



PUGET SOUND ENERGY

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December 1, 2010

Mr. David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

**RE: Annual Conservation Plan for 2011 – Filed Electronically
Docket No. UE-100177**

Dear Mr. Danner:

Pursuant to condition K(8)(b) of the Electric Settlement Terms for Conservation in Docket No. UE-100177, (hereafter referred to as “Condition” or “Conditions”) PSE submits this 2011 Annual Conservation Plan (the “Plan”). The Plan consists of several parts:

- An outline, providing an overview of the 2011 Plan, summarizing noteworthy program revisions and discussing the contents of the exhibits
- Six exhibits, providing the 2011 Plan detailed information required pursuant to the Conditions
 - *F(11) – Program Budget*
 - *K(3)(a)(v) – Tariff modifications*
 - *K(3)(a)(vi)(1) - Marketing*
 - *K(3)(a)(vi)(2) - Incentives*
 - *K(3)(a)(ix) – Budget Review*
 - *K(4)(a) – Annual Budgets and Energy Savings*
 - *K(5) – Program Details*
 - *K(7) – Program Design Principles*
- Exhibit 1: 2011 Plan Budget Details
- Exhibit 2: Program Cost Effectiveness Estimates
- Exhibit 3: Program Descriptions
- Exhibit 4: List of Measures, Incentives and Eligibility
- Exhibit 5: Tariff Revisions (submitted under separate cover)
- Exhibit 6: Evaluation Plan

Although the above noted Conditions apply to electric conservation programs, the Company is providing updated details on its gas conservation programs (in a separate tariff filing) as well in order to maintain consistency.

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The Company and the Conservation Resource Advisory Group (CRAG) met regularly throughout 2010 to share and discuss plans for energy efficiency programs, establish and agree upon implementation of the Conditions, discuss targets and budgets, and agree on a course of action for 2011.

The 2011 Annual Conservation Plan calls for electric savings of 38.8 average megawatts and 4.7 million therms of gas. The electric budget is \$90.8 million and a gas budget of \$19.3 million. With the exception of the HomePrint and Powerful Choices programs, the Company intends on continuing delivery of its original biennial plan.

Revisions to tariff sheets in Exhibit 5 (included in a separate filing) clarify terminology, update regulatory State code or industry references and address significant changes in program strategies that are made to implement the Plan.

In accordance with Condition K(8)(b), the Conservation Resource Advisory Group ("CRAG") members were provided a complete set of the Plan, including all exhibits on November 1, 2010 in order to allow for comments and questions. The Company met with the CRAG on November 4, 2010 to provide an overview of the Plan Outline and Exhibits. To date, the Company has provided responses to all questions from CRAG members relative to the Plan and will continue to address all questions going forward.

Exhibits 1 through 4 and 6 which reflect information for the 2011 Plan year will be posted on PSE.com as replacements for the present Appendices A through D which were for the 2010 year. The 2011 Exhibits reflect the revisions made for 2011 including those reflected in Exhibit 5, Tariff Revisions.

Please contact Lynn Logen at (425) 462-3872 for general information about this filing or contact Andy Hemstreet at (425) 456-2633 for additional information about the Plan. Please contact Calvin E. Shirley at (425) 456-2426 for policy related questions about this submittal. If you have any other questions please contact me at (425) 462-3495.

Very truly yours,



Tom DeBoer
Director, Federal & State Regulatory Affairs

Enclosures

cc: Simon J. ffitc
Sheree Carson