



The Energy To Do Great Things

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April 25, 2011

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

Via UTC Electronic and Regular Mail

RE: Docket Nos. UE-970686 and UE-100177
Replacement pages to PSE Annual Report of Energy Efficiency Services (EES) Programs

Dear Mr. Danner,

Enclosed are originals and three copies of 24 replacement pages to Puget Sound Energy, Inc.'s (the "Company" or "PSE") 2010 Annual Report of Energy Conservation Accomplishments ("Annual Report"), originally filed in Docket No. UE-970686 on February 15, 2011. As Docket No. UE-100177 also requires the filing of an Annual Report; the Company should have noted in its cover letter that the Annual Report was filed in compliance with both Docket No. UE-970686 and Docket No. UE-100177. The replacement pages comprise three revised Appendices; Appendix A, 2010 EES Costs and Savings; Appendix D, 2010 Program Cost Effectiveness and Appendix F, 2010 Savings Adjustment logs.

The Appendices required adjustment resulting from PSE audits of vendor records and other processes performed in February and March 2011. As discussed with the Conservation Resource Advisory Group (CRAG) in our meeting on March 31, PSE is submitting replacements of only for the affected Appendices, rather than update each individual affected page within the entire 2010 Annual Report. The attached tables also provide additional details of the updates. To assist in review of this filing the updates and adjustments in each of the attached appendices are highlighted in yellow. The adjustments are grouped by appendix and categorized below.

Appendix A Adjustments

(1) Appendix A Residential Gas Expenditures

- a. It was discovered that the originally filed Appendix A did not reflect a journal entry made in late January in the amount of \$13.97 for labor dollars in the gas Residential Sector.

(2) Appendix A Electric Savings

- a. The table below represents details of electric savings adjustments that are reflected in the revised Appendix A.

Please note that only affected programs are enumerated in the below tables. The effect of the noted adjustments on the overall figures are extracted from the Appendix A document. The remaining, unaffected programs/activities are omitted for brevity.

Electric Program Adjustments

Program	MWh Originally Claimed	Adjustment	Revised MWh, 4/8/11	Comment
Residential Programs:				
Energy Education	712	-711,883 kWh		Removed all Energy Education savings for 2010 as was 0 discussed with CRAG.
Single Family Existing: HomePrint + Water Heat	1,313	-15,476 kWh	1,298	Vendor double-entered some Direct Install ("DI") measures
Single Family Existing: EE Lighting Rebate	56,690	-190,320 kWh	56,500	PSE internal audit revealed that over 3,000 CFL coupons were double-counted by its vendor
Single Family Existing: Space Heat	5,561	7,000 kWh	5,568	Under reported 2 ductless heat pumps
Single Family Existing: Weatherization	10,091	26,488 kWh	10,117	Some electric homes reported as gas, some gas home reported as electric by PSE vendor
Single Family New Construction	2,646	-13,191 kWh	2,633	Under reported some clothes washers and whole-house fans. Over reported 3 manufactured homes.
Total Residential Programs, MWh	106,388		105,491	Resid. Difference = -897 MWh
Business Efficiency Programs				
C/I Retrofit	83,708	-1,089,167 kWh	82,618	Some Energy Smart Grocer projects were double-counted
Total Business Programs, MWh	165,659		164,570	Business Difference = -1,089 MWh
TOTAL ELECTRIC ENERGY EFFICIENCY, MWh	295,547	-1,986,549 kWh	293,560	Total Difference = -1,986 MWh (0.67% reduction)

The affected program figures are highlighted in the replacement Appendix A to enable easy reference to the previous version. Total electric savings were adjusted by (-1,986) MWh for a corrected total of 293,560 MWh, or 33.5 average megawatts (aMW). The original electric total, filed on February 15, 2011 was 33.7 aMW.

It is important to note that the PSE vendor who double-counted approximately 3,000 CFL coupons in the Residential EE Lighting program reimbursed the Company \$16,509 of ratepayer funds in April 2011.

(3) Appendix A Residential Gas Savings

- a. The table below represents details of gas savings adjustments that are reflected in the revised Appendix A.

Please note that only affected programs are enumerated in the below tables. The effect of the noted adjustments on the overall figures are extracted from the Appendix A document. The remaining, unaffected programs/activities are omitted for brevity.

Gas Program Adjustments

Program	Therms Originally Claimed	Adjustment	Revised Therms 4/8/11	Comment
Residential Programs:				
Energy Education	48,214	-48,214 thm		Removed all Energy Education savings for 2010 as was discussed with CRAG.
Single Family Existing: HomePrint + Water Heat	11,816	-315 thm	11,501	Vendor double-entered some Direct Install ("DI") measures
Single Family Existing: Weatherization	1,039,018	-1,699 thm	1,037,319	Some electric homes reported as gas, some gas home reported as electric by PSE vendor
Single Family Existing: Energy Star Appliances	37,770	-1,194 thm	36,576	Over reported gas savings in electric only territories
Single Family New Construction	110,646	74 thm	110,720	Under reported one tankless water heater
<i>Total Residential Programs</i>	2,659,614		2,608,266	
TOTAL GAS ENERGY EFFICIENCY, Therms	5,033,406	-51,348 thm	4,982,058	Total Difference = -51,348 therms (1.02% reduction)

Total gas savings were adjusted by (-51,348) therms for a corrected total of 4,982,058 therms. 5,033,406 therms were originally reported on February 15, 2011.

Appendix D Adjustments

The above noted savings adjustments were factored into the Appendix D cost effectiveness tables and the adjusted electric and gas Utility Cost and Total Resource Cost per program are reflected in the replacement pages. Neither electric nor gas TRCs were significantly affected (electric overall 2.24 benefit to cost ratio and gas TRC is 1.21) by the small adjustment values. The Company also is adding Levelized Fixed Charge Rates and Cost Effectiveness Standards tables; these five pages were missing from the initial filing of the Annual Report on February 15, 2011.

Additionally, the Fuel Conversion program's (Schedule 216) cost effectiveness ratios were recalculated to account for the negative benefit associated with customers reducing their electric usage while increasing their natural gas usage.

Appendix F Adjustments

The above noted Appendix A savings adjustments (noted in the "Comments" columns) were added to the Appendix F Savings Adjustment Log for both electric and gas fuel types.

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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,



for Lynn F. Logen, Tariff Consultant
Tom DeBoer
Director, Federal & State Regulatory Affairs

Enclosures

cc: Simon J. ffitich, Public Counsel
Sheree Carson, Perkins Coie