

**EXHIBIT NO. ___(JAP-21)
DOCKET NO. UE-121697/UG-121705
JOINT DECOUPLING ACCOUNTING
PETITION
WITNESS: JON A. PILIARIS**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

**PUGET SOUND ENERGY, INC.
and NW ENERGY COALITION**

**For an Order Authorizing PSE To
Implement Electric and Natural Gas
Decoupling Mechanisms and To
Record Accounting Entries Associated
With the Mechanisms**

**Docket No. UE-121697
Docket No. UG-121705**

**THIRTEENTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED SUPPLEMENTAL DIRECT TESTIMONY OF
JON A. PILIARIS
ON BEHALF OF PUGET SOUND ENERGY, INC.**

MARCH 1, 2013

PUGET SOUND ENERGY, INC.
NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 139
Revenue Decoupling Adjustment Mechanism

(N)

Section 1: Applicability

This rate schedule is applicable to all Customers of the Company that receive service under Schedules 16, 23, 31, 31T, 41, 41T, 53, 71, 72, 74, 85, 85T, 86, 86T, 87 and 87T. Rates in this schedule will be applied to all bills of applicable Customers with Energy usage during a month when this schedule is effective.

Section 2: Purpose

The purpose of this schedule is to establish balancing accounts and implement a rate adjustment mechanism that decouples the Company's revenues recovered from certain customers that are intended to recover delivery costs from sales and transportation of natural gas. Its purpose is to also implement a rate plan for all other applicable customers.

Section 3: Rate Groups

- a. Decoupled Residential Customers: Customers served under Schedules 23 and 53.
- b. Decoupled Non-Residential Customers: Customers served under Schedules 31, 31T, 41, 41T, 85, 85T, 86, 86T, 87 and 87T.
- c. Rate Plan Customers: Customers served under Schedules 16, 71, 72, and 74.

Section 4: Decoupling Mechanism

- a. Decoupling Calculation:
 - i. The Revenue Decoupling Adjustment (RDA) reconciles on a monthly basis, separately for Decoupled Residential Customers and Decoupled Non-Residential Customers, differences between (i) the monthly Actual Delivery Revenue resulting from applying a Delivery Revenue Per Unit of 38.491 cents per therm for Decoupled Residential Customers and 17.383 cents per therm for Decoupled Non-Residential Customers to their energy usage, and (ii) the Allowed Delivery Revenue that would be collected by applying the Monthly Allowed Delivery Revenue Per Customer (see iii below) by the active number of Customers in each group for each month.

(Continued on Sheet 1139-A)

(N)

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NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 139
Revenue Decoupling Adjustment Mechanism
(Continued)

(N)

- a. Decoupling Calculation (Continued):
 - ii. The difference resulting when the Actual Delivery Revenue is subtracted from the Allowed Delivery Revenue is accrued monthly in the RDA Balancing Account. The monthly amount accrued will be divided into sub-accounts so that net accruals for Decoupled Residential Customers and Decoupled Non-Residential Customers can be tracked separately. The sub-accounts will accrue interest at a rate equal to that determined by the Federal Energy Regulatory Commission pursuant to 18 CFR 38.19a.
 - iii. Monthly Allowed Delivery Revenue Per Customer: For each group of Customers (Decoupled Residential Customers and Decoupled Non-Residential Customers), the Monthly Allowed Delivery Revenue Per Customer will be as follows:

Residential Customers

Month	2013	2014	2015	2016	2017
January		\$45.61	\$47.02	\$48.47	\$49.94
February		\$42.31	\$43.63	\$44.97	\$46.33
March		\$35.93	\$37.04	\$38.18	\$39.34
April		\$25.70	\$26.49	\$27.31	
May	\$15.60	\$16.09	\$16.58	\$17.09	
June	\$10.07	\$10.39	\$10.71	\$11.04	
July	\$7.96	\$8.21	\$8.46	\$8.72	
August	\$7.35	\$7.58	\$7.82	\$8.06	
September	\$10.19	\$10.50	\$10.83	\$11.16	
October	\$21.32	\$21.99	\$22.67	\$23.36	
November	\$35.90	\$37.02	\$38.16	\$39.34	
December	\$45.16	\$46.57	\$48.02	\$49.49	

