

EXHIBIT NO. ___(JPG-2)
DOCKET NOS. UE-121697/UG-121705
WITNESSES: JON A. PILIARIS
KEVIN C. HIGGINS
THOMAS E. SCHOOLEY
NANCY HIRSH
EDWARD A. FINKLEA

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

In the Matter of the Petition of

PUGET SOUND ENERGY, INC.
and NW ENERGY COALITION

For an Order Authorizing PSE To Implement
Electric and Natural Gas Decoupling
Mechanisms and To Record Accounting
Entries Associated With the Mechanisms

Docket No. UE-121697
Docket No. UG-121705
(Consolidated)

FIRST EXHIBIT (NONCONFIDENTIAL) TO THE JOINT TESTIMONY IN
SUPPORT OF THE JOINT RESPONSE TO PETITIONS FOR
RECONSIDERATION FILED BY THE NORTHWEST INDUSTRIAL GAS
USERS AND NUCOR STEEL SEATTLE, INC.

NOVEMBER 1, 2013

PUGET SOUND ENERGY, INC.

**NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 142
Revenue Decoupling Adjustment Mechanism**

Section 1: Applicability

This rate schedule is applicable to all Customers of the Company that receive service under Schedules 16, 23, 31, 31T, 41, 41T, 53, 71, 72, 74, 85, 85T, 86, 86T, 87 and 87T. Rates in this schedule will be applied to all bills of applicable Customers with Energy usage during a month when this schedule is effective.

Section 2: Purpose

The purpose of this schedule is to establish balancing accounts and implement a rate adjustment mechanism that decouples the Company's revenues recovered from certain customers that are intended to recover delivery costs from sales and transportation of natural gas. Its purpose is to also implement a rate plan for all other applicable customers.

Section 3: Rate Groups

- 1. Decoupled Residential Customers: Customers served under Schedules 23 and 53.
- 2. Decoupled Non-Residential Customers: Customers served under Schedules 31, 31T, 41, 41T, 86 and 86T. (C)
- 3. Rate Plan Customers: Customers served under Schedules 16, 71, 72, 74, 85, 85T, 87 and 87T. (C)

Section 4: Decoupling Mechanism

- 1. Decoupling Calculation:
 - a. The Revenue Decoupling Adjustment (RDA) reconciles on a monthly basis, separately for Decoupled Residential Customers and Decoupled Non-Residential Customers, differences between (i) the monthly Actual Delivery Revenue resulting from applying a Delivery Revenue Per Unit of 38.422 cents per therm for Decoupled Residential Customers and 25.442 cents per therm for Decoupled Non-Residential Customers to their energy usage, and (ii) the Allowed Delivery Revenue that would be collected by applying the Monthly Allowed Delivery Revenue Per Customer (see c. below) by the active number of Customers in each group for each month. (I)

(Continued on Sheet 1142-A)

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PUGET SOUND ENERGY, INC.

NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 142
Revenue Decoupling Adjustment Mechanism
(Continued)

1. Decoupling Mechanism (Continued):

(O)

- b. The difference resulting when the Actual Delivery Revenue is subtracted from the Allowed Delivery Revenue is accrued monthly in the RDA Balancing Account. The monthly amount accrued will be divided into sub-accounts so that net accruals for Decoupled Residential Customers and Decoupled Non-Residential Customers can be tracked separately. The sub-accounts will accrue interest at a rate equal to that determined by the Federal Energy Regulatory Commission pursuant to 18 CFR 35.19a.
- c. Monthly Allowed Delivery Revenue Per Customer: For each group of Customers (Decoupled Residential Customers and Decoupled Non-Residential Customers), the Monthly Allowed Delivery Revenue Per Customer will be as follows:

Residential Customers

Month	2013	2014	2015	2016	2017
January		\$45.53	\$46.94	\$48.38	\$49.85
February		\$42.24	\$43.55	\$44.89	\$46.25
March		\$35.86	\$36.97	\$38.11	\$39.27
April		\$25.65	\$26.44	\$27.26	
May		\$16.06	\$16.55	\$17.06	
June		\$10.37	\$10.69	\$11.02	
July	\$7.94	\$8.19	\$8.45	\$8.71	
August	\$7.34	\$7.57	\$7.80	\$8.04	
September	\$10.17	\$10.48	\$10.81	\$11.14	
October	\$21.28	\$21.95	\$22.63	\$23.32	
November	\$35.83	\$36.95	\$38.10	\$39.27	
December	\$45.08	\$46.49	\$47.93	\$49.40	

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PUGET SOUND ENERGY, INC.

NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 142
Revenue Decoupling Adjustment Mechanism
(Continued)

c. Monthly Allowed Delivery Revenue Per Customer (Continued):

Non-Residential Customers									
Month	2013	2014	2015	2016	2017	(R)	(R)	(R)	(R)
January		\$192.01	\$197.69	\$203.50	\$209.43				
February		\$178.72	\$184.01	\$189.41	\$194.93				
March		\$160.72	\$165.47	\$170.33	\$175.30				
April		\$123.33	\$126.98	\$130.71					
May		\$92.33	\$95.07	\$97.86					
June		\$71.56	\$73.68	\$75.84					
July	\$88.08	\$64.03	\$65.93	\$67.86					
August	\$89.65	\$60.33	\$62.11	\$63.94					
September	\$94.37	\$66.79	\$68.77	\$70.79					
October	\$126.88	\$105.10	\$108.21	\$111.39					
November	\$161.07	\$157.73	\$162.40	\$167.17					
December	\$188.33	\$195.04	\$200.81	\$206.71		(R)	(R)	(R)	(R)

2. Process:

a. The amounts accrued in the RDA Balancing Account, including interest, for Decoupled Residential Customers and Decoupled Non-Residential Customers through the end of the calendar year will be surcharged or refunded to the same group of Customers (Decoupled Residential Customers and Decoupled Non-Residential Customers) during the subsequent May 1 through April 30 rate year. Except the amounts in the RDA Balancing Account, including interest, related to Customers who are changing from a decoupling group to a rate plan will be allocated to those Customers.

b. No later than April 1 of each year following the initial effective date of this schedule, the Company will make a filing to set new decoupling rates under this Schedule 142 to be effective May 1 of the same year.

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PUGET SOUND ENERGY, INC.

NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 142

Revenue Decoupling Adjustment Mechanism

(Continued)

Section 5: Term

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Accruals under this mechanism shall continue until the effective date of rates approved in the Company's next general rate case, but may be continued beyond the next general rate case, subject to approval by the Commission. If this mechanism is discontinued, amounts remaining in the RDA balancing account at that time will continue to be amortized through the rates in this schedule until the balance is cleared.

Section 6: Monthly Decoupling Rate

The rate shown below and on the following sheets for each schedule shall be added to the monthly rate(s) for each schedule identified thereby changing the rate charged for natural gas service. Customer bills shall reflect the sum of this Schedule 142 rate and the rate(s) otherwise charged for natural gas service.

SCHEDULES 23 & 53

Delivery Charge: \$0.02101 per therm

SCHEDULE 31

Delivery Charge: \$(0.00394) per therm

SCHEDULE 31T

Transportation Service Commodity Charge: \$(0.00394) per therm

Gas Procurement Credit: \$0.00007 per therm

SCHEDULE 41

Delivery Demand Charge: \$(0.01) per therm

Delivery Charge: 901 to 5,000 therms: \$(0.00178) per therm

Over 5,000 therms: \$(0.00143) per therm

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PUGET SOUND ENERGY, INC.

NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 142
Revenue Decoupling Adjustment Mechanism
(Continued)

Section 6: Monthly Decoupling Rate (Continued):

SCHEDULE 41T

Transportation Delivery Demand Charge: \$(0.01) per therm
 Transportation Service Commodity Charge: 901 to 5,000 therms: \$(0.00178) per therm
 Over 5,000 therms: \$(0.00143) per therm
 Gas Procurement Credit: \$0.00007 per item

SCHEDULE 86

Delivery Demand Charge: \$(0.01) per therm of daily firm gas
 Interruptible Delivery Charge: First 1,000 therms: \$(0.00256) per therm
 Over 1,000 therms: \$(0.00181) per therm
 Gas Procurement Charge: \$(0.00009) per therm

SCHEDULE 86T

Transportation Firm Contract Delivery Demand Charge: \$(0.01) per therm of daily contract demand per month
 Transportation Service Commodity Charge: First 1,000 therms: \$(0.00256) per therm
 Over 1,000 therms: \$(0.00181) per therm

Section 7: Monthly Surcharge for Rate Plan Customers

The surcharge rates shown below for each schedule shall be added to the monthly rate(s) for each schedule identified thereby changing the rate charged for natural gas service. Surcharge rates shall be revised each January 1. Customer bills shall reflect the sum of this Schedule 142 rate and the rate(s) otherwise charged for natural gas service.

Schedule 16 – General Gas Lighting and Street Lighting Service

	2013	2014	2015	2016	2017
Delivery Charge per mantle	\$0.22	\$0.44	\$0.67	\$0.90	\$1.14

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NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 142

Revenue Decoupling Adjustment Mechanism

(Continued)

Section 7: Monthly Surcharge for Rate Plan Customers (Continued):

Schedule 71 – Residential Water Heater Rental Service

	2013	2014	2015	2016	2017
a. Standard Models	\$0.16	\$0.33	\$0.50	\$0.68	\$0.86
b. Conservation Models	\$0.27	\$0.55	\$0.83	\$1.12	\$1.41
c. Direct Vent Models	\$0.38	\$0.77	\$1.17	\$1.58	\$2.00
d. High Recovery Models	\$0.37	\$0.75	\$1.14	\$1.54	\$1.95
e. High Efficiency Standard	\$0.13	\$0.26	\$0.40	\$0.54	\$0.68
f. High Efficiency Direct Vent	\$0.24	\$0.48	\$0.73	\$0.98	\$1.24

(D)(M)

Schedule 72 – Large Volume Water Heater Rental Service

	2013	2014	2015	2016	2017
a. 25-40 gallon storage 30,000 to 50,000 Btu	\$0.33	\$0.67	\$1.02	\$1.37	\$1.73
b. 45-55 gallon storage 70,000 to 79,000 Btu	\$0.44	\$0.89	\$1.35	\$1.82	\$2.30
c. 45-55 gallon storage 51,000 to 75,000 Btu	\$0.44	\$0.89	\$1.35	\$1.82	\$2.30
d. 50-65 gallon storage 60,000 to 69,000 Btu	\$0.69	\$1.39	\$2.11	\$2.85	\$3.60
e. 60-84 gallon storage 70,000 to 129,000 Btu	\$0.90	\$1.82	\$2.76	\$3.72	\$4.70
f. 75-90 gallon storage 130,000 to 169,000 Btu	\$1.21	\$2.44	\$3.70	\$4.99	\$6.31
g. 75-100 gallon storage 170,000 to 200,000 Btu	\$1.40	\$2.84	\$4.31	\$5.81	\$7.34

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PUGET SOUND ENERGY, INC.

NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 142

Revenue Decoupling Adjustment Mechanism

(Continued)

Section 7: Monthly Surcharge for Rate Plan Customers (Continued):

Schedule 74 – Gas Conversion Burner Rental Service

	2013	2014	2015	2016	2017
a. 45,000 to 400,000 Btu Standard Model	\$0.23	\$0.46	\$0.70	\$0.94	\$1.19
b. 45,000 to 400,000 Btu Conservation Model	\$0.35	\$0.70	\$1.06	\$1.43	\$1.81
c. 401,000 to 700,000 Btu	\$0.62	\$1.25	\$1.89	\$2.55	\$3.22
d. 701,000 to 1,300,000 Btu	\$0.84	\$1.69	\$2.56	\$3.45	\$4.36

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Schedule 85 – Interruptible Gas Service with Firm Option

	2013	2014	2015	2016	2017
a. Basic Charge		\$24.95	\$37.84	\$51.01	\$64.47
b. Procurement Charge		\$0.00030	\$0.00046	\$0.00062	\$0.00078
c. Delivery Charge First 25,000 Therms		\$0.00452	\$0.00685	\$0.00924	\$0.01168
d. Delivery Charge Next 25,000 Therms		\$0.00224	\$0.00340	\$0.00458	\$0.00579
e. Delivery Charge All Over 50,000 Therms		\$0.00214	\$0.00325	\$0.00438	\$0.00553

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PUGET SOUND ENERGY, INC.

NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 142

Revenue Decoupling Adjustment Mechanism

(Continued)

Section 7: Monthly Surcharge for Rate Plan Customers (Continued)

Schedule 85T – Distribution System Transportation Service (Interruptible with Firm Option)

	2013	2014	2015	2016	2017
a. Basic Charge		\$39.92	\$60.54	\$81.62	\$103.16
b. Delivery Charge First 25,000 Therms		\$0.00452	\$0.00685	\$0.00924	\$0.01168
c. Delivery Charge Next 25,000 Therms		\$0.00224	\$0.00340	\$0.00458	\$0.00579
d. Delivery Charge All Over 50,000 Therms		\$0.00214	\$0.00325	\$0.00438	\$0.00553

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Schedule 87 – Non-Exclusive Interruptible Gas Service with Firm Option (Optional)

	2013	2014	2015	2016	2017
a. Basic Charge		\$25.62	\$38.85	\$52.37	\$66.19
b. Procurement Charge		\$0.00024	\$0.00036	\$0.00049	\$0.00062
c. Delivery Charge First 25,000 Therms		\$0.00639	\$0.00969	\$0.01306	\$0.01651
d. Delivery Charge Next 25,000 Therms		\$0.00386	\$0.00586	\$0.00790	\$0.00998
e. Delivery Charge Next 50,000 Therms		\$0.00246	\$0.00373	\$0.00503	\$0.00636
f. Delivery Charge Next 100,000 Therms		\$0.00158	\$0.00239	\$0.00322	\$0.00407
g. Delivery Charge Next 300,000 Therms		\$0.00113	\$0.00172	\$0.00232	\$0.00293
h. Delivery Charge All Over 500,000 Therms		\$0.00087	\$0.00132	\$0.00178	\$0.00225

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(K) Transferred to Sheet Nos. 1142-F and 1142-H, respectively

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PUGET SOUND ENERGY, INC.

NATURAL GAS SUPPLEMENTAL SCHEDULE NO. 142

Revenue Decoupling Adjustment Mechanism

(Continued)

Section 7: Monthly Surcharge for Rate Plan Customers (Continued)

(N)

Schedule 87T – Distribution System Transportation Service (Non-Exclusive Interruptible Gas Service with Firm Option)

	2013	2014	2015	2016	2017
a. Basic Charge		\$40.98	\$62.15	\$83.78	\$105.89
b. Delivery Charge First 25,000 Therms		\$0.00639	\$0.00969	\$0.01306	\$0.01651
c. Delivery Charge Next 25,000 Therms		\$0.00386	\$0.00586	\$0.00790	\$0.00998
d. Delivery Charge Next 50,000 Therms		\$0.00246	\$0.00373	\$0.00503	\$0.00636
e. Delivery Charge Next 100,000 Therms		\$0.00158	\$0.00239	\$0.00322	\$0.00407
f. Delivery Charge Next 300,000 Therms		\$0.00113	\$0.00172	\$0.00232	\$0.00293
g. Delivery Charge All Over 500,000 Therms		\$0.00087	\$0.00132	\$0.00178	\$0.00225

(N)

Section 8: Adjustments

(M)

Rates in this schedule and those rates reflected in the schedules for natural gas service to which this mechanism applies, as listed in the Applicability section above, are subject to adjustment by such other schedules in this tariff as may apply.

Section 9: General Rules and Regulations

Service under this schedule is subject to the General Rules and Regulations contained in this tariff as they may be modified from time to time and other schedules of such tariff that may apply as they may be modified from time to time.

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