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**PUGET SOUND ENERGY**

*The Energy To Do Great Things*

Puget Sound Energy, Inc.

P.O. Box 97034

Bellevue, WA 98009-9734

*Filed via WUTC Electronic Web Portal*

October 12, 2012

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

**Subject: PSE Response to Information Request**  
**Docket No. UG-121207**  
*Commission Investigation into Natural Gas Conservation Programs*

Dear Mr. Danner:

In response to the Commission notice of opportunity to file avoided cost methodology, total resource cost test methodology and the utility cost test methodology related to natural gas conservation in Docket UG-121207, Puget Sound Energy, Inc. (“PSE” or the “Company”) offers the following overall comments and response to the information request.

PSE is providing documents and spreadsheets to respond to the Commission’s request for information for the sole purpose of facilitating a clear understanding of the complex methodologies. In its request, the Commission did not state that it is seeking to change the methodologies or the spreadsheets. The company would note that several spreadsheets contain valuable commercial information, including confidential cost and financial information whose disclosure would result in private loss, unfair competitive advantage to both the Company and its customers, as such, those are marked with a CONFIDENTIAL designation under the special handling and limited access provisions of WAC 480-07-160. Due to the complex interworking nature of these spreadsheets, PSE cannot, at this time, create redacted versions. Some documents were originally password protected, and the Company is providing the password (“racehorse”), but we wish to clarify that these select spreadsheets are intended to be locked because of the complex nature of the calculations and the various links throughout the spreadsheets. We urge that non-Company personnel take

caution when reviewing these spreadsheets when unlocked. Unintended changes may occur when scrolling through the spreadsheets, and one small change can cause the calculations to no longer function properly. If any non-Company personnel make any changes to these spreadsheets, the output should no longer be considered information provided by nor supported by the Company.

PSE is providing documents and spreadsheets of calculations of natural gas avoided costs based on **both** the 2011 IRP and an update conducted in July 2012. For example there is both a document called “2. Calculation of Gas Avoided Cost-2011 IRP”, and one called “2. Calculation of Gas Avoided Cost-Updated July 2012”.

It should be noted that strictly speaking, PSE does not use the term “WACOG” in its calculation of its natural gas avoided cost calculations, as noted these documents and in Schedule 183 of PSE’s Natural Gas Tariff:

“**Avoided Cost**, also known by the terms Conservation Cost Effectiveness Standard or Energy Efficiency Cost Effectiveness Standard herein for Conservation/energy efficiency activities and/or Measures is based on forecast gas commodity market prices and includes the credits for avoided pipeline capacity and transport costs and avoided storage and distribution costs.”

PSE appreciates the opportunity to respond to this information request. Please direct any questions regarding these comments to Eric Englert at (425) 456-2312 or the undersigned at (425) 462-3495.

Sincerely,

/s/ Tom DeBoer

Tom DeBoer  
Director – Federal & State Regulatory Affairs

Attachments