



Puget Sound Energy
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PSE.com

February 27, 2015

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

**Re: Advice No. 2015-03
Electric Tariff Filing - Filed Electronically**

Dear Mr. King:

Puget Sound Energy, Inc. ("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):

- 23rd Revision of Sheet No. 120 - Electricity Conservation Service Rider
- 24th Revision of Sheet No. 120-A - Electricity Conservation Service Rider (Continued)
- 25th Revision of Sheet No. 120-B - Electricity Conservation Service Rider (Continued)
- 22nd Revision of Sheet No. 120-C - Electricity Conservation Service Rider (Continued)
- 20th Revision of Sheet No. 120-D - Electricity Conservation Service Rider (Continued)
- 19th Revision of Sheet No. 120-E - Electricity Conservation Service Rider (Continued)
- 2nd Revision of 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 No. UE-100177; and the Commission's Appendix A of Order 01 in Docket No. UE-132043 ("Order 01"). Work papers supporting this filing are enclosed.

In Order 01 the Commission approved PSE's 2014-2015 Biennial Conservation Target ("Target") of 485,770 MWh of first-year savings, as reported at the customer meter. That approved Target represented the total available conservation resources that are cost-effective, reliable and feasible that PSE could expect to acquire in the 2014-2015 biennium. This filing revises the Electricity Conservation Rider charges for all customers, excluding those receiving service under Schedules 448, 458, 449 or 459 ("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 over the past year.

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The amount of revenue requirement requested in this filing for other than Transportation Customers affected by these tariff changes in the Electricity Conservation Service Rider is \$108.6 million. This amount is higher than the \$104.0 million requested in last year's filing under Docket No. UE-140330 by a total of \$4.5 million for the following reasons: \$4.9 million increase due to the increased budget for the 2015 program year and a reduction of \$0.4 million in the true-up for spending and load variances compared to the true-up amount in 2014. The current year true-up amounts total \$5.5 million, of which \$3.7 million is due to changes in receipts due to loads, and \$1.8 million is due to differences between budgeted amounts and actual amounts expended.

Overall, this proposal represents a revenue requirement increase of \$4.5 million or an average increase in overall bills of 0.19% for customers affected by this tariff change. Electric service rate schedules 7, 24, 29, 31, 40, 43, and 49 will experience a small increase, while rate schedules 25, 26, 35 and 46 will experience a small decrease. There is no change in rates for Transportation Customers due to this filing. For example, the typical residential customer on Schedule 7 using 1,000 kWh per month will experience an increase of twenty-six cents per month.

The tariff sheets described herein reflect an issue date of February 27, 2015, and an effective date of May 1, 2015. As required by WAC 480-100-193, PSE has posted the proposed tariff sheets on the PSE web site immediately prior to or coincident with the date of this transmittal letter. PSE will follow the public notice provisions under WAC 480-100-194 and provide public notice within 30 days of the requested effective date of May 1, 2015.

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.

Sincerely,


Manager, Regulatory Initiatives & Tariffs

for Ken Johnson
Director, State Regulatory Affairs

Enclosures

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