

**BOEHM, KURTZ & LOWRY**

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and OVERNIGHT MAIL

November 30, 2009

Commission Secretary  
Washington Utilities and Transportation Commission,  
P.O. Box 47250  
1300 S. Evergreen Park Drive, S.W.  
Olympia, Washington 98504-7250

**Re: Docket No. UE-090704 & UG-090705**

Dear Commission Secretary:

Please find the enclosed supplement to Kevin C. Higgins' Response Testimony filed on behalf of the Kroger Co. in the above-referenced matter (hard copy and electronic format).

By copy of this letter, all parties listed on the Certificate of Service have been electronically served. Please place this document of file.

Very Truly Yours,



Michael L. Kurtz, Esq.  
Kurt J. Boehm, Esq.  
**BOEHM, KURTZ & LOWRY**

MLKkew  
Enclosures  
cc: Certificate of Service

**CERTIFICATE OF SERVICE**

I hereby certify that I have this day served a copy of the foregoing on all parties by electronic mail (when available) or regular U.S. mail this 30<sup>th</sup> day of November, 2009 upon the parties listed on the attached Certificate of Service.



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Kurt J. Boehm, Esq.

**Kroger Recommended Spread At PSE's Requested \$153.9 Million (7.68%) System Average Revenue Increase**

12 Months Ended Dec 2008

Residential	Schedule	kWh	Proforma Revenue	FSE Requested Increase	Percent of Total w/o Schedule 40 & Firm Resale	Percent of Average Increase	Proposed Revenue Increase	Proposed Revenue
	7	10,866,425,798 \$	1,086,009,284		55.48%	100%	94,283,702 \$	1,180,292,986
<b>Secondary Voltage</b>								
General Service <= 50 kW	24	2,690,813,599 \$	251,380,615		12.84%	85%	18,550,422 \$	269,931,037
General Service >= 50 kW but <= 350 kW	25 / 29	3,138,920,022 \$	274,490,508		14.02%	50%	11,915,175 \$	286,405,683
General Service >= 350 kW	26	2,126,986,054 \$	167,558,420		8.56%	85%	12,364,833 \$	179,923,253
<b>Total Secondary Voltage</b>	24 / 25 / 26 / 29	7,956,719,674 \$	693,429,542				42,830,431 \$	736,259,973
<b>Primary Voltage</b>								
General Service	31 / 35	1,352,545,752 \$	106,331,509		5.43%	75%	6,923,510 \$	113,255,019
Interruptible Total Electric Schools	43	164,521,412 \$	13,767,819		0.70%	75%	896,457 \$	14,664,276
<b>Total Primary Voltage</b>	31 / 35 / 43	1,517,067,164 \$	120,099,328				7,819,967 \$	127,919,295
Campus Rate	40	681,456,292 \$	44,871,350		1.81%	100%	4,028,018 \$	48,899,368
Total High Voltage	46 / 49	570,036,950 \$	35,350,468				3,069,010 \$	38,419,478
Choice/Retail Wheeling	448/449	2,040,112,226 \$	6,161,091		0.31%	100%	534,885 \$	6,695,976
Lighting	50 - 59	83,137,756 \$	16,499,336		0.84%	75%	1,074,313 \$	17,573,649
<b>Total Jurisdictional Retail Sales</b>		23,734,955,859 \$	2,002,420,399				153,640,326 \$	2,156,060,725
<b>Firm Resale/Special Contract</b>		7,617,108 \$	1,323,875				300,039 \$	1,623,915
<b>Total Sales</b>		23,742,572,967 \$	2,003,744,275 \$	153,940,365 \$	100.00%		153,940,365 \$	2,157,684,640

Average Increase Before Schedule 40	100%
Average Increase After Schedule 40 & Firm Resale / Special Contract	7.683%
Adjustment to Average Increase for Unequal Allocation of Increase	7.643%
Average Increase After Schedule 40 & Firm Resale / Special Contract Adjusted for Unequal Allocation of Increase	1.1359218
	8.682%

Proposed Increase, All Classes DWH-4	\$ 148,443,904
Proposed Increase Change, DWH-8 vs DWH-4	\$ 5,496,461
% Increase, DWH-8 vs DWH-4	3.70%

<b>Firm Resale Rate Spread Calculation</b>	
Firm Resale Revenue (Cost of Service) DWH-3, p1	\$ 1,619,777
Total Revenue (Cost of Service) DWH-3, p1	\$ 2,152,188,178
Implied Firm Resale Revenue (Cost of Service) DWH-8	\$ 2,157,684,640
Firm Resale Proforma Revenue DWH-8	\$ 1,623,914
Firm Resale Increase, DWH-8	\$ 1,323,875
	\$ 300,039

Data Source: David W. Hoff, Exhibit No. (DWH-8), p. 1 of 43, Supplemental Filing Submitted on Sept 28, 2009.

