

**PUGET SOUND ENERGY**  
**Electric Tariff G**

**SCHEDULE 53**  
**STREET LIGHTING SERVICE - SODIUM VAPOR (Continued)**

4. Removal, Relocation or Modification of Lighting Facilities: Lighting facilities will be removed, turned off, relocated or modified only after receipt of a letter signed by the Customer or its assignee who is in authority to order such action. Only the Company may remove, relocate or modify Company-owned lighting facilities. Modification includes changes in type of lighting fixture or changes in bracket length or mounting height due to Customer, city, county or state requests or requirements. Requests for removal and subsequent re-installation of a lighting fixture in order to meet applicable ordinances or law pertaining to the type of lighting facilities or requirements for bracket length or mounting height will be considered a modification for the purposes of charges herein. Relocation includes relocation of supporting poles and conversion of the serving distribution facilities to underground due to Customer, city, county or state request or requirement. In advance of any removal, relocation or modification, the Customer shall pay an amount equal to the estimated cost of such removal, relocation or modification. This estimated charge shall include the cost of removal of facilities that now serve lighting load only. All facilities installed or removed remain the sole property of the Company. The cost of removal, relocation or modification also includes any costs of traffic control or other associated costs. Charges for relocation or modification apply to all lights of any age. Charges for removal apply to lights that are (a) installed after June 1, 1998, and (b) have been in service for less than 25 years and (c) are removed (i) due to Customer request or (ii) because there is no longer a Customer to accept service. Where there is no longer a Customer to accept service, the removal will be considered a removal requested by the last Customer of record for the purposes of assessing the charges contained in this schedule.
5. Installation Costs - Charge Upon Removal: In addition to the charge for the cost of the removal, the following charges apply:
- a. If a light installed after June 1, 1998, is to be removed and has been installed for less than ten (10) years, a charge equal to the total original estimated installed cost less (i) any up-front customer contribution toward the cost of salvageable items and (ii) estimated salvage value of the facilities removed.
  - b. Transfer to Company: If lights are transferred to Company ownership for nominal compensation, the charges in a. above will not apply.

**CUSTOMER OWNED LIGHTS:**

**MONTHLY RATES PER LAMP FOR CUSTOMER OWNED LIGHTS:**

Sodium Vapor Lamp Wattage	Rate per Month per lamp	
50	\$3.67	(l)                   (l)
70	\$4.55	
100	\$5.58	
150	\$7.29	
200	\$8.99	
250	\$10.75	
310	\$12.88	
400	\$15.61	
1000	\$37.68	

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By:

Tom DeBoer

Tom DeBoer

**Title:** Director, Rates & Regulatory Affairs

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**SCHEDULE 54**  
**CUSTOMER-OWNED STREET LIGHTING ENERGY SERVICE**  
**SODIUM VAPOR**

**AVAILABILITY:**

1. This schedule is available to municipalities, agencies, or subdivisions of government or community associations and similar organizations and applies to electric energy for dusk-to-dawn sodium vapor lighting of streets, alleys, and other public thoroughfares which can be served from the Company's existing distribution system, with the following limitations.
2. After June 1, 1998, service is available only to those customers who are receiving service under this schedule as of June 1, 1998.
3. After June 1, 1999, no new installations or additions to existing systems or relocated fixtures will be served by the Company.

**MONTHLY RATES PER LAMP:**

Energy charges per lamp:

Sodium Vapor Lamp Wattage	Rate per Month per lamp
50	\$1.77
70	\$2.58
100	\$3.62
150	\$5.28
200	\$7.00
250	\$8.69
310	\$11.84
400	\$13.55
1000	\$34.09

(l)  
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(l)

**SPECIAL TERMS AND CONDITIONS:**

1. Installation and Maintenance of Customer-Owned Systems: A system installed and wholly owned by the Customer shall conform to the Company's specifications for such type of system in effect at the time of installation and shall have been installed without expense to the Company. The Customer shall be responsible for providing all maintenance including, but not limited to, poles or standards, brackets, luminaires, lamps, ballast, photocells, timing devices, glassware, wiring in/on poles, circuitry and ducts.
2. Service to Be Rendered: The Company shall provide electric energy for lamps of the types and wattages specified above.

