



Puget Sound Energy
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PSE.com

November 29, 2012

Mr. David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

RE: Annual Conservation Plan for 2013 – Filed Electronically

Dear Mr. Danner:

Pursuant to condition (8)(b) of Order 01 in Docket No. UE-111881, (hereafter referred to as “Condition”, or “Obligations”¹) PSE submits this 2013 Annual Conservation Plan (“ACP” or the “Plan”). The Plan highlights revisions to 2013-specific budgets and program strategies that PSE will put into effect in 2013. The Plan is consistent with similar documents that PSE has filed since November 2010, and retains several valuable features that the Conservation Resource Advisory Group (“CRAG”) has embraced since then.

Although only required to file an electric program plan consistent with RCW 19.285, PSE has included a complete natural gas program overview to promote the collaborative relationship with the CRAG and to ensure complete operational transparency. PSE requests that the Commission acknowledge the Plan via the No Action open meeting agenda in late December.

PSE added several new features to aid Stakeholders in comparing PSE’s original 2013-specific budget and savings strategy outlined in the 2012-2013 Biennial Conservation Plan (“BCP”) against those discussed in the 2013 ACP. These include, but are not limited to:

- A table comparing updated budgets and savings figures to those in the 2012-2013 BCP in the Portfolio and each Sector introductory discussion,
- Tables in Exhibit 1 (Budgets and Savings) Portfolio and Sector views, comparing original Cost Element group figures and providing the differences,
- Figures noted in red print throughout Exhibit 1, indicating those that were updated for the 2013 ACP.

Consistent with condition (8)(b), the Plan was presented to the CRAG on October 31. As of the date of this filing, PSE is in the process of responding to UTC Staff questions, received on November 21, 2012.

¹ Several sections of the 2010 Electric Settlement Agreement, Docket No. UE-100177 remain intact, along with gas-specific requirements retained from the 2001 Stipulation Agreement, Docket No. UG-011571.

The Annual Conservation Plan consists of several parts:

- An outline, providing an overview of the 2013 Plan, summarizing noteworthy program revisions and discussing the contents of the supporting documentation.
- Ten Exhibits and applicable Supplements:
 - Exhibit i: Ten-year Conservation Potential and Two-year Conservation Targets²
 - Exhibit 1: 2013 Budgets and Measure Details
 - Exhibit 2: Program Cost Effectiveness Estimates
 - Supplement 2: Low Income Weatherization cost-effectiveness tables
 - Exhibit 3: Program Descriptions
 - Exhibit 4: List of Measures, Incentives and Eligibility
 - Exhibit 5: Prescriptive Measure Tables
 - Exhibit 6: Evaluation Plan
 - Exhibit 9: 2010 Electric Settlement Condition Compliance Checklist
 - Exhibit 10: Northwest Energy Efficiency Alliance 2013-2014 Plans
 - Exhibit 11: Tariff Revisions³

The Company and the CRAG met regularly throughout 2012 to share and discuss plans for energy efficiency programs, establish and agree upon, discuss targets and budgets, and agree on a course of action for 2013. The CRAG was apprised of the 2013 ACP content at the October 2012 meeting.

An abbreviated Plan will be mailed to each CRAG member concurrent with this filing. CRAG documents will include a hard copy of the Outline, the Portfolio and Sector views of Exhibit 1 and the electric and gas summaries of Exhibit 2. A CD contains an electronic version of all Plan files.

This Annual Conservation Plan calls for acquiring electric conservation resources of 38.1 average megawatts and 4.62 million therms of gas. The electric budget is \$94.4 million and the gas budget is \$13.2 million.

Revisions to tariff sheets in (included in a separate filing and attached as Exhibit 11 to this Plan) change only the Schedule number, ensuring consistency between electric and gas Schedule numbers.

Exhibits 1 through 4 will be posted on PSE.com. The posted Exhibit 1 will be limited to the 2013 portfolio view only. Exhibits 2 through 4 will replace documents currently posted. Tariff sheet revisions contained in Exhibit 11 will not be posted alongside the other Exhibits, as tariff sheets are posted in a separate section of the website.

² This was an unnamed Exhibit in the 2012-2013 BCP. Although pertinent only to Biennial plans, it is included in this filing for reference and to gain familiarity with its new name.

³ The tariff revision documents included with this filing are for reference only. The actual tariff sheets will be submitted in a separate filing.

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Please contact Lynn Logen at (425) 462-3872 for general information about this filing or contact Andy Hemstreet at (425) 456-2633 for additional information about the Plan. Please contact Bob Stolarski at (425) 456-2585 for policy related questions about this submittal. If you have any other questions please contact me at (425) 462-3495.

Very truly yours,

A handwritten signature in black ink that reads "Tom DeBoer". The signature is written in a cursive, slightly slanted style.

Tom DeBoer
Director, Federal & State Regulatory Affairs

Enclosures

cc: Simon J. ffitich
Sheree Carson