**Kroger Proposed Spread Assuming WUTC Ordered Increase of \$93.8 Million (4.68%) System Average Revenue Increase**

	Schedule	Pro Forma kWh Revised <sup>1</sup>	Proforma Revenue Revised <sup>1</sup>	Revenues @ PSE's Requested Revenue Increase	Schedule Share of Retail Revenue Requirement <sup>2</sup>	Kroger Recommended Spread Approach at Lower PSE Revenue Increase		Proposed Revenue Increase	Proposed Revenue Increase
						Revenue Increase	Proposed Revenue		
Residential	7	10,886,425,798 \$	1,086,009,284 \$	1,180,292,986 \$	56.0%	\$ 61,366,755	\$ 1,147,376,039	\$ 1,147,376,039	5.65%
Secondary Voltage									
General Service <= 50 kW	24	2,690,813,599 \$	251,380,615 \$	269,931,037 \$	12.8%	\$ 11,022,371	\$ 262,402,986	\$ 262,402,986	4.38%
General Service >= 50 kW but <= 350 kW	25 / 29	3,138,920,022 \$	274,490,508 \$	286,405,683 \$	13.6%	\$ 3,927,666	\$ 278,418,174	\$ 278,418,174	1.43%
General Service >= 350 kW	26	2,126,986,054 \$	167,558,420 \$	179,923,253 \$	8.5%	\$ 7,346,991	\$ 174,905,411	\$ 174,905,411	4.38%
Total Secondary Voltage	24 / 25 / 26 / 29	7,956,719,674 \$	693,429,542 \$	736,259,973 \$	34.9%	\$ 22,297,028	\$ 715,726,571	\$ 715,726,571	3.22%
Primary Voltage									
General Service	31 / 35	1,352,545,752 \$	106,331,509 \$	113,255,019 \$	5.4%	\$ 3,764,964	\$ 110,096,474	\$ 110,096,474	3.54%
Interruptible Total Electric Schools	43	164,521,412 \$	13,767,819 \$	14,664,276 \$	0.7%	\$ 487,488	\$ 14,255,307	\$ 14,255,307	3.54%
Total Primary Voltage	31 / 35 / 43	1,517,067,164 \$	120,099,328 \$	127,919,295 \$	6.1%	\$ 4,252,452	\$ 124,351,781	\$ 124,351,781	3.54%
Campus Rate <sup>2</sup>	40	681,456,292 \$	44,871,350 \$	48,899,368 \$	NA	\$ 2,681,877	\$ 47,553,227	\$ 47,553,227	5.98%
Total High Voltage	46 / 49	570,036,950 \$	35,350,468 \$	38,419,478 \$	1.8%	\$ 1,997,537	\$ 37,348,005	\$ 37,348,005	5.65%
Choice/Retail Wheeling	448/449	2,040,112,226 \$	6,161,091 \$	6,695,976 \$	0.3%	\$ 348,143	\$ 6,509,233	\$ 6,509,233	5.65%
Lighting	50 - 59	83,137,756 \$	16,499,336 \$	17,573,649 \$	0.8%	\$ 584,205	\$ 17,083,541	\$ 17,083,541	3.54%
Total Jurisdictional Retail Sales		23,734,955,859 \$	2,002,420,399 \$	2,156,060,725 \$	100.0%	\$ 93,527,997	\$ 2,095,948,397	\$ 2,095,948,397	4.67%
Firm Resale/Special Contract <sup>3</sup>		7,617,108 \$	1,323,875 \$	1,623,915 \$		\$ 300,039	\$ 1,623,915	\$ 1,623,915	22.66%
Total Sales		23,742,572,967 \$	2,003,744,275 \$	2,157,684,640 \$		\$ 93,828,037	\$ 2,097,572,311	\$ 2,097,572,311	4.68%
Assumed WUTC Ordered Revenue Increase							\$ 93,828,037	\$ 93,828,037	4.683%
Average Increase Before Schedule 40									-3.000%
Difference from PSE Supplemental Filing									

**Notes:**

1. Data Source: David W. Hoff, Exhibit No. (DWH-8), p. 1 of 43, Supplemental Filing Submitted on Sept 28, 2009.
2. In this exhibit, Kroger's proposed Campus Rate revenue is determined by reducing PSE's proposed Campus Rate revenue by 3%. In practice, Schedule 40 will be determined by formula.
3. In this exhibit, Kroger's proposed Firm Sale/Special Contract revenue is set equal to PSE's proposed Firm Sale/Special Contract revenue.
4. The share of retail revenue requirement calculation excludes Schedule 40.

# Kroger Proposed Rate Schedule 26 Design @ PSE Proposed Revenue Requirement and Using PSE's Recommended Rate Spread

Twelve Months ended December 31, 2008

Secondary Voltage, Demand Greater than 350 kW  
Schedule 26

	Billing Determinants		Proforma		Kroger Proposed		Proposed vs Proforma	
	Charge	Revenue	Charge	Revenue	Charge	Revenue	Charge	Revenue
Total Basic Charge	9,827	\$ 982,700	100.00	\$ 982,700	108.68	\$ 1,067,998	\$ 85,298	8.7%
Total kWh Energy	2,119,862,544	\$ 129,303,136	0.060996	\$ 129,303,136	0.066213	\$ 140,362,459	\$ 11,059,323	8.6%
Unbilled	7,123,510	\$ 582,603	0.081786	\$ 582,603	0.088886	\$ 633,180	\$ 50,577	8.7%
Total kWh	2,126,986,054	\$ 129,885,739		\$ 129,885,739		\$ 140,995,639	\$ 11,109,900	8.6%
Winter - All kW	2,455,860	\$ 20,923,924	8.52	\$ 20,923,924	9.30	\$ 22,839,495	\$ 1,915,571	9.2%
Summer - All kW	2,571,588	\$ 14,606,618	5.68	\$ 14,606,618	6.20	\$ 15,943,844	\$ 1,337,226	9.2%
Total kW Demand	5,027,447	\$ 35,530,543		\$ 35,530,543		\$ 38,783,339	\$ 3,252,796	9.2%
Total kVarh Reactive Power	974,316,206	\$ 1,159,436	0.00119	\$ 1,159,436	0.00129	\$ 1,256,868	\$ 97,432	8.4%
Total Revenue		\$ 167,558,418		\$ 167,558,418		\$ 182,103,844	\$ 14,545,426	8.7%
PSE Target Proposed Increase Sch 26		\$ 14,546,899		\$ 14,546,899		\$ 14,546,899		
PSE Target Proposed Revenue Sch 26		\$ 182,105,317		\$ 182,105,317		\$ 182,105,317		
PSE Target Proposed Increase % Sch 26		8.68%		8.68%		8.68%		
Over (Under) Recover Target Rate Spread						\$ (1,473)		