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**SCHEDULE 55**  
**AREA LIGHTING SERVICE**

**AVAILABILITY:**

1. This schedule applies to dusk-to-dawn lighting where 120 volt service is existing on the Company owned and installed pole upon which the fixture is to be installed. Where such secondary voltage service or pole is not available, service under this schedule will be available upon payment of the costs to provide such pole and/or secondary voltage service or pole and service as provided herein.
2. For lights installed prior to Nov. 1, 1999, service is for a term of twelve (12) months and removal charges do not apply. For lights and/or poles installed after Nov. 1, 1999, service under this schedule for periods of less than eight (8) years is subject to charges for removal as provided herein, unless a subsequent customer requests service.
3. Service under this schedule will be discontinued if the distribution facilities being utilized to serve are removed due to a conversion of such facilities to an underground system.
4. For lighting facilities installed after Nov. 1, 1999, where necessary, the Customer shall obtain for, or grant to, the Company necessary permits or operating rights to place lighting facilities without expense to the Company. In conditions where it is necessary to place any lighting facilities on private property, the customer shall obtain and furnish suitable easements without expense to the Company.

**MONTHLY RATE PER LAMP:**

Lamp Charges per month per lamp:

Sodium Vapor Lamp Wattage	Rate	
70	\$9.38	(I)
100	\$10.53	
150	\$12.53	
200	\$15.00	
250	\$16.88	
400	\$22.70	(I)
Metal Halide Lamp Wattage	Rate	
175	\$17.80	(I)
250	\$19.52	(I)

**FACILITIES CHARGE:**

The Company's facilities will be extended to provide secondary voltage service to an existing pole or to a thirty foot wood pole (installed for the purpose of area lighting) at locations where such pole and/or service is not available under the following terms:

Facilities installed prior to November 20, 1975: Customers served by facilities extended prior to this date shall be subject to a charge of \$1.89 per month for each pole required for such extension. (R)

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**SCHEDULE 55  
AREA LIGHTING SERVICE  
(Continued)**

Facilities installed after November 1, 1999: Customers served by a 30 foot wood pole installed after this date shall have the option of paying the full cost of the extension and pole up-front or shall be subject to a charge of \$7.45 per month for each pole required for such extension. The cost of all other extensions of facilities to provide secondary voltage service shall be paid in advance of service.

(R)

**SPECIAL TERMS AND CONDITIONS:**

1. Ownership & Operations: The Company will own, operate, and maintain the facilities for supplying area lighting service utilizing its overhead circuits in accordance with the Company's standards. The Company will furnish the necessary energy, repairs, and maintenance. Repairs and maintenance work will be performed by the Company as required during regularly scheduled working hours of the Company.
2. Notification of Inoperable Lights: It shall be the responsibility of the Customer to notify the Company of lights that are not working. Upon notification, within seventy-two (72) hours, excluding Saturdays, Sundays and holidays, the Company will investigate and take corrective action if such action is the responsibility of the Company. If such Company investigation/corrective action is not taken within seventy-two (72) hours for each such light, the Customer's billing shall be credited an amount equal to the monthly Lamp Charges normally billed for that light. This seventy-two (72) hour guarantee of service is in lieu of the provisions of Schedule 130 which are not available under this schedule. The Company will be excused from providing maintenance service within seventy-two (72) hours in the event of significant adverse events, such as storms, earthquakes, or other events beyond the Company's control including those enumerated in Schedule 80, paragraph 12.a. of this tariff.
3. Hours of service: Service under this schedule is for dusk-to-dawn lighting, or lighting service for the average number of hours of darkness per month (approximately 4,200 hours per year)

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**SCHEDULE 57**  
**CONTINUOUS LIGHTING SERVICE**  
(Single phase or three phase where available)

**AVAILABILITY:**

This schedule is available for energy required to operate traffic control or traffic directing devices.

