (Continued)
- 1st Revision of Sheet No. 43-I - Rule No. 29: Terms of Distribution System Transportation Service (Continued)
- Original Sheet No. 43-J - Rule No. 29: Terms of Distribution System Transportation Service (Continued)

The purpose of this filing is to propose clarifying revisions to the tariff language regarding Gas Service Curtailment and Overrun and Underrun Entitlement (“Entitlement”) in Rule Nos. 23 and 29 and to propose new Entitlement penalty charges in Rule No. 23. This filing proposes a new provision on how PSE may notify Customers during a Constraint Period and other distinguishing provisions that are applicable during a PSE declared Curtailment or Entitlement Constraint Period.

PSE may declare a Curtailment or Entitlement Constraint Period because of the conditions imposed by PSE’s upstream pipeline service provider, Northwest Pipeline Corp., (“NWP”) or due to operational difficulties on the PSE’s distribution system. A Constraint Period may be

applicable to certain individual customers or a group of customers under certain rate schedule(s) or area(s) depending on the status of the natural gas supply and pipeline systems, and PSE's distribution systems.

Curtailement

All natural gas Customers are subject to Gas Service Curtailement as provided under PSE's Rule No. 21, Firm Service Priority, and Rule No. 23, Interruptible Sales and Transportation Service. No Curtailement in firm Gas Service will be imposed by PSE until all interruptible service Customers in the area affected have been ordered to curtail to one hundred percent of their interruptible requirement (Rule No. 21, Section 1). The proposed revisions in this filing do not change any terms and conditions of Curtailement in Rule Nos. 21 and 23 but create new paragraphs in Rule No. 23 for Entitlement to provide detailed Entitlement terms and different penalty charge amounts for Curtailement and Entitlement.

Entitlement

Entitlement pertains exclusively to Customers receiving Gas Service under PSE's distribution system transportation service tariff schedules and rules. Entitlement is related to the percentage of tolerance that a transportation Customer is allowed to deviate from their Confirmed Nomination. Overrun Entitlement is a period of time in which delivered gas volumes to a transportation Customer on PSE's distribution system may not exceed the Customer's Confirmed Nomination for that day (Rule No. 2, section 24). Underrun Entitlement is a period of time in which delivered gas volumes to a transportation Customer on PSE's distribution system is required to be equal to or more than the Customer's Confirmed Nomination for that day (Rule No. 2, section 35). Unauthorized gas volumes delivered/not delivered outside of PSE's declared entitlement tolerance are subject to penalties that reflect the conditions of an Overrun Entitlement or Underrun Entitlement. In this filing, PSE proposes to revise those penalty charges and the penalty structure. PSE worked closely with the Alliance of Western Energy Consumers on these proposed changes.

The proposed Entitlement penalty structure and reduced penalty charges are designed to better align with those charged by NWP and other natural gas local distribution companies in Washington State. In addition to outlining the structure of the penalty charges and rates, PSE also clarifies how certain charges are calculated in the proposed tariff sheets.

The tariff sheets described herein reflect an issue date of January 25, 2019, and an effective date of March 1, 2019. These tariff changes do not increase recurring charges or restrict access to services. Notice of proposed tariff change, as required by law and the Commission's rules and regulations (including WAC 480-90-195(3)), is being given to the public 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(1). Posting of the proposed tariff change, as required by WAC 480-90-193, is being made by posting the proposed tariff sheets on the PSE web site immediately prior to, or coincident with, the date of this transmittal letter.

Mr. Mark L. Johnson
Page 3 of 3
January 25, 2019
Advice No. 2019-02

Please contact Eric Englert at (425) 456-2312 or Mei Cass at (425) 462-3800 for additional information about this filing. If you have any other questions please contact me at (425) 456-2142.

