

COMMISSION STAFF EXHIBIT LIST

Docket UE-070725

NUMBER	SPONSOR	A/R	DATE	DESCRIPTION
Witness: JOINT PARTIES				
JT-1	Eric E. Englert (PSE), Sandra M. Seig (PSE), Danielle O. Dixon (NWECC), Ann E. Gravatt (RNP) and Charles M. Eberdt (Energy Project)			Prefiled Direct Testimony
JT-2	Eric E. Englert (PSE), Sandra M. Seig (PSE), Danielle O. Dixon (NWECC), Ann E. Gravatt (RNP) and Charles M. Eberdt (Energy Project)			Prefiled Rebuttal Testimony
JT-3				Staff Response to PSE DR 1
JT-4				PSE Response to Staff DR 13
JT-5				PSE Response to Public Counsel DR 3
JT-6				PSE Response to Public Counsel DR 4
CROSS-EXAMINATION EXHIBITS				
JT-				Current version of PSE's Schedule 83 Electricity Conservation Service Source: pse.com
JT-				PSE Response to Staff Data Request 17
JT-				PSE Response to Staff Data Request 18 (supplemental response followed by original response)
JT-				PSE Response to Staff Data Request 19
				PSE Response to Staff Data Request 20 (supplemental response followed by original response)
				PSE Response to Staff Data Request 21
				PSE Response to Staff Data Request 23

WN U-60

Thirteenth Revision of Sheet No. 83
Canceling Twelfth Revision
of Sheet No. 83

PUGET SOUND ENERGY
Electric Tariff G

SCHEDULE 83
ELECTRICITY CONSERVATION SERVICE

1. PURPOSE:

To promote the efficient use of electrical energy by providing Customers with access to information, products and incentives which will assist them in making conservation/energy efficiency decisions and investments; also promote Fuel Conversion and Fuel Switching. Conservation/energy efficiency activities will be consistent with cost-effectiveness as defined by a Total Resource Cost Test. Company funding for services will be limited to cost-effectiveness defined by a Utility Cost Test using the Company's Energy Efficiency Cost Effectiveness Standard, also known as the Conservation Cost Effectiveness Standard. Individual programs are described under Schedules numbered between 200 and 299.

(N)

2. AVAILABILITY:

The programs described in Schedules numbered between 200 and 299 are available to Customers receiving their electrical service under Electric Tariff G from the Company, in facilities permanently located or under construction for permanent location in the Company's electric distribution service territory. The services are available to owners of these facilities and also may be provided to tenants who have obtained appropriate owner consent. Specific incentives may also be divided among manufacturers, distributors, contractors, vendors, retailers or other entities who provide equipment or services, install or facilitate the installation of approved Measures in facilities receiving Electric Service under the Company's Electric Tariff G.

(O)

Service provided under this schedule is limited to end-uses where electricity is the energy source and to Measures which increase efficiency in the use of electricity or that promote Fuel Conversion and Fuel Switching.

(N)

(N)

3. SOURCE OF FUNDING:

Schedule 120 of this tariff implements surcharges to collect all costs incurred in providing services, programs, other incentives or methods to encourage investments to be made in energy efficiency as described in Schedules numbered 200 through 299 of this tariff. Costs of services, programs and other incentives funded by Bonneville Power Administration (BPA) or other federal or state government programs, if available, will not be recovered through Schedule 120. Availability of all services, programs, rebates and other incentives offered in Schedules numbered 200 through 299 is subject to the availability of funding through Schedule 120. Additional sources of funding may be specified in individual Energy Efficiency Programs.

(C)

(N)(C)

(D)

4. DEFINITIONS:

Unless specifically indicated, the following terms when used in this schedule and in Energy Efficiency Schedules numbered between 200 and 299 shall have the meanings given below:

(T)

Issued: November 30, 2009
Advice No.: 2009-31

Effective: January 1, 2010

Issued By Puget Sound Energy

By:

Tom DeBoer

Tom DeBoer

Title: Director, Federal & State Regulatory Affairs

WN U-60

Twelfth Revision of Sheet No. 83-a
Canceling Eleventh Revision
of Sheet No. 83-a

PUGET SOUND ENERGY
Electric Tariff G

SCHEDULE 83
ELECTRICITY CONSERVATION SERVICE (Continued)