MONTHLY RATE PER WATT OF CONNECTED LOAD: 2.194¢ (I)

MINIMUM CHARGE: \$3.88 per month (R)

**ADJUSTMENTS:**

Rates in this schedule are subject to adjustment by such other schedules in this tariff as may apply.

**LINE EXTENSIONS:**

The Company's primary or secondary distribution circuits will be extended by the Company for service under this schedule at the Customer's expense.

**DETERMINATION OF CONNECTED LOAD:**

Connected load shall be the total rating of all components of the device, whether or not these components will be energized simultaneously.

**GENERAL RULES AND PROVISIONS:**

Service under this schedule is subject to the General Rules and Provisions contained in this tariff.

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**SCHEDULE 58**  
**FLOOD LIGHTING SERVICE**

**AVAILABILITY:**

1. This schedule applies to dusk-to-dawn flood lighting of private property where 120 volt service is existing on the pole upon which the fixture is to be installed. Where such secondary voltage service or pole is not available, service under this schedule will be available upon payment of the costs to provide such secondary voltage service or pole and service as provided herein.
2. For lights installed prior to Nov. 1, 1999, service is for a term of twelve (12) months and removal charges do not apply. For lights and/or poles installed after Nov. 1, 1999, service under this schedule is effective for a period of eight (8) years after installation of Company-owned facilities, unless (a) a subsequent customer requests service or (b) the facilities are removed, whereupon appropriate removal charges shall be paid.
3. Service under this schedule will be discontinued if the distribution facilities being utilized to serve are removed due to a conversion of such facilities to an underground system.
4. For lighting facilities installed after Nov. 1, 1999, where necessary, the Customer shall obtain for, or grant to, the Company necessary permits or operating rights to place lighting facilities without expense to the Company. In conditions where it is necessary to place any lighting facilities on private property, the customer shall obtain and furnish suitable easements without expense to the Company.

**MONTHLY RATE PER LAMP:**

Directional Flood

Sodium Vapor Lamp Wattage	Rate per Month per lamp	
70	\$11.23	(I)
100	\$12.29	
150	\$14.00	
200	\$16.32	
250	\$18.13	
400	\$22.93	(I)
Metal Halide Lamp Wattage	Rate per Month per lamp	
175	\$15.94	(I)
250	\$18.62	
400	\$23.05	
1000	\$42.38	(I)

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**SCHEDULE 58**  
**FLOOD LIGHTING SERVICE**  
(Continued)

Horizontal Flood

<u>Sodium Vapor Lamp Wattage</u>	<u>Rate per Month per lamp</u>	
100	\$14.04	(I)
150	\$15.68	
200	\$18.20	
250	\$18.89	
400	\$24.60	(I)
<u>Metal Halide Lamp Wattage</u>	<u>Rate per Month per lamp</u>	
175	\$19.65	(I)
250	\$22.21	
400	\$27.97	(I)

**FACILITIES CHARGE:**

The Company's facilities will be extended to provide secondary voltage service to an existing pole or to a thirty foot wood pole (installed for the purpose of area lighting) at locations where such pole and/or service is not available under the following terms:

Facilities installed after November 1, 1999: Customers served by a 30 foot wood pole installed after this date shall have the option of paying the full cost of the extension and pole up-front or shall be subject to a charge of \$7.45 per month for each pole required for such extension. The cost of all other extensions of facilities to provide secondary voltage service shall be paid in advance of service. (R)

**SPECIAL TERMS AND CONDITIONS:**

1. Ownership & Operations: The Company will own, operate, and maintain the facilities for supplying flood lighting service utilizing its overhead circuits in accordance with the Company's standards. The Company will furnish the necessary energy, repairs, and maintenance. Repairs and maintenance work will be performed by the Company as required during regularly scheduled working hours of the Company.

