



November 1, 2013

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

**RE: Advice No. 2013-26  
 Electric Tariff Filing – Filed Electronically**

Dear Mr. King:

Pursuant to RCW 80.28.060 and Chapter 480-80 WAC, please find enclosed for filing the following proposed revisions to the WN U-60, Tariff G for electric service of Puget Sound Energy, Inc. (the “Company” or “PSE”):

**WN U-60, Tariff G, Electric Service:**

15 <sup>th</sup> Revision	Sheet No. 83	Electricity Conservation Service
13 <sup>th</sup> Revision	Sheet No. 83-A	Electricity Conservation Service (Continued)
4 <sup>th</sup> Revision	Sheet No. 83-E	Electricity Conservation Service (Continued)
5 <sup>th</sup> Revision	Sheet No. 83-G	Electricity Conservation Service (Continued)

**Electricity Energy Efficiency Programs:**

6 <sup>th</sup> Revision	Sheet No. 253	Resource Conservation Management Program
7 <sup>th</sup> Revision	Sheet No. 253-A	Resource Conservation Management Program (Continued)
1 <sup>st</sup> Revision	Sheet No. 292-A	Company-Owned or Operated Facilities (Cont.)

The purpose of this filing and the contemporaneous natural gas filing is to provide for continuation and expansion of PSE’s cost-effective, reliable and feasible natural gas and electric conservation programs. These programs and schedules are set to expire on December 31, 2013. This filing is necessary for the Company to continue acquisition of conservation resources and delivery of conservation services to its customers and to provide for certain changes and enhancements to program offerings.

This filing proposes that the date that electricity conservation programs expire be extended from December 31, 2013, to December 31, 2015. It should be noted that electric service rates are not affected by this filing, since the filing does not include any requested change in the Electricity Conservation Service Rider. That filing will be made on approximately February 28, 2014.

In addition to extending the termination date and updating the funding amounts for all conservation programs, this filing includes (i) a revising and renaming of the Resource Conservation Management Program (Schedule 253), (ii) an update to Schedule 83 that deems all customers to be subscribing to all conservation services offered by the Company, and (iii) updates to Schedule 292, Company-Owned or Operated Facilities to include initiatives such as conservation voltage reduction (“CVR”) as required part (f) of paragraph 37 of Order 01 in Docket UE-111881 and other cost-effective conservation

programs for Company-owned or operated facilities. As originally proposed in 2011, Schedule 292 retains the limitation for pursuing conservation in the Company's production and distribution facilities to the state of Washington.

PSE believes that its proposed changes to its tariff that would allow recovery of costs<sup>1</sup> through Schedule 120 associated with contractors performing phase balancing or CVR work when PSE line workers are not available, is fully consistent with the law, the current tariff schedule, and the Commission's previous order relating to Schedule 120.

**CVR meets the statutory definition of Conservation**

CVR is a distribution efficiency that is designed to reduce power consumption, and customers benefit from this conservation measure, although the measure is undertaken by the utility. Distribution efficiencies that reduce consumption fall within the statutory definition of conservation in the Energy Independence Act ("EIA"). "Conservation" means any reduction in electric power consumption resulting from increases in the efficiency of energy use, production, or distribution." RCW 19.285.030(5). The majority of conservation savings occur on the customer side of the meter. All customers, not just PSE, will benefit from the savings, just like any other conservation program.

**CVR is already defined as Conservation program in Schedule 292**

By its current inclusion in Schedule 292, the Commission has already approved and recognized CVR as Conservation measure in Schedule 292. It is also noteworthy that the title of that Schedule recognizes that these programs and measures are "Company-owned or Operated" facilities.

