



Puget Sound Energy  
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PSE.com

February 28, 2013

Mr. Steven V. King  
Acting Executive Director and Secretary  
Washington Utilities and Transportation Commission  
P.O. Box 47250  
Olympia, Washington 98504-7250

**Re: Advice No. 2013-03  
Electric Tariff Filing - Filed Electronically**

Dear Mr. King:

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):

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

The 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"); the Settlement Terms for Conservation ("Settlement") approved by the Commission in Docket Number UE-100177; and the Commission's order 01 in Docket No. UE-111881 ("Order 01").

In Docket Number UE-111811 the Commission approved PSE's Biennial Conservation Target ("Target") for 2012-2013 of 666,000 MWh at the customer meter level. That approved Target represented the cost effective reliable and feasible conservation resources PSE could expect to acquire in the 2012-2013 Biennium. The Commission approved the 2012-2013 Target in Order 01.

This filing revises the Electricity Conservation Rider charges for all customers except those receiving service under Schedules 448, 458, 449 or 459 ("Transportation Customers") in order to reflect the following items: decreased amounts budgeted for the upcoming year and the true-up (and approval) of actual costs and actual collections except for Transportation Customers over the past year. The amount of conservation expenditures proposed to be recovered from non-transportation customers affected by these tariff changes for electric energy efficiency programs is \$97.3 million. This amount is reduced by: \$5.3 million for true-up related to the prior rate period for differences between actual and budgeted conservation expenditures and the difference due to load. These amounts result in a total revenue requirement in this filing of \$92.0 million related to non-transportation customers. The \$5.3 million

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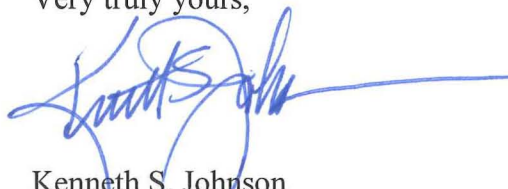
true-up amount primarily represents lower than expected actual spending on electric conservation acquisition than what was assumed when setting rates in the last rate period for a variety of reasons. Some examples of these reasons are: (1) macroeconomic conditions affected new construction starts in 2012; (2) some efficiency measures were highly cost-effective, resulting in slightly lower than anticipated customer incentive payments; and (3) expenditures on outside services were less than budgeted as more work was accomplished utilizing in-house staff. Details of these and other drivers are noted throughout the Company's February 13, 2012 filing (Docket Nos. UE-970686 and UE-111881) of its 2012 Annual Report of Energy Conservation Accomplishments."

Overall, this proposal represents a revenue requirement increase of \$3.5 million or 0.24% for customers affected by this tariff change. All rate schedules for electric service, except Transportation Customers 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 twenty-eight cents per month.

The tariff sheets described herein reflect an issue date of February 28, 2013, and an effective date of May 1, 2013. 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 requested effective date of May 1, 2013.

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) 456-2110.

Very truly yours,



Kenneth S. Johnson  
Director, State Regulatory Affairs

Enclosures

cc: Simon J. ffitich, Public Counsel  
Sheree Carson, Perkins Coie