



March 1, 2002

Ms. Carole J. Washburn
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive S.W.
P.O. Box 47250
Olympia, WA 98504-7250

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REGISTRATION DIVISION
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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

Dockets: UE-970686 and UG-950288

RE: Accounting Summary of Demand Side Management (DSM) Programs Recovered Through the Electric Rider and Gas Tracker in Calendar Year 2001

Dear Ms. Washburn:

Enclosed are an original and nine copies of Puget Sound Energy's summary of accounting for the 2001 DSM rider and tracker programs through December 31, 2001. Tariffs associated with the rate for the 2002 DSM rider and tracker programs year have been submitted separately.

This summary is prepared in accordance with the accounting treatment and annual electric rider and gas tracker recovery mechanisms approved by the Commission in Dockets numbered UE-970686 and UG-950288 respectively.

The Company spent \$13,901,063 during calendar year 2001 on DSM programs which were recovered through its electric rider. The revenue collected through January 2002 and the estimated amounts to be collected during February and March 2002 is \$1,730,956. The under collection variance between actual expenditures and revenue collected is expected to be \$9,275,984.

In accordance with the accounting treatment and annual gas tracker recovery mechanism approved in the Commission's letter dated May 11, 1995, Ref. No. 6-0599, the Company is filing tariffs coincident with this filing, to recover the \$1,456,132 sixth year gas DSM program costs through its tracker. Recovery is being apportioned 88.98% to firm rate schedules and 11.02% to interruptible rate schedules proportionate to total gas cost recoveries. This is consistent with the Commission's findings on conservation costs as outlined in the Seventh Supplemental Order in Docket No. UG-940814 and prior action under this docket.

Please direct any inquiry related to the accounting issues in this annual report to me at (425) 456-2797 and any inquiry related to the technical aspects of the conservation programs to Syd France at (425) 424-6698.

Sincerely,

Karl R. Karzmar
Manager, Revenue Requirements

Enclosures
cc: Simon J. ffitich