

EXHIBIT NO. _____ (TL-3)
DOCKET NO. UG-040640 / UE-040641
SECOND EXHIBIT TO PREFILED DIRECT TESTIMONY OF
THEODORE S. LEHMANN ON BEHALF OF CMS (NONCONFIDENTIAL)

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Washington Utilities and Transportation
Commission,

Complainant,

v.

Puget Sound Energy, Inc.,

Respondent.

Docket Nos. UG-040640 & UE- 040641

SECOND EXHIBIT (PSE'S STANDARD FORM OF SERVICE
AGREEMENT) TO PREFILED DIRECT TESTIMONY OF
THEODORE S. LEHMANN
ON BEHALF OF COST MANAGEMENT SERVICES, INC.
(NONCONFIDENTIAL)

SEPTEMBER 23, 2004



RATE SCHEDULE NO. _____
INTERRUPTIBLE GAS SERVICE AGREEMENT

COPY

THIS INTERRUPTIBLE GAS SERVICE AGREEMENT ("Agreement") dated _____, 19__ is made between PUGET SOUND ENERGY (the "Company") and _____ (the "Customer").

1. PURCHASE AND SALE: The Customer shall buy gas from the Company, and the Company shall sell gas to the Customer, for the Customer's commercial and/or industrial requirements at _____ (service address).

2. COMMENCEMENT DATE: Service under this Agreement commences on _____ 19__ or within 60 days of the date that the Company has installed the necessary mains, meters and other essential equipment to serve the Customer, whichever date is later.

3. AGREEMENT TERM: The initial term for service under this Agreement is _____ years, beginning on the commencement date. The Agreement continues in effect from year to year thereafter until written notice of cancellation is given by either party at least 90 days prior to the expiration of the original term or an annual anniversary date thereafter.

4. DAILY AND HOURLY QUANTITIES: Subject to the terms of this Agreement, the Company shall sell and deliver interruptible gas to the Customer at a rate of flow up to but not exceeding _____ therms per hour and up to but not exceeding _____ therms per day (from 8:00 a.m. to 8:00 a.m. or as otherwise established by the Company) and to sell and deliver firm use gas to the Customer at a rate of flow up to but not exceeding _____ therms per hour and up to but not exceeding _____ therms per day (from 8:00 a.m. to 8:00 a.m. or as otherwise established by the Company). The Company shall normally deliver gas to the Customer at _____ minimum gauge pressure at the outlet of the meter at assembly.

5. PURPOSE: The Customer shall use gas purchased under this Agreement for the following purposes; namely,

INTERRUPTIBLE USE _____

FIRM USE _____

6. CURTAILMENT: The Customer shall curtail its use of interruptible gas for the periods and to the extent requested by the Company in its sole determination. The Customer shall resume full gas usage as soon as possible after curtailment termination, subject to the Customer's operating capabilities and procedures. The Customer shall provide and maintain complete standby facilities and have available at all times sufficient standby fuel to maintain continuous plant operations during complete curtailment of the delivery of interruptible gas. The Customer shall annually provide the Company with a list of 3 people who are designated to receive notices of curtailment along with their appropriate work and home phone numbers, and further agrees to update this list whenever it changes.

7. RATES AND CHARGES: The Customer agrees to pay for service under this Agreement according to the rates and charges in Rate Schedule No. _____, Rate Schedule No. 1 (Special Municipal Additions), and applicable supplemental schedules in effect at the time of billing. Bills are issued due and payable when rendered and become past due after 15 days from the date of the bill.

(Over)

8. SERVICE INSTALLATION: In accordance with the Company's Rule No. 7, the Company shall furnish and install distribution facilities (including service piping, meters, regulators, valves, and associated fittings) as the Company determines may be necessary to apply the delivery volumes stated in Paragraph 4, above. All such facilities remain the Company's property. The Customer shall install, own, and maintain, at Customer's expense, fuel line piping and associated equipment (except Company-owned equipment) beyond the meter and accessories, and necessary to utilize service under this Agreement.

9. ADDITIONAL REQUIREMENTS: As conditions to providing service under this Agreement, the Company may in its discretion require the Customer to provide electrical power (110v) and/or a telephone service connection at the meter location, which power and connection shall be the Customer's responsibility and expense.

10. NOTICES: All notices, billings, correspondence, and other communications relating to this Agreement shall be sent by registered, certified, or ordinary mail, and will be considered effective upon receipt. They shall be addressed as follows:

To Company:

Puget Sound Energy
P. O. Box 1869
Seattle, WA 98111

To Customer:

Notices with respect to the initiation of curtailments or the restoration of deliveries are effective upon delivery and are sufficient if given by the Company in writing, telecopy, electronically, orally in person, or by telephone to one of the persons named in the curtailment list referenced in Paragraph 6, above.

11. DELAYS: The Company shall not be liable for delays in providing service under this Agreement when such delays are not reasonably within the Company's control. Examples of such delays (not intended to be limiting) include delays caused by an inability to secure necessary material, supplies, or distribution system capacity; breakages or accidents to the Company's distribution system; and communication problems with suppliers, pipelines, or transporters. Delays subject to this paragraph shall not be deemed a breach of any Company obligation under this Agreement.

12. APPLICABLE RULES AND TARIFFS: The provisions in the Company's Rate Schedule No. _____ and all other applicable rules and rate schedules apply to this Agreement, and are hereby incorporated herein. The Customer agrees to comply with all such provisions and with all applicable rules and regulations filed with or adopted by the Washington Utilities and Transportation Commission from time to time. In the event of a conflict between this Agreement and an applicable rule, regulation, or tariff, the provisions of the rule, regulation, or tariff shall control.

13. SUCCESSORS AND ASSIGNS: This Agreement shall not be assignable by the Customer in whole or in part without the Company's prior written consent. The provisions of this Agreement extend to and bind the parties and their respective successors and permitted assigns.

14. MISCELLANEOUS PROVISIONS: (a) This Agreement together with the applicable rate schedules constitutes the entire agreement between the parties, and expressly supersedes all prior and contemporaneous communications concerning the provisions of service under this Agreement; (b) This Agreement shall not be binding upon the Company until approved and accepted on its behalf by an authorized representative in the space provided below.

15. SPECIAL CONDITIONS APPLICABLE TO CUSTOMER'S OPERATION: _____

PUGET SOUND ENERGY

By: _____

Its: _____

Dated: _____

Attest: _____

CUSTOMER

By: _____

Its: _____

Dated: _____

Attest: _____