2nd Revision of Sheet No. 1149 Canceling 1st Revision Sheet No. 1149

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JUNE 01, 2016 WA. UT. & TRANS. COMM.

PUGET SOUND ENERGY Natural Gas Tariff

SUPPLEMENTAL SCHEDULE NO. 149 Cost Recovery Mechanism for Pipeline Replacement (CRM)

Section 1 – Applicability: This schedule is applicable to all Customers of the Company that receive Gas Service under Schedule Nos. 16, 23, 31, 31T, 41, 41T, 53, 85, 85T, 86, 86T, 87 and 87T and special contracts. Rates in this schedule will be applied to all bills under applicable schedules with Energy usage during a month when this schedule is effective.

Section 2 – Purpose: The purpose of this schedule is recovery of the depreciation expense and return on the Company's post October 2013 investment associated with the Company's Pipeline Replacement Program Plan until such expense and return are included in base rates for Gas Service.

Section 3 – Mechanism: This mechanism conforms to the CRM elements outlined in the Commission's Policy on Accelerated Replacement of Pipeline Facilities with Elevated Risk in Docket No. UG-120715.

Section 4 – Monthly Rate: The rate shown below for each schedule shall be added to the monthly rate(s) for each schedule identified thereby changing the rate charged for natural gas. Customer bills shall reflect the sum of this Supplemental Schedule No. 149 rate and the rates(s) otherwise charged for natural Gas Service under the applicable schedules.

Schedule No. 16	\$0.28 per mantle	(I)
Schedule Nos. 23 & 53	\$0.01455 per therm	
Schedule Nos. 31 & 31T	\$0.01355 per therm	Ĺ
Schedule Nos. 41 & 41T	\$0.00729 per therm	Ĺ
Schedule Nos. 85 & 85T	\$0.00315 per therm	Ĺ
Schedule Nos. 86 & 86T	\$0.00695 per therm	Î
Schedule Nos. 87 & 87T	\$0.00272 per therm	Î
Special Contracts	\$0.00328 per therm	(1)

Section 5 – Adjustments: Rates in this schedule and those rates reflected in the schedules for natural Gas Service to which this mechanism applies, as listed in the Applicability section above, are subject to adjustment by such other schedules in this tariff as may apply.

Section 6 – General Rules and Regulations: Service under this schedule is subject to general Rules and Regulations contained in this tariff as they may be modified from time to time and other schedules of such tariff that may apply as they may be modified from time to time.

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