- a. **Avoided Cost**, also known by the terms Conservation Cost Effectiveness Standard or Energy Efficiency Cost Effectiveness Standard herein for conservation/energy efficiency activities and/or Measures is based on the market costs—projected by a power costing model—the Company would otherwise incur to provide energy and capacity from a generation source, either directly or indirectly or by contract plus credits for externalities and line losses and transmission/system distribution system benefits. (N)
- b. **Building Commissioning** is the process of verifying and documenting that the performance of building systems meets the design, intent, or the owner's current operational requirements. (T)
- c. **Conservation** means any reduction in electric power consumption that results from increases in the efficiency of energy use, production or distribution or from demand response, load management or efficiency measures that reduce peak capacity demand. Energy Efficiency Programs in this tariff are for the purpose of achieving Conservation. (T)
(N)
(N)
- d. **Energy Code** refers to the currently effective Washington State Energy Code, as amended, including amendments by local jurisdictions. (N)
(N)
- e. **Energy Efficiency Cost Effectiveness Standard** -- see Avoided Cost. (T)
- f. **Energy Efficiency Programs** are programs described in Schedules of this tariff numbered between 200 and 299. (T)
- g. **Environmental Attribute** is the quantifiable benefit to society associated with displacing electricity generation needs by employing the practice of energy efficiency/conservation. (T)
- h. **Force Majeure** means factors, events or conditions beyond the control of the Company that negatively impact customer participation in its Energy Efficiency Programs, such as, but not limited to, a local economic recession or natural disaster. (T)
- i. **Fuel Conversion and Fuel Switching** refer to the act of switching to the use of high efficiency equipment utilizing another fuel for the same end-use, such as the use of natural gas instead of electricity for space heating or water heating and using high efficiency natural gas equipment. For the purposes of this definition, high efficiency is in the Company's sole judgment and means equipment that exceeds the minimum efficiency required by code, where such equipment is feasible and available. (N)
|
|
|
|
(N)
(K)
- j. **Incremental Measure Cost** is the incremental cost of an electricity efficient Measure in excess of the cost of a Measure required to satisfy existing codes or conform with existing construction practices. (T)
|
|
(K)

(K) Transferred to Sheet No. 83-b

Issued: November 30, 2009

Effective: January 1, 2010

Advice No.: 2009-31

Issued By Puget Sound Energy

By:

Tam DeBoer

Tom DeBoer

Title: Director, Federal & State Regulatory Affairs

WN U-60

Eleventh Revision of Sheet No. 83-b
Canceling Tenth Revision
of Sheet No. 83-b

PUGET SOUND ENERGY
Electric Tariff G

SCHEDULE 83
ELECTRICITY CONSERVATION SERVICE (Continued)

- k. **Low Income** means those residential households served by the Company that meet income and other requirements that are published in the current U.S. Department of Energy – Washington State Low-Income Weatherization Assistance Plan prepared by the Washington State Department of Commerce (“Commerce”). (M)(T)
|
|
(M)(C)
- l. **Market Transformation** means effecting permanent changes in the markets for targeted, cost-effective, energy efficiency products and services that will result in sustainable market penetration, without the need for long-term utility incentives. Market Transformation is a temporary market intervention with a clear expectation that involvement will end. (T)
- m. **Measure** is a product, device, piece of equipment, system or building design or operational practice used to achieve greater energy efficiency or to promote Fuel Conversion and Fuel Switching. Unless otherwise enumerated in a specific Energy Efficiency Program, all Measures, proposed by Customers or otherwise, shall meet or exceed the efficiency standards set forth in the applicable energy codes, or, where none exists, “standard industry practice” as determined by the Company. Measures will meet common construction practices, and meet industry standards for quality and energy efficiency. (T)
(N)
(N)
- n. **Measure Cost** is the known and measurable costs to all parties of purchasing and installing an energy-efficiency Measure at a Customer’s facility, not to include the Company’s administrative costs. (T)
- o. **Measure Life** is the expected life (in years) of the savings of a Measure. (T)(C)
- p. **Non-quantifiable Benefits (or Costs):** Benefits (or costs) of undertaking energy efficiency improvements, as determined by society and the utility. Benefits (or costs) may include, but are not limited to: legislative or regulatory mandates, support for regional Market Transformation programs, low income health and safety, low income energy efficiency or experimental and pilot programs. The Company may use these Non-quantifiable Benefits (or Costs) to demonstrate cost-effectiveness based on the Total Resource Cost Test. (T)
- q. **Northwest Energy Efficiency Alliance (NEEA):** A nonprofit corporation funded by the Company plus other investor and publicly owned utilities in the Northwest region, and BPA. NEEA is governed by a board, on which Puget Sound Energy has the right to appoint one member. (T)
(T)
- r. **Optimization** refers to improving the energy efficiency performance of equipment in existing buildings and in existing processes, typically through low-cost operational and maintenance strategies. (D)(N)
| |
(D)(N)
(K)
|
|
(K)

