

**EXHIBIT NO. ___(JAP-28)
DOCKET NOS. UE-111048/UG-111049
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-111048
Docket No. UG-111049**

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

JANUARY 17, 2012

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION STAFF
RESPONSE TO DATA REQUEST

DATE PREPARED: December 21, 2011 WITNESS: Deborah J. Reynolds
DOCKETS: UE-111048/UG-111049 RESPONDER: Deborah J. Reynolds
REQUESTER: Puget Sound Energy TELEPHONE: (360) 664-1255

PSE Data Request No. 019 to WUTC Staff:

RE: Deborah J. Reynolds, Exhibit No. ____ (DJR-1T), page 27, lines 22, to page 28, line 3

Please clarify WUTC Staff's understanding as to whether PSE's proposed electric CSA mechanism recovers any lost retail revenue related to its PCA Baseline Rate. If WUTC Staff believes that the CSA mechanism recovers any lost retail revenue related to its PCA Baseline Rate, please provide or cite all materials and sources relied upon to reach this conclusion.

RESPONSE:

Staff is uncertain whether PSE's proposed electric CSA mechanism recovers any lost retail revenue related to its PCA Baseline Rate. First, "lost retail revenue" is undefined. If it refers to "lost margin," the CSA mechanism is not designed to recover lost margin as defined in the Commission's Decoupling Policy Statement. Second, PSE's efforts to design the CSA are hampered by the reliance on conservation savings estimates. Even though the CSA nets out the PCA Baseline Rate in calculating the GRC Fixed Cost Rate (Exhibit No. __ (JAP-13), row 4, and adjusts out the reported conservation savings from the relevant year (Exhibit No. __ (JAP-11), column g, the incorporation of the conservation savings estimates still introduces elements that are not known and measurable. See Staff Responses to PSE Data Request Nos. 014 and 024.