

**EXHIBIT NO. \_\_\_(JAP-8)  
DOCKET NO. UE-11\_\_\_/UG-11\_\_\_  
2011 PSE GENERAL RATE CASE  
WITNESS: JON A. PILIARIS**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**Docket No. UE-11\_\_\_  
Docket No. UG-11\_\_\_**

**SEVENTH EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED DIRECT TESTIMONY OF  
JON A. PILIARIS  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**JUNE 13, 2011**



# Exhibit JAP-08



PSE

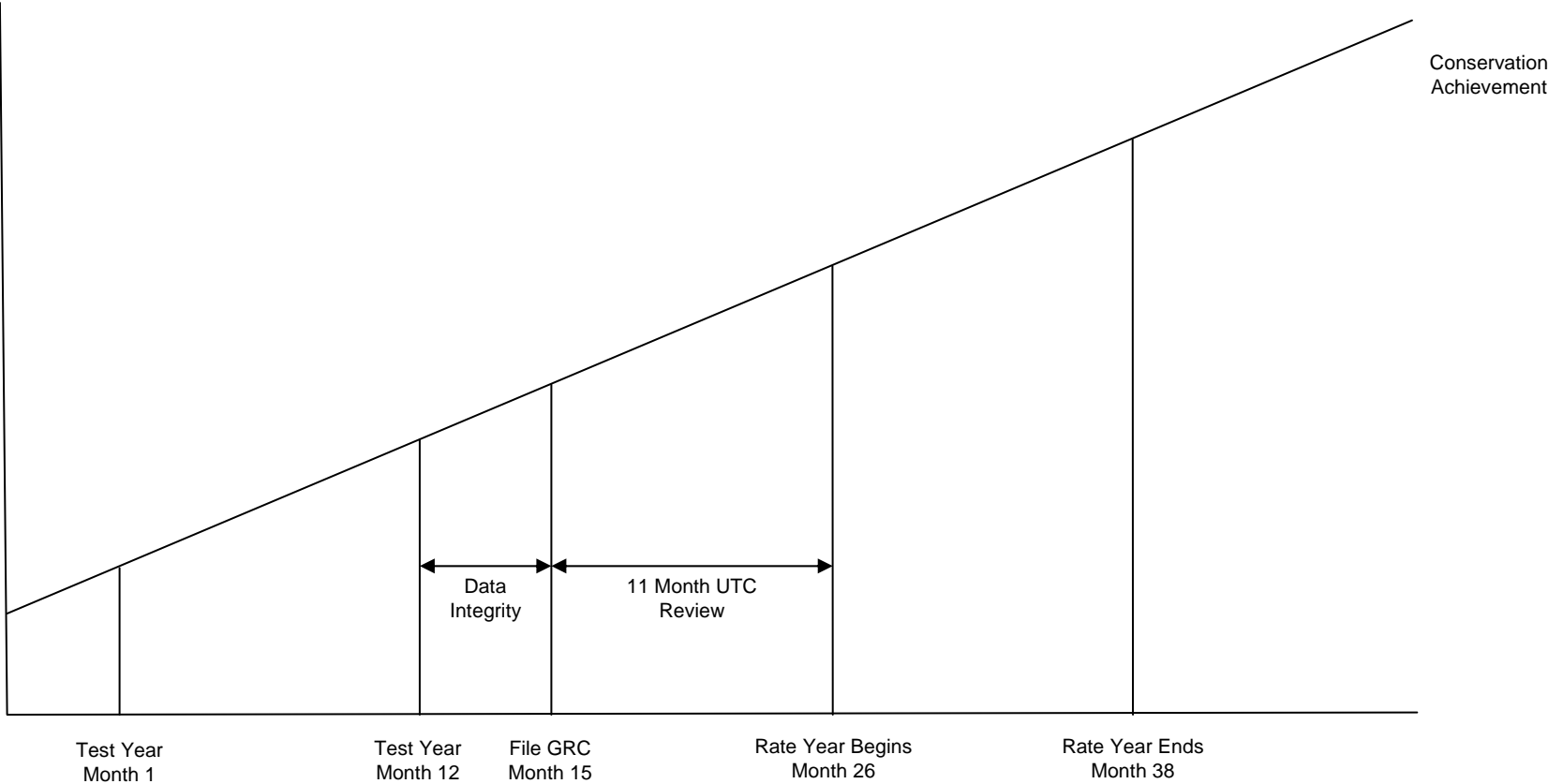
**PUGET SOUND ENERGY**

*The Energy To Do Great Things*

June 3, 2011



# Pace of Conservation Between Test Year and Rate Year - Conceptual



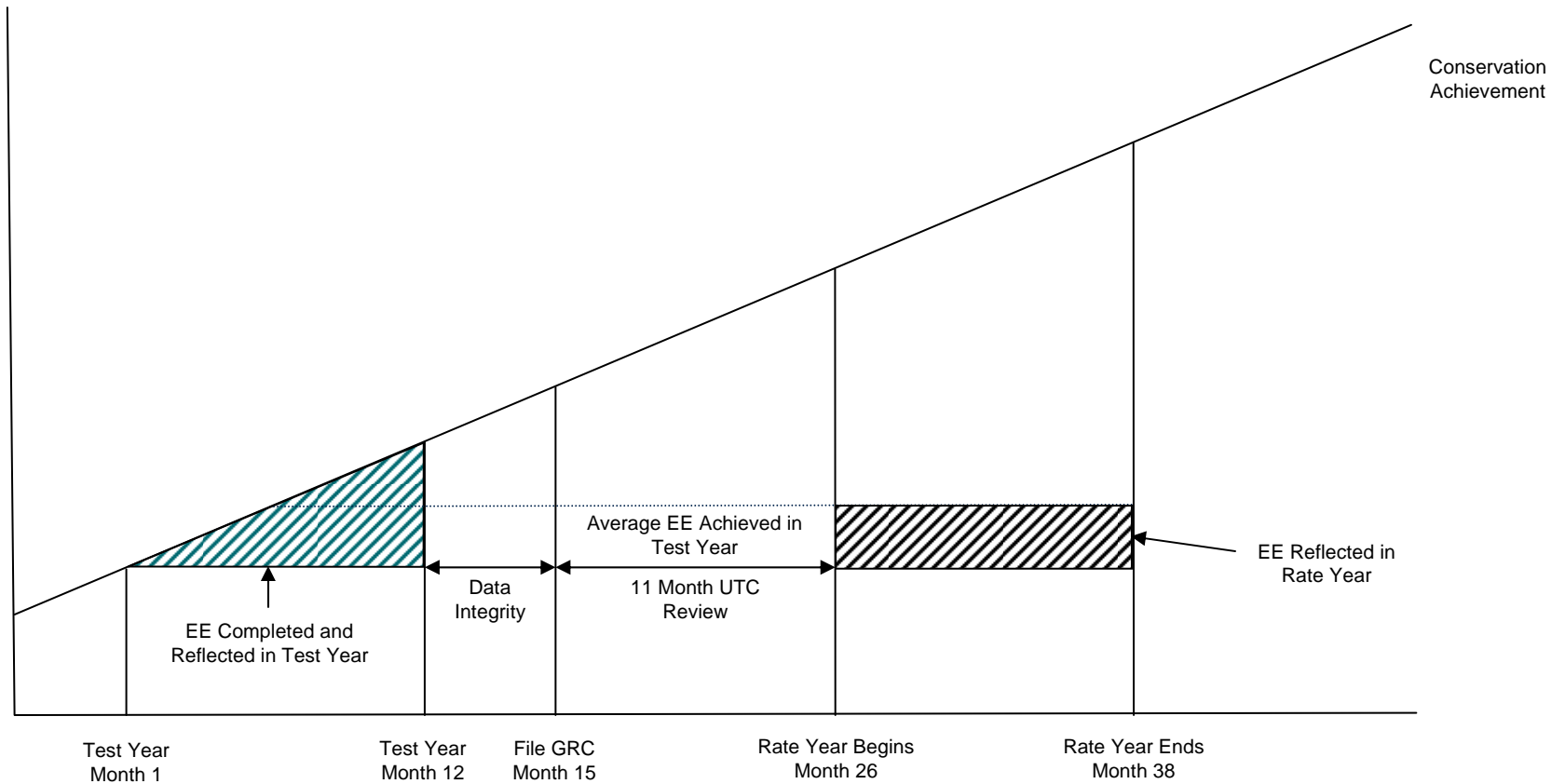


# Pace of Conservation Between Test Year and Rate Year – PSE Calculations

Row			Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
5								