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**PUGET SOUND ENERGY**  
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**SCHEDULE 95**  
**POWER COST ADJUSTMENT CLAUSE**

**APPLICABILITY:**

This Power Cost Adjustment rate shall be applicable to the electric energy delivered to Customers under any schedule contained in this tariff except those Customers served on Schedules 448 and 449. This Power Cost Adjustment rate shall be applicable to the electric energy delivered to Customers under any special contract unless specifically excluded by such special contract.

**ADJUSTMENT:**

In addition to the rate specified in the otherwise applicable rate schedules

**MONTHLY RATE:**

<u>SCHEDULE 7*</u>	Energy Charge:	0.0000 cents per kWh	(R)
<u>SCHEDULE 24*</u>	Energy Charge:	0.0000 cents per kWh	(R)
<u>SCHEDULE 25*</u>	Energy Charge:	0.0000 cents per kWh	(R)
<u>SCHEDULE 26*</u>	Energy Charge:	0.0000 cents per kWh	(R)
<u>SCHEDULE 29*</u>	Energy Charge:	0.0000 cents per kWh	(R)
<u>SCHEDULE 31*</u>	Energy Charge:	0.0000 cents per kWh	(R)
<u>SCHEDULE 35*</u>	Energy Charge:	0.0000 cents per kWh	(R)
<u>SCHEDULE 40</u>			
Secondary Voltage Metering Point $\leq$ 350 kW:	Energy Charge:	0.0000 cents per kWh	(R)
Secondary Voltage Metering Point > 350 kW:	Energy Charge:	0.0000 cents per kWh	
Primary Voltage Metering Point:	Energy Charge:	0.0000 cents per kWh	(R)
<u>SCHEDULE 43</u>	Energy Charge:	0.0000 cents per kWh	(R)

\*Rate applies to the schedule(s) as well as equivalent schedules such as Residential and Farm Schedules.

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**SCHEDULE 95  
POWER COST ADJUSTMENT CLAUSE  
(Continued)**

MONTHLY RATE:

SCHEDULE 46 Energy Charge: 0.0000 cents per kWh (R)

SCHEDULE 49 Energy Charge: 0.0000 cents per kWh (R)

SCHEDULE 50 - Customer-Owned Incandescent Lighting Service

Lamp Wattage

327 Watts \$0.00 (R)

SCHEDULE 50 - Customer-Owned Mercury Vapor Lighting Service

SCHEDULE 50 - Customer-Owned Energy Only Mercury Vapor Lighting Service

Lamp Wattage

100 Watts \$0.00 (R)

175 Watts \$0.00 |

400 Watts \$0.00 |

700 Watts \$0.00 |

1000 Watts \$0.00 (R)

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**SCHEDULE 95**  
**POWER COST ADJUSTMENT CLAUSE**  
(Continued)

MONTHLY RATE:

SCHEDULE 52 - Sodium Vapor Lighting Service

Lamp Wattage

50 Watt	\$0.00	(R)
70 Watt	\$0.00	
100 Watt	\$0.00	
150 Watt	\$0.00	
200 Watt	\$0.00	
250 Watt	\$0.00	
310 Watt	\$0.00	
400 Watt	\$0.00	(R)

SCHEDULE 52 - Metal Halide Lighting Service

Lamp Wattage

70 Watt	\$0.00	(R)
100 Watt	\$0.00	
150 Watt	\$0.00	
175 Watt	\$0.00	
250 Watt	\$0.00	
400 Watt	\$0.00	
1000 Watt	\$0.00	(R)

SCHEDULE 53

Lamp Wattage

50 Watt	\$0.00	(R)
70 Watt	\$0.00	
100 Watt	\$0.00	
150 Watt	\$0.00	
200 Watt	\$0.00	
250 Watt	\$0.00	
310 Watt	\$0.00	
400 Watt	\$0.00	
1000 Watt	\$0.00	(R)

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**SCHEDULE 95**  
**POWER COST ADJUSTMENT CLAUSE**  
(Continued)

MONTHLY RATE:

SCHEDULE 54

Lamp Wattage

Dusk to Dawn

50 Watt	\$0.00	(R)
70 Watt	\$0.00	
100 Watt	\$0.00	
150 Watt	\$0.00	
200 Watt	\$0.00	
250 Watt	\$0.00	
310 Watt	\$0.00	
400 Watt	\$0.00	
1000 Watt	\$0.00	(R)

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**SCHEDULE 95**  
**POWER COST ADJUSTMENT CLAUSE**  
(Continued)

MONTHLY RATE:

SCHEDULE 55 - Sodium Vapor Lighting Service\*

Lamp Wattage

70 Watt	\$0.00	(R)
100 Watt	\$0.00	
150 Watt	\$0.00	
200 Watt	\$0.00	
250 Watt	\$0.00	
400 Watt	\$0.00	(R)

SCHEDULE 55 - Metal Halide Lighting Service\*

Lamp Wattage

175 Watt	\$0.00	(R)
250 Watt	\$0.00	(R)

SCHEDULE 57

Monthly Rate per Watt  
of Connected Load:

0.000 (R)

SCHEDULE 58 - Directional Sodium Vapor Lighting Service\*

Lamp Wattage

70 Watt	\$0.00	(R)
100 Watt	\$0.00	
150 Watt	\$0.00	
200 Watt	\$0.00	
250 Watt	\$0.00	
400 Watt	\$0.00	(R)

\*Rate applies to the schedule(s) as well as equivalent schedules such as Residential and Farm Schedules.

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**SCHEDULE 95**  
**POWER COST ADJUSTMENT CLAUSE**  
(Continued)

MONTHLY RATE:

SCHEDULE 58 - Directional Metal Halide Lighting Service\*

Lamp Wattage

175 Watt	\$0.00	(R)
250 Watt	\$0.00	
400 Watt	\$0.00	
1000 Watt	\$0.00	(R)

SCHEDULE 58 - Horizontal Sodium Vapor Lighting Service\*

Lamp Wattage

100 Watt	\$0.00	(R)
150 Watt	\$0.00	
200 Watt	\$0.00	
250 Watt	\$0.00	
400 Watt	\$0.00	(R)

SCHEDULE 58 - Horizontal Metal Halide Lighting Service\*

Lamp Wattage

175 Watt	\$0.00	(R)
250 Watt	\$0.00	
400 Watt	\$0.00	(R)

\*Rate applies to the schedule(s) as well as equivalent schedules such as Residential and Farm schedules.

BASIS:

The purpose of this schedule is to adjust rates, to the extent that power supply costs deviate from power supply costs assumed in present rate levels, as ordered in Docket No. UE-040641.

ADJUSTMENTS:

Rates in this schedule and those rates reflected in the schedules for electric service to which the surcharge in the Applicability section above applies, are subject to adjustment by such other schedules in this tariff as may apply.

GENERAL RULES AND PROVISIONS:

Service under this schedule is subject to the General Rules and Provisions contained in this tariff (Schedule 80) as they may be modified from time to time and other schedules of such tariff that may from time to time apply as they may be modified from time to time.

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**PUGET SOUND ENERGY  
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**SCHEDULE 121  
ELECTRICITY CONSERVATION INCENTIVE MECHANISM**

(N)

**APPLICABILITY:**

To all bills for Electric Service calculated under all schedules contained in this tariff and all retail contracts for Electric Service except where explicitly exempted, for the duration of three years commencing in January 2007 and running through December 2009.

**PURPOSE:**

This schedule implements surcharges or refunds based on the amount of energy savings achieved through the services and programs offered under Schedule 83 and schedules numbered between 200 and 299.

**DEFINITIONS:**

**Avoided Cost** is the conservation cost effectiveness standard and is based on the Company's most recently filed Integrated Resource Plan (IRP). The avoided cost value may be updated between IRPs if conditions warrant and with review and agreement of the Conservation Resource Advisory Group (CRAG). The current Avoided Cost value is \$59 per MWh.