(M) Transferred from Sheet No. 83-a, (K) Transferred to Sheet No. 83-c

Issued: November 30, 2009

Effective: January 1, 2010

Advice No.: 2009-31

Issued By Puget Sound Energy

By:

Tam DeBoer

Tom DeBoer

Title: Director, Federal & State Regulatory Affairs

PUGET SOUND ENERGY
Electric Tariff G**SCHEDULE 83**
ELECTRICITY CONSERVATION SERVICE
(Continued)

- s. **Performance Basis** refers to the Company determining energy savings through direct measurement of energy usage and/or the use of efficiency indicators. (N)
(N)
- t. **Prescriptive Basis** refers to the Company using a standard energy savings amount for a Measure rather than individually calculating energy savings for each specific installation. Prescriptive Basis rebates and incentives are funding levels set at a standard amount based on Prescriptive Basis energy savings. (M)(T)
|
(M)
- u. **Process Efficiency Improvement** refers to operational and/or equipment changes to improve the energy efficiency of industrial and commercial processes, not including building lighting, comfort conditioning or retail refrigeration. (N)
- v. **Quantifiable Benefits (or Costs)**: Non-energy benefits of undertaking energy efficiency improvements, as determined by society or the utility. Benefits (or Costs) may include, but are not limited to: water usage savings or maintenance savings that may be quantified in dollar value. The Company may use these Quantifiable Benefits (or Costs) to demonstrate cost-effectiveness based on the Total Resource Cost Test. (K)
- w. **Reporting Rights** is the right to report the ownership of accrued and accumulated Environmental Attributes and energy savings to any agency, authority or other party, without limitation, or under any past, present or future international, foreign, federal, state or local government or voluntary regulation or trading program, exclusive ownership of the Environmental Attributes. (N)
- x. **Simple Payback** is the estimated installed cost of the energy efficiency Measure divided by the estimated annual dollar savings to the Customer from the Measure. (T)
- y. **Site-Specific Basis** refers to the Company calculating energy savings using the engineering savings determined for each site. (T)
- z. **Total Resource Cost** is the cost to the Customer and/or other party costs to install or have installed approved Measures plus Utility Costs and minus Quantifiable Benefits (or Costs). (T)
(C)
- (K)

(M) Transferred from Sheet No. 83-b, (K) Transferred to Sheet No. 83-d

Issued: November 30, 2009

Effective: January 1, 2010

Advice No.: 2009-31

Issued By Puget Sound Energy

By:

Tam DeBoer

Tom DeBoer

Title: Director, Federal & State Regulatory Affairs

WN U-60

Sixteenth Revision of Sheet No. 83-d
Canceling Fifteenth Revision
of Sheet No. 83-d

PUGET SOUND ENERGY
Electric Tariff G

SCHEDULE 83
ELECTRICITY CONSERVATION SERVICE
(Continued)

- aa. **Total Resource Cost Test** is a cost-effectiveness calculation which demonstrates that the total benefits, including electricity, natural gas, and other savings benefits (assessed using the Energy Efficiency Cost Effectiveness Standard for electricity and natural gas), exceed total costs including those incurred by the utility, the Customer, and any other contributing party. The benefits and costs not directly associated with electrical energy efficiency in this calculation may fall under Non-quantifiable Benefits (or Costs) or Quantifiable Benefits (or Costs) as defined above. Where there are a significant amount of Non-quantifiable Benefits (or Costs), then Total Resource Cost may be up to 150 percent of Energy Efficiency Cost Effectiveness Standard, with a Total Resource Cost benefit/cost ratio of 0.667 or greater. (M) (T)
- bb. **Utility Cost** is the Company's costs of administering programs including, but not limited to, costs associated with incentives, audits, analysis, technical review, and funding specific to the Measure or program and evaluation. (T) (N)
- cc. **Utility Cost Test (UTC)** is a cost-effectiveness calculation which demonstrates that the utility energy savings benefits, assessed using the Energy Efficiency Cost Effectiveness Standard, exceed the Utility Cost. (T)
5. **DESCRIPTION OF SERVICES:**
The Company will provide energy efficiency services in conjunction with individual programs described in Energy Efficiency Schedules numbered between 200 and 299. These services include, but are not limited to the following:
- a. Information, education and training in energy efficiency technologies or practices to encourage undertaking of cost-effective energy efficiency activities and investments. (M)
- b. Incentive application forms and program descriptions.
- c. Analyses, outlined in Section 6 of this Schedule, to identify energy efficiency Measures and opportunities. (D)
- d. Services to facilitate the procurement of energy efficiency Measures, and the adoption of energy efficient practices, including facilitation of access to financing for purchase of Measures. Referrals to private sector designers, contractors, and installers will also be provided where appropriate. (K)
- e. Funding to encourage the installation of cost-effective Measures where appropriate.
- f. Market Transformation activities that will result in cost-effective and durable market penetration in the Company's distribution service territory, as well as in the Northwest. Cost effectiveness of Market Transformation activities depends heavily on projections of future energy savings impacts in the market. (K)

