

**EXHIBIT NO. \_\_\_(DWH-14)  
DOCKET NO. UE-072300/UG-072301  
2007 PSE GENERAL RATE CASE  
WITNESS: DAVID W. HOFF**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**Docket No. UE-072300  
Docket No. UG-072301**

**FOURTH EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED REBUTTAL TESTIMONY OF  
DAVID W. HOFF  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**JULY 3, 2008**

**Puget Sound Energy, Inc.**  
**ELECTRIC COST OF SERVICE SUMMARY**  
**Adjusted Test Year Twelve Months ended September 2007 @ Proforma Rev Requirement**  
**ICNU Summary, DWS Workpapers**

Line No.	Description	Total Company	Residential Sch 7	Sec Volt Sch 24 (kW < 50)	Sec Volt Sch 25 (kW > 50 & < 350)	Sec Volt Sch 26 (kW > 350)	Pri Volt Sch 31/35/43	Campus Sch 40	High Volt 46/49	Transportation Sch 449/459	Lighting 50-59	Firm Resale
	(a)	(b)	(c)	(d)	(e)	(g)	(h)	(k)	(l)	(m)	(n)	(o)
<b>1</b>	<b>Rate Base</b>											
2	Plant in Service	\$ 5,928,418,660	\$ 3,532,903,300	\$ 711,834,460	\$ 682,454,399	\$ 391,519,988	\$ 320,084,530	\$ 98,264,545	\$ 79,101,564	\$ 51,022,777	\$ 55,464,289	\$ 5,768,810
3	Accumulated Reserve	\$ (2,453,151,916)	\$ (1,458,175,387)	\$ (291,899,183)	\$ (281,997,354)	\$ (164,101,207)	\$ (132,726,255)	\$ (41,401,098)	\$ (34,212,546)	\$ (19,735,187)	\$ (26,655,414)	\$ (2,248,284)
4	Other Ratebase Items	\$ (170,168,097)	\$ (129,378,590)	\$ (19,347,884)	\$ (9,363,797)	\$ (3,641,229)	\$ (3,971,866)	\$ (52,074)	\$ (109,956)	\$ (2,031,852)	\$ (1,616,286)	\$ (180,562)
5	<b>TOTAL RATE BASE</b>	<b>\$ 3,305,098,647</b>	<b>\$ 1,945,349,323</b>	<b>\$ 400,587,392</b>	<b>\$ 391,093,247</b>	<b>\$ 223,777,551</b>	<b>\$ 183,386,408</b>	<b>\$ 56,337,373</b>	<b>\$ 44,779,062</b>	<b>\$ 29,255,738</b>	<b>\$ 27,192,589</b>	<b>\$ 3,339,964</b>
<b>6</b>												
<b>7</b>	<b>Revenue at Current Rates</b>											
8	Firm Sales	\$ 1,838,009,306	\$ 984,090,380	\$ 225,492,780	\$ 260,900,473	\$ 159,068,093	\$ 112,324,775	\$ 38,977,060	\$ 31,895,957	\$ 8,667,094	\$ 15,450,314	\$ 1,142,380
9	Non-Firm Sales	\$ 6,086,572	\$ 3,260,643	\$ 727,003	\$ 837,401	\$ 557,027	\$ 392,619	\$ 151,342	\$ 136,487	\$ -	\$ 21,883	\$ 2,167
10	Other Operating Revenue	\$ 37,392,928	\$ 26,006,488	\$ 3,770,392	\$ 2,236,438	\$ 1,126,266	\$ 1,507,536	\$ 319,906	\$ 1,258,862	\$ 1,028,615	\$ 123,260	\$ 15,166
11	<b>TOTAL REVENUE - Current</b>	<b>\$ 1,881,488,806</b>	<b>\$ 1,013,357,512</b>	<b>\$ 229,990,174</b>	<b>\$ 263,974,311</b>	<b>\$ 160,751,386</b>	<b>\$ 114,224,930</b>	<b>\$ 39,448,308</b>	<b>\$ 33,291,306</b>	<b>\$ 9,695,709</b>	<b>\$ 15,595,457</b>	<b>\$ 1,159,713</b>
<b>12</b>												
<b>13</b>	<b>Expenses at Current Rates</b>											
14	Operation and Maintenance	\$ 1,304,026,881	\$ 717,530,446	\$ 158,436,969	\$ 169,145,342	\$ 109,631,138	\$ 80,118,488	\$ 29,748,398	\$ 26,321,351	\$ 3,180,412	\$ 9,313,489	\$ 600,848
