

**EXHIBIT NO. \_\_\_(JAP-35)  
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**

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

**JANUARY 17, 2012**

**PSE Data Request No. 013 to Kroger:**

RE: Kevin C. Higgins, Exhibit No. \_\_\_\_ (KCH-2T), page 24, lines 21-23

Please provide Kroger's understanding of whether all conservation that has occurred prior to the rate-effective year is reflected in the formulation of rates in effect during that year. As part of Kroger's response, please explain how conservation achieved in the year prior to the rate-effective year is reflected in the formulation of rates in effect during the rate-effective year.

Response: Mr. Higgins' understanding is based on the illustrative example provided in PSE Witness Piliaris Exhibit JAP-08. According to that exhibit, a portion, but not all, of the annualized conservation implemented during the test period used for setting rates is reflected in the formulation of rates.