

**Replacement
Attachment B**



PUGET SOUND ENERGY

The Energy To Do Great Things

Puget Sound Energy, Inc.

P.O. Box 97034

Bellevue, WA 98009-9734

February 4, 2009

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

RE: Docket No. U-072375
Compliance Filing (Advice No. 2009-05)
Natural Tariff Filing – Filed Electronically

Dear Mr. Danner:

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 for natural gas service of Puget Sound Energy (the “Company” or “PSE”).

30th Revision of Sheet No. 4 - Natural Gas Tariff Index (Continued)
13th Revision of Sheet No. 5 - Natural Gas Tariff Index (Continued)
Original Sheet No. 1132 - Schedule 132 – Merger Rate Credit
Original Sheet No. 1132-A - Schedule 132 – Merger Rate Credit (Continued)

The purpose of this filing and the electric tariff filing being filed coincident with this filing is to comply with Transaction Commitment number 34 in the Multiparty Settlement Stipulation that is Attachment A to Order No. 8 in Docket No. U-072375 (the “Order”). Transaction Commitment number 34 is a commitment to provide rate credits of \$100 million over a 10-year period (\$10 million per year for ten years).

As provided for in the Order the rate credits of \$10 million per year for a ten year period are to commence at the closing and are comprised of \$8.8 million that is not offsettable and \$1.2 million that is fully offsettable to the extent that the Company can demonstrate that the savings are associated with the merger. This filing reflects a total of \$113,416 in offsets to the \$1.2 million. \$73,891 of the \$113,416 offset is shown as an adjustment in Exhibit ____ JHS-15 and \$39,525 is shown as an adjustment in Exhibit ____ KRK-09 in Docket Nos. UE-072300 and UG-072301 respectively. These adjustments result in a total of \$9,886,584 to be credited to customers (\$10,339,246 after gross-up) or \$6,441,106 to electric customers and \$3,445,475 to natural gas customers.

Work papers supporting the total amount to be passed through for the year ending December 31, 2009, and the spread of this amount to rates are also enclosed.

Mr. David Danner
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The Company is proposing that the credit for the first year start immediately following the closing of the "Proposed Transaction" (as defined in the Order) and be passed through during the remainder of 2009. The subsequent periods for the rate credits would be for the calendar year.

On or before December 1 of each year that Schedule 132 is in effect the Company will file a revision to true-up the rate credits due to differences in actual usage from what was used to calculate the rate credits however the rates are expected to be credits on all annual filings. Provided that the rates filed each year in Schedule 132 are credits, the Company will publish the change in the manner it posts tariffs under WAC 480-100-193 which is typically through posting the change on its web site and making information available by telephone and mail. The Company believes that is in accordance with WAC 480-100-195(3) which provides that when a utility files a tariff change that decreases rates it must publish the change as provided in WAC 480-100-193. Noticing in this way is also described in the attached tariff sheets. If noticing in this manner requires that a waiver of WAC 480-100-195 be requested, the Company hereby requests such a waiver.

The tariff sheets described herein reflect an issue date of February 4, 2009, and an effective date of February 13, 2009. Posting of proposed tariff change, 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.

This tariff change does not increase recurring charges or restrict access to services. Therefore, 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 480-100-193.

As required by WAC 480-07-883(2) a copy of this filing has been served on each party to this proceeding.

Please contact Lynn Logen at (425) 462-3872 or Eric Englert at (425) 456-2312 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. ffitich, Public Counsel
Sheree Carson, Perkins Coie
Service List

WN U-2

Thirteenth Revision of Sheet No. 5
Canceling
Twelfth Revision of Sheet No. 5,

PUGET SOUND ENERGY
NATURAL GAS TARIFF INDEX (Continued)

<u>Schedule No.</u>		<u>Sheet No.</u>	
	<u>Natural Gas Energy Efficiency Programs</u>		(K)
183	Natural Gas Conservation Service	1183	
203	Residential Low-Income	1203	
205	Commercial/Industrial Retrofit Program	1205	
206	Residential Information Services.....	1206	
207	Energy Education	1207	
208	Resource Conservation Manager (RCM) Program	1208	
214	Existing Residential Single Family	1214	
215	Residential Single Family New Construction	1215	
217	Multi-Family Existing Structures	1217	
218	Multi-Family New Construction.....	1218	
249	Natural Gas Pilot Programs	1249	
251	Commercial/Industrial New Construction Efficiency.....	1251	
260	Commercial Information Services	1260	
261	Energy Efficiency Technology Evaluation	1261	
262	Commercial and Industrial Incentive Program	1262	
270	Local Infrastructure and Market Transformation and Research Support	1270	
	<u>Line Extension Pilot</u>		
307	Extension of Distribution Facilities - Pilots	1307	

