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STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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In the Matter of the Petition of

PUGET SOUND ENERGY, INC.

for an Accounting Order Regarding the
Implementation of Time of Day Adjustment of
Existing Schedule 7 Rate and an Electricity
Conservation Incentive Credit and Accounting
Treatment Consistent Therewith.

NO. _____

PETITION FOR
FOR ACCOUNTING ORDER

I. INTRODUCTION

1. Puget Sound Energy, Inc. ("PSE"), P.O. Box 97034, Bellevue, Washington 98009-9734, hereby petitions the Washington Utilities and Transportation Commission ("Commission") for an accounting order authorizing PSE to modify its accounts in conformity with the time of day adjustment of the existing Schedule 7 rate set forth in PSE's proposed Schedule No. 307 ("Time of Day Schedule") (attached as Exhibit A), the true-up mechanism for such time of day adjustment of the existing rate set forth in the rate adjustment in PSE's proposed Schedule No. 105 ("Time of Day Rate Adjustment Schedule") (attached as Exhibit B) and the electricity conservation incentive credit set forth in PSE's proposed Schedule No. 125 ("Conservation Incentive Credit Schedule") (attached as Exhibit C).

2. The following statutes may be brought into issue by this Petition: RCW 80.01.040(3) (concerning the Commission's jurisdiction to regulate electric companies); and RCW 80.04.090 (authorizing the Commission to prescribe the form of accounts).

II. FACTS

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3 3. PSE is in the business of furnishing electric and gas service in the state of
4 Washington and is subject to the Commission's regulatory authority over retail rates, services
5 and practices.
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9 4. Washington is currently facing a severe energy shortage. As a result of
10 California's energy crisis and abnormally low rainfall in this region, Governor Locke has
11 declared that Washington is in an energy supply alert. He has urged action to respond to the
12 regional energy shortage, stating "We must take all steps necessary to avoid a crisis of the
13 proportions experienced by California, a crisis that directly threatens the very foundations of
14 the California economy, vital public services, and the health and safety of the public."
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21 5. PSE has made a considerable effort to respond to the regional energy shortage
22 and to reduce the likelihood of a crisis of the magnitude that California is currently facing.
23 One aspect of this effort is an integrated demand-side initiative which combines: (1) the Time
24 of Day Schedule with the Time of Day Rate Adjustment Schedule, which would encourage
25 residential customers to reduce their on-peak electricity use by providing them price signals;
26 and (2) the Conservation Incentive Credit Schedule, which would encourage customers to
27 reduce their monthly electricity use by rewarding them with financial credits for doing so.
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35 6. PSE has been developing its time of day program for some time, as it
36 encourages efficient energy use, even in times when energy is not in short supply, by
37 providing cost and usage information to customers. Implementing the Time of Day Schedule
38 for a pilot program, effective through September 30, 2001, in response to the current energy
39 shortage will provide valuable information and experience in developing and evaluating a
40 time of day program.
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III. DISCUSSION

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3 7. Time of Day Schedule. The Time of Day Schedule will encourage residential
4 customers to use energy more efficiently. Time of day incentives have numerous potential
5 benefits. Such incentives (1) complement PSE's other efforts to respond to the current energy
6 supply shortage; (2) are cutting-edge methods of reducing peak demand through load
7 shifting, which would be particularly beneficial in the current energy supply shortage;
8 (3) prevent the need for certain residential customers, who tend to use energy off-peak, to
9 subsidize other residential customers, who tend to use energy on-peak; (4) send price signals
10 to residential customers, thereby allowing each customer to make an informed decision as to
11 his/her energy use/conservation; (5) will likely improve PSE's load factor; and (6) will likely
12 reduce residential customer demand charges in the future.
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22 8. Time of Day Rate Adjustment Schedule—Such rider provides that if at the
23 end of the program the cumulative revenues collected from PSE residential customers
24 pursuant to the Time of Day Schedule exceed the revenues that would have been collected
25 from such customers pursuant to the Schedule 7 rate that such customers would have taken
26 service under in the absence of time of day rates, an amount equal to such difference will be
27 refunded uniformly to such residential customers.
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34 9. Conservation Incentive Credit Schedule—The Conservation Incentive Credit
35 Schedule is available to certain PSE customers. Such rider provides that each customer that
36 reduces his/her total use in a particular month by greater than ten percent (10%) compared to
37 the same month in the previous year will receive a \$.05 credit for each kilowatthour reduced
38 in such month that is in addition to the ten percent (10%) reduction.
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IV. ACCOUNTING TREATMENT

10. PSE respectfully requests that the Commission issue an accounting order authorizing the Company to modify its accounts in conformity with the Time of Day Schedule, the Time of Day Rate Adjustment Schedule and the Conservation Incentive Credit Schedule. Specifically, PSE requests that the Commission issue an accounting order authorizing PSE to (1) implement residential time of day pricing pursuant to and in conformity with the Time of Day Schedule; (2) defer any cumulative overcollection difference until the end of the program when an amount equal to such difference is refunded to the customer pursuant to and in conformity with the Time of Day Rate Adjustment Schedule; and (3) account for certain credits to PSE customers that reduce their energy consumption by greater than ten percent (10%) in a given month compared to the same month in the prior year pursuant to and in conformity with the Conservation Incentive Credit Schedule.

V. PRAYER FOR RELIEF

11. PSE respectfully requests that the Commission enter an accounting order authorizing PSE to modify its accounts consistent with the Time of Day Schedule, the Time of Day Rate Adjustment Schedule and the Conservation Incentive Credit Schedule.

DATED: April 17, 2001.

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By 

Karl R. Karzmar
Manager of Revenue Requirements