



# PUGET SOUND ENERGY

Puget Sound Energy, Inc.  
P.O. Box 97034  
Bellevue, WA 98009-9734

*Filed via WUTC Web Portal*

October 31, 2012

Mr. David Danner, Executive Director and Secretary  
Washington Utilities and Transportation Commission  
1300 South Evergreen Park Drive S.W.  
P.O. Box 47250  
Olympia, WA 98504-7250

**Re: Joint proposal for consistent approach to NEEA claimed conservation savings for the 2014-2015 Biennial Conservation Plan  
Compliance with Order No. 07 in WUTC Docket No. UE-100177**

Dear Mr. Danner:

On September 13, 2012, the Washington Utilities and Transportation Commission (“Commission”) issued Order 07, Docket No. UE-100177 regarding Puget Sound Energy’s (“PSE” or “Company”) conservation achievement for the 2010-2011 biennium. The Commission required<sup>1</sup> PSE, in collaboration with Avista Corporation (“Avista”) and Pacific Power & Light Company (“PacifiCorp”), to develop a consistent approach to claiming conservation savings associated with Northwest Energy Efficiency Alliance (“NEEA”) and to provide a joint proposal of a consistent approach to the Commission no later than November 1, 2012. Further, the Company was ordered to incorporate the modified approach into the development of the 2014-2015 Biennial Conservation Plan required by Order 01 in Docket No. UE-111881.<sup>2</sup>

PSE met multiple times with PacifiCorp and Avista in September to discuss a consistent approach to reporting NEEA savings. The first meeting was intended to become familiar with each utility’s individual approach to the treatment of NEEA savings in the establishment of the 2012-2013 biennium conservation forecasts. The objective was to seek acceptable compromises in order to arrive at a proposal for a consistent approach that would work for all three companies. As a result some common objectives were identified as being necessary in order to develop a consistent approach:

1. To maintain focus on NEEA investments and contributions; and
2. To minimize the short term performance risk associated with forecasting energy savings resulting from market changes not under the direct control of utilities.

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<sup>1</sup> See ¶29, ordering paragraph (4) of Order 07, Docket UE-100177.

<sup>2</sup> See ¶37, condition (8)(f) of Order 01, Docket UE-111881.

At the next meeting a leading proposal had emerged and parties began to focus on a more detailed proposal such as moving beyond individual utility consistency to regional consistency, appropriate baselines, and consideration of NEEA's role in the proposal.

In a final meeting held in early October, parties reviewed a draft proposal with representatives from NEEA. The objective of this meeting was to seek NEEA's advice, and support for the proposed approach. As a result of this meeting, further refinements were made to more accurately align with the approach taken by the Northwest Power and Planning Council. The final result should simplify NEEA's forecasting, tracking and reporting processes by reducing the number of utility requests and providing more uniformity to baseline tracking and reporting requirements.

Included as an attachment, please find a copy of a joint proposal for a consistent approach to claiming NEEA savings (Joint Utility Proposal).

If you have any questions about the information contained in this filing, please contact Eric Englert, Manager, Regulatory Initiatives & Tariffs, at 425-456-2312.

Sincerely,

A handwritten signature in black ink that reads "Tom DeBoer". The signature is written in a cursive, slightly slanted style.

Tom DeBoer  
Director, Federal & State Regulatory Affairs

Enclosure