

**EXHIBIT NO. \_\_\_(JAP-18)  
DOCKET NO. UE-11\_\_\_/UG-11\_\_\_  
2011 PSE GENERAL RATE CASE  
WITNESS: JON A. PILIARIS**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**Docket No. UE-11\_\_\_  
Docket No. UG-11\_\_\_**

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

**JUNE 13, 2011**

**PUGET SOUND ENERGY  
Electric Tariff G**

**SCHEDULE 139  
ELECTRIC CONSERVATION SAVINGS ADJUSTMENT RATE**

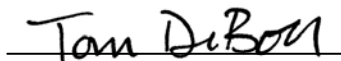
(N)

- 1) **APPLICABILITY** – This Conservation Savings Adjustment (“CSA”) rate is applicable 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.
- 2) **PURPOSE** – This schedule recovers costs that would otherwise go unrecovered by the Company as a result of the services provided under Schedule 83, Schedule 150, schedules numbered between 200 and 215, and between 217 and 299.
- 3) **DEFINITIONS** –
  - a) Annual Conservation Report – The Company’s annual report on conservation results, filed on or before February 15 of each year in accordance with the Commission’s order in Docket No. UE-970686.
  - b) Recovery Year – The calendar year prior to each CSA rate filing.
  - c) Savings Adjustment – The accumulated conservation Energy savings reported in the Company’s Annual Conservation Reports that is not reflected in the test year loads used to determine Electric Service rates in effect during the Recovery Year. The Savings Adjustment will be tracked separately, by month, for each rate group listed in Section 5. The Savings Adjustment will not include conservation savings associated with the Company’s fuel conversion program.
  - d) Fixed Cost Rate (“FCR”) – Is a rate per kWh calculated for each rate group listed in Section 5 that is used to calculate the UFCA. The FCR is equal to the applicable proforma test year revenue for base rates in effect during each month of the Recovery Year, less the sum of any associated basic charge revenue and costs related to the Company’s Power Cost Adjustment Clause, divided by the corresponding proforma test year Energy sales.
  - e) Unrecovered Fixed Cost Amount (“UFCA”) – The Savings Adjustment for each rate group multiplied by the associated FCR for each month, summed across the months within the Recovery Year.
- 4) **RATE CALCULATIONS** –
  - a) No greater than seventy-five (75) percent of the UFCA for each Recovery Year will be recovered in the first CSA rate year following the Recovery Year, which begins May 1 of each year, subject to true-up in subsequent CSA filings.

(N)

**Issued:** June 13, 2011**Effective:** July 14, 2011**Advice No.:** 2011-15**Issued By Puget Sound Energy**

By:

Tom DeBoer  
Affairs**Title:** Director, Federal & State Regulatory

**PUGET SOUND ENERGY  
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**SCHEDULE 139  
ELECTRIC CONSERVATION SAVINGS ADJUSTMENT RATE  
(Continued)**

(N)

- b) The remaining UFCA for a given Recovery Year will be recovered in CSA rates no sooner than the second CSA rate year following the Recovery Year, subject to:
- i) verification and possible modification by a third-party evaluator of the conservation savings used to determine the applicable Savings Adjustment;
  - ii) the limitation that the UFCA recovered for the given Recovery Year does not result in the Company's actual rate of return, as derived from the Company's audited year-end financial statements, exceeding its authorized rate of return in the Recovery Year; and
  - iii) a true-up in subsequent CSA filings.
- c) CSA rates for each rate group will be determined by dividing the applicable UFCA by the projected sales for the associated rate group in the CSA rate year.
- d) The UFCA in the 2011 Recovery Year will be calculated using the Savings Adjustment resulting from the conservation savings reported in the Company's 2010 Annual Conservation Report and the conservation savings projected for calendar year 2011 in the Company's 2011 Annual Conservation Plan ("ACP"). The non-residential conservation savings estimated in the ACP for calendar year 2011 will be allocated between the non-residential rate groups based upon their relative proportion of reported conservation savings in 2010. These estimates will be trueed up to actual results in a subsequent CSA filing.
- e) New CSA rates shall be filed no later than March 1 of each year.
- 5) RATES –
- |  |                      |
|--|----------------------|
| Schedule 7                                     | 0.0311 cents per kWh |
| Schedules 24, 25, 26, 29, 31, 35, 43 and 57(*) | 0.0415 cents per kWh |
| Schedules 40, 46, 49, 448, 449, 458 and 459    | 0.0018 cents per kWh |
- 6) ADJUSTMENTS – Rates in this schedule or amounts charged under this schedule are subject to adjustment by such other schedules in this tariff as they may be added or modified from time to time.
- 7) GENERAL RULES AND PROVISIONS – Service under this schedule is subject to the General Rules and Provisions contained in this tariff.

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

(N)

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