(K) Transferred to Sheet No. 4

Issued: February 4, 2009

Effective: February 13, 2009

Advice No.: 2009-05

By Authority of the Washington Utilities and Transportation Commission in Docket No. U-072375 Order No. 8

Issued By Puget Sound Energy

By: Tom DeBoer Tom DeBoer

Title: Federal & State Regulatory Affairs

PUGET SOUND ENERGY
NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 132
Merger Rate Credit

(N)

Section 1: Availability/Eligibility

This rate credit is available to all Customers of the Company and will be applied to all bills to Customers with natural gas usage during a month when this schedule is effective.

Section 2: Purpose

The purpose of this rate credit is to pass through the rate credits as described in the Order (see definition below). The rate credits will be applied on a per therm basis as described in the Adjustment paragraph below and the per therm rate will be adjusted annually to reflect the difference between the actual amounts of credits passed through in the prior year and the amount to be funded in accordance with the Order plus the credit per therm for the upcoming year based on projected loads in the upcoming year.

Section 3: Definitions

Order: Refers to Transaction Commitment number 34 in the Multiparty Settlement Stipulation attached as Attachment A to the Washington Utilities and Transportation Commission's Order No. 8 in Docket No. U-072375.

Section 4: Funding

Rate credits of up to a total of \$10 million per year for ten years are provided by Puget Sound Energy and Puget Holdings to all eligible electric and gas Customers of the Company. Rate credits totaling \$8.8 million per year will be available under this schedule and the corresponding electric tariff rate schedule. Additional rate credits that are fully offsettable as provided in the Order of up to \$1.2 million per year for ten years will also be available under this schedule and the corresponding electric tariff rate schedule. If the amount of funding changes (as provided in the Order) as a result of a general rate case, the rate credit per therm may be adjusted by submitting a rate change to the Commission following the conclusion of the general rate case.

Section 5: Adjustment

In addition to the rate specified in the otherwise applicable rate schedules the following rate credits will apply from the initial effective date of this tariff sheet until December 31, 2009. On or before each December 1 starting in 2009 through 2017 the Company will submit revised rates to the Commission that are proposed to be effective the following calendar year.

(N)

(Continued on Sheet 1132-A)

Issued: February 4, 2009

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By Authority of the Washington Utilities and Transportation Commission in Docket No. U-072375 Order No. 8

Issued By Puget Sound Energy

By: Tom DeBoer Tom DeBoer

Title: Federal & State Regulatory Affairs

PUGET SOUND ENERGY
NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 132
Merger Rate Credit
(Continued)

(N)

Section 6: Rate

MONTHLY RATE EFFECTIVE THROUGH DECEMBER 31, 2009:

Schedule 16	\$(0.10) per mantle
Schedules 23 and 53	(0.552) ¢ per therm
Schedules 31, 31T and 61	(0.456) ¢ per therm
Schedules 41 and 41T	(0.179) ¢ per therm
Schedules 85 and 85T	(0.087) ¢ per therm
Schedules 86 and 86T	(0.221) ¢ per therm
Schedules 87 and 87T	(0.068) ¢ per therm
Special Contracts	(0.052) ¢ per therm
Schedules 71, 72 and 74	\$(0.16) per unit

Section 7: Termination

The rate credits under this schedule will terminate at such time as the rate credits described in the Order have been fully credited to Customers or December 31, 2018, whichever is sooner. Any balance remaining on December 31, 2021, will be included in the revenue requirement of the next following general rate case. Once this remaining balance is included in rates for service the rate credits will not be available on adjusted bills.

Section 8: True-Up And Notice Of Rate Changes

The rate credits in this schedule will be adjusted annually and may be adjusted following conclusion of a general rate case. Annual adjustment of the rate credits will take into account actual usage and the projected usage used to develop the rate credits and true-up for differences. The total usage of all Customers is generally expected to increase over time which will result in a reduction in the credit rates in this schedule, however, the total of the rate credits to all electric and gas Customers over the ten years will be in accordance with the Order. Since the rate credits in this schedule are credits, notice to the public of changes in the rate credits will be provided on the Company's web site, by telephone and by mail in accordance with WAC 480-90-195(3).

Section 9: General Rules And Regulations

Service under this schedule is subject to the general Rules and Regulations contained in this tariff.

