



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
PSE.com

March 1, 2012

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

**Re: Advice No. 2012-05
Electric Tariff Filing - Filed Electronically**

Dear Mr. Danner:

Puget Sound Energy, Inc. (the "Company" or "PSE") hereby submits proposed revisions to its electric Schedule 120, Electricity Conservation Service Rider. This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, proposes revisions in the following electric tariff sheets.

WN U-60, Tariff G - (Electric Tariff):

Twentieth Revision of Sheet No. 120 - Electricity Conservation Service Rider
Twenty-First Revision of Sheet No. 120-a - Electricity Conservation Service Rider (Continued)
Twenty-Second Revision of Sheet No. 120-b - Electricity Conservation Service Rider (Continued)
Nineteenth Revision of Sheet No. 120-c - Electricity Conservation Service Rider (Continued)
Seventeenth Revision of Sheet No. 120-d - Electricity Conservation Service Rider (Continued)
Sixteenth Revision of Sheet No. 120-e - Electricity Conservation Service Rider (Continued)

The primary purpose of this filing is to implement changes to rates under the conservation rider mechanism, as provided in the following dockets: the Commission's order in Docket No. UE-970686 (the "Order"); and the Settlement Terms for Conservation ("Settlement") approved by the Commission in Docket Number UE-100177.

In Docket Number UE-100177 the Commission approved PSE's Biennial Conservation Target ("Target") for 2010 and 2011 of 622,000 MWh at the customer meter level. That approved Target represented the cost-effective, reliable and feasible conservation resources PSE could acquire in the 2010-2011 Biennium. On October 28, 2011 PSE filed its Biennial Conservation Target for the 2012-2013 Biennium in Docket Number UE-111881. Final approval of 2011 expenditures and approval of collection of 2012 costs in this filing will allow PSE to make continued progress in meeting the proposed Target for the 2012-2013 Biennium.

This filing revises the Electricity Conservation Rider charges for all customers except those receiving service under Schedules 448, 458, 449 or 459 in order to reflect the following items: increased amounts budgeted for the upcoming year and the true-up (and approval) of actual costs and actual collections¹ except those that are related to customers taking service under the above referenced schedules over the

¹ In the Settlement, the Parties agreed to a filing schedule that differed from past years. Under the terms of the Settlement, the 2011 filing was to be made by March 1, with a requested effective date of May 1. This filing reflects the same filing and effective dates.

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past year. The amount proposed to be recovered from customers affected by these tariff changes for electric energy efficiency programs in 2012 is \$101.2 million. This amount is adjusted by: the true-up for 2011 which subtracts \$12.7 million, for a total of \$88.5 million. That true-up amount for 2011 primarily represents lower actual spending on electric conservation acquisition in large part due to: 1) residential customers electing to participate in lower-cost conservation measures than originally forecast; and 2) commercial customers (except those receiving service under the above referenced schedules) using lower amounts of Schedule 258 incentives than originally forecast. Overall, this proposal represents a revenue requirement increase of \$0.7 million or 0.03% for customers affected by this tariff change. All rate schedules for electric service, except Schedules 448, 458, 449 and 459 are affected by the change, most will experience a small increase, and a few will experience a small decrease. For example, the typical residential customer using 1,000 kWh per month will experience an increase of two cents per month.

Consistent with Section K, Condition (3)(c) of the Settlement, the Company is providing members of the Conservation Resource Advisory Group ("CRAG") with the proposed tariff sheets and work papers two months prior to the effective date to allow them time to review the filing.

The tariff sheets described herein reflect an issue date of March 1, 2012, and an effective date of May 1, 2012. Posting of proposed tariff changes, as required by WAC 480-100-193, is being made by posting the proposed tariff sheets on the PSE web site immediately prior to or coincident with the date of this transmittal letter. Notice to the public under the provisions of WAC 480-100-194 is required which the Company will provide as required within 30 days of the effective date.

Please contact Mr. 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. ffitich, Public Counsel
Sheree Carson, Perkins Coie