



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

August 30, 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. 2013-17 – Electric Tariff Filing – Filed Electronically**
Compliance Filing Docket Nos. UE-130137 and UG-130138 (consolidated)
Compliance Filing Docket Nos. UE-121697 and UG-121705 (consolidated)

Dear Mr. King:

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”).

- 9th Revision of Sheet No. 129 - Low Income Program
- 9th Revision of Sheet No. 129-a - Low Income Program (Continued)
- 10th Revision of Sheet No. 129-b - Low Income Program (Continued)
- 9th Revision of Sheet No. 129-c - Low Income Program (Continued)
- 12th Revision of Sheet No. 129-d - Low Income Program (Continued)
- 10th Revision of Sheet No. 129-e - Low Income Program (Continued)
- 9th Revision of Sheet No. 129-f - Low Income Program (Continued)
- 9th Revision of Sheet No. 129-g - Low Income Program (Continued)
- Original Sheet No. 129-h - 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”) and (4) as ordered by the Commission in Order 07 in Docket Nos. UE-121697 and UG-121705 (consolidated) issued jointly with Order 07 in Docket Nos. UE-130137 and UG-130138 (consolidated) (“Order 07”). This filing revises the Low Income Program charges in order to reflect the increase in funding required by Orders 08 and 07 and for actual program funding costs due to changes in billing determinants and the collections over the past year.

The Low Income Program (“LIP”) provides benefits to PSE customers based on a program year as is provided in the Settlement at paragraph 6 which is as follows:

“The electric LIP will follow the Low Income Home Energy Assistance Program (LIHEAP) year which runs annually from October 1st to September 30th. For the first year, the natural

gas LIP will begin its program year effective no sooner than the dates general revenue gas rates changes go into effect in Docket UG-011571. Thereafter, the gas LIP year will coincide with the electric LIP year. The program year designation shall not in any way alter the respective LIP annual revenue caps.”

The mechanism for funding the LIP provides for collection of costs and a true up of those collections and costs. This filing represents the true up of collections and costs as well as the increased funding provided for by Order 07. The Settlement at paragraph 9 provides, in part, the following:

“The cost recovery will be subject to an annual compliance filing, on the anniversary of the LIP implementation schedule effective date, to reflect changes in total billing determinants (true up to maintain conformity to the LIP annual revenue cap).”

As mentioned above, Order 07 provided for an increase in funding of the low-income program. That increase was described in Order 07 at paragraph 182 which provided, in part:

“We determine that the disparate impact of any rate increases on low income customers warrants additional support for those customers beyond what is included in the Amended Decoupling Petition. Considering the impact of a three-year rate plan, as demonstrated in Mr. Eberdt’s testimony, we determine that an additional amount of \$1.0 million per year should be added to PSE’s low income bill assistance program.²⁴⁵ We accordingly will condition our approval of the ERF, decoupling, and the rate plan on this additional level of funding being provided.²⁴⁶”

The additional \$1 million provided in Order 07 and the \$0.678 million reflected in the Amended Decoupling Petition mentioned in Order 07 resulted in the annual electric cap being increased by \$1.248 million to \$16.398 million. The table below shows how the total funding of \$21.878 million is split between electric and natural gas:

Description	Electric	Natural Gas	Electric	Natural Gas	Total
Annual base	75% ⁽¹⁾	25% ⁽¹⁾	\$15,150,000	\$5,050,000	\$20.2 M
Order 07 ⁽³⁾	75% ⁽¹⁾	25% ⁽¹⁾	\$ 750,000	\$ 25,000	\$1.0 M
ERF Residential Bill Impact	1.58% ⁽²⁾	1.58% ⁽²⁾	\$251,220	\$104,758	\$334,960
Decoupling Residential Bill Impact	1.55% ⁽²⁾	1.83% ⁽²⁾	\$246,450	\$96,990	\$343,440
Total			\$16,397,670	\$5,480,730	\$21,878,400

Mr. Mr. Steven V. King
August 30, 2013
Advice No. 2013-17
Page 3 of 3

- (1) The percentages of 75% for electric and 25% for natural gas are specified in the Commission Order 12: Final Order Approving and Adopting Settlement Stipulations; Authorizing and Requiring Compliance Filing in Consolidated Dockets UE-072300 and UG-072301, Appendix D.
- (2) The percentages associated with the ERF and decoupling increases in LIP funding are based on the percentage increase in residential rates as proposed in PSE's Amended Decoupling Petition in Docket Nos. UE-121697 and UG-121705 (consolidated).
- (3) Order 07 increased the annual base by \$1.0 million for the duration of the three year rate plan as described in paragraph 182 of Order 07.

The true-up for actual program funding costs and changes in billing determinants and collections resulted in an additional increase of \$0.157 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 \$1,474,528. This revenue requirement results in an approximate average overall increase to rates for electric customers of 0.070%. This filing does not result in any net change in revenue to the Company.

The tariff sheets described herein reflect issue dates of August 30, 2013, and effective dates of October 1, 2013. 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).

This filing represents a bill increase to all customers, principally due to the increase in the funding cap provided for in Order 07. 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) 456-2110.

Sincerely,



Ken Johnson
Director, State Regulatory Affairs

Enclosures

cc: Simon J. ffitich
Sheree Carson