

**Exhibit No. \_\_T (TES-1T)  
Dockets UE-072300/  
UG-072301/UG-080064  
Witness: Thomas E. Schooley  
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**

**Thomas E. Schooley**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Adjustments for Meter Malfunctions*

*Revenue Allocation and Rate Design*

**MAY 30, 2008**

**REVISED June 25, 2008**

1 and 61; no increase to large volume customers on Schedules 41, 85, and contracts;  
2 and a rate decrease to Limited Interruptible customers on Schedule 86. Exhibit No.  
3 \_\_ (JKP-10).

4  
5 **Q. How are the parity ratios affected by the above percentage increases?**

6 A. Schedule 23, Residential, stays at the same parity ratio as current rates. The  
7 schedules receiving above average increases move to a parity range of about 95% to  
8 119%; and the schedules with no increase or a decrease will remain above parity by  
9 133% to 146%. Exhibit No. \_\_ (JKP-5).

10  
11 **Q. Does Staff accept the Company's proposed revenue allocation for gas service?**

12 A. Yes, with one exception for Schedule 86. Staff proposes an overall increase in revenue  
13 requirements of ~~4.1%~~ 4.15% with gas costs, or approximately ~~13.0%~~ 13.12% without gas  
14 cost. Some customers will see delivery cost increases of ~~18.8%~~ 19.0%. Staff's proposal  
15 results in rates for residential customers increasing ~~13.0%~~ 13.1% on delivery costs, or  
16 4.4% overall. No customer group should receive a decrease in rates if most others are  
17 getting a substantial increase. Therefore, Staff recommends that Schedule 86 receive  
18 neither an increase nor a decrease, similar to Schedules 41 and 85.

19  
20 **Q. Turning to rate design, please describe PSE's proposal for its natural gas rate**  
21 **schedules.**

22 A. PSE proposes that virtually all costs allocated to the customer portion of each rate  
23 schedule be collected on a per customer basis. These costs include the return on the