



Puget Sound Energy
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PSE.com

February 15, 2012

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

Via Electronic and Regular Mail

RE: Docket No. UE-970686
2011 Annual Report of Energy Efficiency Services (EES) Programs

Dear Mr. Danner,

Enclosed are an original and three copies of Puget Sound Energy's ("PSE" or the "Company") 2011 Annual Report of Energy Efficiency Service's program results. Portfolio results outlined in the report indicate that 39.8 average megawatts (aMW) of electric conservation and 5.19 million therms of gas conservation were achieved during the past year. Expenditures for EES were \$77.87 million for electric programs and \$15.49 million for gas offerings. Detailed expenditure and saving figures are provided for electric and gas conservation programs in Exhibit 1 of the report.

Many significant upgrades and revisions were made to this year's report to enhance readability, provide additional details and address questions and requests PSE has received relative to its reporting since its last report.

Some key differences that you'll notice in this report include:

- A Compliance section, providing details of PSE's compliance with regulatory conditions and stipulations.
- The Evaluation, Measurement and Verification (EM&V) section is expanded and revised to reflect PSE's rigorous processes.
- Overviews of the Residential, Business and Other sectors now contain comparison tables, organized by cost element group (as was shown in PSE's 2011 Annual Conservation Plan, filed under Docket No. UE-100177), detailing 2011 budgeted amounts versus actual expenditures.
- Addition of tables grouping measures by type in each program discussion (added at the request of a party in Docket No. UE-970686).
- New supplements to Exhibits and standardization of naming tenets. This and future

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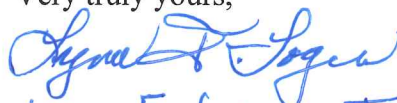
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reports will follow the naming tenets established in the 2011 Annual Conservation Plan, additional information that pertains to a specific Exhibit will be called "Supplements".

This report was prepared and is submitted in accordance with the Second Supplemental Order in Docket No. UE-970686, Requiring Reporting on Programs Funded by the Tariff Rider Mechanism.

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,



Lynn F. Logen, Tariff Consultant

for

Tom DeBoer

Director, Federal & State Regulatory Affairs

Enclosure

cc: Simon J. ffitich
Sheree Carson, Perkins Coie