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January 14, 2011

Mr. David W. Danner
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 South Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250

Subject: Docket No. U-101973
Electric Low-Income Conservation Program Inquiry

Response to File Response to Information Request, by Puget Sound Energy, Inc.

Dear Mr. Danner:

Puget Sound Energy, Inc. ("PSE") appreciates the opportunity to participate in the Commission's examination of electric utility expenditures on and achievement of electric low-income conservation programs. PSE has recently successfully petitioned the Commission to increase spending on its electric low-income conservation programs, and intends to carry out those increased programs as it moves towards achieving its overall commission-approved electric biennial conservation target of 622,000 MWh for the 2010 and 2011 biennium. In response to the Commission's Notice of Opportunity to File Response to Information Request dated December 21, 2010 in Docket No. U-101973, PSE offers the following responses to the eight items in the Commission's request:

- 1. For low-income agencies, a complete budget and expenditures with a list of all funding sources for low-income conservation including housing repair, health and safety assistance and the amount of funding available as a proportion of total agency budget.***

This question is directed toward low-income agencies, therefore PSE has no comment at this time.

2. *For each utility, a complete budget for low-income conservation including housing repair, health and safety assistance and spending as a proportion of total conservation budget.*

The total budget for electric low-income conservation (including housing repair, health and safety assistance) spending for 2010-11 is \$8,830,951 (Please see Attachment A). The total electric conservation budget for 2010-11 is \$169,792,767 (Please see Attachment A). Therefore the electric low-income conservation budget as a proportion of the total electric conservation budget is 5.2%.

3. *Total utility disbursement to CAP agencies in 2008-09.*

PSE's total disbursement of electric low-income conservation funding to CAP agencies in 2008-2009 was \$3,182,115.

4. *An explanation of the administration of low-income conservation programs.*

The Residential Low Income Electric Conservation program is administered in accordance with PSE Electric Schedule 201. The program is available to low-income customers, including owners and tenants of single family, multi-family, manufactured or mobile homes that meet federal poverty guidelines issued by The Washington State Department of Commerce and who purchase electricity from PSE. Eight (8) low-income agencies are contracted with PSE in its electric service territory to perform customer income eligibility, manage the installation of measures and track and report projects to PSE.

Under each PSE contract, agencies are assigned annual budgets. Sources of Low Income Weatherization funding include, but are not limited to, Electric Rider, Company funds, BPA credits or other federal or state government programs and proceeds from the sale of Renewable Energy Credits as made available in Docket No. UE-070725 "REC Funding").

For those funds that must meet a cost effectiveness standard, up to 30 percent may be applied to energy-related repairs that are necessary to effect the installation of other cost-effective measures. The final percentage allocated will be determined according to the overall program cost-effectiveness.

Funding for measures and customer eligibility are outlined in PSE's conservation Tariffs. Low income incentives for available conservation measures for 2011 have been outlined in Exhibit 4 of the PSE Annual Conservation Plan.

Funding is disbursed to local agencies. Payments are based on incentives for measures installed. Local agencies are permitted fixed percentages for administrative costs under the existing tariff. Each month, agencies must report completed work using the PSE Low Income Weatherization Online tracking and reporting system. In

order to receive payment, the agencies, must complete measure installation and report those measures in the online system. PSE then makes a payment against reported work completed during the first week of the month following the designated reporting period.

Please also see Attachment B, which contains a copy of electric Schedule 201 and the current program description. Please also refer to Docket UE-100177, Annual Conservation Plan, Exhibit 3, Low Income Weatherization, Program Description.

5. *A list of the types of conservation measures installed.*

The following is a list of types of conservation measures that were installed as part of PSE's electric low-income conservation program (Schedule 201) in 2008-2009:

- Ceiling Insulation
- CFL fixtures (outdoor)
- CFL fixtures (indoor)
- CFL Screw-in Lamps
- Doorsweep
- Duct Insulation
- Duct Sealing
- Aerator
- Shower Head
- Floor Insulation
- Pipe Insulation
- Refrigerator Replacement
- Structure Sealing
- Setback Thermostat
- Windows
- Water heater wrap
- Wall Insulation
- Water Heater Replacement
- Weatherstrip

6. *A list of the types of health and human safety measures installed.*

The following is a list of types of health and human safety measures that were installed as part of PSE's electric low-income conservation program (Schedule 201) in 2008-2009:

- Carbon Monoxide Detector
- Combustion safety testing
- In-home energy education
- Furnace Replacement
- Furnace Repair and Maintenance
- Zonal Space Heater Replacement

- Mechanical Ventilation
- Smoke Alarm
- Heat Anticipating Thermostat
- Ground Vapor Barrier
- Water Heater Replacement
- Water Heater Repair
- Health Related Repairs

7. ***A spreadsheet showing the cost-effectiveness calculations with line items for housing repair and safety assistance.***

Please see attached spreadsheets (Attachment C and Attachment D) showing the cost-effectiveness calculations for PSE's electric low-income conservation program in 2008-2009 and 2010-2011.

8. ***The best information available on conservation potential for low-income customers and a description of how that information was determined.***

PSE has previously provided the Commission with its best information regarding the feasible achievable potential for an electric low-income conservation program in the following Dockets and documents:

Docket UE-091859:

<http://www.wutc.wa.gov/rms2.nsf/177d98baa5918c7388256a550064a61e/3d77d923b19043b98825767f006b4178!OpenDocument>

Docket UE-100177, June 18, 2010, Compliance Filing:

<http://www.wutc.wa.gov/RMS2.nsf/vw2005OpenDocket/A99463E144ABCEED8825774A0055CC62>

Docket UE-100177, Annual Conservation Plan:

<http://www.wutc.wa.gov/rms2.nsf/vw2005OpenDocket/B577179AC9E2E371882577ED006017F5>

Docket UE-070725, several rounds of testimony and briefs.

PSE appreciates the opportunity to respond to the information request regarding electric low-income conservation programs and looks forward to further discussions on this issue. Please direct any questions regarding these comments to Sandra Sieg at (425) 456-2234 or the undersigned at (425) 462-3495.

Sincerely,

/s/ Tom DeBoer

Tom DeBoer
Director – Federal & State Regulatory Affairs