(N)

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Issued By Puget Sound Energy

By: Tom DeBoer Tom DeBoer

Title: Federal & State Regulatory Affairs

Workpapers

Calculation of Merger Rate Credits - Natural Gas
February 13 - December 31, 2009

Rate Class	Margin at UG-072301 Rates (1)	Feb 13 - Dec 31, 2009 Forecasted Therms (2)	Rental Unit Charges (3)	Merger Credit	Rate per Therm	Monthly Rate per Rental Unit	Monthly Rate per Mantle
Residential (16,23,53)	\$ 259,860,400	443,396,316		\$ (2,445,942)	\$(0.00552)		\$ (0.10)
Commercial & industrial (31,61)	\$ 79,205,961	163,339,687		\$ (745,528)	\$(0.00456)		
Large volume (41)	\$ 13,983,621	73,714,470		\$ (131,621)	\$(0.00179)		
Interruptible (85)	\$ 6,678,934	71,857,173		\$ (62,866)	\$(0.00087)		
Limited interruptible (86)	\$ 3,542,871	15,104,501		\$ (33,347)	\$(0.00221)		
Non exclusive interruptible (87)	\$ 8,726,794	121,160,272		\$ (82,141)	\$(0.00068)		
Contracts	\$ 1,638,226	29,789,241		\$ (15,420)	\$(0.00052)		
Subtotal	\$ 373,636,806	918,361,659		\$ (3,516,865)	\$(0.00383)		
Rentals	\$ 8,938,813		519,057	\$ (84,137)		\$ (0.16)	
Total	\$ 382,575,620			\$ (3,601,002)			
Total gas merger credit				\$ (3,601,002)			

(1) Source: UG-072301 Compliance Filing. Excludes Schedule 50, which was discontinued in 2008.

(2) Source: 2008 Load Forecast.

(3) Actual number of rentals for December 2008 multiplied by 11 months, representing number of monthly charges.

Puget Sound Energy
2007 Gas General Rate Case - Compliance Filing
Test Year Ended September 2007
Allocation of Revenue Deficiency to Rate Classes

Rate Class	Pro forma Revenue at Existing Rates	Pro forma Gas Revenue at Existing Rates (1)	Pro forma Margin at Existing Rates	Volume (Therms)	Percent of Average Increase	Proposed Margin Increase on Percentage	Spread Residual Increase	Total Proposed Margin Increase	Calculated Margin Revenue	Pro forma Gas Revenue at Existing Rates (1)	Calculated Total Revenue	Calculated Change in Margin	Percent Margin Increase	Percent Total (2)
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
Residential (16,23,53)	\$ 674,904,012	\$ 448,189,989	\$ 226,714,023	532,765,816	98.46%	\$32,947,660	\$197,231	\$33,144,891	\$ 259,860,400	\$ 448,189,989	\$ 708,050,389	\$ 33,146,376	14.6%	4.9%
Commercial & industrial (31,61)	235,943,272	170,556,489	65,386,783	203,951,509	142.36%	13,738,325	\$ 82,240	13,820,566	79,205,961	170,556,489	249,762,450	13,819,177	21.1%	5.9%
Large volume (41)	69,002,358	55,272,893	13,729,465	68,401,668	12.5%	253,309	\$ 1,516	254,825	13,983,621	55,272,893	69,266,614	254,156	1.9%	0.4%
Compressed natural gas (50)	125,343	96,411	28,932	120,864	0.0%	-	-	-	28,932	96,411	125,343	(0)	0.0%	0.0%
Interruptible (85)	18,970,052	12,412,967	6,557,084	62,955,045	12.5%	120,978	\$ 724	121,702	6,678,934	12,412,967	19,091,901	121,850	1.9%	0.6%
Limited interruptible (86)	17,172,236	13,629,361	3,542,875	16,961,705	0.0%	-	-	-	3,542,871	13,629,361	17,172,232	(3)	0.0%	0.0%
Non exclusive interruptible (87)	36,445,010	28,321,678	8,123,332	164,063,695	50.0%	599,502	\$ 3,589	603,091	8,726,794	28,321,678	37,048,472	603,462	7.4%	1.7%
Transportation (57), inc. in (87)														
Contracts	1,589,366	-	1,589,366	34,987,866	50.0%	117,295	\$ 702	117,997	1,638,226	-	1,638,226	48,860	3.1%	3.1%
Subtotal	\$ 1,054,151,648	\$ 728,479,788	\$ 325,671,860	1,084,208,169		\$47,777,069	\$286,003	\$48,063,072	\$373,665,738	\$ 728,479,788	\$ 1,102,145,526	\$ 47,993,878	14.7%	4.6%
Rentals	7,788,789		7,788,789		100.0%	1,149,625		1,149,625	8,938,813		8,938,813	1,150,024	14.8%	14.8%
Other revenue	6,291,644		6,291,644			-		-	6,291,644		6,291,644		0.0%	0.0%
Total	\$ 1,068,232,081	\$ 728,479,788	\$ 339,752,293	1,084,208,169		\$48,926,694	\$286,003	\$49,212,697	\$388,896,196	\$ 728,479,788	\$ 1,117,375,984	\$ 49,143,902	14.5%	4.6%
Proposed total increase						\$49,212,697	\$286,003	\$ -						
Average increase (includes rentals)						14.78%		4.7%						
Revenue (3)	\$ 1,069,460,472										\$ 1,118,673,169			
Difference	\$ 1,228,391	billing adjustment to pro forma revenue									\$ 1,297,185	billing adjustment plus rounding error		