(M) Transferred from Sheet No. 83-c, (K) Transferred to Sheet No. 83-e

Issued: November 30, 2009

Effective: January 1, 2010

Advice No.: 2009-31

Issued By Puget Sound Energy

By:

Tom DeBoer

Tom DeBoer

Title: Director, Federal & State Regulatory Affairs

First Revision of Sheet No. 83-e
Canceling Original
Sheet No. 83-e

WN U-60

PUGET SOUND ENERGY
Electric Tariff G

SCHEDULE 83
ELECTRICITY CONSERVATION SERVICE
(Continued)

g. Efficiency services for special classes of Customers, including Low Income Customers and school-age students. (M)

h. Pilot projects to test new products, technologies, program delivery methods, electric conversion to natural gas, on-site generation of electricity, distribution system benefits or Customer acceptance. (N)

i. Reporting and evaluation of the effectiveness of services provided, including participation in the development of regional evaluation protocols. (M)

6. ANALYSES:

Unless otherwise specified in applicable Energy Efficiency Programs, the Company will use energy savings estimates based on analyses using standard engineering techniques, regionally accepted standards, historical energy use, current operations, existing equipment, Customer input and Measures implemented. The Company reserves the right to modify Customer, owner, tenant or third party energy savings estimates.

For retrofit Measures, energy savings estimates will use the efficiency of the existing product, device, piece of equipment, system or building design, or operational practice to determine baseline energy use. (C)

For incremental Measures, energy savings estimates will use Energy code requirements or, where no such code exists, standard industry practice as determined by the Company to determine minimum baseline energy use. (C)

Measure savings used by the Company are based on, but not limited to:

- a. Company-approved Prescriptive Basis Measure savings estimates, (C)
- b. Energy savings analyses performed on a Site-Specific Basis using Company-approved engineering analysis methods, (C)
- c. Company-approved Performance Basis methods. (K)

7. MEASURES:

In addition to meeting the definition of Measure in Section 4, a Measure must reasonably be expected to satisfy the Total Resource Cost Test and the Utility Cost Test. The Company may, at its sole discretion, review and implement Customer-proposed Measures that meet all Measure evaluation criteria. The Company may, at its sole discretion, provide payments, funding or other remuneration that may be less than the maximum allowed under the Energy Efficiency Cost Effectiveness Standard, based on market conditions and/or available funding. (T)

(K)

(M) Transferred from Sheet No. 83-d

(K) Transferred to Sheet No. 83-f

Issued: November 30, 2009

Effective: January 1, 2010

Advice No.: 2009-31

Issued By Puget Sound Energy

By:

Tam DeBoer

Tom DeBoer

Title: Director, Federal & State Regulatory Affairs

WN U-60

First Revision of Sheet No. 83-f
Canceling Original
Sheet No. 83-f

PUGET SOUND ENERGY
Electric Tariff G

SCHEDULE 83
ELECTRICITY CONSERVATION SERVICE
(Continued)

