



Rob McKenna

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August 12, 2010

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

RE: *In the Matter of the 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 UE-070725*

Dear Mr. Danner:

For the August 17, 2010, hearing in this docket, enclosed for filing are seven sets of: Staff's witness list, time estimate for direct testimony, and list of proposed exhibits; plus the exhibits contained on that list, except for PSE's Response to Staff Data Request 35. As noted on the list of proposed exhibits, Staff understands PSE will offer that exhibit, so a duplicate Staff exhibit is not necessary.

Sincerely,

DONALD T. TROTTER
Assistant Attorney General

DTT:klg
Enclosure
cc: Parties

BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET UE-070725

COMMISSION STAFF'S
WITNESS LIST, TIME ESTIMATE,
AND EXHIBIT LIST

Witness:

Mr. Parvinen will testify for Staff at the August 17, 2010 hearing.

Time Estimate:

Mr. Parvinen will give about 15-20 minutes of direct testimony.

Exhibits:

The new exhibits¹ Staff intends to use at the August 17, 2010 hearing:

PSE's Estimates of Low Income Conservation for the 2010-2011 Program
Period and Sources of PSE Funds, Under Three Scenarios

PSE's Response to Staff Data Request 31

PSE's Response to Staff Data Request 35²

Footnotes:

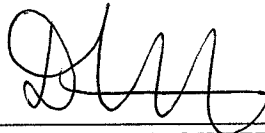
1. Staff may use other exhibits the Commission admitted into the record at the prior hearing session.

2. Staff understands PSE intends to sponsor PSE's Response to Staff Data Request 35 as an exhibit, so Staff will not provide separate copies of that document or otherwise propose it as a separate Staff exhibit.

Dated this 12th day of August 2010.

Respectfully submitted,

ROBERT M. MCKENNA
Attorney General

A handwritten signature in black ink, appearing to be 'DTT', written over a horizontal line.

DONALD T. TROTTER
Assistant Attorney General
Counsel for Washington Utilities and
Transportation Commission Staff

**PSE's Estimates of Low Income Conservation for the 2010-2011 Program Period
and Sources of PSE Funds, Under Three Scenarios¹**

A. SCENARIO A: No REC funds and no Enron funds

1. Conservation expected: 2, 992,800 kwh

Money & Sources:

2. Tariff Rider: \$4,783,380
3. Shareholder: \$ 420,000
4. Total: \$5,203,380

B. SCENARIO B: \$4,570,000 in REC funds, but no Enron funds

5. Conservation expected: 3,418,099 kwh (425,299 kwh more than Scenario A)

Money & Sources:

6. Tariff Rider: \$4,783,380
7. Shareholder: \$ 210,000
8. REC funds: \$2,285,000
9. Total: \$7,278,380

C. SCENARIO C: \$4,570,000 in REC funds plus Enron funds

10. Conservation expected: 4,753,540 kwh (1,335,441 kwh more than Scenario B;
1,760,740 kwh more than Scenario A)

Money & Sources:

11. Tariff Rider: \$5,611,938
12. Shareholder: \$ 259,886
13. REC funds: \$2,285,000
14. Enron funds: \$1,732,575
15. Total: \$9,889,399

¹ All information on this page is taken from PSE's Response to Staff Data Request 35, except for the kwh difference figures in parentheses on lines 5 and 10, which identify the change in PSE's expected conservation estimates on lines 1, 5 and 10. Parts A, B and C above correspond to Parts A, B and C of PSE's Response.

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.

Docket UE-070725
CERTIFICATE OF SERVICE

I hereby certify that I have this day served the attached document upon the persons and entities listed on the Service List below by depositing a copy of said document in the United States mail, addressed as shown on said Service List, with first class postage prepaid.

DATED at Olympia, Washington this 12th day of August 2010.



KRISTA L. GROSS

HC=Highly Confidential

C=Confidential

NC=Non-Confidential

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