15	Depreciation Expense	\$ 233,507,011	\$ 141,726,506	\$ 28,326,097	\$ 26,011,495	\$ 14,568,604	\$ 12,187,967	\$ 3,637,373	\$ 2,856,248	\$ 1,585,392	\$ 2,410,079	\$ 197,250
16	Taxes Other Than Income	\$ 116,380,829	\$ 67,101,288	\$ 14,122,389	\$ 14,088,960	\$ 8,567,296	\$ 6,639,010	\$ 2,248,031	\$ 1,897,400	\$ 647,752	\$ 984,402	\$ 84,299
17	Income Taxes	\$ 51,973,585	\$ 30,591,153	\$ 6,299,347	\$ 6,150,049	\$ 3,518,964	\$ 2,883,802	\$ 885,921	\$ 704,163	\$ 460,055	\$ 427,611	\$ 52,522
18	<b>TOTAL EXPENSES - Current</b>	<b>\$ 1,705,888,306</b>	<b>\$ 956,949,393</b>	<b>\$ 207,184,802</b>	<b>\$ 215,395,847</b>	<b>\$ 136,286,001</b>	<b>\$ 101,829,267</b>	<b>\$ 36,519,723</b>	<b>\$ 31,779,163</b>	<b>\$ 5,873,611</b>	<b>\$ 13,135,580</b>	<b>\$ 934,919</b>
<b>19</b>												
20	<b>OPERATING INCOME - Current</b>	<b>\$ 175,600,500</b>	<b>\$ 56,408,119</b>	<b>\$ 22,805,372</b>	<b>\$ 48,578,465</b>	<b>\$ 24,465,385</b>	<b>\$ 12,395,663</b>	<b>\$ 2,928,584</b>	<b>\$ 1,512,143</b>	<b>\$ 3,822,099</b>	<b>\$ 2,459,877</b>	<b>\$ 224,794</b>
21	<b>Current Rate of Return</b>	<b>5.31%</b>	<b>2.90%</b>	<b>5.69%</b>	<b>12.42%</b>	<b>10.93%</b>	<b>6.76%</b>	<b>5.20%</b>	<b>3.38%</b>	<b>13.06%</b>	<b>9.05%</b>	<b>6.73%</b>
<b>22</b>												
<b>23</b>	<b>Calculation of Rate Schedule Revenue Requirement at Equal Rates of Return</b>											
24	Required Return	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%
25	Required Operating Income	\$ 284,238,484	\$ 167,300,042	\$ 34,450,516	\$ 33,634,019	\$ 19,244,869	\$ 15,771,231	\$ 4,845,014	\$ 3,850,999	\$ 2,515,993	\$ 2,338,563	\$ 287,237
26	Operating Income Deficiency / (Surplus)	\$ 108,637,984	\$ 110,891,923	\$ 11,645,144	\$ (14,944,445)	\$ (5,220,515)	\$ 3,375,568	\$ 1,916,430	\$ 2,338,856	\$ (1,306,105)	\$ (121,314)	\$ 62,443
27	Revenue Conversion Factor	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214
28	Revenue Deficiency / (Surplus)	\$ 174,819,118	\$ 178,446,133	\$ 18,739,245	\$ (24,048,447)	\$ (8,400,799)	\$ 5,431,929	\$ 3,083,899	\$ 3,763,663	\$ (2,101,771)	\$ (195,217)	\$ 100,482
<b>29</b>												
30	Revenue Requirement	\$ 2,056,307,924	\$ 1,191,803,644	\$ 248,729,419	\$ 239,925,865	\$ 152,350,587	\$ 119,656,859	\$ 42,532,207	\$ 37,054,969	\$ 7,593,939	\$ 15,400,239	\$ 1,260,196
31	Revenues Other Than Rate Sch. Rev.	\$ 43,479,500	\$ 29,267,131	\$ 4,497,395	\$ 3,073,838	\$ 1,683,293	\$ 1,900,155	\$ 471,248	\$ 1,395,349	\$ 1,028,615	\$ 145,143	\$ 17,333
32	<b>Rate Schedule Revenue Requirement</b>	<b>\$ 2,012,828,424</b>	<b>\$ 1,162,536,513</b>	<b>\$ 244,232,024</b>	<b>\$ 236,852,026</b>	<b>\$ 150,667,294</b>	<b>\$ 117,756,704</b>	<b>\$ 42,060,959</b>	<b>\$ 35,659,620</b>	<b>\$ 6,565,323</b>	<b>\$ 15,255,097</b>	<b>\$ 1,242,862</b>
