

**EXHIBIT NO. ___(JAP-12)
DOCKET NO. UE-132027
WITNESS: JON A. PILIARIS**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of

PUGET SOUND ENERGY, INC.

**For an Accounting Order Approving the
Allocation of Proceeds of the Sale of
Certain Assets to Public Utility District
#1 of Jefferson County.**

Docket No. UE-132027

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

APRIL 22, 2014

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF
RESPONSE TO DATA REQUEST

DATE PREPARED: April 14, 2014 WITNESS: EJ Keating
DOCKET: UE-132027 RESPONDER: EJ Keating
REQUESTER: PSE TELEPHONE: (360) 664-1312

PSE Data Request No. 012 to WUTC Staff:

RE: Keating, Exh. No. EJK-1T, 27:8-11

Please reconcile WUTC Staff's position in the above-referenced testimony with its support for PSE's conservation program. As part of its response, and specifically related to power supply, please

- a. Explain whether and how PSE customers not participating in its conservation program benefit from this program, and
- b. Explain any and all differences between how PSE's customers not participating in its conservation program are impacted by the load reductions resulting from these programs and how PSE's customers served outside of Jefferson County are impacted by the load reduction resulting from the transfer PSE's assets in Jefferson County to JPUD.

RESPONSE:

Staff objects to this data request as irrelevant and beyond the scope of its testimony. Without waiving such objection:

- a. Staff is unaware of any customers other than transportation customers that are not participating in PSE's conservation programs. All customers support conservation programs through rates.
- b. See response to part a above.

If PSE is referring to customers who do not participate in its conservation programs as those who pay the DSM charge to subsidize efficiency measures for other PSE customers, then:

- a. DSM measures that are paid for by all customers and implemented by a subset of customers will reduce the overall average load without changing the number of ratepayers on the system. This will mitigate the immediate need for building additional generation plant.
- b. Conservation programs do not change the number of ratepayers on the system. Therefore there is no loss of contributions to fixed costs. Conservation programs do effectively lower the overall average load per customer; however, the loss of Jefferson County load *and* ratepayers is not related to the reduction of incremental load per customer. The loss of Jefferson County load and ratepayers results in a harm to ratepayers because there are now fewer ratepayers on the system to contribute to the same level of fixed production plant costs. Comparing conservation programs with the loss of load and ratepayers in Jefferson County would support that it is in the public interest for the Company to sell all of its service territory immediately. This is in line with the determination that Conservation programs, such as DSM, are in the public interest.