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(Continued)

(N)

iii. Monthly Allowed Delivery Revenue Per Customer (Continued):

Non-Residential Customers

Month	2013	2014	2015	2016	2017
January		\$194.12	\$199.80	\$205.62	\$211.56
February		\$182.30	\$187.64	\$193.10	\$198.68
March		\$175.33	\$180.46	\$185.71	\$191.08
April		\$144.53	\$148.77	\$153.09	
May	\$117.35	\$120.81	\$124.35	\$127.97	
June	\$95.15	\$97.96	\$100.83	\$103.76	
July	\$88.26	\$90.87	\$93.53	\$96.25	
August	\$89.83	\$92.48	\$95.19	\$97.96	
September	\$94.56	\$97.35	\$100.20	\$103.11	
October	\$127.14	\$130.89	\$134.72	\$138.64	
November	\$161.40	\$166.16	\$171.03	\$176.00	
December	\$188.72	\$194.28	\$199.98	\$205.79	

b. Process:

- i. The amounts accrued in the RDA Balancing Account, including interest, for Decoupled Residential Customers and Decoupled Non-Residential Customers through the end of the calendar year will be surcharged or refunded to the same group of Customers (Decoupled Residential Customers and Decoupled Non-Residential Customers) during the subsequent May 1 through April 30 rate year.
- ii. No later than April 1 of each year following the initial effective date of this schedule, the Company will make a filing to set new decoupling rates under this Schedule 139 to be effective May 1 of the same year.

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(N)

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(Continued)

(N)

Section 5: Term

Accruals under this mechanism shall continue until the effective date of rates approved in the Company's next general rate case, but may be continued beyond the next general rate case, subject to approval by the Commission. If this mechanism is discontinued, amounts remaining in the RDA balancing account at that time will continue to be amortized through the rates in this schedule until the balance is cleared.

Section 6: Monthly Decoupling Rate

The rate shown below and on the following sheets for each schedule shall be added to the monthly rate(s) for each schedule identified thereby changing the rate charged for natural gas service. Customer bills shall reflect the sum of this Schedule 139 rate and the rate(s) otherwise charged for natural gas service.

SCHEDULE 23 & 53

Delivery Charge: \$0.02106 per therm

SCHEDULES 31

Delivery Charge: (\$0.00395) per therm

SCHEDULES 31T

Transportation Service Commodity Charge: (\$0.00395) per therm
Gas Procurement Credit: \$0.00007 per therm

SCHEDULES 41

Delivery Demand Charge: (\$0.01) per therm
Delivery Charge: 901 to 5,000 therms: (\$0.00178) per therm
Over 5,000 therms: (\$0.00143) per therm

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(N)

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Revenue Decoupling Adjustment Mechanism
(Continued)

(N)

Section 6: Monthly Decoupling Rate (Continued):

SCHEDULES 41T

Transportation Delivery Demand Charge: (\$0.01) per therm
Transportation Service Commodity Charge: 901 to 5,000 therms: (\$0.00178) per therm
Over 5,000 therms: (\$0.00143) per therm
Gas Procurement Credit: \$0.00007 per therm

SCHEDULES 85

Delivery Demand Charge: (\$0.01) per therm of daily firm gas
Interruptible Delivery Charge: First 25,000 therms: (\$0.00132) per therm
Next 25,000 therms: (\$0.00065) per therm
Over 50,000 therms: (\$0.00062) per therm
Gas Procurement Charge: (\$0.00009) per therm