8. **ENVIRONMENTAL ATTRIBUTES OWNERSHIP:** (M)
Environmental Attributes, Reporting Rights, as well as the Energy savings associated with these (N)
Conservation/energy efficiency Measures installed under the Company's Energy Efficiency (D)
Programs will accrue to the ownership and beneficial use of the Company. (D)
9. **SPECIAL CONDITIONS:**
a. Low Income: Low Income Customers are qualified by government agencies, using federal (M)
low income guidelines. Approved Low Income agencies may receive Measure funding equal (N)
to the lesser of one hundred percent (100%) of the Measure Cost or the value that will result (D)
in a Total Resource Cost Benefit/Cost ratio of a minimum of 0.667. Funding is in accordance (D)
with funding described in Electric Energy Efficiency Schedule 201. (M)
- b. Regional Market Transformation: Northwest regional programs include projects aimed at
advancing new promising technologies or changes to standards, codes and practices, which
are anticipated to be cost-effective from a Total Resource Cost Test perspective over time.
The NEEA Board recognizes, and acknowledges risks associated with determining cost-
effectiveness in undertaking these long-range, Market Transformation activities.
- c. Pilot Programs/Demonstrations Projects: Pilot programs and demonstration projects may be
undertaken to determine whether certain strategies and Measures are cost-effective over an
extended period of time. Pilots are employed to test cost-effective ways to demonstrate
market opportunities for energy efficiency. Pilots may include tests of Measure Cost and (K)
performance, Customer acceptance or delivery methods. Pilots are not subject to achieving
energy savings sufficient to demonstrate cost-effectiveness in the short term.
10. **EXPENDITURES:** (C)
For years 2010 through 2011, the Company has budgeted \$164.08 million to implement and (C)
effect residential and commercial/industrial cost-effective energy efficiency
Measures/Conservation initiatives to achieve electricity Conservation objectives mutually agreed
to by the Company and the Conservation Resource Advisory Group (CRAG).

In addition, during the years 2010 through 2011, the amount of \$1.55 million is budgeted for (C)
Schedule 249A Demand Response Pilot Programs, and \$1.18 million for Schedule 248 Small (C)
Scale Renewable Electricity Generation and Schedule 150 Net Metering Programs. (K)

(M) Transferred from Sheet No. 83-e

(K) Transferred to Sheet No. 83-g

Issued: November 30, 2009

Effective: January 1, 2010

Advice No.: 2009-31

Issued By Puget Sound Energy

By:

Tom DeBoer

Tom DeBoer

Title: Director, Federal & State Regulatory Affairs

First Revision Sheet No. 83-g
Canceling Original
Sheet No. 83-g

WN U-60

PUGET SOUND ENERGY
Electric Tariff G

SCHEDULE 83
ELECTRICITY CONSERVATION SERVICE
(Continued)

11. TERMINATION:

Programs under this tariff will terminate

- a. when any of the following or similar conditions exist or arise, with 30 days written notice to the CRAG:
 - Regional economic downturn, resulting in the cancellation of all or a portion of energy efficiency projects,
 - Force Majeure, such as events affecting the environment, regional economy, infrastructure, etc.,
 - Lack of Customer participation due to either of the above or other conditions beyond the Company's influence
 - Lack of qualified contractors to install approved Measures
 - The Company has achieved significant market penetration.
- b. when a service is no longer cost effective; or
- c. December 31, 2011,

whichever comes first. However, commitments entered into prior to termination will be honored.

(M)

(C)
(M)

12. GENERAL RULES AND PROVISIONS:

Service under this schedule is subject to the General Rules and Provisions contained in this tariff.

(M) Transferred from Sheet No. 83-f

Issued: November 30, 2009

Effective: January 1, 2010

Advice No.: 2009-31

Issued By Puget Sound Energy

By:

Tan DeBoer

Tom DeBoer

Title: Director, Federal & State Regulatory Affairs

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Docket No. UE-070725

**Amended Petition of Puget Sound Energy, Inc. For an Order Authorizing
the Use of the Proceeds from the Sale of RECs and CFIs**

WUTC STAFF DATA REQUEST NO. 017

WUTC STAFF DATA REQUEST NO. 017:

1. Has PSE ever considered any of the following in analyzing the cost-effectiveness of any energy efficiency program or energy efficiency measure provided by PSE pursuant to any PSE electricity tariff ever on file at the UTC? (Please construe "energy efficiency measure" and "energy efficiency program" broadly, as well as including the proposed low income programs in this docket):
 - a) Preservation of the affordable housing stock;
 - b) Expanding the capacity of low income agencies to install the measure;
 - c) Developing a skilled support network for placing the measures in low income houses;¹
 - d) Having the measure available to all economic strata;²
 - e) Putting people to work right away installing the measure;
 - f) Enhancing the work of providers who are implementing the federal Department of Energy's Weatherization Assistance Program (WAP).