Adjustment to Secondary Voltage Rates for Delivery at Primary Voltage	
Basic Charge Addition See Voltage Rate:	\$ 237.48
Demand Credit per kW to all Demand:	5.56%
Energy Charge Reduction to Base Rates:	5.56%

**Comparison of PSE's and Kroger's Proposed Rate Schedule 26 Design @ PSE Proposed Revenue Requirement  
and Using PSE's Recommended Rate Spread**

Twelve Months ended September 30, 2003

Secondary Voltage, Demand Greater than 350 kW  
Schedule 26

Billing Determinants	PSE Proposed		Kroger Proposed		Kroger Proposed vs PSE Proposed	
	Charge	Revenue	Charge	Revenue	Charge	Difference
Total Basic Charge	9,827 \$	1,067,998 \$	108.68 \$	1,067,998 \$	-	0.0%
Total kWh Energy	2,119,862,544 \$	141,664,054 \$	0.066827 \$	140,362,459 \$	(1,301,596)	-0.9%
Unbilled	7,123,510 \$	633,180 \$	0.088886 \$	633,180 \$	-	0.0%
Total kWh	2,126,986,054	142,297,235		140,995,639 \$	(1,301,596)	-0.9%
Winter - All kW	2,455,860 \$	22,078,178 \$	8.99 \$	22,839,495 \$	761,316	3.4%
Summer - All kW	2,571,588 \$	15,403,811 \$	5.99 \$	15,943,844 \$	540,033	3.5%
Total kW Demand	5,027,447	37,481,989		38,783,339 \$	1,301,350	3.5%
Total kVarh Reactive Power	974,316,206 \$	1,256,868 \$	0.00129 \$	1,256,868 \$	-	0.0%
Total Revenue		182,104,090		182,103,844 \$	(246)	0.0%
Kroger Target Proposed Increase Sch 26				14,546,899		
Kroger Target Proposed Revenue Sch 26				182,105,317		
Kroger Target Proposed Increase % Sch 26				7.99%		
Over (Under) Recover Target Rate Spread				(1,473)		

Adjustment to Secondary Voltage Rates for Delivery at Primary Voltage	
Basic Charge Addition See Voltage Rate:	\$ 237.48
Demand Credit per kW to all Demand:	5.56%
Energy Charge Reduction to Base Rates:	5.56%

# Kroger Proposed Rate Schedule 26 Design @ PSE Proposed Revenue Requirement and Using Kroger's Recommended Rate Spread

Twelve Months ended December 31, 2008

Secondary Voltage, Demand Greater than 350 kW  
Schedule 26

	Proforma		PSE Proposed		Proposed vs Proforma	
	Charge	Revenue	Charge	Revenue	Charge	Revenue
<b>Total Basic Charge</b>	9,827 \$	982,700 \$	107.38 \$	1,055,218 \$	97,551 \$	72,518 \$
<b>Total kWh Energy</b>	2,119,862,544 \$	129,303,136 \$	0.065424 \$	138,689,887 \$	9,386,751 \$	9,386,751 \$
<b>Unbilled</b>	7,123,510 \$	582,603 \$	0.081786 \$	625,596 \$	42,993 \$	42,993 \$
<b>Total kWh</b>	2,126,986,054	129,885,739		139,315,483	9,429,744	9,429,744
<b>Winter - All kW</b>	2,455,860 \$	20,923,924 \$	9.19 \$	22,569,350 \$	1,645,426 \$	1,645,426 \$
<b>Summer - All kW</b>	2,571,588 \$	14,606,618 \$	6.12 \$	15,738,117 \$	1,131,499 \$	1,131,499 \$
<b>Total kW Demand</b>	5,027,447	35,530,543		38,307,467	2,776,925	2,776,925
<b>Total kVarh Reactive Power</b>	974,316,206 \$	1,159,436 \$	0.00128 \$	1,244,996 \$	85,560 \$	85,560 \$
<b>Total Revenue</b>		167,558,418		179,923,164	12,364,746	12,364,746
<b>Target Proposed Increase Sch 26</b>				12,364,833		
<b>Target Proposed Revenue Sch 26</b>				179,923,251		
<b>Target Proposed Increase % Sch 26</b>				7.38%		
<b>Over (Under) Recover Target Rate Spread</b>				(88)		

<b>Adjustment to Secondary Voltage Rates for Delivery at Primary Voltage</b>	
Basic Charge Addition See Voltage Rate:	237.48 \$
Demand Credit per kW to all Demand:	4.30%
Energy Charge Reduction to Base Rates:	4.30%

**PSE Proposed Rate Spread**

12 Months Ended Dec 2008  
(David W. Hoff, Exhibit No. (DWH-8), p. 1 of 43, Supplemental Filing Submitted on Sept 28, 2009)