6	<b><u>Total First-Year Conservation Savings (kWh)</u></b>							
7	Schedule 7	Exh. JAP-11,Input	13,235,760	13,235,760	12,808,800	13,235,760	12,808,800	13,235,760
8	Schedules 24-26, 29, 31, 35, 43 & 57	Exh. JAP-11,Input	11,957,304	11,957,304	11,571,585	11,957,304	11,571,585	11,957,304
9	Schedules 40, 46, 49, 448-449, 458-459	Exh. JAP-11,Input	<u>876,696</u>	<u>876,696</u>	<u>848,415</u>	<u>876,696</u>	<u>848,415</u>	<u>876,696</u>
10	Total	(7)+(8)+(9)	<u>26,069,760</u>	<u>26,069,760</u>	<u>25,228,800</u>	<u>26,069,760</u>	<u>25,228,800</u>	<u>26,069,760</u>
11								
12	<b><u>Incremental Monthly Conservation Savings (kWh)</u></b>							
13	Schedule 7	(7) / 12	1,102,980	1,102,980	1,067,400	1,102,980	1,067,400	1,102,980
14	Schedules 24-26, 29, 31, 35, 43 & 57	(8) / 12	996,442	996,442	964,299	996,442	964,299	996,442
15	Schedules 40, 46, 49, 448-449, 458-459	(9) / 12	<u>73,058</u>	<u>73,058</u>	<u>70,701</u>	<u>73,058</u>	<u>70,701</u>	<u>73,058</u>
16	Total	(13)+(14)+(15)	<u>2,172,480</u>	<u>2,172,480</u>	<u>2,102,400</u>	<u>2,172,480</u>	<u>2,102,400</u>	<u>2,172,480</u>
17								
18	<b><u>Cumulative Monthly Conservation Savings Since Jan. 2010 (kWh)</u></b>							
19	Schedule 7	(13) accumulated	29,774,263	30,877,243	31,944,643	33,047,623	34,115,023	35,218,003
20	Schedules 24-26, 29, 31, 35, 43 & 57*	(14) accumulated	34,433,639	35,430,081	36,394,380	37,390,822	38,355,121	39,351,563
21	Schedules 40, 46, 49, 448-449, 458-459	(15) accumulated	<u>2,524,635</u>	<u>2,597,693</u>	<u>2,668,394</u>	<u>2,741,452</u>	<u>2,812,153</u>	<u>2,885,211</u>
22	Total	(19)+(20)+(21)	<u>66,732,538</u>	<u>68,905,018</u>	<u>71,007,418</u>	<u>73,179,898</u>	<u>75,282,298</u>	<u>77,454,778</u>
23								



