

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket No. UE-132032
Puget Sound Energy, Inc.'s Electric Tariff Revisions: Electric Energy Efficiency
Programs**

BENCH REQUEST NO. 001

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Please provide any commitments related to the merger approved in Docket No. U-072375 regarding conservation cost recovery.

Response:

After review of the merger commitments in Docket No. U-072375, PSE did not find specific commitments that discuss the structure of cost recovery of conservation costs. There are at least four merger commitments that discuss conservation (energy efficiency): Commitment Nos. 7, 22, 47 and 48; but none of those change the method by which conservation costs are recovered. It is noteworthy that one merger commitment, Commitment 29, recognizes that all existing orders remain in effect:

“...all existing orders issued by the Commission with respect to PSE or its predecessors, Puget Sound Power & Light Company and Washington Natural Gas Company, will remain in effect, and are not modified or otherwise affected by the Proposed Transaction or any order of the Commission approving the Proposed Transaction.”

This merger commitment validates and supports PSE's view that the mechanism in Docket UE-960195, Stipulation, Section IILA.4.a, page 8 (emphasis added), is still in effect:

“...expenditures resulting from PSE's commitment to conservation or public purposes funding under the Comprehensive Regional Review) will be subject to recovery through an alternative recovery mechanism...”

This broad authorization of the cost recovery was reaffirmed when the Commission approved the conservation tariff rider mechanism, Schedule 120, in Docket UE-970686, citing the language of the Merger Settlement quoted above, and it has authorized broad recovery of PSE's requested conservation related expenditures through Schedule 120 since that time.