Schedule	kWh	Proforma Revenue	Proposed Increase	Percent of Total w/o Schedule 40 & Firm Resale	Percent of Average Increase	Proposed Revenue Increase	Proposed Revenue Increase	Proposed Revenue	Relative Parity Ratio prior to Revenue Increase	Parity Ratio Proposed Revenue
Residential	10,886,425,798	\$ 1,086,009,284	\$ 94,283,937	55.48%	100%	\$ 8.68%	\$ 94,283,937	\$ 1,180,293,221	95.0%	96.1%
Secondary Voltage										
General Service <= 50 kW	2,690,813,599	\$ 251,380,615	\$ 16,366,060	12.84%	75%	6.51%	\$ 16,366,060	\$ 267,748,675	106.6%	105.7%
General Service >= 50 kW but <= 350 kW	3,138,920,022	\$ 274,490,508	\$ 11,915,205	14.02%	50%	4.34%	\$ 11,915,205	\$ 286,405,713	112.4%	109.2%
General Service >= 350 kW	2,126,986,054	\$ 167,556,420	\$ 14,546,899	8.56%	100%	8.68%	\$ 14,546,899	\$ 182,103,319	104.8%	106.1%
Seasonal Irrigation & Drainage Pumping	Included with Sch. 25				50%	4.34%			NA	NA
Total Secondary Voltage	7,956,719,674	\$ 693,429,542	\$ 42,830,164				\$ 42,830,164	\$ 736,259,707		
Primary Voltage										
General Service	1,352,545,752	\$ 106,331,509	\$ 6,923,527	5.43%	75%	6.51%	\$ 6,923,527	\$ 113,255,037	NA	NA
Seasonal Irrigation & Drainage Pumping	Included with Sch. 31				75%	6.51%			NA	NA
Interruptible Total Electric Schools	164,521,412	\$ 13,767,819	\$ 896,459	0.70%	75%	6.51%	\$ 896,459	\$ 14,664,278		
Total Primary Voltage	1,517,067,164	\$ 120,099,328	\$ 7,819,987				\$ 7,819,987	\$ 127,919,315	108.7%	107.8%
Campus Rate	681,456,292	\$ 44,871,350	\$ 4,028,018				\$ 4,028,018	\$ 48,899,368	88.9%	90.2%
High Voltage										
Interruptible	See Total High Voltage				100%	8.68%			NA	NA
General Service	See Total High Voltage				100%	8.68%			NA	NA
Total High Voltage	570,036,950	\$ 35,350,468	\$ 3,069,017	1.81%	100%	8.68%	\$ 3,069,017	\$ 38,419,486	98.0%	99.12%
Choice/Retail Wheeling	2,040,112,226	\$ 6,161,091	\$ 534,887	0.31%	100%	8.68%	\$ 534,887	\$ 6,695,977	94.5%	95.58%
Lighting	83,137,756	\$ 16,499,336	\$ 1,074,316	0.84%	75%	6.51%	\$ 1,074,316	\$ 17,573,652	109.02%	108.11%
Total Jurisdictional Retail Sales	23,734,955,859	\$ 2,002,420,399	\$ 153,640,326	100.00%			\$ 153,640,326	\$ 2,156,060,725		
Small Firm Resale Special Contract	See Firm Resale/Special Contract								NA	NA
Firm Resale/Special Contract	7,617,108	\$ 1,323,875	\$ 300,039				\$ 300,039	\$ 1,623,915	87.79%	100.36%
Total Sales	23,742,572,967	\$ 2,003,744,275	\$ 153,940,365	100.00%			\$ 153,940,365	\$ 2,157,684,640	100.00%	100.36%

Average Increase Before Schedule 40	100%	7.683%
Average Increase After Schedule 40 & Firm Resale / Special Contract		7.643%
Adjustment to Average Increase for Unequal Allocation of Increase		1.1359246
Average Increase After Schedule 40 & Firm Resale / Special Contract Adjusted for Unequal Allocation of Increase		8.827%

Proposed Increase, All Classes DWH-4	\$ 148,443,904
Proposed Increase Change, DWH-8 vs DWH-4	\$ 5,496,461
% Increase, DWH-8 vs DW-4-4	3.70%

Firm Resale Rate Spread Calculation	
Firm Resale Revenue (Cost of Service) DWH-3, p1	\$ 1,619,777
Total Revenue (Cost of Service) DWH-3, p1	\$ 2,152,188,178
Total Revenue (Cost of Service) DWH-8	\$ 2,157,684,640
Implied Firm Resale Revenue (Cost of Service) DWH-8	\$ 1,623,914
Firm Resale Proforma Revenue DWH-8	\$ 1,323,875
Firm Resale Increase, DWH-8	\$ 300,039

Source: PSE Direct Exhibit (DWH-3)



56.0%

**Kroger Recommended Spread At PSE's Requested \$153.9 Million (7.68%) System Average Revenue Increase**  
12 Months Ended Dec 2008