Please respond separately as to each item. If your answer is in the affirmative, please: (i) state all facts supporting your answer; (ii) identify all documents that you rely on and all documents that support your answer; (iii) produce all documents identified in (ii); (iv) identify any provision in Title 80 that PSE understands permits PSE to consider such a factor (item (iv) asks for PSE's understanding, not its legal conclusion); and (v) provide a narrative explaining how the factor was considered. If any responsive document is not responsive in its entirety, please identify the responsive portion.

2. If your response to Part 1 indicates that PSE considered any of these factors in the cost-effectiveness analysis of the proposed low income programs in this docket, please provide a cost-effectiveness analysis of those programs excluding consideration of any such factor.

¹ Joint Testimony Direct, Exhibit Joint 1-T at 10:7.

² Joint Testimony Direct, Exhibit Joint 1-T at 18:20-21.

Response:

Puget Sound Energy, Inc. has not considered the specific items listed in WUTC Staff Data Request No. 017 a) through f); however, the Joint Parties believe that items in WUTC Staff Data Request No. 017 a) through f) fall within the definition of Non-quantifiable Benefits (and Costs) and may be taken into consideration when a party proposes a program with a total resource cost ("TRC") benefit-cost ratio of less than one. Under the TRC test, a program's benefit-cost ratio may be as low as 0.667 if there are significant Non-quantifiable Benefits (and Costs) associated with the program. In the past this TRC provision has been used with Commission approval for Puget Sound Energy, Inc.'s Low Income Weatherization Program. Consideration of these items may or may not result in a net benefit.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Docket No. UE-070725

**Amended Petition of Puget Sound Energy, Inc. For an Order Authorizing
the Use of the Proceeds from the Sale of RECs and CFIs**

WUTC STAFF DATA REQUEST NO. 018

WUTC STAFF DATA REQUEST NO. 018:

Does PSE believe it is appropriate to consider any of the following in analyzing the cost-effectiveness of any Commission-approved energy efficiency program or energy efficiency measure provided by PSE under its tariff? (Please construe "energy efficiency measure" and energy efficiency program" broadly):

- a) Preservation of the affordable housing stock;
- b) Expanding the capacity of low income agencies to install the measure;
- c) Developing a skilled support network for placing the measures in low income houses;
- d) Having the measure available to all economic strata;
- e) Putting people to work right away installing the measure;
- f) Enhancing the work of providers who are implementing the federal Department of Energy's Weatherization Assistance Program (WAP).

If your answer is in the affirmative to any of the above listed items, for each such item, please: (i) state all facts supporting your answer; (ii) identify all documents that you rely on and all documents that support your answer; (iii) produce all documents identified in (ii); and (iv) identify any provision in Title 80 and/or any other statute that PSE understands permits PSE to consider such a factor (item (iv) asks for PSE's understanding, not its legal conclusion). If any responsive document is not responsive in its entirety, please identify the responsive portion.

First Supplemental Response:

Please see Puget Sound Energy, Inc.'s ("PSE") Response to WUTC Staff Data Request No. 017 for information regarding non-quantifiable benefits.

PSE has not undertaken an exhaustive review of statutes to determine whether or not the items listed are specifically authorized or prohibited by statute. However, Commission-approved PSE Electric Schedule 83 allows for the consideration of Non-Quantifiable Benefits (or Costs) as well as Quantifiable Benefits (or Costs).

PSE's First Supplemental Response to WUTC Staff Data Request No. 018

Page 1

Date of First Supplemental Response: March 2, 2010

Person who Prepared the Response: Eric E. Englert; Sandra M. Sieg, Charles M. Eberdt, Danielle O. Dixon, Ann E. Gravatt

Witness Knowledgeable About the Response: Eric E. Englert; Sandra M. Sieg, Charles M. Eberdt, Danielle O. Dixon, Ann E. Gravatt

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Docket No. UE-070725

**Amended Petition of Puget Sound Energy, Inc. For an Order Authorizing
the Use of the Proceeds from the Sale of RECs and CFIs**

WUTC STAFF DATA REQUEST NO. 018

WUTC STAFF DATA REQUEST NO. 018:

Does PSE believe it is appropriate to consider any of the following in analyzing the cost-effectiveness of any Commission-approved energy efficiency program or energy efficiency measure provided by PSE under its tariff? (Please construe "energy efficiency measure" and energy efficiency program" broadly):

- a) Preservation of the affordable housing stock;
- b) Expanding the capacity of low income agencies to install the measure;
- c) Developing a skilled support network for placing the measures in low income houses;
- d) Having the measure available to all economic strata;
- e) Putting people to work right away installing the measure;
- f) Enhancing the work of providers who are implementing the federal Department of Energy's Weatherization Assistance Program (WAP).