**Baseline Target** is the average megawatts of electricity saved annually from energy efficiency programs. The Baseline Target will be set on an annual basis, with joint consensus of the Company and the CRAG. For 2007, the Baseline Target is 18.3 average megawatts (aMW) or 160,308 megawatt hours (MWh) of electricity.

**Band – Incentive Bands** are the ranges of average megawatts saved in excess of the Baseline Target for which an incentive payment is calculated.

- Band A – 140% up to 150%
- Band B – 130% up to, but not including 140%
- Band C – 120% up to, but not including 130%
- Band D – 110% up to, but not including 120%
- Band E – 100% up to, but not including 110%
- Band F – 100%

**Band – Dead Band** is the range of average megawatts not saved in relation to Baseline Target for which there is neither an incentive nor penalty payment.

- Band G – 90% up to, but not including 100%

**Band – Penalty Bands** are the ranges of average megawatts not saved in relation to the Baseline Target for which a penalty payment is calculated.

- Band H – 80% up to, but not including 90%
- Band I – 70% up to, but not including 80%
- Band J – 60% up to, but not including 70%
- Band K – 50% up to, but not including 60%
- Band L – Less than 50%

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**SCHEDULE 121  
ELECTRICITY CONSERVATION INCENTIVE MECHANISM  
(Continued)**

(N)

**Incentive Calculation** is the calculation done to determine the total amount of the incentive that the Company earns through meeting or exceeding the Baseline Target and is the sum of the MWh Incentive and the Shared Savings Incentive.

**Incremental Penalty** is the total MWh subject to penalty within each band, see Table 1 below for the Incremental Savings for each band.

**Incremental Savings** is the total MWh savings within each band, see Table 1 below for the Incremental Savings for each band.

**MWh Incentive** is the dollar amount per MWh of the volume of electricity saved. See Table 1 below for rates for each band.

**MWh Penalty** is the dollar amount per MWh of the volume of electricity not saved. See Table 1 below for rates for each band

**Net Shared Incentive** is the rate per MWh calculated by subtracting the TRC per MWh from the Avoided Cost per MWh. Currently this is \$59 per MWh minus \$41 per MWh resulting in \$18 per MWh.

**Shared Savings Incentive** is calculated by multiplying the MWh of electricity saved by the Net Shared Incentive, to which the Shared Savings Incentive Rate is then applied.

**Shared Savings Incentive Rate** is the percentage prescribed to each band when calculating the Shared Savings Incentive. See Table 1 below for rate for each band.

**Threshold of Band** is the upper threshold of the MWh savings achieved in each band as shown in Table 1 below.

**Total Resource Cost (TRC)** is calculated according to the Company's actual program results and updated annually. The current TRC value is \$41 per MWh.

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**SCHEDULE 121  
ELECTRICITY CONSERVATION INCENTIVE MECHANISM  
(Continued)**

(N)

Table 1 – Values for 2007 incentive/penalty calculation. Values will be updated for 2008 and 2009.

BAND	(1)	(2)	(3)	(4)	(5)
A	140.0%>150.0%	\$ 20.00	100%	16,031	240,302
B	130.0%>140.0%	\$ 20.00	80%	16,031	224,271
C	120.0%>130.0%	\$ 20.00	40%	16,031	208,240
D	110.0%>120.0%	\$ 20.00	20%	16,031	192,209
E	100.0%>110.0%	\$ 20.00	10%	15,870	176,178
F	100%	\$ 10.00	5%	--	160,308
G	90.0%>100.0%	\$ 75.00	0%	16,031	160,308
H	80.0%>90.0%	\$ 75.00	0%	16,031	144,277
I	70.0%>80.0%	\$ 80.00	0%	16,031	128,246
J	60.0%>70.0%	\$ 85.00	0%	16,031	112,216
K	50.0%>60.0%	\$ 90.00	0%	16,031	96,185
L	< 50.0%	\$ 95.00	0%	16,031	80,154

- (1) Range of incentive or penalty as a percent of Baseline Target
- (2) MWh Incentive (Bands A–F) or MWh Penalty (Bands G–L) which is a rate in dollars per MWh.
- (3) Shared Savings Incentive Rate – the percentage of savings that are eligible for the incentive.
- (4) Incremental Savings (Bands A–F) or Incremental Penalty (Bands G–L) in MWh.
- (5) Threshold of Band – for each band the threshold of the MWh savings achieved.

