



March 1, 2001

Ms. Carole J. Washburn  
Washington Utilities and Transportation Commission  
1300 S. Evergreen Park Drive S.W.  
P.O. Box 47250  
Olympia, Washington 98504-7250

Docket: UE-970686 and UG950288

RE: Accounting Summary of Demand Side Management (DSM) Programs Recovered Through the Electric Rider and Gas Tracker in Calendar Year 2000

Dear Ms. Washburn:

Enclosed is an original and nine copies of Puget Sound Energy's summary of accounting for the 2000 DSM rider and tracker programs through December 31, 2000. Tariffs associated with the rate for the 2001 DSM rider and tracker programs year have been submitted separately.

This summary is prepared in accordance with the accounting treatment and annual electric rider and gas tracker recovery mechanisms approved by the Commission in Dockets numbered UE-970686 and UG-950288 respectively.

The Company spent \$5,763,447. during calendar year 2000 on DSM programs which were recovered through its electric rider. The revenue collected through January 2001 and the estimated amounts to be collected during February and March 2001 is \$1,314,816. The under collection variance between actual expenditures and revenue collected is expected to be \$ 301,188. As proposed, the under collected amount will be absorbed and added to the 2001 DSM expenditures.

In accordance with the accounting treatment and annual gas tracker recovery mechanism approved in the Commission's letter dated May 11, 1995, Ref. No. 6-0599, the Company is filing tariffs coincident with this filing, to recover the \$793,267 fifth year gas DSM program costs through its tracker. Recovery is being apportioned 87.2% to firm rate schedules and 12.8% to interruptible rate schedules proportionate to total gas cost recoveries. This is consistent with the Commission's findings on conservation costs as outlined in the Seventh Supplemental Order in Docket No. UG-940814 and prior action under this docket.

Please direct any inquiry related to the accounting issues in this annual report to me at (425) 456-2797 and any inquiry related to the technical aspects of the conservation programs to George Pohndorf at (425) 462-3272.

Sincerely,

A handwritten signature in black ink, appearing to read 'Karl R. Karzmar', with a long horizontal flourish extending to the right.

Karl R. Karzmar  
Manager, Revenue Requirements

enclosures

cc: Simon J. ffitch