33	Deficiency / (Surplus) as % of Firm Sales	9.51%	18.13%	8.31%	-9.22%	-5.28%	4.84%	7.91%	11.80%	-24.25%	-1.26%	8.80%
<b>34</b>												
<b>35</b>	<b>Expense at Required Return</b>											
36	Operation and Maintenance	\$ 1,304,962,589	\$ 718,086,022	\$ 158,548,744	\$ 169,254,119	\$ 109,693,649	\$ 80,169,543	\$ 29,764,006	\$ 26,333,947	\$ 3,188,749	\$ 9,322,029	\$ 601,782
37	Depreciation Expense	\$ 233,507,011	\$ 141,726,506	\$ 28,326,097	\$ 26,011,495	\$ 14,568,604	\$ 12,187,967	\$ 3,637,373	\$ 2,856,248	\$ 1,585,392	\$ 2,410,079	\$ 197,250
38	Taxes Other Than Income	\$ 123,128,881	\$ 70,903,772	\$ 14,941,790	\$ 14,936,427	\$ 9,098,632	\$ 7,039,342	\$ 2,389,642	\$ 2,019,742	\$ 674,725	\$ 1,036,489	\$ 88,320
39	Income Taxes	\$ 110,470,964	\$ 65,022,148	\$ 13,389,396	\$ 13,072,060	\$ 7,479,632	\$ 6,129,582	\$ 1,883,043	\$ 1,496,714	\$ 977,856	\$ 908,896	\$ 111,636
40	<b>TOTAL EXPENSES - Required</b>	<b>\$ 1,772,069,445</b>	<b>\$ 995,738,448</b>	<b>\$ 215,206,027</b>	<b>\$ 223,274,102</b>	<b>\$ 140,840,516</b>	<b>\$ 105,526,434</b>	<b>\$ 37,674,065</b>	<b>\$ 32,706,651</b>	<b>\$ 6,426,722</b>	<b>\$ 13,677,493</b>	<b>\$ 998,988</b>
<b>41</b>												
42	Rate Schedule Revenue as Proposed	\$ 2,012,828,424	\$ 1,100,063,366	\$ 246,751,861	\$ 273,199,102	\$ 166,566,429	\$ 122,914,569	\$ 40,924,060	\$ 34,903,054	\$ 9,484,212	\$ 16,542,786	\$ 1,478,985
43	Other Revenue	\$ 43,479,500	\$ 29,267,131	\$ 4,497,395	\$ 3,073,838	\$ 1,683,293	\$ 1,900,155	\$ 471,248	\$ 1,395,349	\$ 1,028,615	\$ 145,143	\$ 17,333
44	<b>Revenue as Proposed</b>	<b>\$ 2,056,307,924</b>	<b>\$ 1,129,330,498</b>	<b>\$ 251,249,255</b>	<b>\$ 276,272,940</b>	<b>\$ 168,249,722</b>	<b>\$ 124,814,724</b>	<b>\$ 41,395,308</b>	<b>\$ 36,298,403</b>	<b>\$ 10,512,827</b>	<b>\$ 16,687,929</b>	<b>\$ 1,496,318</b>
45	Proposed Revenue Increase	\$ 174,819,118	\$ 115,972,986	\$ 21,259,081	\$ 12,298,629	\$ 7,498,336	\$ 10,589,794	\$ 1,947,000	\$ 3,007,097	\$ 817,118	\$ 1,092,472	\$ 336,605
46	<b>Proposed Revenue - Revenue Requirement</b>	<b>\$ 0</b>	<b>\$ (62,473,147)</b>	<b>\$ 2,519,836</b>	<b>\$ 36,347,076</b>	<b>\$ 15,899,135</b>	<b>\$ 5,157,865</b>	<b>\$ (1,136,899)</b>	<b>\$ (756,566)</b>	<b>\$ 2,918,889</b>	<b>\$ 1,287,689</b>	<b>\$ 236,123</b>
<b>47</b>												
48	Current Revenue to Cost Ratio	0.91	0.85	0.92	1.10	1.06	0.95	0.93	0.89	1.32	1.01	0.92
49	<b>Parity Ratio</b>	<b>1.00</b>	<b>0.93</b>	<b>1.01</b>	<b>1.21</b>	<b>1.16</b>	<b>1.04</b>	<b>1.01</b>	<b>0.98</b>	<b>1.45</b>	<b>1.11</b>	<b>1.01</b>
50	<b>Proposed Revenue to Cost Ratio</b>	<b>1.00</b>	<b>0.95</b>	<b>1.01</b>	<b>1.15</b>	<b>1.10</b>	<b>1.04</b>	<b>0.97</b>	<b>0.98</b>	<b>1.38</b>	<b>1.08</b>	<b>1.19</b>