Sincerely,

/s/ Jon Piliaris

Jon Piliaris
Director, Regulatory Affairs
Puget Sound Energy
PO Box 97034, EST-07W
Bellevue, WA 98009-9734
(425) 456-2142
Jon.Piliaris@pse.com

cc: Lisa Gafken, Public Counsel
Sheree Carson, Perkins Coie

Attachments: Natural Gas Tariff Sheets (listed above)

PUGET SOUND ENERGY
Natural Gas Tariff

RULES AND REGULATIONS (Continued)

(T)

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

5. Penalty for Unauthorized Use of Gas:

(M) (T)

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.

| (C)
 | (O)
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 | (O)
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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)
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Effective September 4, 2009 - \$10.00

(M)

2. Penalty 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.

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b. Underrun Entitlement: The penalty that will apply during any Underrun Entitlement will
 be \$1.00 per therm for any Unauthorized Volumes.

|
 (N)

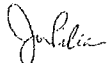
(M) Transferred from Sheet No. 37-C

(M) Transferred from Sheet No. 37-D

(Continued on Sheet No. 37-D)

Issued: January 25, 2019
 Advice No.: 2019-02

Effective: March 1, 2019

By: 

Issued By Puget Sound Energy

Jon Piliaris

Title: Director, Regulatory Affairs

PUGET SOUND ENERGY
Natural Gas Tariff

RULES AND REGULATIONS (Continued)

(T)

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

(K)

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(K)

3. Additional Penalty: Consumption of Unauthorized Volumes during a Curtailment will also be assessed a penalty equal to the Unauthorized Volume multiplied by the average cost per 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.

(C)

(C)

(O)

6. No Rights Granted and Physical Curtailment:

(T)

1. 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.
2. 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.

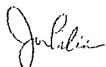
(K) Transferred to Sheet No. 37-C.1

(Continued on Sheet No. 37-E)

Issued: January 25, 2019
Advice No.: 2019-02

Effective: March 1, 2019

By:



Issued By Puget Sound Energy

Jon Piliaris

Title: Director, Regulatory Affairs

PUGET SOUND ENERGY
Natural Gas Tariff

RULES AND REGULATIONS (Continued)

(T)

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

5. **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. **Telemetry Requirement:**

(T)

- 1. Service under a transportation schedule listed in Section 1 above requires Company-specified metering/telemetry equipment or data transmission equipment as specified in the distribution system transportation service agreement.
- 2. The cost of the initial installation of metering/telemetry 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 telemetry or data transmission equipment. The cost of any subsequent change in the metering/telemetry 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/telemetry equipment, data transmission equipment, and any associated facilities required for the installation, will be acquired and installed at the Company's expense.

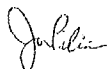
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(K)

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

(Continued on Sheet No. 43-C)

Issued: January 25, 2019
Advice No.: 2019-02

Effective: March 1, 2019

By: 

Issued By Puget Sound Energy
Jon Piliaris Title: Director, Regulatory Affairs

PUGET SOUND ENERGY
Natural Gas Tariff

RULES AND REGULATIONS (Continued)

(T)

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

7. Unauthorized Use of Gas:

(M) (T)

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.

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 (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)
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 (N)

(M) Transferred from Sheet No. 43-B

(Continued on Sheet No. 43-C)

Issued: January 25, 2019
 Advice No.: 2019-02

Effective: March 1, 2019

By: 

Issued By Puget Sound Energy
 Jon Piliaris Title: Director, Regulatory Affairs

WN U-2

First Revision of Sheet No. 43-H
Canceling
Original Sheet No. 43-H

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.

(K)

(K)

(K) Transferred to Sheet No. 43-I

(Continued on Sheet No. 43-I)

Issued: January 25, 2019
Advice No.: 2019-02

Effective: March 1, 2019

Issued By Puget Sound Energy

By:



Jon Piliaris

Title: Director, Regulatory Affairs

PUGET SOUND ENERGY
Natural Gas Tariff

RULES AND REGULATIONS (Continued)

(T)

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

13. Balancing Services—Constraint Periods:

(K) (M) (T)

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| <p>1. 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.</p> | <p> (O)

 (O)
 </p> |
| <p>2. Each Constraint Period will be specified as either a distribution system Curtailment, an Overrun Entitlement, or an Underrun Entitlement. Only one type of Constraint Period may exist at any one time. Notices with respect to the initiation of a Constraint Period shall be sufficient if given by the Company in writing, orally in person, or by telephone to one of the persons designated in the Authorized Curtailment/Entitlement Contact Personnel List ("Contact"), an exhibit to Customer's gas transportation service agreement which the Customer has agreed to complete and update upon change at least annually and provide to the Company. In the event that the Company is unable to provide notice of a Constraint Period either because a Customer's Contact on record with the Company is not current or because the Company is unable to reach any of the named authorized emergency contacts on record, all gas usage by the Customer within the Constraint Period will be considered unauthorized and the Company will bill, and the Customer will be responsible to pay the penalties and charges as set forth in Rule Nos. 23 and 29 of this tariff.</p> | <p> (O)
 (O)
 (N)

