

**EXHIBIT NO. ___(JAP-20)
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___**

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

JUNE 13, 2011

PUGET SOUND ENERGY
NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 139
Gas Conservation Savings Adjustment Rate

(N)

Section 1: Applicability

This Conservation Savings Adjustment ("CSA") rate is applicable to sales Customers served under Schedule Nos. 23, 31, 41, 53, 85, 86 and 87.

Section 2: Purpose

This schedule recovers costs that would otherwise go unrecovered by the Company as a result of the services provided under Gas Conservation Service Schedules numbered between 200 and 299.

Section 3: Definitions

1. 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.
2. Recovery Year – The calendar year prior to each CSA rate filing.
3. Savings Adjustment – The accumulated conservation gas savings reported in the Company’s Annual Conservation Reports that is not reflected in the test year loads used to determine gas 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.
4. Fixed Cost Rate ("FCR") – Is a rate per therm 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 margin revenue for base rates in effect during each month of the Recovery Year, less any associated basic and minimum charge revenue, divided by the corresponding proforma test year gas sales.
5. 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.

Section 4: Rate Calculations

1. 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
Advice No.: 2011-16

Effective: July 14, 2011

Issued By Puget Sound Energy

By:

Tom DeBoer

Tom DeBoer

Title: Director, Federal & State Regulatory Affairs

PUGET SOUND ENERGY
NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 139
Gas Conservation Savings Adjustment Rate
(Continued)

(N)

2. 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:
 - a. verification and possible modification by a third-party evaluator of the conservation savings used to determine the applicable Savings Adjustment;
 - b. 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
 - c. a true-up in subsequent CSA filings.
3. 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.
4. 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.
5. New CSA rates shall be filed no later than March 1 of each year.

Section 5: Rates

Schedules 23 and 53	0.161 ¢ per therm
Schedules 31 and 41	0.182 ¢ per therm
Schedules 85, 86 and 87	0.120 ¢ per therm

Section 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.

Section 7: General Rules and Regulations

Service under this schedule is subject to the rules and regulations contained in Company's tariff.

(N)

Issued: June 13, 2011
Advice No.: 2011-16

Effective: July 14, 2011

Issued By Puget Sound Energy

By:



Tom DeBoer

Title: Director, Federal & State Regulatory Affairs