February 27, 2015

**Via Web Portal and Overnight Courier**

Mr. Steven V. King, Executive Director and Secretary

Washington Utilities and Transportation Commission

P.O. Box 47250

Olympia, WA 98504-7250

**Re: Docket Nos. UE-970686 and UE-132043**

**2014 Annual Report of Energy Conservation Accomplishments**

Dear Mr. King,

Enclosed are an original and three copies of Puget Sound Energy, Inc’s (“PSE”) 2014 Annual Report of Energy Efficiency Conservation Accomplishments (the “Annual Report”).

Portfolio results outlined in the Annual Report indicate that PSE achieved 378,539 Megawatt-hours (MWh), or 43.2 average megawatts (aMW) of electric conservation and 4.3 million therms of natural gas conservation during the past year. These figures exceeded the 2013 goals by 10 percent and 18 percent, respectively.

Electric expenditures to acquire cost-effective energy conservation were $98.5[[1]](#footnote-1) million or 3 percent over anticipated spending. Natural gas program expenditures were $11.9 million, and were commensurate with anticipated spending. Detailed expenditure and saving figures are provided for electric and natural gas conservation programs in the Annual Report’s Exhibit 1: 2014 Savings and Expenditures.

As has been PSE’s long-standing continuous improvement practice, the 2014 Annual Report contains a number of enhancements, most in response to regulatory stakeholder suggestions. Most are readability and organizational improvements; including new Table of Contents chapter notations, aligning program discussions to the organization of Exhibit 1, and incorporating the documents into a two-set, 3-ring binder format.

The entire Annual Report package consists of:

Volume 1: The 2014 Annual Report of Energy Conservation Accomplishments

Exhibit 1 - 2014 Expenditures and Savings, including: Supplements 1 through 4

Exhibit 2 - 2014 Program-level Cost-Effectiveness Calculations

Exhibit 5 - Prescriptive and Selected Calculated Measures, Supplements 1 and 2

Exhibit 9 - Condition Compliance Checklist

Exhibit 10 - 2014 NEEA Accomplishments

Volume 2: Exhibit 6 - Completed 2014 Evaluation Studies.

This Annual Report was prepared and is submitted in accordance with the Second Supplemental Order in Docket No. UE-970686, Requiring Reporting on Programs Funded by the Tariff Rider Mechanism, and Condition (8)(b) of Attachment A in Order 01, Docket No. UE-132043, Required Reports and Filings.

Please contact Lynn Logen at (425) 462-3872 for additional information about this filing. If you have any other questions, please contact me at (425) 456-2110.

Sincerely,

Ken Johnson

Director, State Regulatory Affairs

Enclosure

cc: Simon J. ffitch

 Sheree Carson, Perkins Coie

1. It is important to note that the total electric expenditures also include programs that do not acquire energy conservation; Net Metering and Electric Vehicle Charger Incentive. Adding their 2014 expenditures brings the total electric expenditures to $99.3 million. [↑](#footnote-ref-1)