



Puget Sound Energy
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PSE.com

March 1, 2016

Mr. Steven V. King
Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

**Re: Advice No. 2016-05
Electric Tariff Filing - Filed Electronically**

Dear Mr. King:

Puget Sound Energy ("PSE") hereby submits proposed revisions to its electric Schedule 120, Electricity Conservation Service Rider. This filing, pursuant to RCW 80.28.060 and Chapter 480-80 WAC, proposes revisions in the following electric tariff sheets.

WN U-60, Tariff G - (Electric Tariff):

- 24th Revision of Sheet No. 120 - Electricity Conservation Service Rider
- 25th Revision of Sheet No. 120-A - Electricity Conservation Service Rider (Continued)
- 26th Revision of Sheet No. 120-B - Electricity Conservation Service Rider (Continued)
- 23rd Revision of Sheet No. 120-C - Electricity Conservation Service Rider (Continued)
- 21st Revision of Sheet No. 120-D - Electricity Conservation Service Rider (Continued)
- 21st Revision of Sheet No. 120-E - Electricity Conservation Service Rider (Continued)
- 5th Revision of Sheet No. 120-F - Electricity Conservation Service Rider (Continued)
- 2nd Revision of Sheet No. 120-G - Electricity Conservation Service Rider (Continued)

The purpose of this filing is to implement changes to rates under the conservation rider mechanism, as provided in the following dockets: the Commission's order in Docket No. UE-970686 (the "Order"); the Settlement Terms for Conservation ("Settlement") approved by the Commission in Docket No. UE-100177; and the Commission's Appendix A of Order 01 in Docket No. UE-152058 ("Order 01"). Work papers supporting this filing are enclosed.

In Order 01 the Commission approved PSE's 2016-2017 Biennial Conservation Target ("Target") of 537,078 MWh of first-year savings, as reported at the customer meter. That approved Target represented the total available conservation resources that are cost-effective, reliable and feasible that PSE could expect to acquire in the 2016-2017 biennium. This filing revises the Electricity Conservation Rider charges for all customers, except those receiving service under Schedules 448, 458, 449 or 459 ("Transportation Customers"), in order

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to reflect a decrease in the amounts budgeted for the upcoming year and the true-up (and approval) of actual costs and actual collections over the past year.

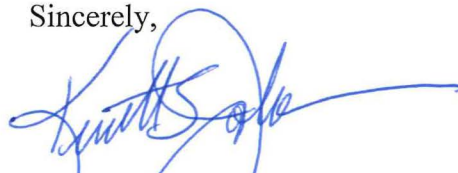
The amount of revenue requirement requested in this filing for customers affected by these tariff changes in the Electricity Conservation Service Rider is \$98.7 million. This amount is lower than the \$108.6 million requested in last year's filing under Docket No. UE-150341 by a total of \$9.9 million for the following reasons: \$1.2 million decrease due to the decreased budget for the 2016 program year and a reduction of \$8.7 million in the true-up for spending and load variances compared to the true-up amount in 2015. The current year true-up amounts total \$3.2 million, of which \$2.6 million is due to changes in receipts due to loads, and negative \$5.8 million is due to differences between budgeted amounts and actual amounts expended.

There is no change in rates for Transportation Customers due to this filing. Overall, this proposal represents a revenue requirement decrease for non-Transportation Customers of \$9.9 million or an average decrease in overall bills of 0.49% for customers affected by this tariff change. For example, the typical residential customer on Schedule 7 using 1,000 kWh per month will experience a decrease of 50 cents per month.

The tariff sheets described herein reflect an issue date of March 1, 2016, and an effective date of May 1, 2016. As required by WAC 480-100-193, PSE has posted the proposed tariff sheets on the PSE web site immediately prior to or coincident with the date of this transmittal letter.

Please contact Julie Waltari at (425) 456-2945 for additional information about this filing. If you have any other questions please contact me at (425) 456-2110.

Sincerely,



Ken Johnson
Director, State Regulatory Affairs

Enclosures

cc: Simon J. ffitch, Public Counsel
Sheree Carson, Perkins Coie