Schedule	kWh	Proforma Revenue	Proposed Increase	Percent of Total w/o Schedule 40 & Firm Resale	Proposed Revenue Increase	Proposed Revenue Increase	Proposed Revenue	Relative Parity Ratio prior to Revenue Increase	Parity Ratio Proposed Revenue
Residential	10,886,425,798	\$ 1,086,009,284	\$ 94,283,702	55.48%	\$ 94,283,702	\$ 1,180,292,986	95.0%	96.1%	
Secondary Voltage									
General Service <= 50 KW	2,690,813,599	\$ 251,380,615	\$ 18,550,422	12.84%	\$ 18,550,422	\$ 269,931,037	106.6%	106.6%	
General Service >= 50 KW but <= 350 KW	3,138,920,022	\$ 274,490,508	\$ 11,915,175	14.02%	\$ 11,915,175	\$ 286,405,683	112.4%	109.2%	
General Service >= 350 KW	2,126,986,054	\$ 167,558,420	\$ 12,364,833	8.56%	\$ 12,364,833	\$ 179,923,253	104.8%	104.8%	
Seasonal Irrigation & Drainage Pumping	Included with Sch. 25		\$ -		\$ -	\$ -	NA	NA	
Total Secondary Voltage	7,956,719,674	\$ 693,429,542	\$ 42,830,431		\$ 42,830,431	\$ 736,259,973			
Primary Voltage									
General Service	1,352,545,752	\$ 106,331,509	\$ 6,923,510	5.43%	\$ 6,923,510	\$ 113,255,019	NA	NA	
Seasonal Irrigation & Drainage Pumping	Included with Sch. 31		\$ -		\$ -	\$ -			
Interruptible Total Electric Schools	1,045,213,412	\$ 13,767,819	\$ 896,457	0.70%	\$ 896,457	\$ 14,664,276			
Total Primary Voltage	1,517,067,164	\$ 120,099,328	\$ 7,819,967		\$ 7,819,967	\$ 127,919,295	108.7%	107.8%	
Campus Rate	681,456,292	\$ 44,871,350	\$ 4,023,018	8.98%	\$ 4,023,018	\$ 48,899,368	88.9%	90.2%	
High Voltage									
Interruptible	See Total High Voltage		\$ -	100%	\$ -	\$ -	NA	NA	
General Service	See Total High Voltage		\$ -	100%	\$ -	\$ -	NA	NA	
Total High Voltage	570,036,950	\$ 35,350,468	\$ 3,069,010	1.81%	\$ 3,069,010	\$ 38,419,478	97.96%	99.12%	
Choice/Retail Wheeling	2,040,112,226	\$ 6,161,091	\$ 534,885	0.31%	\$ 534,885	\$ 6,695,976			
Lighting	83,137,756	\$ 16,499,336	\$ 1,074,313	0.84%	\$ 1,074,313	\$ 17,573,649	109.02%	108.11%	
Total Jurisdictional Retail Sales	23,734,955,859	\$ 2,002,420,399	\$ 153,640,326	100.00%	\$ 153,640,326	\$ 2,156,060,725	100.58%	100.58%	
Small Firm Resale	See Firm Resale/Special Contract		\$ -		\$ -	\$ -	NA	NA	
Special Contract	See Firm Resale/Special Contract		\$ -		\$ -	\$ -	NA	NA	
Firm Resale/Special Contract	7,617,108	\$ 1,323,875	\$ 300,039		\$ 300,039	\$ 1,623,915	87.79%	100.26%	
Total Sales	23,742,572,967	\$ 2,003,744,275	\$ 153,940,365	100.00%	\$ 153,940,365	\$ 2,157,684,640	100.00%	100.26%	

Source: PSE Direct Exhibit (DWH-3)

Average Increase Before Schedule 40	100%
Average Increase After Schedule 40 & Firm Resale / Special Contract	7.683%
Adjustment to Average Increase for Unequal Allocation of Increase	7.643%
Average Increase After Schedule 40 & Firm Resale / Special Contract Adjusted for Unequal Allocation of Increase	1.1359218
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Proposed Increase Change, DWH-8 vs DWH-4	\$ 5,496,461
% Increase, DWH-8 vs DW-4	3.70%

Firm Resale Rate Spread Calculation	
Firm Resale Revenue (Cost of Service) DWH-3, p1	\$ 1,619,777
Total Revenue (Cost of Service) DWH-3, p1	\$ 2,152,188,178
Total Revenue (Cost of Service) DWH-8	\$ 2,157,684,640
Implied Firm Resale Revenue (Cost of Service) DWH-8	\$ 1,623,914
Firm Resale Proforma Revenue DWH-8	\$ 1,323,875
Firm Resale Increase, DWH-8	\$ 300,039

