

Exhibit No. __ T (RCM-1T)
Dockets UE-072300/
UG-072301/UE-080064
Witness: Roland C. Martin
REVISED June 25, 2008

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET UE-072300
DOCKET UG-072301
(Consolidated)

DOCKET UG-080064

TESTIMONY OF

ROLAND C. MARTIN

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Ratemaking Adjustments and PCORC Modifications

May 30, 2008

REVISED June 25, 2008

1 A. This adjustment adjusts production-related operation and maintenance expenses,
2 taxes, depreciation, and ratebase using the same production factor used in the
3 Revised Power Cost Adjustment 11.03. This adjustment depends on other
4 ratemaking adjustments that relate to power production. Staff reviewed the
5 production factor and its application to production-related costs and found it to be
6 appropriate. Hence, this adjustment is contested solely due to contested issues
7 affecting production-related costs that are addressed in other adjustments. This
8 adjustment increases net operating income by ~~\$2,866,465~~ \$2,834,645 and decreases
9 rate base by \$41,712,757.

10
11 **B. Gas Ratemaking Adjustments**

12
13 **Q. Turning to the gas restating and pro forma adjustments, please indicate which**
14 **adjustments that you reviewed are uncontested by Staff.**

15 A. The following adjustments as revised by the Company in its Supplemental
16 Testimony and Exhibits filed on April 14, 2008 are uncontested by Staff:

17 Adjustment 9.13, Interest on Customer Deposits
18 Adjustment 9.15, Deferred Gains & Losses
19

20 **Q. Please indicate which adjustment that you reviewed is contested by Staff.**

21 A. Staff contests Adjustment 9.09, Miscellaneous Operating Expenses for the same
22 reasons explained in the earlier discussion of electric Adjustment 11.14.
23