

**BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PUGET SOUND ENERGY, INC.

For an Accounting Order Authorizing
Accounting Treatment Related to Funding and
Cost Recovery of the Electric Vehicle Charger
Incentive Program and Waiver of WAC
480-100-223.

Docket No. UE-131585

PETITION
FOR AN ACCOUNTING ORDER &
WAIVER OF WAC 480-100-223

I. INTRODUCTION

1. In accordance with WAC 480-07-370(b), Puget Sound Energy, Inc. ("PSE" or the "Company") respectfully petitions the Commission for an order that authorizes the accounting and ratemaking treatment detailed in this Petition related to PSE's funding and cost recovery of an Electric Vehicle Charger Incentive ("EVCI") Program.

2. PSE is engaged in the business of providing electric and gas service within the State of Washington as a public service company, and is subject to the regulatory authority of the Commission as to its retail rates, service, facilities and practices. Its full name and mailing address are:

Puget Sound Energy, Inc.
Attn: Katherine Barnard
Director, Revenue Requirements & Regulatory Compliance
P.O. Box 97034
Bellevue, Washington 98009-9734

3. Rules and statutes that may be at issue in this Petition include RCW 80.01.040, RCW 80.28.020, WAC 480-07-370(b), WAC 480-100-223, and WAC 480-07-110.

II. BACKGROUND

4. On August 28, 2013, PSE filed a request under Docket UE-131585 to provide an incentive to eligible residential electric customers to install a faster (“Level 2”) electric vehicle charger that would be used to charge their electric vehicle at their existing PSE electric service location. Electric vehicles lower the environmental impact of transportation, including reducing carbon dioxide emissions. By encouraging faster electric vehicle charging where vehicles are predominantly charged, residential electric customers can increase their use of electricity in transportation, traveling more miles on low-cost, low emission electricity. Additionally, increased use of faster charging will help reduce “range anxiety,” increasing customer confidence that electric vehicles will meet their normal transportation needs.

5. Alternative fuels provide lower greenhouse emissions and costs than traditional fuels, benefiting customers directly as well as the region indirectly. Serving electricity and natural gas to over 1 million electric customers and over 750,000 natural gas customers in the Puget Sound region, PSE believes that providing clear choices around the use of alternative transportation fuels is part of its role in serving its customers, both directly and indirectly. The EVCI is one way in which the Company can provide these choices and benefits within its context as a utility that provides electricity and natural gas for use in homes, businesses and as a transportation fuel.

6. The EVCI will be available to residential electric customers taking service under electric Schedule 7 who register a new electric vehicle and purchase and install an approved electric vehicle charger following the initial vehicle registration. The charger must be installed behind the existing PSE electric service at the principal charging location of the customer's electric vehicle. The charger must be compatible with the customer's electric vehicle. Prior to receiving the incentive, a potentially eligible customer must be a current electric service customer of the Company and provide evidence of the following within one year of initial electric vehicle registration: a) electric vehicle registration; b) proof of purchase (receipt) of an electric vehicle charger after the effective date of the tariff schedule; c) signed statement that i) the customer is the current registered or legal owner of an electric vehicle, ii) the electric vehicle charger was installed according to all applicable codes, regulations, safety and health standards, specifications, manufacturer's instructions and standard practices (customers may attach documentation from the installer, and/or an electrical permit), and iii) the charger is currently installed at principal charging location for the customer-owned vehicle where the Company provides electric service to the customer. The Company, at its sole discretion, may inspect installations prior to the fulfillment of the incentive. Only one incentive will be available per new electric vehicle per charger for an eligible residential electric customer. PSE is proposing that the incentive be open for customer submissions until November 1, 2018.

7. PSE is proposing a one-time incentive amount of \$600 per new vehicle per charger for an eligible electric residential customer. The Company believes that the amount of the incentive is both meaningful and fair. With chargers ranging in cost from \$500 to \$1,000 and

installation costs also ranging from \$500 to \$1,000, a \$600 incentive amount will provide a realistic and meaningful motivation for installation and use of chargers at the home of electric residential customers. The amount is based on a fair distribution of benefits between ratepayers and over time. To determine the amount of the incentive, the Company used the same fundamental model or method that is used for analyzing conservation (energy efficiency) measures (“EES”). The benefits and costs of the program are compared and a net positive value to non-participating residential ratepayers is calculated. Under the current regulatory accounting methods the net positive financial benefits of a single customer using electricity to charge their vehicle would be spread to all other residential electric ratepayers over many years.

8. Although the EES costs of the EVCI under Schedule 195 themselves do not directly qualify as conservation costs, PSE is proposing to include their recovery in the Electric Conservation Service Rider Rate under Schedule 120. In the interest of using an existing schedule that already tracks other non-conservation programs such as the EVCI, PSE believes that recovery under the Conservation Rate Schedule 120 would be the most reasonable and administratively expedient approach. Examples of non-conservation program costs recovered under Schedule 120 include those associated with the Net Metering Services for Customer-Generation Systems Program (Electric Schedule 150); and the Small Scale Renewable Electricity Generation Program (Electric Schedule 248). Similar to the EVCI program, the Small Scale Renewable Electricity Generation Program incurs costs of incentives in the form of a rebate or grant, and these costs are recovered through Schedule 120.