**Kroger Proposed Spread Assuming WUTC Ordered Increase of \$93.8 Million (4.68%) System Average Revenue Increase**

Schedule	Pro Forma kWh Revised	Proforma Revenue Revised	Revenues @ PSE's Requested Revenue Increase	Schedule Share of Retail Revenue Requirement	Revenue Increase	Proposed Revenue	Proposed Revenue Increase
Residential	10,886,425,798	\$ 1,086,009,284	\$ 1,180,292,986	56.0%	\$ 61,366,755	\$ 1,147,376,039	5.65%
Secondary Voltage							
General Service <= 50 kW	2,690,813,599	\$ 251,380,615	\$ 269,931,037	12.8%	\$ 11,022,371	\$ 262,402,986	4.38%
General Service >= 50 kW but <= 350 kW	3,136,920,022	\$ 274,490,508	\$ 286,405,683	13.6%	\$ 3,927,666	\$ 278,418,174	1.43%
General Service >= 350 kW	2,126,986,054	\$ 167,550,420	\$ 179,923,253	8.5%	\$ 7,346,891	\$ 174,905,411	4.38%
Seasonal Irrigation & Drainage Pumping	Included with Sch. 25						
Total Secondary Voltage	7,956,719,674	\$ 693,429,542	\$ 736,259,973	34.9%	\$ 22,297,028	\$ 715,726,571	3.22%
Primary Voltage							
General Service	1,552,545,752	\$ 106,331,509	\$ 113,255,019	5.4%	\$ 3,764,964	\$ 110,096,474	3.54%
Seasonal Irrigation & Drainage Pumping	Included with Sch. 31						
Interruptible Total Electric Schools	164,521,412	\$ 13,767,819	\$ 14,664,276	0.7%	\$ 487,488	\$ 14,255,307	3.54%
Total Primary Voltage	1,517,067,164	\$ 120,099,328	\$ 127,919,295	6.1%	\$ 4,252,452	\$ 124,351,781	3.54%
Campus Rate	681,456,292	\$ 44,871,350	\$ 48,899,368		\$ 2,681,877	\$ 47,553,227	5.98%
High Voltage							
Interruptible	See Total High Voltage						
General Service	570,036,950	\$ 35,350,468	\$ 38,419,478	1.8%	\$ 1,997,537	\$ 37,348,005	5.65%
Total High Voltage	2,040,112,226	\$ 6,161,091	\$ 6,695,976	0.3%	\$ 348,143	\$ 6,509,233	5.65%
Choice/Retail Wheeling	83,137,756	\$ 16,499,336	\$ 17,573,649	0.8%	\$ 584,205	\$ 17,083,541	3.54%
Lighting	23,734,955,859	\$ 2,002,420,399	\$ 2,156,060,725	100.0%	\$ 93,527,997	\$ 2,095,948,397	4.67%
Total Retail Sales to Customers	See Total Firm Resale						
Small Firm Resale	7,617,108	\$ 1,323,875	\$ 1,623,915		\$ 300,039	\$ 1,623,915	22.66%
Special Contract							
Total Firm Resale	23,742,572,967	\$ 2,003,744,275	\$ 2,157,684,640		\$ 93,828,037	\$ 2,097,572,311	4.68%
Total Sales to Customers							
Overall Increase					\$	\$ 93,828,037	4.683%
Average Increase Before Schedule 40						\$ 4,641%	
Average Increase After Schedule 40 & Firm Resale							-3.000%
Difference from PSE Supplemental Filing							

# Kroger Proposal for Rate Schedule 25 Design

EXHIBIT NO. (KCH-5)  
DOCKET NO. UG-040640/JUE-040641  
2004 PSE GENERAL RATE CASE  
WITNESS: KEVIN C. HIGGINS  
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## PSE Proforma and PSE Proposed Revenue

Twelve Months ended December 31, 2008

Secondary Voltage, Demand Greater than 50 kW but less than or equal to 350 kW  
Schedule 25

(As filed by PSE on September 28, 2009)

	Billing Determinants		Proforma		PSE Proposed		PSE Proposed vs Proforma	
	Temp.	Adj.	Charge	Revenue	Rates Effective 2010	PSE Filing	Difference	%
<b>Total Basic Charge</b>	<u>94,411</u>		<u>50.00</u>	<u>4,720,550</u>	<u>52.17</u>	<u>4,925,422</u>	<u>204,872</u>	<u>4.3%</u>
Winter - First 20,000 kWh	798,205,046		0.088276	70,462,349	0.092108	73,521,070	3,058,722	4.3%
Summer - First 20,000 kWh	768,493,133		0.080402	61,788,385	0.083892	64,470,426	2,682,041	4.3%
All Over 20,000 kWh	<u>1,546,822,069</u>		<u>0.063589</u>	<u>98,360,869</u>	<u>0.0666349</u>	<u>102,630,097</u>	<u>4,269,229</u>	<u>4.3%</u>
Total kWh Energy	<u>3,113,520,248</u>			<u>230,611,602</u>		<u>240,621,594</u>	<u>10,009,992</u>	<u>4.3%</u>
<b>Unbilled</b>								
Winter Unbilled (Block 1)	11,910,408							
Summer Unbilled (Block 2)	<u>(1,154,574)</u>							
Total Unbilled	<u>10,755,834</u>		<u>0.090926</u>	<u>977,985</u>	<u>0.094873</u>	<u>1,020,438</u>	<u>42,453</u>	<u>4.3%</u>
Total kWh	<u>3,124,276,082</u>			<u>231,589,587</u>		<u>241,642,032</u>	<u>10,052,445</u>	<u>4.3%</u>
<b>First 50 kW</b>								
Winter - All Over 50 kW	4,417,884		-	-	-	-	-	-
Summer - All Over 50 kW	<u>2,434,318</u>		<u>8.72</u>	<u>21,227,257</u>	<u>9.10</u>	<u>22,152,298</u>	<u>925,041</u>	<u>4.4%</u>
Total kW Demand Over 50 kW	<u>4,784,279</u>		<u>5.81</u>	<u>13,653,271</u>	<u>6.06</u>	<u>14,240,761</u>	<u>587,490</u>	<u>4.3%</u>
Total kWh Reactive Power	<u>778,384,245</u>		<u>0.00274</u>	<u>2,132,773</u>	<u>0.00286</u>	<u>2,226,179</u>	<u>93,406</u>	<u>4.4%</u>
Total Revenue				<u>273,323,438</u>		<u>285,186,692</u>	<u>11,863,254</u>	<u>4.3%</u>
Proposed Increase Sch 25 & Sch 29						<u>11,915,205</u>		
Total Proforma Revenue Sch 25 & 29						<u>274,490,510</u>		
Total Proposed Revenue Sch 25 & 29						<u>286,405,715</u>		
Target Proposed % Increase						<u>4.34%</u>		
Sch 25 Proposed Revenue						<u>285,186,692</u>		
Sch 29 Proposed Revenue						<u>1,221,320</u>		
Total Sch 25 & 29 Revenue						<u>286,408,012</u>		
Over (Under) Recover Target Rate Spread						<u>(2,297)</u>		