**CALCULATION:**

The first annual calculation will be a projection of the incentive amount based on a projection of the amount of conservation the Company expects to achieve in excess of the annual Baseline Target. All subsequent annual calculations will include a similar projection of savings and a true-up-to-actual of the past year's projected savings. The resulting differences fall into an Incentive Band, Dead Band or Penalty Band to which corresponding MWh Incentives, MWh Penalties or Shared Savings Incentives are applied to determine the dollar amount of incentive or penalty for the year. Of the total incentive, 75% of the full incentive amount will be collected in the year after programs have been implemented, the remaining 25% of the incentive will be collected the following year.

(N)

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By: Tom DeBoer Tom DeBoer

Title: Director, Rates & Regulatory Affairs



**PUGET SOUND ENERGY  
Electric Tariff G**

**SCHEDULE 121  
ELECTRICITY CONSERVATION INCENTIVE MECHANISM  
(Continued)**

(N)

**INCENTIVE CALCULATION METHODOLOGY:**

Step one is to calculate the incentive for reaching the Baseline Target as follows: To calculate MWh Incentive multiply the MWh Baseline Target (160,308 MWh) by \$10. To calculate the Shared Savings Incentive multiply the MWh Baseline Target (160,308 MWh) by the Net Shared Incentive (\$18) and multiply the result by the Shared Savings Incentive Rate (5%). The total incentive for achieving the Baseline Target is the sum of the MWh Incentive (\$1,603,080) and the Shared Savings Incentive (\$144,277) which in this example would be \$1,747,357.

Step two is to calculate the incentive for each of the bands above the Baseline Target band that are exceeded. For each band that is exceeded (excluding the Baseline Target band) calculate the incentive using the Incremental Savings in the band. To calculate the MWh Incentive multiply the Incremental Savings by \$20. To calculate the Shared Savings Incentive multiply the Incremental Savings by the Net Shared Incentive (\$18) and multiply the result by the Shared Savings Incentive Rate for the band (10% for Band E). The total incentive for exceeding the band is the sum of the MWh Incentive and the Shared Savings Incentive. Add the total for each of the bands exceeded together to get the total incentive for step two.

Step three is to calculate the incentive for achieving savings within a band. First calculate the MWh of incremental savings by subtracting the Threshold of Band MWh from the actual MWh of savings achieved. Then calculate the MWh Incentive by multiplying the MWh of incremental savings by \$20. To calculate the Shared Savings Incentive multiply the MWh of incremental savings by the Net Shared Incentive (\$18) and multiply the result by the Shared Savings Incentive Rate for the Band (20% for Band D). Add the MWh Incentive and the Shared Savings Incentive to get the total for this step.

Step four is to calculate the total incentive for achieving savings which is done by adding together the results of steps one through three above.

**PENALTY CALCULATION METHODOLOGY:**

Step one, when the Company fails to reach at least 90% of the Baseline Target of energy savings, is to calculate the penalty for each of the bands below the Baseline Target (Band F) where the Company did not achieve any level of savings in the band. For example, if the actual savings achieved are 75% of the Baseline Target, no savings were achieved in Bands G and H. To calculate the MWh Penalty for each band where no savings were achieved, multiply the Incremental Penalty by the MWh Penalty for the band. Repeat this step for each band where the Company did not achieve any level of savings and add the results together.

