

**PUGET SOUND ENERGY
Natural Gas Tariff**

RULES AND REGULATIONS (Continued)

RULE NO. 6: Extension of Distribution Facilities

2. **DEFINITIONS (Continued):**

- e. **Estimated Annual Therm:** The estimated annual Customer natural gas usage would be as calculated by the Company based upon the natural gas equipment the Customer is going to use.
- f. **Incremental Therm Added:** The usage difference between Customer's existing annual usage and the Estimated Annual Therm would be after the modification of the existing Distribution Facilities.
- g. **Line Extension Costs:** The sum of Company's estimate of the costs of furnishing and installing the Distribution Facilities to provide new Gas Service to a qualified Customer or the sum of Company's estimate of the costs of modifying and installing the Distribution Facilities to meet the request of an existing Customer.
- h. **Margin Allowance:** The amount the Company will contribute toward construction costs for new or modified natural gas Distribution Facilities. See section 5.
- i. **Margin Allowance Conversion Factor:** The factor is calculated as i) the Company's authorized after-tax rate of return divided by ii) its authorized revenue conversion factor.

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(D)

3. **CUSTOMER PAYMENT CALCULATION:** Customer Payment = (Line Extension Costs – Margin Allowance – Credit) * Rule No. 28 Income Tax Rider. In addition, a security deposit may be required from a line extension Customer as described in the section 6a of this rule.

4. **LINE EXTENSION COSTS:** The Company will estimate the costs associated with a new or modified Residential or Non-residential line extension and quote the customer individually.

(Continued on Sheet No. 16-B)

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5. **MARGIN ALLOWANCE:** The Company will provide the Margin Allowance to a qualifying new or modified line extension project as described in this section. In all cases, for either a new or modified line extension project, the Company will not grant any Margin Allowance for any Customer, if the Company, in its sole judgment, determines that the Customer load will not be in service for five years.

a. New Natural Gas Facility Extension Margin Allowance

Schedule	Effective 9/1/2018- 3/31/2022 for qualifying Customers ^{Note}	Effective 1/1/2022	(N) (N)
	23	\$4,327.81 per new Customer	\$1,996.52 per new Customer
Per Estimated Annual Therm			
31, 31T	\$4.39	\$2.02	(N)
41, 41T, 86, and 86T	\$2.11	\$0.97	
85 and 85T	\$1.00	\$0.46	
87 and 87T	\$0.41	\$0.19	(N)

b. Modification of Existing Natural Gas Facility Margin Allowance

Schedule	Incremental Therm Added		(N) (N)
	Effective 9/1/2018- 3/31/2022 for qualifying Customers ^{Note}	Effective 1/1/2022	
23	\$3.74	\$1.73	
31, 31T	\$3.29	\$1.52	(N)
41, 41T, 86, and 86T	\$1.81	\$0.83	(K)
85 and 85T	\$0.86	\$0.40	
87 and 87T	\$0.39	\$0.18	

Note: For those customers that have (1) submitted their line extension application to the Company as of January 1, 2022; or (2) submitted their line extension application to the Company by March 31, 2022, accompanied by either a copy of their approved permits by local permitting offices, or an attestation or proof to demonstrate that they have submitted their permit applications to local permitting offices before December 31, 2021.

(K)

(K) Transferred to Sheet No. 16-C

(Continued on Sheet No. 16-C)

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6. OTHER FEES AND CHARGES:

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a. **Security Deposit Required from Line Extension Customers:** In addition to the Customer Payment in Section 3, a security deposit may be required from a line Extension Customer if the Customer's plans are conditional and/or there are multiple phases in the Customer's build-out plan. If applicable, the security deposit shall be \$500 per meter or 5% of the total Line Extension Costs, whichever is higher as determined by the Company. The security deposit will be refunded with interest at the rate established for Customer deposits in Rule No. 5 to the Customer upon the Company's validation of the completion of Customer's build-out plan otherwise the security deposit is not refundable. However, the amount of the security deposit, as prescribed in this section shall not limit the other remedies otherwise available to the Company.

(M)

b. **Customer Unable to Accept Service Charge:** If the Company shows up to a scheduled appointment to install Distribution Facilities and the Customer has not complied with Company specifications, such as having the construction route cleared and to grade, providing trench, or obtaining necessary inspections or permits, the Customer may be charged the crew, equipment, and other costs associated with the trip.

c. **Unused Facilities Extension Cost Charge:** If the Company provides a facilities extension and the Customer fails to commence gas usage within twenty-four months from the date of installation the Company will bill the Customer the Line Extension Costs.

7. GENERAL CONDITIONS:

a. **Natural Gas Service Contract:** Customer shall complete, sign, and submit to the Company a natural gas service contract when requesting new Distribution Facilities or modification of existing Distribution Facilities.

b. **Ownership of Facilities:** The Company shall own, operate, maintain and repair all natural gas Distribution Facilities installed by or for the Company, including replacement of such facilities if necessary so long as such replacement is not inconsistent with this rule or a contract governing such facilities. The Company shall not own and shall have no responsibility to operate, maintain, repair or replace any natural gas distribution facilities that were not installed by or for the Company.

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(Continued on Sheet No. 16-D)

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