

**EXHIBIT NO. J-20**  
**DOCKET NO. UE-070725**  
**WITNESSES: TOM DE BOER**  
**SANDRA M. SIEG**  
**CHARLES M. EBERDT**

**BEFORE THE**  
**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Amended Petition of**

**PUGET SOUND ENERGY, INC.**

**For an Order Authorizing the Use of the  
Proceeds From the Sale of Renewable Energy  
Credits and Carbon Financial Instruments**

**Docket No. UE-070725**

**FOURTH EXHIBIT (NONCONFIDENTIAL) TO THE**  
**JOINT DIRECT TESTIMONY OF**  
**TOM DE BOER, SANDRA M. SIEG, AND CHARLES M. EBERDT**

**AUGUST 12, 2010**

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION****Docket No. UE-070725****Amended Petition of Puget Sound Energy, Inc. For an Order Authorizing  
the Use of the Proceeds from the Sale of RECs and CFIs****WUTC STAFF DATA REQUEST NO. 031****WUTC STAFF DATA REQUEST NO. 031:**

Please quote the specific language in PSE Tariff 83: "Electricity Conservation Service" (a copy is Exhibit No. Joint-8), which bars PSE from using money budgeted for low income energy efficiency programs to repair low income living structures. In your response, please include the page and item number from the tariff, along with the specific words of the tariff. Please explain why the quoted language has that effect.

**Response:**

In isolation, Puget Sound Energy, Inc.'s ("PSE") electric Schedule 83, Electricity Conservation Service, does not contain language that expressly provides for the use of money budgeted for low income energy efficiency programs to repair low income living structures, nor does Schedule 83 prohibit such expenditures. Further, it has been PSE's policy and practice not to pay for measures that do not have direct energy savings with tariff dollars, and this is consistent with guidance or direction from Commission Staff. Accordingly, PSE historically has been conservative in its application of the tariff language and has not applied conservation tariff funding to repair measures.

On a programmatic basis, Schedule 83 does provide for individual programs described in schedules numbered between 200 and 299 and for additional sources of funding to be specified in those individual programs. Schedule 201, the Electricity Energy Efficiency Program for Residential Low-Income customers, provides funding for structure improvements (See pages 6-8 of Appendix A, Energy Efficiency Program Descriptions and pages 7-14 of Attachment 1, Energy Efficiency Measures, Incentives and Eligibility.)

PSE has interpreted Schedule 201 to allow the application of other funding sources, other than conservation rider funding, to pay for repair measures. The application of the REC proceeds was originally proposed as an additional funding source to pay for repairs. The second sentence of the second paragraph of Section 3 of Schedule 201 provides for sources of funding:

Costs of Low Income incentives, Measures, grants or other remuneration may be recovered through, but not limited to: Schedule 120, Bonneville Power Administration (BPA) credits, other federal or state government programs, Company funds or other approved sources.

As provided in Section 3 of Schedule 83, such funding sources will not be recovered through Schedule 120.