

**EXHIBIT NO. ___(JAP-36)
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**

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

JANUARY 17, 2012

**BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION
COMMISSION**

WUTC v. PSE

Docket Nos. UE-111048 and UG-111049

**RESPONSE OF PUBLIC COUNSEL AND THE ENERGY PROJECT TO PSE
DATA REQUEST NO. 019**

Request No: 019
Directed to: Simon ffitich and Ron Roseman
Date Received: December 12, 2011
Date Produced: December 21, 2011
Prepared by: Andrea C. Crane
Witnesses: Andrea C. Crane

PSE Data Request No. 019 to Public Counsel and The Energy Project:

RE: Andrea C. Crane, Exhibit No. ___(ACC-1T), page 15, lines 20-21

Please provide any evidence available to Public Counsel and The Energy Project that quantifies the effect mechanisms like PSE's proposed CSA mechanisms have on a utility's incentive to control its costs?

RESPONSE:

Ms. Crane is a witness appearing on behalf of Public Counsel and The Energy Project. This response represents Ms. Crane's opinion and understanding. As noted in Ms. Crane's testimony, mechanisms like the CSA provide an additional source of revenue to the Company. All other things being equal, the Company's incentive to control costs is reduced as revenues are increased, since additional cash flow is available to the Company. Ms. Crane has not undertaken a study to attempt to quantify the impact this additional revenue would have on the Company's incentive to control costs.