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COMMISSIONER

January 30, 2002

Carole Washburn, Executive Secretary
Washington Utilities & Transportation Commission
1300 S. Evergreen Park Drive SW
P.O. Box 47250
Olympia, Washington 98504-7250

RE: Final Evaluation Report: Conservation Incentive Credit

Dear Ms. Washburn:

Pursuant to the Washington Utilities & Transportation Commission's Order Granting Accounting Petition and Requiring an Evaluation Report in Docket No. UE-010410, Puget Sound Energy, Inc. submits this Final Evaluation Report for the Conservation Incentive Credit program. This report contains the five items required in the Commission order and therefore completely fulfills the reporting requirements of that order.

Questions regarding this reporting requirement should be directed to Eric Englert (425) 456-2312.

Sincerely,

Steve Secrist
Director, Rates and Regulation

Attachment

**Final Evaluation Report
January 30, 2002
Puget Sound Energy
Conservation Incentive Credit**

Number of customers achieving the threshold by class by month

	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>
June	228,864	26,310	1,471
July	222,412	28,262	1,517
August	218,514	29,898	1,570
September	223,537	27,944	1,470
October	204,219	26,839	1,450
November	221,858	29,129	1,583
December	259,763	31,162	1,673

Percentage of total customers achieving the threshold by class

Residential: 27%
Commercial: 28%
Industrial: 38%

Total volumes and dollars credited to customers by month

	<u>KWh</u>	<u>\$</u>
June	67,246,757	3,368,182
July	71,430,298	3,576,176
August	64,491,040	3,229,252
September	58,616,579	2,935,401
October	54,588,376	2,740,979
November	73,866,527	2,624,971
December	97,956,636	477,649

Total volumes saved from previous years by month and by customer class

	<u>Residential</u>	<u>Commercial</u>	<u>Industrial</u>
June	36,269,364	23,930,935	7,046,458
July	34,818,387	28,559,264	8,052,647
August	30,851,414	27,027,394	6,612,232
September	30,817,684	21,660,681	6,138,214
October	29,591,091	19,040,783	5,956,502
November	42,201,741	23,772,651	7,892,135
December	62,135,850	27,949,371	7,871,415

Calculation of the monetary benefits derived for customers and the Company

Using either WUTC Staff's or PSE's analysis, there are no positive net monetary benefits to the Company. Using PSE's analysis the negative balance is estimated to be at least \$ 24,000,000.

Monetary benefit to customers: positive \$ 18,952,610.