SCHEDULES 85T

Transportation Firm Contract Delivery Demand Charge: (\$0.01) per therm of daily contract demand per month
Transportation Service Commodity Charge: First 25,000 therms: (\$0.00132) per therm
Next 25,000 therms: (\$0.00065) per therm
Over 50,000 therms: (\$0.00062) per therm

SCHEDULES 86

Delivery Demand Charge: (\$0.01) per therm of daily firm gas
Interruptible Delivery Charge: First 1,000 therms: (\$0.00257) per therm
Over 1,000 therms: (\$0.00182) per therm
Gas Procurement Charge: (\$0.00009) per therm

SCHEDULES 86T

Transportation Firm Contract Delivery Demand Charge: (\$0.01) per therm of daily contract demand per month
Transportation Service Commodity Charge: First 1,000 therms: (\$0.00257) per therm
Over 1,000 therms: (\$0.00182) per therm

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(Continued)

(N)

Section 7: Monthly Surcharge for Rate Plan Customers (Continued):

Schedule 71 – Residential Water Heater Rental Service

	2013	2014	2015	2016	2017
a. Standard Models	\$ 0.16	\$ 0.33	\$ 0.50	\$ 0.68	\$ 0.86
b. Conservation Models	\$ 0.27	\$ 0.55	\$ 0.83	\$ 1.12	\$ 1.41
c. Direct Vent Models	\$ 0.38	\$ 0.77	\$ 1.17	\$ 1.58	\$ 2.00
d. High Recovery Models	\$ 0.37	\$ 0.75	\$ 1.14	\$ 1.54	\$ 1.95
e. High Efficiency Standard	\$ 0.13	\$ 0.26	\$ 0.40	\$ 0.54	\$ 0.68
f. High Efficiency Direct Vent	\$ 0.24	\$ 0.48	\$ 0.73	\$ 0.98	\$ 1.24

Schedule 72 – Large Volume Water Heater Rental Service

	2013	2014	2015	2016	2017
a. 25-40 gallon storage 30,000 to 50,000 Btu	\$ 0.33	\$ 0.67	\$ 1.02	\$ 1.37	\$ 1.73
b. 45-55 gallon storage 70,000 to 79,000 Btu	\$ 0.44	\$ 0.89	\$ 1.35	\$ 1.82	\$ 2.30
c. 45-55 gallon storage 51,000 to 75,000 Btu	\$ 0.44	\$ 0.89	\$ 1.35	\$ 1.82	\$ 2.30
d. 50-65 gallon storage 60,000 to 69,000 Btu	\$ 0.69	\$ 1.40	\$ 2.12	\$ 2.86	\$ 3.61
e. 60-84 gallon storage 70,000 to 129,000 Btu	\$ 0.90	\$ 1.82	\$ 2.76	\$ 3.72	\$ 4.71
f. 75-90 gallon storage 130,000 to 169,000 Btu	\$ 1.21	\$ 2.45	\$ 3.71	\$ 5.00	\$ 6.32
g. 75-100 gallon storage 170,000 to 200,000 Btu	\$ 1.41	\$ 2.85	\$ 4.32	\$ 5.82	\$ 7.35

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(N)

Section 7: Monthly Surcharge for Rate Plan Customers (Continued):

Schedule 74 – Gas Conversion Burner Rental Service

	2013	2014	2015	2016	2017
a. 45,000 to 400,000 Btu Standard Model	\$0.23	\$0.46	\$0.70	\$0.94	\$1.19
b. 45,000 to 400,000 Btu Conservation Model	\$0.35	\$0.70	\$1.06	\$1.43	\$1.81
c. 401,000 to 700,000 Btu	\$0.62	\$1.25	\$1.90	\$2.56	\$3.23
d. 701,000 to 1,300,000 Btu	\$0.84	\$1.70	\$2.58	\$3.47	\$4.38

Section 8: 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 9: General Rules and Regulations

Service under this schedule is subject to the 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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