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PUGET SOUND ENERGY, INC. Electric Tariff G

SCHEDULE 142

Revenue Decoupling Adjustment Mechanism

- 1. **Applicability:** This rate schedule is applicable to all Customers of the Company that receive service under Schedules 7, 7A, 24, 25, 26, 29, 31, 35, 40, 43, 46, 49, 50 through 59, 448, 449, 458 and 459, as well as equivalent schedules such as Residential and Farm Schedules. Rates in this schedule will be applied to all bills of applicable Customers with Energy usage during a month when this schedule is effective.
- 2. **Purpose:** The purpose of this schedule is to establish balancing accounts and implement a rate adjustment mechanism that decouples the Company's revenues recovered from certain Customers that are intended to recover delivery costs from sales of electricity. Its purpose is to also implement a rate plan for all other applicable customers.

3. Rate Groups:

- a. Decoupled Residential Customers: Customers served under Schedules 7 and 7A.
- b. Decoupled Large General Service Customers: Customers served under Schedules 12 and 26.
- c. Decoupled Primary General Service Customers: Customers served under Schedules 10, and 31.
- d. Decoupled Other Non-Residential Customers: Customers served under Schedules 8, 11, 24, 25, 29, 35, 40, 43, 46, and 49.
- e. Rate Plan Customers: Customers served under Schedules 50 through 59, 448, 449, 458 and 459.

4. Decoupling Mechanism:

- 1. Decoupling Calculation: (T)
 - a. The Revenue Decoupling Adjustment ("RDA") reconciles on a monthly basis, separately for Decoupled Residential Customers and Decoupled Other Non-Residential Customers, differences between (a) the monthly Actual Delivery Revenue resulting from applying a Delivery Revenue per Unit of 2.7612 cents per kWh for Decoupled Residential Customers and 2.2638 cents per kWh for Decoupled Other Non-Residential Customers to their Energy sales, and (b) the Allowed Delivery Revenue that would be collected by applying the Monthly Allowed Delivery Revenue Per Customer (see d. below) by the active number of Customers in each group for each month.
 - b. The RDA reconciles on a monthly basis, and separately for Decoupled Large General Service Customers and Decoupled Primary General Service Customers, differences between (a) the monthly Actual Delivery Revenue resulting from applying the following Delivery Revenue per Unit for Customers serviced under each Schedule in each season to their seasonally differentiated kW demands, and (b) the Allowed Delivery Revenue that would be collected by applying the Monthly Allowed Delivery Revenue Per Customer (see d. below) by the active number of Customers in each group for each month.

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PUGET SOUND ENERGY, INC. Electric Tariff G

SCHEDULE 142 Revenue Decoupling Adjustment Mechanism (Continued)

1. Decoupling Calculation (Continued):

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| Delivery | Revenue Per Unit (\$/kW-m | nonth) | |
|--------------------|---------------------------|--------|--|
| | Season | | |
| Schedules | Winter | Summer | |
| 12 & 26 | \$9.38 | \$6.36 | |
| 26-Primary Voltage | \$9.03 | \$6.01 | |
| 10 & 31 | \$9.23 | \$6.17 | |

c. The difference resulting when the Actual Delivery Revenue is subtracted from the Allowed Delivery Revenue is accrued monthly in the RDA Balancing Account. The monthly amount accrued will be divided into sub-accounts so that net accruals for Decoupled Residential Customers, Decoupled Large General Service Customers, Decoupled Large Primary Service Customers and Decoupled Non-Residential Customers ("Decoupled Customers") can be tracked separately. The sub-accounts will accrue interest at a rate equal to that determined by the Federal Energy Regulatory Commission pursuant to 18 CFR 35.19a.

d. Monthly Allowed Delivery Revenue Per Customer: For each group of Decoupled Customers (T) the Monthly Allowed Delivery Revenue Per Customer will be as follows:

Residential Customers

| Month | 2013 | 2014 | 2015 | 2016 | 2017 |
|-----------|---------|---------|---------|---------|---------|
| January | | \$35.83 | \$37.23 | \$38.68 | \$40.17 |
| February | | \$34.29 | \$35.64 | \$37.02 | \$38.45 |
| March | | \$31.58 | \$32.82 | \$34.10 | \$35.41 |
| April | | \$28.18 | \$29.28 | \$30.42 | |
| May | | \$22.77 | \$23.67 | \$24.59 | |
| June | | \$21.14 | \$21.96 | \$22.82 | |
| July | \$18.97 | \$19.72 | \$20.50 | \$21.30 | |
| August | \$18.67 | \$19.40 | \$20.17 | \$20.95 | |
| September | \$18.85 | \$19.60 | \$20.37 | \$21.16 | |
| October | \$19.70 | \$20.48 | \$21.28 | \$22.11 | |
| November | \$26.28 | \$27.32 | \$28.39 | \$29.49 | |
| December | \$33.11 | \$34.42 | \$35.77 | \$37.16 | |

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PUGET SOUND ENERGY, INC. Electric Tariff G

SCHEDULE 142 Revenue Decoupling Adjustment Mechanism (Continued)

6. **Monthly Decoupling Surcharge Rate:** The rate shown below for each schedule shall be added to the monthly rate(s) for each schedule identified thereby changing the rate charged for electric service. Customer bills shall reflect the sum of this Schedule 142 rate and the rate(s) otherwise charged for electric service.

| SCHEDULE/ | | | Schedule 142 Total | (N) |
|---------------------------|----------------|-----------------|--------------------|---------|
| Component | Deferral Rate | Decoupling Rate | Effective Rate | (T) |
| 7 & 7A /Energy Charge | \$0.001392 Cr. | \$0.003077 | \$0.001685 per kWh | (1) |
| 24*, 25*, 29, 35, 40, 43, | | | | |
| 46, 49 / Energy Charge | \$0.000103 Cr. | \$0.001417 | \$0.001314 per kWh | (1) |
| 26* / Demand Charge | \$0.04 Cr. | \$0.38 | \$0.34 per kW | (I) |
| 31* / Demand Charge | \$0.04 Cr. | \$0.07 | \$0.03 per kW | (N) (I) |

^{*}Rate applies to the schedule(s) as well as equivalent schedules such as Residential and Farm Schedules.

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