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

Original Sheet No. 1139

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

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:
 - 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)

Issued: Month XX, 2013 **Docket No**.: UG-121705 Effective: May 1, 2013

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(N)

Issued By Puget Sound Energy, Inc.

By:

Ken Johnson

Title: Director, State Regulatory Affairs

Exhibit No. ___(JAP-21) Page 1 of 8 Original Sheet No. 1139-A

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

- 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				

Residential Customers

(Continued on Sheet 1139-B)

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Issued: Month XX, 2013 **Docket No**.: UG-121705 Effective: May 1, 2013

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By:

Ken Johnson

Title: Director, State Regulatory Affairs

Exhibit No. ___(JAP-21) Page 2 of 8 Original Sheet No. 1139-B

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

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					

Non-Residential Customers

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.
- 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.

(Continued on Sheet 1139-C)

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Issued: Month XX, 2013 **Docket No**.: UG-121705 Effective: May 1, 2013

Issued By Puget Sound Energy, Inc.

By:

Ken Johnson

Title: Director, State Regulatory Affairs

Exhibit No. ___(JAP-21) Page 3 of 8 Original Sheet No. 1139-C

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

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				
<u>SCHEDULES 31T</u> Transportation Service Gas Procurement Cred		ا (\$0.00395) \$0.00007 pe			
SCHEDULES 41Delivery Demand Charge:(\$0.01) per thDelivery Charge:901 to 5,000Over 5,000 th		erms: (\$0.	00178) per therm 00143) per therm		
			(Continued on S	Sheet 1139-D)	(N)
Issued: Month XX, 201 Docket No.: UG-1217			Effe	ective: May 1, 2013	3
		y Puget Sour	nd Energy, Inc.		
Ву:	Ken Johr	nson	Title: Director, Stat	e Regulatory Affairs	i -

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Original Sheet No. 1139-D

	PUGET SOUN GAS SUPPLEM nue Decoupling (Con	ENTAL S	CHEDULE NO	. 139	(N) 	
Section	6: Monthly Dec	oupling F	Rate (Continued	l):		
SCHEDULES 41T						
Transportation Delivery Demand Charge:(\$0.01) per thermTransportation Service Commodity Charge:901 to 5,000 therms:(\$0.00178) per thermOver 5,000 therms:(\$0.00143) per therm						
Gas Procurement Credit:						
SCHEDULES 85 Delivery Demand Charge: Interruptible Delivery Charge:	(\$0.01) per the First 25,000 th Next 25,000 th Over 50,000 th	erms: nerms:	ily firm gas (\$0.00132) pe (\$0.00065) pe (\$0.00062) pe	r therm		
Gas Procurement Charge:	(\$0.00009) per		(#0.0000 <u>-</u>) po		ļ	
SCHEDULES 85T Transportation Firm Contract D Transportation Service Commo	·	First 25 Next 25	(\$0.01) per the demand per m 5,000 therms: 5,000 therms: 0,000 therms:	•		
SCHEDULES 86 Delivery Demand Charge: Interruptible Delivery Charge: Gas Procurement Charge:	(\$0.01) per the First 1,000 the Over 1,000 the (\$0.00009) per	erms: erms:	ily firm gas (\$0.00257) pe (\$0.00182) pe			
SCHEDULES 86T						
Transportation Firm Contract D	elivery Demand	Charge:	(\$0.01) per the demand per m	•		
Transportation Service Commo	odity Charge:		000 therms: ,000 therms:	(\$0.00257) per therm (\$0.00182) per therm	 (N)	
Leaved, Marsh VV/ 0040			(Con	tinued on Sheet 1139-E)		
Issued: Month XX, 2013 Docket No.: UG-121705	Issued B	y Puget	Sound Energy	Effective: May 1, 2 , Inc.	U13	
Ву:	Ken Joh	inson	Title: Di	rector, State Regulatory Affa	iirs	

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PUGET SOUND ENERGY, INC. NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 139 Revenue Decoupling Adjustment Mechanism (Continued)							
Section	6: Monthly Dec	coupling Rate	e (Continued)	:			
SCHEDULES 87							
Delivery Demand Charge:	(\$0.01) per the	erm of daily f	irm gas				
nterruptible Delivery Charge:	First 25,000 th	-	0.00186) per	therm		ł	
	Next 25,000 th	nerms: (\$	0.00113) per	therm		İ	
	Next 50,000 th	nerms: (\$	0.00072) per	therm		ļ	
	Next 100,000	therms: (\$	0.00046) per	therm			
	Next 300,000	therms: (\$	0.00033) per	therm		ļ	
	Over 500,000	therms: (\$	0.00025) per	therm		i	
Gas Procurement Charge:	(\$0.00007) pe	r therm					
SCHEDULES 87T							
Transportation Firm Contract D	elivery Demand	Charge: (\$	0 01) ner the	rm of daily co	ontract		
	civery Demand	- ·	emand per mo	-	Jillaot	i	
Transportation Service Commo	dity Charge:	First 25,00	•	(\$0.00186)	ner therm	ļ	
	any enarge.	Next 25,00		(\$0.00113)	•	ļ	
		Next 50,00		(\$0.00072)	•		
			000 therms:	(\$0.00046)	•	i	
			000 therms:	(\$0.00033)	•	ĺ	
			000 therms:	(\$0.00025)	•		
Section 7:	Monthly Surcha	arge for Rate	Plan Custor	ners			
	·	-					
The surcharge rates shown be				•	. ,	Í	
each schedule identified thereb		-	-		-	ļ	
rates shall be revised each Jar	-			m of this Sch	edule 139		
ate and the rate(s) otherwise o	charged for natu	ral gas servi	ce.			ļ	
Schedule 16 –	General Gas L	ighting and	Street Light	ing Service			
	2013	2014	2015	2016	2017	ļ	
Delivery Charge per mantle	\$ 0.22	\$ 0.44	\$ 0.67	\$ 0.90	\$ 1.14		
			(Continu	ed on Sheet	1139-F)	(N)	
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Docket No.: UG-121705	Issued R	Sv Puget So	und Energy,	Inc.			
2							
By:	Ken Joh	ncon	Title Dire	notor Stata E	Regulatory Affa	ure	

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

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

Schedule 71 -	Residentia	Water Heat	ter Rental Se	ervice

		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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(Continued on Sheet 1139-G)

Effective: May 1, 2013

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Ken Johnson

Title: Director, State Regulatory Affairs

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By:

Original Sheet No. 1139-G

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

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

Schedule 74 – Gas Conversion Burner Rental Service

	Concudie 14					
		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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 Issued: Month XX, 2013
 Effective: May 1, 2013

 Docket No.: UG-121705
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 By:
 _______ Ken Johnson
 Title: Director, State Regulatory Affairs

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