

EXHIBIT NO. _____ (CEL-2)

DOCKET NO. UE-92 _____

WITNESS: C.E. LYNCH

**BEFORE THE
WASHINGTON UTILITIES & TRANSPORTATION
COMMISSION**

COMPLAINANT

VS.

PUGET SOUND POWER & LIGHT COMPANY

RESPONDENT

EXHIBIT

UE-921262; -920433; 564 ✓
-920499

**Puget Sound Power & Light Company
Methods of Classifying and Allocating Functionalized Costs**

Line Number	Functional Area	Classification Method	Allocation Methods for Classification Components		
			Demand	Energy	Customer
A	B	C	D	E	F
1	Production	Peak Credit	CP Demand	Annual kWh	
2	Transmission				
3	Non Generation Related	100% Demand	CP Demand		
3	Generation Related	Peak Credit	CP Demand	Annual kWh	
4	Distribution				
4	Meters and Service	Basic Customer			Customer & Wtd Customer
5	All Other Accounts	100% Demand	NCP Demand		
6	Customer Service, Billing and Facilities	100 % Customer			Customer & Wtd Customer
7	General	*	*	*	*

* General costs classified and allocated based on results of classifying and allocating other functional areas.

PEAK CREDIT METHOD FOR 1992 GENERAL RATE CASE

Combined Cycle Plant

Year	Capital Cost \$/MWH Yr	Fixed O&M \$/MWH	Variable O&M \$/MWH	Gas \$/MMBTU	Gas \$/MWH	Total \$/MWH
1993	\$13.00	0.8	3.4	2.1	16.25	33.45
1994	\$13.00	0.8	3.5	2.3	17.80	35.10
1995	\$13.00	0.9	3.6	2.4	18.58	36.08
1996	\$13.00	0.9	3.7	2.5	19.35	36.95
1997	\$13.00	0.9	3.8	2.7	20.90	38.60
1998	\$13.00	1	4	2.9	22.45	40.45
1999	\$13.00	1	4.1	3.1	23.99	42.09
2000	\$13.00	1	4.3	3.3	25.54	43.84
2001	\$13.00	1.1	4.4	3.6	27.86	46.36
2002	\$13.00	1.1	4.6	3.8	29.41	48.11
2003	\$13.00	1.2	4.8	4.1	31.73	50.73
2004	\$13.00	1.2	5	4.4	34.06	53.26
2005	\$13.00	1.3	5.2	4.7	36.38	55.88
2006	\$13.00	1.3	5.4	5.1	39.47	59.17
2007	\$13.00	1.4	5.7	5.4	41.80	61.90
2008	\$13.00	1.4	5.9	5.8	44.89	65.19
2009	\$13.00	1.5	6.2	6.2	47.99	68.69
2010	\$13.00	1.6	6.4	6.6	51.08	72.08
2011	\$13.00	1.68	6.72	6.93	53.64	75.04
2012	\$13.00	1.76	7.06	7.28	56.32	78.14
2013	\$13.00	1.85	7.41	7.64	59.14	81.40
2014	\$13.00	1.94	7.78	8.02	62.09	84.82
2015	\$13.00	2.04	8.17	8.42	65.20	88.41
2016	\$13.00	2.14	8.58	8.84	68.46	92.18
2017	\$13.00	2.25	9.01	9.29	71.88	96.14
2018	\$13.00	2.36	9.46	9.75	75.47	100.29
2019	\$13.00	2.48	9.93	10.24	79.25	104.66
2020	\$13.00	2.61	10.42	10.75	83.21	109.24
2021	\$13.00	2.74	10.95	11.29	87.37	114.05
2022	\$13.00	2.87	11.49	11.85	91.74	119.11

