



Puget Sound Energy
P.O. Box 97034
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PSE.com

August 31, 2012

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

**Re: Advice No. 2012-25 – Electric Tariff Filing – Filed Electronically
Compliance Filing Docket Nos. UE-111048 and UG-111049 (consolidated)**

Dear Mr. Danner:

Pursuant to RCW 80.28.060 and Chapter 480-80 WAC, please find enclosed for filing the following proposed revision to the WN U-60, Tariff G for electric service of Puget Sound Energy (the “Company” or “PSE”).

- 8th Revision of Sheet No. 129 - Low Income Program
- 8th Revision of Sheet No. 129-a - Low Income Program (Continued)
- 9th Revision of Sheet No. 129-b - Low Income Program (Continued)
- 8th Revision of Sheet No. 129-c - Low Income Program (Continued)
- 11th Revision of Sheet No. 129-d - Low Income Program (Continued)
- 9th Revision of Sheet No. 129-e - Low Income Program (Continued)
- 8th Revision of Sheet No. 129-f - Low Income Program (Continued)
- 8th Revision of Sheet No. 129-g - Low Income Program (Continued)

The purpose of this filing is to adjust and true-up the low income rates as provided in (1) Exhibit G to the Settlement Stipulation Agreement approved by the Commission in Docket Nos. UE-011570 and UG-011571 (the “Settlement”) and (2) as provided in the Multiparty Settlement Stipulation in Docket No. U-072375 and the Partial Settlement in Docket Nos. UE-072300 and UG-072301 and (3) as ordered by the Commission in Order 08 in Docket Nos. UE-111048 and UG-111049 (“Order 08”). This filing revises the Low Income Program charges in order to reflect the increase in funding required by Order 08 and for actual program funding costs due to changes in billing determinants and the collections over the past year.

As mentioned above, Order 08 provided for an increase in funding of the low-income program. That increase was described in Order 08 at paragraph 373 which provided, in part:

The Energy Project recommends increasing PSE's low-income bill assistance program funding from .51 percent to .665 percent of the Company's total annual operating revenues⁴⁶⁶, because the current funding level does not allow many of the customers in PSE's service territory who are eligible for assistance to receive it.

Footnote number '466' indicated that "this would increase [total] low-income bill assistance from \$15.5 million to \$20.2 million".

Order 08 at paragraph 376 provided the Commission's Determination which, in part, stated the following:

No party objects to increasing funding for PSE's low-income bill assistance program. We find reasonable the Energy Project's proposal to increase the funding for PSE's low-income bill assistance program. We direct the Company to file for the increase as part of its ongoing annual true-up compliance filing on August 31, 2012.

This resulted in the annual electric cap being increased by \$3.473 million to \$15.150 million. The table below shows how the \$20.2 million is split between electric and natural gas:

Total	Natural Gas	Electric
100%	25%	75%
\$ 20,200,000	\$ 5,050,000	\$ 15,150,000

The percentages of 25% for natural gas and 75% for Electric are specified in the Commission Order 12: Final Order Approving and Adoption Settlement Stipulations; Authorizing and Requiring Compliance Filing in Consolidated Dockets UE-072300 and UG-072301, Appendix D.

The true-up for actual program funding costs and changes in billing determinants and collections resulted in an additional increase of \$0.166 million (including the impacts of the conversion factor). Prior year collections and rate spread will be detailed in work papers provided directly to the Commission's staff.

All electric customers who are billed for electric energy are affected by this filing. The amount of change in the total electric revenue requirement over last year is an increase of \$3,813,258. This revenue requirement results in an approximate average overall increase to rates for electric customers of 0.75%. This filing does not result in any net change in revenue to the Company.

The tariff sheets described herein reflect issue dates of August 31, 2012, and effective dates of October 1, 2012. Posting of the proposed tariff change for public inspection and review, as required by law and the Commission's rules and regulations, is being completed immediately prior to or coincident with the date of this transmittal letter, through web, telephone and mail access in accordance with WAC 480-100-193(1).

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This filing represents a bill increase to all customers, principally due to the increase in the funding cap provided for in Order 08. The Company will provide notice in accordance with WAC 480-100-194(2) through a notice published in area newspapers at least thirty days before the stated effective date of the filing.

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) 462-3495.

Very truly yours,



Tom DeBoer
Director, Federal & State Regulatory Affairs

Enclosures

cc: Simon J. ffitc
Sheree Carson