**Kroger Proposal for Rate Schedule 26 Design**

EXHIBIT NO. \_\_\_\_\_ (KCH-5)  
 DOCKET NO. UG-040640/UE-040641  
 2004 PSE GENERAL RATE CASE  
 WITNESS: KEVIN C. HIGGINS  
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**PSE Proforma and PSE Proposed Revenue**

Twelve Months ended December 31, 2008

Secondary Voltage, Demand Greater than 350 kW  
 Schedule 26  
 (As filed by PSE on September 28, 2009)

	Billing Determinants Temp.	Proforma Rates Effective 11-1-08		PSE Proposed Rates Effective 2010		Proposed vs Proforma Difference
		Charge	Revenue	Charge	Revenue	
Total Basic Charge	9,827	100.00	982,700	108.68	1,067,998	\$ 85,298
Total kWh Energy	2,119,862,544	0.060996	129,303,136	0.066827	141,664,054	\$ 12,360,918
Unbilled	7,123,510	0.081786	582,603	0.088886	633,180	\$ 50,577
Total kWh	2,126,986,054		129,885,739		142,297,235	\$ 12,411,495
Winter - All kW	2,455,860	8.52	20,923,924	8.99	22,078,178	\$ 1,154,254
Summer - All kW	2,571,588	5.68	14,606,618	5.99	15,403,811	\$ 797,192
Total kW Demand	5,027,447		35,530,543		37,481,989	\$ 1,951,446
Total kVarh Reactive Power	974,316,206	0.00119	1,159,436	0.00129	1,256,868	\$ 97,432
Total Revenue			167,558,418		182,104,090	\$ 14,545,672
PSE Target Proposed Increase Sch 26					14,546,899	
PSE Target Proposed Revenue Sch 26					182,105,317	
PSE Target Proposed Increase % Sch 26					8.68%	
Over (Under) Recover Target Rate Spread					(1,227)	

Adjustment to Secondary Voltage Rates for Delivery at Primary Voltage	
Basic Charge Addition See Voltage Rate:	\$ 237.48
Demand Credit per kW to all Demand:	2%
Energy Charge Reduction to Base Rates:	2%
	\$ 0.15
	\$ 0.001337

Data Source: PSE Supplemental Exhibit No. \_\_\_\_\_ (DWH-8), Page 33 of 43

## Kroger Proposal for Rate Schedule 26 Design

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WITNESS: KEVIN C. HIGGINS  
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### Kroger Proposed Rate Schedule 26 Design @ PSE Proposed Revenue Requirement and Using PSE's Recommended Rate Spread

Twelve Months ended December 31, 2008

Secondary Voltage, Demand Greater than 350 kW  
Schedule 26

	Billing Determinants		Proforma		Kroger Proposed		Proposed vs Proforma	
	Temp.	Adj.	Rates Effective 11-1-08		Rates Effective 2010		Difference	
	Charge	Revenue	Charge	Revenue	Charge	Revenue	Revenue	%
Total Basic Charge	9,827	\$ 982,700	100.00	\$ 982,700	108.68	\$ 1,067,998	\$ 85,298	8.7%
Total kWh Energy	2,119,862,544	\$ 2,119,862,544	0.060996	\$ 129,303,136	0.066213	\$ 140,362,459	\$ 11,059,323	8.6%
Unbilled	7,123,510	\$ 7,123,510	0.081786	\$ 582,603	0.088886	\$ 633,180	\$ 50,577	8.7%
Total kWh	2,126,986,054	\$ 2,126,986,054		\$ 129,885,739		\$ 140,995,639	\$ 11,109,900	8.6%
Winter - All kW	2,455,860	\$ 2,455,860	8.52	\$ 20,923,924	9.30	\$ 22,839,495	\$ 1,915,571	9.2%
Summer - All kW	2,571,588	\$ 2,571,588	5.68	\$ 14,606,618	6.20	\$ 15,943,844	\$ 1,337,226	9.2%
Total kW Demand	5,027,447	\$ 5,027,447		\$ 35,530,543		\$ 38,783,339	\$ 3,252,796	9.2%
Total kV·arh Reactive Power	974,316,206	\$ 974,316,206	0.00119	\$ 1,159,436	0.00129	\$ 1,256,868	\$ 97,432	8.4%
Total Revenue		\$ 167,558,418		\$ 182,103,844		\$ 14,546,899	\$ 14,545,426	8.7%
PSE Target Proposed Increase Sch 26						\$ 182,105,317		
PSE Target Proposed Revenue Sch 26						8.68%		
PSE Target Proposed Increase % Sch 26						\$ (1,473)		
Over (Under) Recover Target Rate Spread								

Adjustment to Secondary Voltage Rates for Delivery at Primary Voltage	
Basic Charge Addition Sec Voltage Rate:	\$ 237.48
Demand Credit per kW to all Demand:	5.56%
Energy Charge Reduction to Base Rates:	5.56%

# Kroger Proposal for Rate Schedule 26 Design

## Comparison of PSE's and Kroger's Proposed Rate Schedule 26 Design @ PSE Proposed Revenue Requirement and Using PSE's Recommended Rate Spread