**The Commission's previous Order broadly authorizes cost recovery for "PSE's commitment to conservation"**

The language in the Commission's May 19, 1997 Order in Docket UE-970686 broadly authorizes recovery of conservation expenditures: "PSE shall implement an electric tariff rider, Schedule 120, for recovery of electricity conservation expenditures." The order points to the 1996 merger stipulation, approved by the Commission in Docket UE-951270, which also broadly authorized recovery of conservation expenditures, including expenditures resulting from PSE's commitment to conservation: "Electric conservation expenditures after December 31, 1996 (including those expenditures resulting from PSE's commitment to conservation or public purposes funding under the Comprehensive Regional Review) will be subject to recovery through an alternative recovery mechanism to be proposed by PSE in a separate filing subsequent to merger approval." There is nothing in the Commission order in Docket UE-970686 that expressly prohibits the recovery of certain CVR costs in Schedule 120, given the broad language to allow recovery of electric conservation expenditures through Schedule 120.

Given that CVR meets the statutory definition of Conservation, and that this Commission has approved and recognized CVR as a Conservation program/measure, and that the previous Commission Order on Conservation cost recovery broadly covers all of PSE's commitments to conservation, PSE believes it is appropriate to have clearly defined, limited costs of the CVR program recovered through the Schedule 120 mechanism.

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<sup>1</sup> The revised tariff would also allow recovery through Schedule 120 of measurement assessment, preparation of savings estimates, preparation of cost effectiveness calculations, and verification, tracking and reporting, etc., associated with CVR.

The Company and the Conservation Resource Advisory Group (CRAG) have met regularly throughout 2013 to share and discuss plans for energy efficiency programs, budgets and goals for 2013 through 2014. In developing these programs, the Company and the CRAG considered the energy efficiency resource potential identified in the Company's filed 2013 Integrated Resource Plan, as well as individual program cost effectiveness and market conditions. This collaborative process resulted in establishing a portfolio of cost-effective, reliable and feasible electric and natural gas conservation programs for 2013-2014. The electric programs are consistent with the biennial conservation target filed (under separate cover) by the Company in compliance with RCW 19.285.041(1)(b) and WAC 480-109-010(3). The Company's Biennial Conservation Plan includes: targets, program details; budgets, savings details, cost-effectiveness estimates, marketing plans, customer incentives, the program evaluation plan, and the EM&V framework.

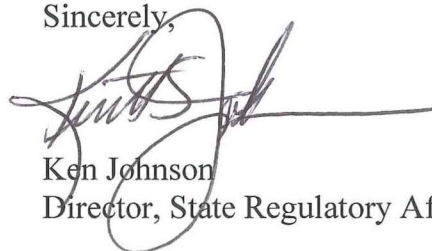
In accordance with the Settlement Stipulation adopted by the Commission in Docket Nos. UE-011570, UG-011571, UE-011600 and UE-100177, CRAG members are to be provided both a complete set of this tariff filing two months (60 days) prior to the proposed effective date of this tariff filing and draft program tariffs by October 1, 2013. CRAG members were provided a copy of the revised tariff sheets 90 days prior to the proposed effective date of this filing which has allowed the Company to interact with the CRAG with comments and questions.

The tariff sheets described herein reflect an issue date of November 1, 2013, and an effective date of January 1, 2014. Posting of proposed tariff changes, as required by WAC 480-100-193, is being made by posting the proposed tariff sheets on the PSE web site immediately prior to or coincident with the date of this transmittal letter in accordance with WAC 480-100-193(1).

This tariff change does not increase recurring charges or restrict access to services. Therefore, notice of proposed tariff change, as required by law and the Commission's rules and regulations (including WAC 480-100-195(3)), is being given to the public immediately prior to, or coincident with, the date of this transmittal letter through web, telephone and mail access in accordance with WAC 480-100-193.

Please contact Lynn Logen at (425) 462-3872 for general information about this filing or contact Andy Hemstreet at (425) 456-2633 for additional information about the programs included in this filing. Please contact Bob Stolarski at (425) 456-2585 for policy related questions about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,

A handwritten signature in black ink, appearing to read "Ken Johnson", with a long horizontal line extending to the right.

Ken Johnson  
Director, State Regulatory Affairs

Enclosures

cc: Simon J. ffitich  
Sheree Carson