

Agenda Date: June 14, 2012
Item Number: A1

Docket: UE-111881
Company: Puget Sound Energy

Staff: David Nightingale, Senior Regulatory Engineering Specialist

Recommendation

Issue an order approving Puget Sound Energy's (PSE's) ten-year conservation potential and biennial conservation target subject to conditions.

Discussion

On October 28, 2011, PSE filed its 2012-2013 Biennial Conservation Plan (BCP) with the Washington Utilities and Transportation Commission (commission). The plan is required by RCW 19.285.040, WAC 480-109-010, and Order 01 in Docket UE-100177. As part of the BCP, PSE identified a range for its biennial conservation target.

Public Counsel, NW Energy Coalition (NWEK), and commission staff reviewed the BCP and filed written comments in the docket on December 7, 2011, which are included as Attachment A to this memo.

Public Counsel, NWEK, and commission staff presented oral comments to the commission during the December 15, 2011, open meeting, as well as a modified conditions list based on conditions approved for the prior biennium in Docket UE-100177. The commenting parties accepted the conservation target ranges submitted by PSE in its October 28 filing. The agreed changes to the conditions list are from the prior biennium's condition list and were presented by the parties during the December 15, 2011, open meeting. They include:

- Changes to the compliance schedule to update to the current biennium,
- Elimination of a required spending range for evaluation, measurement and verification, and
- Continuation of a portfolio-level third-party evaluation task, which was originally a one-time requirement.

During the December 15 open meeting, the commissioners encouraged the parties to craft a final set of conditions and bring those to a future open meeting. Commission staff has worked with PSE and the other commenting parties to develop a set of conditions for the 2012-2013 biennium based on the conditions from the 2010-2011 biennium with modifications. The resulting document is contained in Attachment B to this memo.

An additional issue discussed at the December 15 open meeting was the interpretation of the definition of conservation regarding incremental production efficiency improvements through thermal turbine upgrades. PSE and NWEK agreed that the company would submit a petition for

declaratory order to resolve this issue for all regulated utilities, and this agreement has been added to the conditions list found in Attachment B.

Conclusion

Issue an order approving Puget Sound Energy's ten-year conservation potential and biennial conservation target subject to conditions.

Attachment A
Attachment B