(1) Pro forma gas revenue at rates in existence at the time of the filing (December 2007).

(2) Calculated margin increase (column M) divided by pro forma revenue at existing rates (column B).

(3) \$1,069,460,472 adjusted results of operations, as presented in the revenue requirements summary, includes a -\$1,228,388 adjustment related to billing errors.

2009 Sum of Total Energy Volume

Schedule	Month												Grand Total	Feb 13 - Dec 31		
	1	2	3	4	5	6	7	8	9	10	11	12				
Sales	11	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	16	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	23	89,432,121	74,682,186	64,311,469	43,917,273	28,517,994	17,403,667	13,065,300	13,151,844	18,372,295	41,028,255	70,943,731	90,006,746	564,832,882	443,394,109	
	24	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	31	28,525,600	25,750,541	23,117,512	16,613,633	12,048,689	8,397,639	7,030,736	6,861,595	7,943,228	14,036,980	23,188,942	29,386,138	202,901,234	163,339,687	
	36	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	41	10,794,057	8,843,745	8,855,714	7,308,676	6,346,638	5,092,265	4,374,434	4,438,494	4,897,392	7,028,364	8,999,021	10,947,189	87,925,988	73,341,756	
	50	-4,432	-	-	-	-	-	-	-	-	-	-	-	-4,432	-	
	51	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	53	364	422	237	260	167	54	66	65	87	230	277	523	2,750	2,207	
	61	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	85	770,746	1,009,165	1,028,503	988,265	852,498	718,440	668,011	581,061	780,360	1,183,033	1,394,917	1,472,038	11,447,036	10,243,792	
	86	2,878,292	2,313,687	2,248,131	1,675,889	1,186,167	846,252	526,493	392,883	747,422	1,460,414	2,143,427	2,555,316	18,974,373	15,104,501	
	87	4,104,217	3,482,104	3,431,627	3,080,628	2,827,073	2,124,598	2,016,230	2,234,555	2,190,284	2,679,477	3,028,994	3,674,389	34,874,176	29,277,629	
Sales Total		136,500,965	116,081,850	102,993,193	73,584,625	51,779,226	34,582,915	27,681,269	27,660,497	34,931,068	67,416,752	109,699,308	138,042,340	920,954,007	734,703,679	
Transportation	57	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	99	4,256,319	3,726,333	3,539,390	3,197,672	2,513,666	2,320,470	1,685,079	1,825,415	2,014,398	3,032,462	3,615,266	3,916,090	35,642,560	29,789,241	
	199	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	299	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
	41T	70,500	65,345	82,902	38,949	11,232	6,269	8,036	13,763	26,899	49,388	39,064	58,872	471,219	372,714	
	85T	6,277,160	5,719,173	6,499,397	5,897,757	5,987,037	5,235,848	5,490,579	5,505,577	5,447,886	6,000,320	5,972,605	6,308,276	70,341,615	61,613,381	
	87T	9,188,605	9,226,611	9,742,527	8,933,475	8,590,495	8,385,007	8,181,176	8,656,503	8,391,829	9,115,517	8,858,962	7,754,803	105,025,510	91,882,643	
Transportation Total		19,792,585	18,737,461	19,864,216	18,067,853	17,102,431	15,947,595	15,364,869	16,001,259	15,881,011	18,197,687	18,485,897	18,038,042	211,480,904	183,657,981	
Grand Total		156,293,549	134,819,311	122,857,409	91,652,478	68,881,657	50,530,510	43,046,138	43,661,756	50,812,079	85,614,439	128,185,205	156,080,381	1,132,434,911	918,361,658	
Total Less Schedule 50														1,132,439,343		