# Conservation Reflected in Rate Year



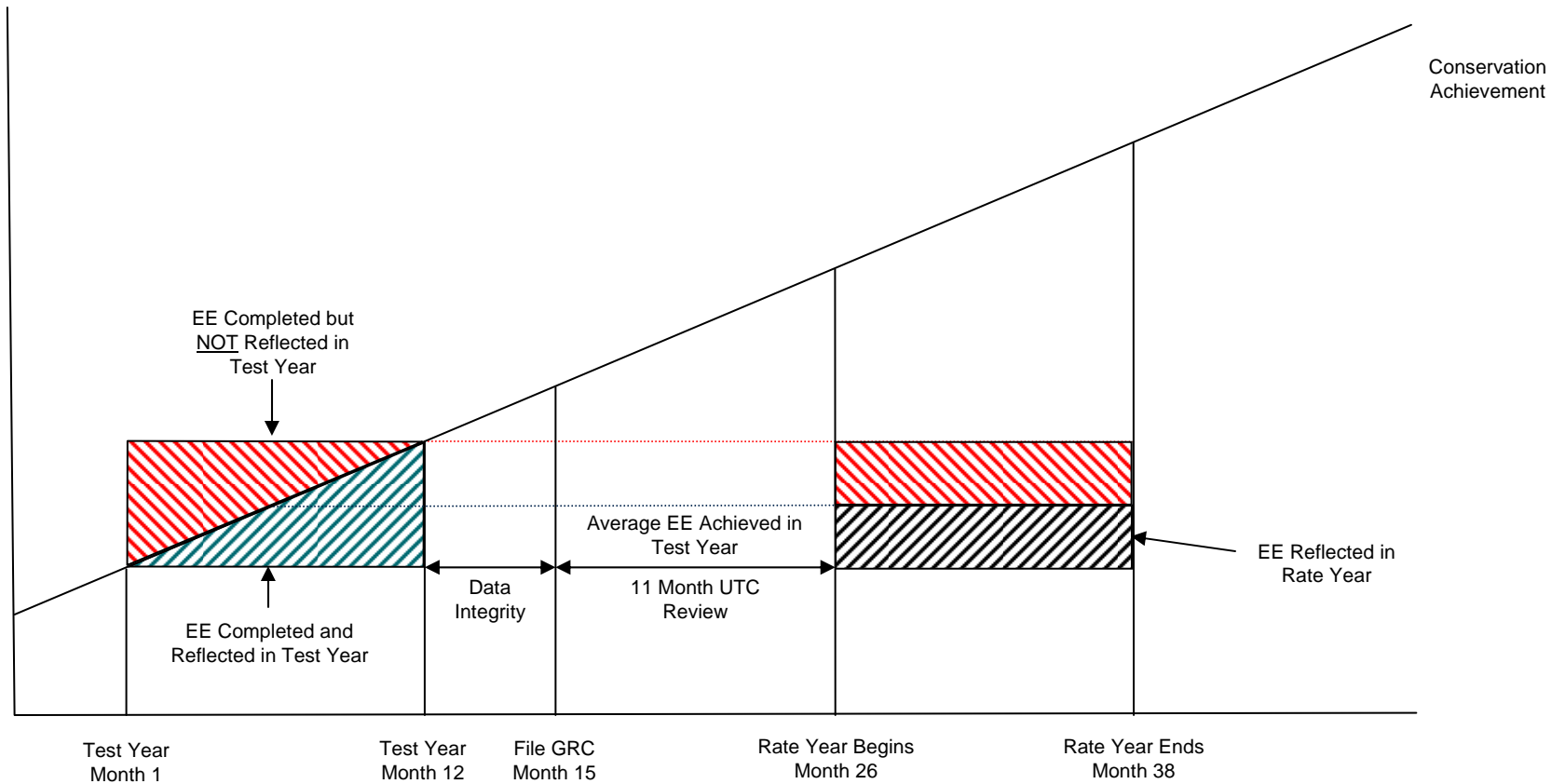


# Conservation Reflected in Rates – PSE Calculations

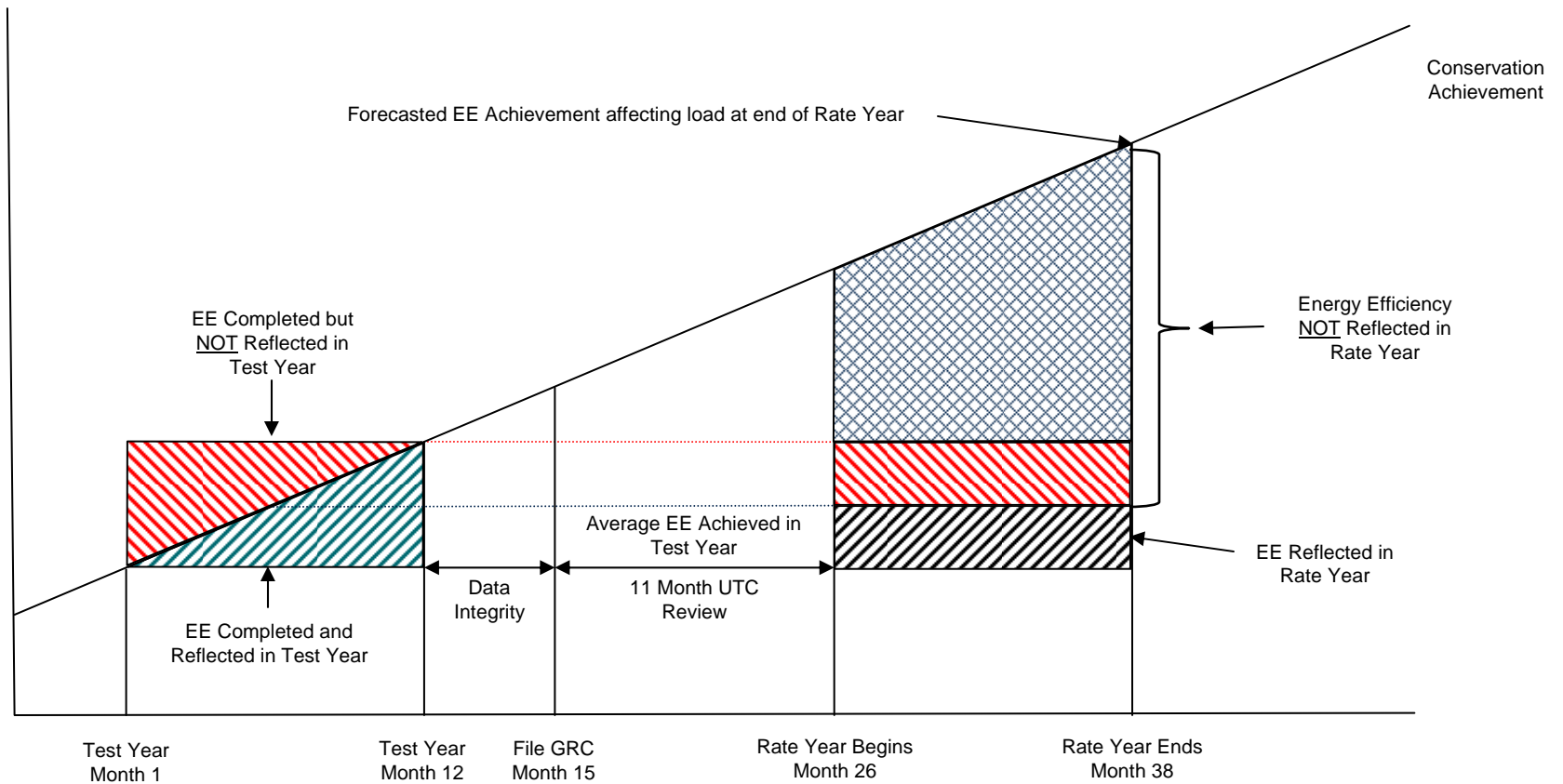
Row		Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
24							
25	<b><u>Phase-In of Test Period Conservation (kWh)*</u></b>						
26	Schedule 7 (13) accumulated						
27	Schedules 24-26, 29, 31, 35, 43 & 57 (14) accumulated						
28	Schedules 40, 46, 49, 448-449, 458-459 (15) accumulated						
29	Total (26)+(27)+(28)						
30	* Amounts are accumulated during the test year.						
31							
32	<b><u>Conservation Savings Since January 2010 Reflected in Rates and Unrelated to Power Costs (kWh)</u></b>						
33							
34	<u>2011 Rate Case*</u>						
35	Schedule 7 See (39)	5,597,672	5,597,672	5,597,672	5,597,672	5,597,672	5,597,672
36	Schedules 24-26, 29, 31, 35, 43 & 57 See (39)	6,708,617	6,708,617	6,708,617	6,708,617	6,708,617	6,708,617
37	Schedules 40, 46, 49, 448-449, 458-459 See (39)	417,151	417,151	417,151	417,151	417,151	417,151
38	Total (35)+(36)+(37)	12,723,439	12,723,439	12,723,439	12,723,439	12,723,439	12,723,439
39	* Savings are first accumulated through 12-31-10 (i.e., the end of the test year). These net conservation savings are then reflected in rates when they become effective (May 2012).						
40							



