



Puget Sound Energy  
P.O. Box 97034  
Bellevue, WA 98009-9734  
PSE.com

August 29, 2014

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

Re: **Advice No. 2014-23 – Electric Tariff Filing – Filed Electronically**  
**Compliance Filing Docket Nos. UE-130137 and UG-130138 (consolidated)**  
**Compliance Filing Docket Nos. UE-121697 and UG-121705 (consolidated)**

Dear Mr. King:

Pursuant to RCW 80.28.060 and Chapter 480-80 WAC, please find enclosed for filing the following proposed revision to the WN U-60, Tariff G for electric service of Puget Sound Energy, Inc. (“PSE”).

- 10<sup>th</sup> Revision of Sheet No. 129 - Low Income Program
- 10<sup>th</sup> Revision of Sheet No. 129-A - Low Income Program (Continued)

The purpose of this filing is to convey PSE’s annual compliance filing as provided in (1) Exhibit G to the Settlement Stipulation Agreement approved by the Commission in Docket Nos. UE-011570 and UG-011571 (the “Settlement”) and (2) as provided in the Multiparty Settlement Stipulation in Docket No. U-072375 and the Partial Settlement in Docket Nos. UE-072300 and UG-072301 and (3) as ordered by the Commission in Order 08 in Docket Nos. UE-111048 and UG-111049 (“Order 08”) and (4) as ordered by the Commission in Order 07 in Docket Nos. UE-121697 and UG-121705 (consolidated) issued jointly with Order 07 in Docket Nos. UE-130137 and UG-130138 (consolidated) (“Order 07”). This filing revises the Low Income Program funding in order to reflect the increase in funding required by Order 07, however, due to the *de minimis* (0.004% or \$14,186) amount of the increase in revenue requirement PSE is proposing to not change rates in this filing and to include that amount in the required true-up in 2015.

The Low Income Program (“LIP”) provides benefits to PSE customers based on a program year as is provided in the Settlement at paragraph 6 which is as follows:

*“The electric LIP will follow the Low Income Home Energy Assistance Program (LIHEAP) year which runs annually from October 1<sup>st</sup> to September 30<sup>th</sup>. For the first year, the natural gas LIP will begin its program year effective no sooner than the dates general revenue gas rates changes go into effect in Docket UG-011571. Thereafter, the gas LIP year will coincide with the electric LIP year. The program year designation shall not in any way alter the respective LIP annual revenue caps.”*

The mechanism for funding the LIP provides for collection of costs and a true up of those collections and costs. This filing represents the annual compliance filing and the increased funding provided for by Order 07. The Settlement at paragraph 9 provides, in part, the following:

*“The cost recovery will be subject to an annual compliance filing, on the anniversary of the LIP implementation schedule effective date, to reflect changes in total billing determinants (true up to maintain conformity to the LIP annual revenue cap).”*

As mentioned above, Order 07 provided for an increase in funding of the low-income program. That increase was described in Order 07 at paragraph 177 which provided, in part:

*“... PSE proposes that low-income bill assistance program funding be increased in proportion to the residential bill impacts of this proposal on August 31, 2013, and each August 31 thereafter, until the decoupling mechanisms cease operation.*

*We approved these proposals to help offset any possible disparate impact of decoupling on PSE’s low-income consumers.”*

Order 07 also provided for increased funding at paragraph 182 which provided, in part:

*“We determine that the disparate impact of any rate increases on low income customers warrants additional support for those customers beyond what is included in the Amended Decoupling Petition. Considering the impact of a three-year rate plan, as demonstrated in Mr. Eberdt’s testimony, we determine that an additional amount of \$1.0 million per year should be added to PSE’s low income bill assistance program.<sup>245</sup> We accordingly will condition our approval of the ERF, decoupling, and the rate plan on this additional level of funding being provided.<sup>246</sup>”*

The additional \$1 million provided in Order 07 and additional amount provided in the ERF rate proceeding and the July 1, 2013, and July 1, 2014, increased funding due to increases in residential bills due to the change in decoupling rates resulted in the annual electric cap being increased by \$1.256 million to \$16.406 million. The table below shows how the total funding of \$21.887 million is split between electric and natural gas:

<b>Description</b>	<b>Electric</b>	<b>Natural Gas</b>	<b>Electric</b>	<b>Natural Gas</b>	<b>Total</b>
Annual base	75% <sup>(1)</sup>	25% <sup>(1)</sup>	\$15,150,000	\$5,050,000	\$20.2 M
Order 07 <sup>(3)</sup>	75% <sup>(1)</sup>	25% <sup>(1)</sup>	\$ 750,000	\$ 250,000	\$1.0 M
ERF Residential Bill Impact	1.58% <sup>(2)</sup>	1.58% <sup>(2)</sup>	\$251,220	\$83,740	\$334,960
2013 Decoupling Residential Bill Impact	1.55% <sup>(2)</sup>	1.83% <sup>(2)</sup>	\$246,450	\$96,990	\$343,440
2014 Decoupling Residential Bill Impact	0.05% <sup>(4)</sup>	-1.28% <sup>(4)</sup>	\$8,660	\$0.00	\$8,660
<b>Total</b>			<b>\$16,406,330</b>	<b>\$5,480,730</b>	<b>\$21,887,060</b>

Mr. Steven V. King  
August 29, 2014  
Advice No. 2014-23  
Page 3 of 3

(1) The percentages of 75% for electric and 25% for natural gas are specified in the Commission Order 12: Final Order Approving and Adopting Settlement Stipulations; Authorizing and Requiring Compliance Filing in Consolidated Dockets UE-072300 and UG-072301, Appendix D.

(2) The percentages associated with the ERF and decoupling increases in LIP funding are based on the percentage increase in residential rates as proposed in PSE's Amended Decoupling Petition in Docket Nos. UE-121697 and UG-121705 (consolidated).

(3) Order 07 increased the annual base by \$1.0 million for the duration of the three year rate plan as described in paragraph 182 of Order 07.

(4) Order 07 changes the annual base in proportion to the percentage change in residential rates due to changes in residential decoupling rates.


Details supporting the revised level of funding, revenue requirement and prior year collections are detailed in work papers provided directly to the Commission's staff.

The amount of change in the total electric revenue requirement over last year is an increase of \$14,186. This revenue requirement would result in an approximate average overall increase to rates for electric customers of 0.004%. PSE respectfully requests that the filing be accepted in compliance with the requirements of the Commission's orders and that it be allowed to include the \$14,186 in the true-up in 2015 and be included in rates at that time.

The tariff sheets described herein reflect issue dates of August 29, 2014, and effective dates of October 1, 2014. Posting of the proposed tariff change for public inspection and review, as required by law and the Commission's rules and regulations, is being completed immediately prior to or coincident with the date of this transmittal letter, through web, telephone and mail access in accordance with WAC 480-100-193(1). Since PSE is proposing not to increase rates, no notice is required pursuant to WAC 480-100-194(2).

Please contact Lynn Logen at (425) 462-3872 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. ffitc  
Sheree Carson