If your answer is in the affirmative to any of the above listed items, for each such item, please: (i) state all facts supporting your answer; (ii) identify all documents that you rely on and all documents that support your answer; (iii) produce all documents identified in (ii); and (iv) identify any provision in Title 80 and/or any other statute that PSE understands permits PSE to consider such a factor (item (iv) asks for PSE's understanding, not its legal conclusion). If any responsive document is not responsive in its entirety, please identify the responsive portion.

Response:

Please see Puget Sound Energy, Inc.'s Response to WUTC Staff Data Request No. 017 for information regarding non-quantifiable benefits.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Docket No. UE-070725

**Amended Petition of Puget Sound Energy, Inc. For an Order Authorizing
the Use of the Proceeds from the Sale of RECs and CFIs**

WUTC STAFF DATA REQUEST NO. 019

WUTC STAFF DATA REQUEST NO. 019:

If any of the following will result from the new low income programs PSE describes in its Amended Petition (and which PSE describes and proposes in its direct testimony in this docket (Exhibit Joint 1-T and Exhibit TAD-1T)), please quantify the impacts of each, and indicate how it affects the cost-effectiveness evaluation:

- a) bill savings
- b) more efficient use of the electric distribution system
- c) more efficient use of generation resources
- d) reduction in peak capacity demand
- e) improved system reliability
- f) grid benefits
- g) reduced uncollectibles

In your response, please state the situation before the proposed low income programs, and then compare that to the scenario where the new programs are fully implemented. For example, assume the new programs will reduce peak capacity demand. In addition to a quantification of the cost of this factor in dollar terms, and the cost benefit of this factor in dollar terms, your response should include a quantification of the peak capacity demand before the low income programs, and then a quantification of what that peak capacity demand will be assuming the proposed low income programs are fully implemented. We wish to consider the impact of the proposed programs on each of the foregoing elements.

Response:

Items described in WUTC Staff Data Request No. 019 b) through f) are already considered and accounted for in the EES (Conservation) Electric Cost Effectiveness Standard. Items described in WUTC Staff Data Request No. 019 a) and g) may be appropriate Non-quantifiable Benefits (or Costs) for consideration in a cost effectiveness test.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Docket No. UE-070725

**Amended Petition of Puget Sound Energy, Inc. For an Order Authorizing
the Use of the Proceeds from the Sale of RECs and CFIs**

WUTC STAFF DATA REQUEST NO. 020

WUTC STAFF DATA REQUEST NO. 020:

- a) Does PSE understand that RCW 19.285.040(1) requires PSE to “pursue all available conservation that is cost-effective, reliable, and feasible?” If your answer is negative, please so indicate, explain the basis for your response, and skip part b).
- b) Pursuant to the mandate identified in part a) above, and outside the context of this case, is PSE pursuing the measures and other aspects of the low income programs PSE is proposing in this docket?
1. If PSE is pursuing some but not others, please be specific as to what PSE is pursuing and what PSE is not pursuing, and why.
 2. If PSE believes it has not had time to “ramp up” these programs, or any part thereof, please explain why that is the case, given that the above statute was effective December 7, 2006, with the first implementation January 2010.
 3. If PSE is not pursuing either of the new programs under the above mandate, please fully explain each reason why PSE is not doing so.

Please produce each document referred to in your response to this data request, and each document you reviewed and/or prepared in formulating your response. If it is not self-evident how the document applies, please explain how it applies.

First Supplemental Response:

In response to subpart (a): Puget Sound Energy, Inc. (“PSE”) objects to WUTC Staff Data Request No. 020 insofar that it calls for a legal conclusion. Without waiving these objections, and subject thereto, PSE responds as follows: the terms of RCW 19.285.040(1) and WAC 480-109-010(4)(c) speak for themselves.