Twelve Months ended September 30, 2003

Secondary Voltage, Demand Greater than 350 kW  
 Schedule 26

	Billing Determinants		PSE Proposed		Kroger Proposed		Kroger Proposed vs PSE Proposed	
	Temp.	Adj.	Charge	Revenue	Charge	Calculated Revenue	Difference	%
Total Basic Charge	9,827		108.68	1,067,998	108.68	1,067,998	\$ -	0.0%
Total kWh Energy	2,119,862,544		0.066827	141,664,054	0.066213	140,362,459	\$ (1,301,596)	-0.9%
Unbilled	7,123,510		0.088886	633,180	0.088886	633,180	\$ -	0.0%
Total kWh	2,126,986,054			142,297,235		140,995,639	\$ (1,301,596)	-0.9%
Winter - All kW	2,455,860		8.99	22,078,178	9.30	22,839,495	\$ 761,316	3.4%
Summer - All kW	2,571,588		5.99	15,403,811	6.20	15,943,844	\$ 540,033	3.5%
Total kW Demand	5,027,447			37,481,989		38,783,339	\$ 1,301,350	3.5%
Total kV*ah Reactive Power	974,316,206		0.00129	1,256,868	0.00129	1,256,868	\$ -	0.0%
Total Revenue				182,104,090		182,103,844	\$ (246)	0.0%
Kroger Target Proposed Increase Sch 26							\$ 14,546,899	
Kroger Target Proposed Revenue Sch 26							\$ 182,105,317	
Kroger Target Proposed Increase % Sch 26							7.99%	
Over (Under) Recover Target Rate Spread							\$ (1,473)	

Adjustment to Secondary Voltage Rates for Delivery at Primary Voltage	\$ 237.48
Basic Charge Addition See Voltage Rate:	5.56%
Demand Credit per kW to all Demand:	5.56%
Energy Charge Reduction to Base Rates:	5.56%

# Kroger Proposal for Rate Schedule 26 Design

EXHIBIT NO. \_\_\_\_\_ (KCH-5)  
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 2004 PSE GENERAL RATE CASE  
 WITNESS: KEVIN C. HIGGINS  
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## Kroger Proposed Rate Schedule 26 Design @ PSE Proposed Revenue Requirement and Using Kroger's Recommended Rate Spread

Twelve Months ended December 31, 2008

Secondary Voltage, Demand Greater than 350 kW  
 Schedule 26

	Billing Determinants		Proforma		Kroger Proposed		Proposed vs Proforma			
	Temp.	Adj.	Charge	Revenue	Rates Effective 11-1-08	Rates Effective 2010	Charge	Revenue	Difference	%
Total Basic Charge	9,827		100.00	982,700	107.38	1,055,218	\$	72,518		7.4%
Total kWh Energy	2,119,862,544		0.060996	129,303,136	0.065424	138,689,887	\$	9,386,751		7.3%
Unbilled	7,123,510		0.081786	582,603	0.087821	625,596	\$	42,993		7.4%
Total kWh	2,126,986,054			129,885,739		139,315,483	\$	9,429,744		7.3%
Winter - All kW	2,455,860		8.52	20,923,924	9.19	22,569,350	\$	1,645,426		7.9%
Summer - All kW	2,571,588		5.68	14,606,618	6.12	15,738,117	\$	1,131,499		7.7%
Total kW Demand	5,027,447			35,530,543		38,307,467	\$	2,776,925		7.8%
Total kV·arh Reactive Power	974,316,206		0.00119	1,159,436	0.00128	1,244,996	\$	85,560		7.4%
Total Revenue				167,558,418		179,923,164	\$	12,364,746		7.4%
Target Proposed Increase Sch 26							\$	12,364,833		
Target Proposed Revenue Sch 26							\$	179,923,251		
Target Proposed Increase % Sch 26								7.38%		
Over (Under) Recover Target Rate Spread							\$	(88)		

Adjustment to Secondary Voltage Rates for Delivery at Primary Voltage	
Basic Charge Addition See Voltage Rate:	\$ 237.48
Demand Credit per kW to all Demand:	4.30%
Energy Charge Reduction to Base Rates:	4.30%



# Kroger Proposal for Rate Schedule 26 Design

EXHIBIT NO. \_\_\_\_\_ (KCH-5)  
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 2004 PSE GENERAL RATE CASE  
 WITNESS: KEVIN C. HIGGINS  
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## Step One: Determination of Demand-Related and Energy-Related Revenues - Rate Schedule 26 PSE Proforma and PSE Proposed Revenue

Twelve Months ended December 31, 2008

Primary Voltage  
 Schedule 31

(As filed by PSE on September 28, 2009)

	Billing Determinants		Proforma		PSE Proposed		Proposed vs Proforma	
	Temp.	Adj.	Charge	Revenue	Charge	Revenue	Charge	Difference
Total Basic Charge	5,816		325.00	1,890,200	346.16	2,013,267		123,067
Total kWh Energy	1,343,420,633		0.058896	79,122,102	0.062725	84,266,059		5,143,958
Unbilled	4,465,978		0.081827	365,438	0.087155	389,232		23,795
Total kWh	1,347,886,611			79,487,539		84,655,291		5,167,752
Winter - All kW	1,724,038		8.27	14,257,794	8.81	15,188,775		930,981
Summer - All kW	1,752,537		5.51	9,656,478	5.87	10,287,391		630,913
Total kW Demand	3,476,575			23,914,272		25,476,166		1,561,894
Total kVArh Reactive Power	767,130,403		0.00102	782,473	0.00109	836,172		53,699
Total Revenue				106,074,484		112,980,896		6,906,412
PSE Proforma Revenue 35 (Irrigation)						257,024		
PSE Proposed Revenue 35 (Irrigation)						273,761		
PSE Proposed Revenue Increase 31, 35						6,923,527		
PSE Proforma Revenue 31, 35						113,255,035		
Target Proposed Increase % Sch 31, 35						6.51%		
Over (Under) Recover Target Rate Spread						(378)		

Data Source: PSE Supplemental Exhibit No. \_\_\_\_\_ (DWH-8), Page 34 & 35 of 43