



Puget Sound Energy
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PSE.com

March 18, 2012

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. 2013-05 – Natural Gas Tariff Filing – Filed Electronically

Dear Mr. King:

Pursuant to RCW 80.28.060, WAC 480-80-101 and -105, please find enclosed for filing the following proposed revision to the WN U-2 Tariff for natural gas service of Puget Sound Energy, Inc. (the “Company” or “PSE”):

WN U-2, Tariff, Natural Gas:

1st Revision of Sheet No. 1137 Carbon Offset Pilot

The purpose of this filing is to extend the Carbon Offset program to the year 2016. Over the past several years, natural gas customers have responded by signing up to purchase this optional product. Currently there are about 750 customers purchasing carbon offsets. PSE would like to continue to offer this product to new customers. This filing includes a request that the filing become effective with less than statutory notice (“LSN”), on April 1, 2013, so that it becomes effective on the current expiration date of the Carbon Offset Pilot.

The Carbon Offset program, also known as the Carbon Balance Program, officially launched in late May, 2011. In 2011 – the first year of the program – PSE ended the year with just under 150 participants offsetting 4,091,600 pounds of CO₂. In the summer of 2012 PSE sent out a direct mailing to 35,000 natural gas customers, resulting in a nearly 1.5% response rate. PSE ended 2012 with 750 participants in the program. Of those, 42 were commercial accounts, representing nearly 20 businesses. The program has been very successful with universities, with several large universities signing up, in fact one university began offsetting 100% of the CO₂ associated with their natural gas consumption through the program in June 2011. In 2012, participants offset 10,083,184 pound of CO₂. Between the end of 2011 and 2012, the program grew by over 400 percent. In the first two months of 2013, customers have already offset 2,722,180 pounds of CO₂.

In 2013, PSE intends to continue to ramp up our outreach to customers with another direct mailing to natural gas customers; as well as a marketing campaign with KJR FM radio to raise awareness of the

program. While growth of the program hasn't occurred as quickly as we first estimated, we believe that we can continue growing the program significantly in the next three years by ramping up our outreach efforts to residential and commercial customers.

In order to allow the Carbon Offset program to continue uninterrupted, PSE is respectfully requesting that the Commission allow these tariff changes to become effective on April 1, 2013, with less than statutory notice. The information required by WAC 480-80-122 is contained throughout this letter and on the attached LSN form provided by the Commission. Ken Johnson is authorized to issue tariff changes on behalf of the Company.

The tariff sheet described herein reflects an issue date of March 18, 2013, and an effective date of April 1, 2013. Posting of proposed tariff changes, 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 480-90-193. This filing does not increase rates or restrict access to service, therefore notice will be provided in accordance with WAC 480-90-195(3) in the same manner as posting is accomplished pursuant to WAC 480-90-193.

Please contact Lynn Logen at (425) 462-3872 or by email at lynn.logen@pse.com or by Fax at 425-462-3414 for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,

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

Ken Johnson
Director, State Regulatory Affairs

Enclosure

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