



Puget Sound Energy  
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February 28, 2014

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

**Re: Advice No. 2014-07  
Natural Gas Tariff Filing - Filed Electronically**

Dear Mr. King:

Puget Sound Energy, Inc. ("PSE") hereby submits proposed revisions to its natural gas Schedule 120, Natural Gas Conservation Service Rider. This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, proposes revisions in the following natural gas tariff sheet.

WN U-2 - (Natural Gas Tariff):

19<sup>th</sup> Revision of Sheet No. 1120 - Schedule 120, Natural Gas Conservation Service Rider

The purpose of this filing is to implement changes to rates under the conservation rider mechanism, as provided in Exhibit F to the Settlement Stipulation Agreement approved by the Commission in Docket Nos. UE-011570 and UG-011571. Specifically, the purpose of this filing is to revise the Natural Gas Conservation Service Rider charges upward in order to reflect actual costs and collections over the past years for conservation programs and the estimated expenditures during the 2014 program year. Overall, this proposal represents an increase in the conservation revenue requirement of \$713,336 or an average of 0.0% increase in affected customer's bills. All firm and interruptible gas sales schedules for natural gas service are affected by this increase. Customers taking transportation service under schedules 31T, 41T, 85T, 86T, 87T and special contracts ("Transportation Customers") are not billed under the Natural Gas Conservation Service Rider. Work papers supporting this filing are attached.

The target level for acquisition of natural gas energy efficiency resources for the two-year period 2014 and 2015 is 6.94 million therms of first-year savings, reported at the customer meter. This target was set after being discussed with the Conservation Resource Advisory Group ("CRAG") and was presented to the Commission in Docket Numbers UE-132043 and UG-132044.

Mr. Steve V. King  
February 28, 2014  
Advice No. 2014-07  
Page 2 of 2

This filing revises the Natural Gas Conservation Service Rider charges for all customers except Transportation Customers in order to reflect increased amounts budgeted for the upcoming year and the true-up (and approval) of actual costs and actual collections during prior years. The amount of budgeted conservation expenditures to be recovered from customers affected by these tariff changes for natural gas energy efficiency programs between May 1, 2014 and April 30, 2015 is \$12.5 million. This amount is adjusted by true-ups due to changes in load and budget and spending variances which subtracts \$0.7 million, for a total of \$11.8 million. Overall, this proposal represents a revenue requirement increase of \$ 0.7 million or an overall bill increase of 0.0% for customers affected by this tariff change.

All rate schedules for natural gas service, except transportation customers are affected by the change, will experience a small increase. For example, the typical residential customer using 68 therms per month will experience an increase of two cents per month.

The tariff sheet described herein reflects an issue date of February 28, 2014, an effective date of May 1, 2014. Posting of proposed tariff changes, as required by WAC 480-90-193, is being accomplished by posting the proposed tariff sheet 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 480-90-194 is required which PSE will provide, as required, within 30 days of the requested effective date of May 1, 2014.

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,



Lynn F. Logen, Tariff Consultant

for

Ken Johnson

Director, State Regulatory Affairs

Enclosures

cc: Simon J. ffitc  
Sheree Carson  
Ed Finklea