

Fourth Revision of Sheet No. 83-g
Canceling Third Revision of
Sheet No. 83-g

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**PUGET SOUND ENERGY
Electric Tariff G**

**SCHEDULE 83
ELECTRICITY CONSERVATION SERVICE
(Continued)**

10. EXPENDITURES:

For years 2012 through 2013, the Company has budgeted \$193.38 million to implement and effect residential and commercial/industrial cost-effective energy efficiency Measures and 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 2012 through 2013, the amount of \$0.08 million is budgeted for Schedule 249A Demand Response Pilot Programs, and \$0.93 million for Schedule 248 Small Scale Renewable Electricity Generation and Schedule 150 Net Metering Programs.

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 program is no longer cost effective; or
- c. December 31, 2013, whichever comes first. However, commitments entered into prior to termination will be honored and Schedule 258 will continue through December 31, 2014.

12. CUSTOMERS WHO CHANGE PROVIDER OF ELECTRIC SERVICE:

Customers who have received funding from PSE for a Conservation Measure or Measures who, after receipt of such funding, have all or a portion of the electricity provided by a party other than PSE and thereby no longer contribute to the recovery of costs of Energy Efficiency Programs, except for amounts less than \$100, shall be obligated to refund to PSE, by the due date of PSE's invoice for such refund, an amount equal to the ratio of the unused Measure Life of the Measure to the total Measure Life of the Measure multiplied by the dollar amount of the Conservation funding provided by PSE, for each Measure. The Customer will have the option to enter into an installment plan when amounts owing are greater than \$3,000. Terms of the installment plan will allow the Customer to repay over a period not to exceed 10 years, with a minimum monthly payment of not less than \$250. The monthly installment will be based on a simple annuity calculation, or the minimum monthly installment of \$250, and will include interest at the Company's after tax overall authorized rate of return grossed up for taxes at the time the installment plan is established.

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(K) Transferred to Sheet No. 83-h

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By: Tom DeBoer Tom DeBoer

Title: Director, Federal & State Regulatory Affairs

**PUGET SOUND ENERGY
Electric Tariff G**

**SCHEDULE 83
ELECTRICITY CONSERVATION SERVICE
(Continued)**

12. CUSTOMERS WHO CHANGE PROVIDER OF ELECTRIC SERVICE (Continued):

(N)

The calculation methodology for the interest rate is described below. All funds paid by Customers as repayment of conservation funding and interest will be credited against the Schedule 120, Electricity Conservation Service Rider account.

The after tax overall authorized rate of return grossed up for taxes shall be calculated as follows: the components of the overall rate of return most recently approved by the state Utilities and Transportation Commission that include the effect of federal income tax are multiplied by 0.65 which when all components are added result in the after tax overall authorized rate of return. The after tax overall authorized rate of return is then divided by 0.65 to yield the after tax overall authorized rate of return grossed up for taxes. For example, the current authorized overall rate of return approved in Docket No. UE-090704 is 8.10%, the after tax overall authorized rate of return is 6.90% which is divided by 0.65 to yield an after tax overall authorized rate of return grossed up for taxes of 10.62%.

This example is shown in detail below:

LINE NO.	DESCRIPTION	PRO FORMA CAPITAL %	COST %	COST OF CAPITAL
1	SHORT TERM DEBT	3.95%	2.47%	0.10%
2	LONG TERM DEBT	50.05%	6.70%	3.35%
3	PREFERRED	0.00%	0.00%	0.00%
4	EQUITY	46.00%	10.10%	4.65%
5	TOTAL	100.00%		8.10%
6				
7	AFTER TAX SHORT TERM DEBT ((LINE 1)* 65%)	3.95%	1.61%	0.07%
8	AFTER TAX LONG TERM DEBT ((LINE 2)* 65%)	50.05%	4.36%	2.18%
9	PREFERRED	0.00%	0.00%	0.00%
10	EQUITY	46.00%	10.10%	4.65%
11	TOTAL AFTER TAX COST OF CAPITAL	100.00%		6.90%
12				
13				
14	TOTAL AFTER TAX COST OF CAPITAL GROSSED UP FOR TAXES (LINE 11 ÷ 65%)			10.62%

(N)

13. GENERAL RULES AND PROVISIONS:

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

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