# Test Year Conservation NOT Reflected in Rate Year



# Aggregate Conservation Achievement Not Reflected in Rate Year







# Conservation Not Reflected in Rate Year and Resulting Impact – PSE Calculations



Row			Jul-12	Aug-12	Sep-12	Oct-12	Nov-12	Dec-12
41	<b><u>Conservation Savings Since January 2010 Reducing Rate Revenues That Are Unrelated to Power Costs (kWh)</u></b>							
42	Schedule 7	(19) - (35)	24,176,592	25,279,572	26,346,972	27,449,952	28,517,352	29,620,332
43	Schedules 24-26, 29, 31, 35, 43 & 57	(20) - (36)	27,725,023	28,721,465	29,685,763	30,682,205	31,646,504	32,642,946
44	Schedules 40, 46, 49, 448-449, 458-459	(21) - (37)	<u>2,107,484</u>	<u>2,180,542</u>	<u>2,251,244</u>	<u>2,324,302</u>	<u>2,395,003</u>	<u>2,468,061</u>
45	Total	(42)+(43)+(44)	54,009,099	56,181,579	58,283,979	60,456,459	62,558,859	64,731,339
46								
47								
48	<b><u>Average Unit Volumetric Rates Unrelated to Power Costs (\$/kWh)</u></b>							
49	Schedule 7	Exh. JAP-13,Input	\$ 0.02267	\$ 0.02267	\$ 0.02267	\$ 0.02267	\$ 0.02267	\$ 0.02267
50	Schedules 24-26, 29, 31, 35, 43 & 57	Exh. JAP-13,Input	\$ 0.02091	\$ 0.02091	\$ 0.02091	\$ 0.02091	\$ 0.02091	\$ 0.02091
51	Schedules 40, 46, 49, 448-449, 458-459	Exh. JAP-13,Input	\$ 0.00424	\$ 0.00424	\$ 0.00424	\$ 0.00424	\$ 0.00424	\$ 0.00424
52								
53								
54	<b><u>Impact of Company-Sponsored Energy Efficiency on PSE's Ability to Recover Electric Costs</u></b>							
55	Schedule 7	(42) x (49)	\$ 547,962	\$ 572,961	\$ 597,154	\$ 622,153	\$ 646,346	\$ 671,345
56	Schedules 24-26, 29, 31, 35, 43 & 57	(43) x (50)	\$ 579,702	\$ 600,537	\$ 620,700	\$ 641,534	\$ 661,697	\$ 682,531
57	Schedules 40, 46, 49, 448-449, 458-459	(44) x (51)	<u>\$ 8,925</u>	<u>\$ 9,235</u>	<u>\$ 9,534</u>	<u>\$ 9,843</u>	<u>\$ 10,143</u>	<u>\$ 10,452</u>
58	Total	(55)+(56)+(57)	\$ 1,136,590	\$ 1,182,733	\$ 1,227,388	\$ 1,273,531	\$ 1,318,185	\$ 1,364,328
59								