 (K)

 (N)
 </p> |
| <p>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.</p> | <p>

 (M)</p> |
| <p>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.</p> | <p>(N)

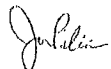
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 (M) Transferred from Sheet No. 43-H

(Continued on Sheet No. 43-J)

Issued: January 25, 2019
 Advice No.: 2019-02

Effective: March 1, 2019

By: 

Issued By Puget Sound Energy
 Jon Piliaris Title: Director, Regulatory Affairs

PUGET SOUND ENERGY
Natural Gas Tariff

RULES AND REGULATIONS (Continued)

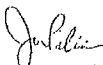
RULE NO. 29: Terms of Distribution System Transportation Service (Continued)

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|---|-----|-----|
| 13. Balancing Services—Constraint Periods: (Continued) | | (T) |
| c. Overrun Entitlement: Allowable daily delivered volumes are equal to 100% of the Customer's Confirmed Nomination or more up to the entitlement tolerance percentage 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 be billed at the unauthorized use of gas rate described in Section 7 of this rule. | (M) | (C) |
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| | | |
| d. Underrun Entitlement: Allowable daily delivered volumes are equal to 100% of Customer's Confirmed Nomination or no less than the entitlement tolerance percentage declared by the Company that is applied to the Customers affected by that specific entitlement period. Volumes not delivered in excess of allowable daily delivered volumes will be billed at the unauthorized use of gas rate described in Section 7 of this rule. | (M) | (C) |
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| 3. For purposes of this rule, entitlement or Curtailment for any portion of a twenty-four hour Gas day will be considered one day's entitlement or Curtailment. The gas delivery day or Gas day is defined as a twenty-four consecutive hour period beginning and ending at the times specified in Rule No. 2 of this tariff. | (M) | |
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| 14. Adjustments: Rates in this rule are subject to conditions and adjustments as set forth in Schedule No. 1 of this tariff and to adjustment by rates in supplemental schedules applicable to the transportation schedule under which the Customer receives service, when applicable. However, the Customer will only be billed once for each term under an applicable supplemental schedule. | (M) | |

(M) Transferred from Sheet No. 43-H
 (M) Transferred from Sheet No. 43-I

Issued: January 25, 2019
 Advice No.: 2019-02

Effective: March 1, 2019

By: 

Issued By Puget Sound Energy
 Jon Piliaris Title: Director, Regulatory Affairs

EXHIBIT G

Exhibit G

NAMES AND ADDRESSES OF CUSTOMERS

Seattle Children's Hospital
4800 Sand Point Way N.E.
Seattle, WA 98105

Overlake Hospital Medical Center
1035 116th Avenue N.E.
Bellevue, WA 98004

Hospital Central Services Association
1600 M Street N.W.
Auburn, WA 98001

Costco Wholesale Corporation
999 Lake Drive
Issaquah, WA 98027

Northwest Baking Limited Partnership dba Pacific Northwest Baking Company
1307 Puyallup Street
PO Box 890
Sumner, WA 98390

First Call Plus of Washington, L.L.C.
6942 South 196th St.
Kent, WA 98032

Repaul Textiles LLC dba Sterile Surgical Systems
2757 29th Avenue S.W.
Tumwater, WA 98512

Shining Ocean, Inc.
1515 Puyallup Street
Sumner, WA 98390

Tucci & Sons, Inc.
4224 Waller Road
Tacoma, WA 98443-1623

Westrock CP, LLC
801 E. Portland Ave.
Tacoma, WA 98421

Nucor Steel Seattle Inc.
2424 SW Andover Street
Seattle, WA 98106

Ace Galvanizing, Inc.
429 S 96 Street
Seattle, WA 98108

Gardner Asphalt Corporation
2240 Taylor Way
Tacoma, WA 98421

Western Wood Preserving Co.
1313 Zehnder Street
Sumner, WA 98390