Monthly Water Heaters (Tanks)

Schedule	Jan-08	Feb-08	Mar-08	Apr-08	May-08	Jun-08	Jul-08	Aug-08	Sep-08	Oct-08	Nov-08	Dec-08	Total Charges
71G-A	1,862	1,805	1,795	1,744	1,631	1,589	1,592	1,597	1,572	1,579	1,568	1,572	19,906
71G-B	26,415	26,413	26,205	26,132	26,001	25,910	25,804	25,713	25,649	25,476	25,473	25,403	310,594
71G-C	4,882	4,825	4,813	4,788	4,785	4,772	4,766	4,741	4,713	4,687	4,686	4,669	57,127
71G-D	1,353	1,359	1,351	1,327	1,334	1,323	1,301	1,313	1,296	1,290	1,262	1,278	15,787
71G-E	4,813	4,792	4,868	4,868	4,969	4,987	4,927	4,938	4,906	4,918	4,910	4,915	58,811
71G-F	274	287	285	284	283	280	276	279	272	275	274	285	3,354
72G-F	238	236	230	223	229	222	214	221	218	211	212	212	2,666
72G-G	189	189	186	185	181	179	180	176	172	132	127	127	2,023
72G-H	339	339	334	331	333	334	333	330	325	366	365	388	4,117
72G-I	26	25	25	24	24	21	22	22	22	21	19	19	270
72G-J	855	865	877	869	867	850	865	849	853	847	849	839	10,285
72G-K	560	555	555	551	527	545	549	546	544	541	539	536	6,548
72G-L	1,455	1,475	1,489	1,461	1,443	1,417	1,434	1,432	1,389	1,436	1,423	1,444	17,298
74G-A	2,027	2,010	1,995	1,980	1,968	1,959	1,958	1,893	1,934	1,906	1,880	1,896	23,406
74G-B	116	113	113	114	111	109	111	110	111	112	112	111	1,343
74G-C	80	79	80	78	78	77	76	74	74	74	74	73	917
74G-D	3,673	3,671	3,637	3,620	3,601	3,600	3,515	3,514	3,495	3,497	3,468	3,420	42,711
Total	49,157	49,038	48,838	48,579	48,365	48,174	47,923	47,748	47,545	47,368	47,241	47,187	577,163

December * 11 months

519,057

**Commitment 034 Docket No. U-072375
Revenue Requirement Rate Credit**

	Electric	Gas	Total
Rate Credit	\$ (10,000,000)	\$ (10,000,000)	
Margin Allocation Factor	65.15%	34.85%	
Net Revenue Requirement for Rate Credit	<u>(6,515,000)</u>	<u>(3,485,000)</u>	(10,000,000)
Less Merger Savings from GRC UE-72300/UG-72301	73,891	39,525	113,416
Net Revenue Requirement for Rate Credit	<u>(6,441,109)</u>	<u>(3,445,475)</u>	<u>(9,886,584)</u>
Grossup Factor	0.9559032	0.95681	
Revenue Requirement for Revenue Requirement	<u>\$ (6,738,244)</u>	<u>\$ (3,601,002)</u>	<u>\$ (10,339,246)</u>

**Puget Sound Energy
Residential 2009 Bill Impact of Merger Credit**

	<u>Estimated Monthly Bill</u>	
	<u>At</u> Current Rates (1)	<u>At</u> Proposed Rates (2)
Volume (therms)	68	68
Basic charge (\$/month)	\$ 10.00	\$ 10.00
Volumetric charges (\$/therm)		
Delivery charge (Schedule 23)	\$ 0.33606	\$ 0.33606
Conservation charge (Schedule 120)	\$ 0.00881	\$ 0.00881
Low income charge (Schedule 129)	\$ 0.00433	\$ 0.00433
Cost of gas (Schedule 101)	\$ 0.91707	\$ 0.91707
Deferral amortization (Schedule 106)	\$(0.01931)	\$(0.01931)
Merger rate credit	\$ -	\$(0.00552)
Total volumetric charges	<u>\$ 1.24696</u>	<u>\$ 1.24144</u>
Total monthly bill	\$ 94.79	\$ 94.42
Change from bill under current rates		\$ (0.38)
Percent change from bill under current rates		-0.4%

(1) Rates in effect November 1, 2008 reflecting UG-072301 rate change.

(2) Current rates plus merger credit for 2009.