



Puget Sound Energy
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PSE.com

August 28, 2013

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

RE: Advice No. 2013-15 – Electric 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-60, Tariff G for electric service of Puget Sound Energy, Inc. (the “Company” or “PSE”):

WN U-60, Tariff G, Electric Service:

Original Sheet No. 195 - Schedule 195: Electric Vehicle Charger Incentive
Original Sheet No. 195-A - Schedule 195: Electric Vehicle Charger Incentive (Continued)
22nd Revision of Sheet No. 120 - Schedule 120: Electricity Conservation Service Rider
Fortieth Revision of Sheet No. 2-a – Index to Rate Schedules (Continued)

The purpose of this filing is to provide an incentive to eligible PSE residential electric customers to install a faster (“Level 2”) electric vehicle charger used to charge their electric vehicle at their existing PSE electric service location. Electric vehicles lower the environmental impact of transportation, including reducing carbon dioxide (CO₂) emissions. By encouraging faster electric vehicle charging where vehicles are predominantly charged, customers can increase their use of electricity in transportation, traveling more miles on low-cost, low-emission electricity. In addition, increased use of faster charging will help mitigate “range anxiety”, increasing consumer confidence that electric vehicles will meet their normal transportation needs.

PSE wants our customers to have improved choice in how they fuel their vehicles. Alternative fuels provide lower greenhouse emissions and costs than traditional fuels, benefiting customers directly as well as the region indirectly. Serving electricity and natural gas to over 1 million electric customers and over 750,000 natural gas customers in the Puget Sound Region, PSE feels that providing clear choices around the use of these alternative transportation fuels is part of its role in serving its customers, both directly and indirectly. This incentive is one way in which the Company can provide these choices and benefits within its context as a utility that provides electricity and natural gas for use in homes and businesses, and increasingly as a transportation fuel.

Availability and Eligibility

This incentive is available to residential electric customers taking service under electric Schedule 7 who register a new electric vehicle and purchase and install an approved electric vehicle charger within one year of initial vehicle registration. The charger must be installed behind the existing PSE electric service at the principal charging location for the customer-owned electric vehicle. The charger must be compatible with the customer's electric vehicle. Prior to receiving the incentive, a potentially eligible customer must be a current electric service customer of the Company and provide evidence of the following within one year of initial electric vehicle registration: a) electric vehicle registration; b) proof of purchase of an electric vehicle charger (receipt); and c) signed statement that the customer is the current registered or/or legal owner of an electric vehicle, that the electric vehicle charger was installed according to all applicable codes, regulations, safety and health standards, specifications, manufacturer's instructions and standard practices (customers may attach documentation from the installer, and /or an electrical permit), and that the charger is currently installed at principal charging location for the customer-owned vehicle where the Company provides electric service to the customer. The Company, at its sole discretion, may inspect installations prior to the fulfillment of the incentive. Only one incentive is available per electric customer. PSE is proposing that the incentive be open for customer submissions for the next five years until November 1, 2018.

Incentive amount, basis of incentive

PSE is proposing a one-time incentive amount of \$600 per original eligible customer. The Company believes that the amount of the incentive is both meaningful and fair. With chargers ranging in cost from \$500 to \$1,000 and installation costs also ranging from \$500 to \$1,000, a \$600 incentive amount will provide a realistic and meaningful motivation for installation and use of chargers at the home of customers. The amount is based on a fair distribution of benefits between ratepayers and over time. To determine the amount of the incentive, the Company used the same fundamental model or method that is used for analyzing conservation (energy efficiency) measures. The benefits and costs of the program are compared and a net positive value is calculated. Under the current regulatory accounting methods the net positive financial benefits of a single customer using electricity to charge their vehicle would be spread to all other ratepayers over many years. This program would give a portion of those benefits to the individual customer who is creating those benefits, and giving the incentive up front. The other customers still will receive a portion of those benefits over time, but they do forgo some of the benefits so that the customer who owns the electric vehicle charger and generates those benefits can receive a portion of them when the charger is installed.

Source of funding

Schedule 120 (Electricity Conservation Service Rider) is the proposed method to implement surcharges for the funding to provide this incentive. Using Schedule 120 as means to collect a portion of the positive financial benefits created by the electric-vehicle-charger-owning-customer from all other customers is a reasonable approach. Primarily, it is administratively expedient to use an existing rate schedule to efficiently

collect the funding for the incentive. Secondly, there is already a precedent for using the conservation-focused Schedule 120 for collecting funding for a non-conservation program. Currently, and for many years prior, the funding for the Net Metering Program (Schedule 150) has been carried out through Schedule 120, with no objections from any party, even though net metering program itself is not a conservation program. A work paper supporting the level of funding will be submitted directly to Commission Staff coincident with this filing. The Company will defer the related costs of the program and recover them through the electric conservation rider (Schedule 120). The program revenues and expenditures will not impact the Company's income statement.

Customer Education

The Company is proposing several methods to educate residential customers about the availability of this optional incentive. Customers may purchase the charger at the auto dealer with their vehicle; or from manufacturer-licensed installers; or from electrical equipment retailers. Customer education regarding this incentive will be conducted through several means, including, but not limited to: informing customers who call the Company with questions about electric vehicles; direct education to potential electric vehicle customers through web presence, electric vehicle events, and other channels; partnerships with manufacturers, dealers or contractors to provide information on the incentive; and partnerships with automotive manufacturers and dealers to provide customers an incentive to purchase an electric vehicle and a charger at the point of sale. The Company will offer charger information, vehicle energy usage information, and incentive application forms to customers requesting information on the Electric Vehicle Charger Incentive.

The tariff sheets described herein reflect an issue date of August 28, 2013, and an effective date of October 31, 2013. Posting of the proposed tariff change, as required by law and the UTC'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.

Please contact Ben Farrow at (425) 456-2541 or Eric Englert (425) 456-2312 for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,


for: Lynn F. Logan, Tariff Consultant
Ken Johnson
Director, State Regulatory Affairs

Enclosure

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