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Electric Tariff G**

**SCHEDULE 121  
ELECTRICITY CONSERVATION INCENTIVE MECHANISM  
(Continued)**

(N)

Step two is to calculate the penalty for savings not achieved within a band. To calculate the MWh of savings not achieved within a band which are subject to penalty, subtract the Threshold of Band for the band in which the actual savings fall from the actual MWh savings achieved. For example if the actual savings achieved are 120,231 MWh which is equal to 75% of the Baseline Target, the savings are in Band I which has a Threshold of Band of 128,246 MWh. The calculation of the MWh subject to penalty in this example is then 128,246 MWh minus 120,231 MWh or 8,015 MWh. The MWh subject to penalty are then multiplied by the MWh Penalty for the band. Following the same example the MWh Penalty would be \$80 per MWh multiplied by 8,015 MWh which is equal to \$641,200.

Step three is to calculate the total penalty for not achieving the Baseline Target, which is done by adding together the results of steps one and two above.

**MONTHLY RATE:**

Incentive amounts earned by the Company will be included in the calculation of rates under Schedule 120.

**ADJUSTMENTS:**

Rates in this schedule and those rates reflected in the schedules for electric service to which the charges under this schedule apply, are subject to adjustment by such other schedules in this tariff as may apply.

**GENERAL RULES AND PROVISIONS:**

Service under this schedule is subject to the General Rules and Provisions in this tariff (Schedule 80) as they may be modified from time to time and other schedules of such tariff that may from time to time apply as they may be modified from time to time.

(N)

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**SCHEDULE 129  
LOW INCOME PROGRAM**

**AVAILABILITY/APPLICABILITY:** The benefits available under this Low Income Program ("Program") (as approved in Docket Nos. UE-011570 and UG-011571) are available to Customers of the Company meeting the criteria described herein. The charges under this schedule apply to all Customers of the Company.

**BENEFITS:**

1. Benefits under this Program are available through designated agencies (herein "Agencies") that:
  - a) meet the criteria for a "Qualifying Organization" as defined in RCW 82.16.0497, b) the Company accepts as capable of performing necessary obligations under this Program, and c) executes a contract with the Company that is: i) consistent with this schedule, ii) provides for periodic auditing, and iii) provides for an annual administration evaluation. The Agencies will ascertain whether specific Customer households seeking assistance with their electric bills are eligible for assistance under the Program.
  - a. The Agencies will determine whether a Customer meets the federal definition for Low Income Home Energy Assistance Program ("LIHEAP") qualification.
    - i) If the Customer is eligible, it will receive LIHEAP funds in lieu of funds under this Program unless or until LIHEAP funds are exhausted. Thereafter, the Customer will be considered for this Program.
    - ii) If the Customer is not eligible to receive LIHEAP funds, but meets the Company criteria, the Customer will be considered for this Program.
    - iii) If the Customer meets all applicable criteria, the Customer will be eligible to receive assistance under the Company's Program or Customers may voluntarily choose to participate in a Time of Day Discount assistance program (Schedules 308 and 309).
  - b. Total benefits under this Program plus administrative fees and program costs are subject to an annual cap of \$6.625 million for just the electric Program and \$10.25 million for both this electric Program and the low income program under the Company's gas tariff. The annual caps for electric and gas are annually re-established by the Company using the Four-Factor Allocator as provided in the Company's annual Commission Basis Report, subject to an annual true-up. (1)
  - c. A qualifying Customer may receive assistance through this Program once during a program year. Customers shall be requalified annually by one of the Agencies. Total benefits to an individual eligible Customer under this program are subject to an annual cap equal to the LIHEAP cap (currently \$750.00).

**INCOME ELIGIBILITY CRITERIA:** With exceptions as noted, eligibility will be restricted to "very low-income households", as defined by the Washington Department of Community, Trade and Economic Development for purposes of affordable housing in RCW 43.63A.510. Currently that definition identifies households with an income not to exceed 50% of area median income. For purposes of this Program, in areas where 50% of median income exceeds 150% of federal poverty guidelines, eligibility will be capped at 150% of federal poverty guidelines; and in areas where 50% of median income falls below 125% of federal poverty guidelines, eligibility will be capped at 125% of federal poverty guidelines. To summarize, the income-eligibility ceiling for the Program fluctuates in a range between 125% and 150% of federal poverty guidelines; within the range, the precise figure equals 50% of the median income of an area.

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