In response to subpart (b): Puget Sound Energy, Inc. (“PSE”) objects to WUTC Staff Data Request No. 020 as neither relevant to the matters in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence because it is outside the scope of the issues in this docket and is the subject of another proceeding

or proceedings currently pending before the Commission. Without waiving these objections, and subject thereto, PSE responds as follows:

PSE has a number of pending filings before the Commission that will dictate the scope of PSE's conservation programs. PSE is planning to pursue all Commission-approved conservation programs the Commission allowed go into effect on December 23, 2009, to the levels that the Commission approves cost recovery of those programs and also approves a biennial conservation target pursuant to WAC 480-109-010(4)(c). Until the Commission issues orders in both Docket No. UE-100177 and in the yet to be filed Schedule 120 annual true-up, PSE is not able to respond to this data request.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Docket No. UE-070725

**Amended Petition of Puget Sound Energy, Inc. For an Order Authorizing
the Use of the Proceeds from the Sale of RECs and CFIs**

WUTC STAFF DATA REQUEST NO. 020

WUTC STAFF DATA REQUEST NO. 020:

- a) Does PSE understand that RCW 19.285.040(1) requires PSE to “pursue all available conservation that is cost-effective, reliable, and feasible?” If your answer is negative, please so indicate, explain the basis for your response, and skip part b).
- b) Pursuant to the mandate identified in part a) above, and outside the context of this case, is PSE pursuing the measures and other aspects of the low income programs PSE is proposing in this docket?
 - 1. If PSE is pursuing some but not others, please be specific as to what PSE is pursuing and what PSE is not pursuing, and why.
 - 2. If PSE believes it has not had time to “ramp up” these programs, or any part thereof, please explain why that is the case, given that the above statute was effective December 7, 2006, with the first implementation January 2010.
 - 3. If PSE is not pursuing either of the new programs under the above mandate, please fully explain each reason why PSE is not doing so.

Please produce each document referred to in your response to this data request, and each document you reviewed and/or prepared in formulating your response. If it is not self-evident how the document applies, please explain how it applies.

Response:

Puget Sound Energy, Inc. (“PSE”) objects to WUTC Staff Data Request No. 020 insofar that it calls for a legal conclusion. PSE further objects to WUTC Staff Data Request No. 020 as neither relevant to the matters in this proceeding nor reasonably calculated to lead to the discovery of admissible evidence because it is outside the scope of the issues in this docket and is the subject of another proceeding currently pending before the Commission. Without waiving these objections, and subject thereto, PSE responds as follows:

- a) The Commission adopted Chapter 480-109 WAC to establish rules that electric utilities would use to comply with Chapter 19.285 RCW. WAC 480-109-010(4)(c) states that the Commission will determine whether to approve, approve with conditions, or reject the utility's ten-year achievable conservation potential and biennial conservation target.
- b) PSE is planning to implement all Commission-approved conservation programs the Commission allowed go into effect on December 23, 2009, to the levels that the Commission approves cost recovery of those programs and also approves a biennial conservation target pursuant to WAC 480-109-010(4)(c).

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket No. UE-070725
Amended Petition of Puget Sound Energy, Inc. For an Order Authorizing
the Use of the Proceeds from the Sale of RECs and CFIs**

WUTC STAFF DATA REQUEST NO. 021

WUTC STAFF DATA REQUEST NO. 021:

Does PSE believe that low income customers of PSE pay more in rates reflecting the costs of the PSE resources that generate the RECs and CFIs that are the subject of this docket than any other PSE customer in the residential class that uses the same amount of electricity?

If your answer is in the affirmative, please: (i) state all facts supporting your answer; (ii) identify all documents that you rely on and all documents that support your answer; and (iii) produce all documents identified in (ii). If any responsive document is not responsive in its entirety, please identify the responsive portion.

Response:

Puget Sound Energy, Inc. ("PSE") believes that all residential customers are billed under Commission-approved standard tariff schedules for the electric service they receive. PSE does not believe that low-income residential customers are billed any more or any less for electric service than any other residential customer. However, low-income households face a higher energy burden than other residential customers because they generally pay a higher percentage of their income to meet their energy needs.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket No. UE-070725
Amended Petition of Puget Sound Energy, Inc. For an Order Authorizing
the Use of the Proceeds from the Sale of RECs and CFIs**

WUTC STAFF DATA REQUEST NO. 023

WUTC STAFF DATA REQUEST NO. 023:

Assume PSE did not defer the REC and CFI revenues at issue in this docket, and assume that such revenues are not the subject of any UTC accounting order. Please describe the accounting entries (naming the associated accounts) that PSE would use to book the REC and CFI revenues.

Response:

Assuming that such revenue are not the subject of any UTC accounting order, and further assuming that Puget Sound Energy, Inc. ("PSE") had no claim for a part of these revenues in settlement of the California Receivable litigation, PSE would credit account 456, Other Electric Revenues. The entry would be to credit account 456 and charge account 143, Other Accounts Receivable if the plant were in-service. If the plant was generating test energy prior to being in-service, the credit would go to account 107, Construction work in progress to offset construction costs of the plant.