9. The EVCI Program includes customer education regarding this tariffed incentive which will be conducted through several means, including, but not limited to: informing customers through web presence, electric vehicle events, and other channels; partnerships with manufacturers, dealer or contractors to provide information on the incentive; and partnerships with automotive manufacturers and dealers to provide customers an incentive to purchase an electric vehicle and a charger at the point of sale. The Company will offer charger information, vehicle energy usage information, and incentive application forms to customers requesting information on the EVCI.

III. PROPOSED ACCOUNTING AND RATEMAKING TREATMENT

10. As stipulated in the 1997 order to Docket UE-970686, which authorized the deferral of electric conservation expenditures and recovery through a conservation rider, the Company proposes to fund the EVCI Program in Schedule 195 through Electric Conservation Rate Schedule 120 which currently recovers the costs of PSE's EES Programs as mentioned above. Schedule 120 would provide for a surcharge to residential electric customers using forecasts for program costs and load trued up for differences in forecasted cost and load. Also consistent with the deferred accounting approved in UE-970686, PSE requests to be allowed to defer the related costs of the EVCI program consistent with PSE's existing deferred accounting for all other programs recovered through Schedule 120. The costs would then be amortized once included for recovery in Electric Schedule 120 and the amortization would be recognized in the same manner as the revenue is received. With the application of this requested accounting

treatment, the program revenues and expenditures will not impact the Company's income statement. As indicated on October 21, 2013, in its substitute filing, the budgeted amounts and costs have been separately identified in the annual Schedule 120 filings filed under WUTC Docket No. UE-140330.

IV. REQUEST FOR WAIVER OF WAC 480-100-223

11. As part of providing the incentive, the Company is proposing several methods to educate residential customers about the availability of this program as mentioned above. Although these awareness efforts are purely educational in nature, and consistent with announcing and explaining an existing rate schedule, the Company is concerned some parties may construe this as a form of advertising to select or install any appliance or equipment designed to use the electric company's service. Provisions under WAC 480-100-223 exclude advertising expenses promoting increased use of electricity for rate making purposes, subject to certain exemptions, but do allow announcements or explanations of existing or proposed tariffs or rate schedules. The Company believes that the announcement and explanation of this rate schedule to customers will be necessary to capture the participation required for the EVCI program and necessary for its overall success and cost-effectiveness. However as a precaution, and if the Commission determines it necessary in this instance, PSE respectfully requests a waiver of WAC 480-100-223. In accordance with WAC 480-07-110, PSE is filing with the Commission this written petition identifying the rule for which an exemption is sought, and provides a full explanation for the reason behind it.

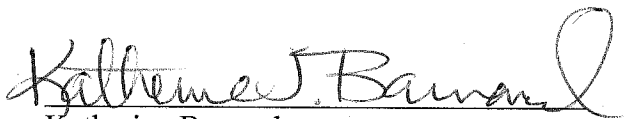
V. PRAYER FOR RELIEF

12. Based on the foregoing, PSE respectfully requests that the Commission issue:

- 1) an accounting order approving the accounting treatment proposed in this petition coincident with or prior to the approval of Schedule 195 under Docket UE-131585 so that PSE would be able to recover the cost of the EVCI through Schedule 120; and accordingly, it would be able to defer costs associated with the EVCI as consistent with all other programs falling under Schedule 120; and 2) an order that would allow, if determined by the Commission that it is necessary, PSE to waive WAC 480-100-223 which excludes advertising expense for rate-making purposes, or in this case, recoverable under Schedule 120 in the future.

DATED this 17 day of March, 2014.

PUGET SOUND ENERGY, INC.



Katherine Barnard

Director, Revenue Requirements & Regulatory Compliance

VERIFICATION

STATE OF WASHINGTON)
)
) ss.
COUNTY OF KING)

Katherine Barnard, being first duly sworn, on oath deposes and says:

That she is Director of Revenue Requirements & Regulatory Compliance with Puget Sound Energy, Inc., that she has read the foregoing Petition of Puget Sound Energy, Inc. for An Accounting Order, that she knows the contents thereof, and that she believes the same to be true to the best of her knowledge and belief.

Katherine J. Barnard
Katherine Barnard

SUBSCRIBED and SWORN to before me this 17 day of March, 2014.

DENISE K. SCHROEDER
NOTARY PUBLIC
STATE OF WASHINGTON
COMMISSION EXPIRES
AUGUST 1, 2017

Denise K. Schroeder
Print Name: Denise K. Schroeder
Notary Public in and for the State of Washington,
residing at Snoqualmie, WA
My commission expires: 8-1-2017