PEAK CREDIT METHOD FOR 1992 GENERAL RATE CASE

Combustion Turbine

Year	Capital Cost \$/kW Yr	Fixed O&M \$/kW Yr	Variable O&M \$/kW Yr	Fuel Oil \$/Gallon	Fuel \$/kW Yr	Total \$/kW Yr	Peak Credit \$/kW Yr
1993	\$53.71	6.7	0.8	0.82	13.91	75.12	44.91
1994	\$53.71	6.8	0.8	0.86	14.59	75.90	45.64
1995	\$53.71	7	0.8	0.9	15.26	76.77	46.42
1996	\$53.71	7.3	0.9	0.95	16.11	78.02	47.52
1997	\$53.71	7.5	0.9	1	16.96	79.07	48.47
1998	\$53.71	7.8	0.9	1.06	17.98	80.39	49.63
1999	\$53.71	8.1	1	1.13	19.17	81.98	51.07
2000	\$53.71	8.4	1	1.21	20.52	83.63	52.58
2001	\$53.71	8.7	1	1.3	22.05	85.46	54.25
2002	\$53.71	9.1	1.1	1.39	23.58	87.49	56.08
2003	\$53.71	9.5	1.1	1.49	25.27	89.58	57.98
2004	\$53.71	9.9	1.2	1.59	26.97	91.78	59.97
2005	\$53.71	10.3	1.2	1.68	28.49	93.70	61.70
2006	\$53.71	10.7	1.3	1.79	30.36	96.07	63.87
2007	\$53.71	11.1	1.3	1.89	32.06	98.17	65.76
2008	\$53.71	11.6	1.4	2.01	34.09	100.80	68.15
2009	\$53.71	12.1	1.4	2.12	35.96	103.17	70.26
2010	\$53.71	12.7	1.5	2.24	37.99	105.90	72.70
2011	\$53.71	13.34	1.58	2.35	39.89	108.51	74.99
2012	\$53.71	14.00	1.65	2.47	41.89	111.25	77.40
2013	\$53.71	14.70	1.74	2.59	43.98	114.13	79.92
2014	\$53.71	15.44	1.82	2.72	46.18	117.15	82.58
2015	\$53.71	16.21	1.91	2.86	48.49	120.32	85.36
2016	\$53.71	17.02	2.01	3.00	50.91	123.65	88.29
2017	\$53.71	17.87	2.11	3.15	53.46	127.15	91.36
2018	\$53.71	18.76	2.22	3.31	56.13	130.82	94.59
2019	\$53.71	19.70	2.33	3.47	58.94	134.68	97.97
2020	\$53.71	20.69	2.44	3.65	61.89	138.73	101.53
2021	\$53.71	21.72	2.57	3.83	64.98	142.98	105.26
2022	\$53.71	22.81	2.69	4.02	68.23	147.44	109.18

	Combustion Turbine	Peak CT	CC CT	Peak Credit
Levelized Cost \$/mWh			50.10	
Levelized Cost \$/kW Yr	88.64	57.07	351.11	16%

Assumptions

- 1 Fixed Charge Rate: 12.88% 0.129
- 2 Hours/Year CT Peak Operation 200
- 3 CCCT Capacity Factor: 80%
- 4 Weighted Cost of Capital: 10.00%
- 5 1/2 of Capital & Fixed O&M For CT Used For Peak Credit Cost
- 6 Fixed & variable O&M, gas, and fuel escalation rate beyond 2010: 5%

Puget Sound Power & Light Company
Demand Allocation Factors
Twelve Months ended June 1992

Line No	Class	Sub Class	COINCIDENT DEMAND FACTORS						NON COINCIDENT DEMAND FACTORS								
			DEM 1 (CP=200)	DEM 1 Allocation	DEM 1A (CP=200)	DEM 1A Allocation	DEM-12HICP (CP=12)	DEM-12HICP Allocation	DEM 2 (NCP)	DEM 2 Allocation	DEM 3 (NCP)	DEM 3 Allocation	DEM 4 (NCP)	DEM 4 Allocation			
			kW	Factor	kW	Factor	kW	Factor	kW	Factor	kW	Factor	kW	Factor			
1	Residential	All Residential Service	2,081.338	0.57688207	2,081.338	0.58712197	2,390.601	0.58975112	2,742.886	0.63497281	2,742.886	0.69336192	2,742.886	0.69565863			
2	Secondary	General Service Demand <= 50	330.066	0.09148401	330.066	0.09310790	362.178	0.08934778	442.469	0.10243060	442.469	0.11184963	442.469	0.11222012			
3	Secondary	General Service Demand > 50 & <= 350	370.916	0.10280636	370.916	0.10463122	413.718	0.10206248	493.527	0.11425057	493.527	0.12475652	493.527	0.12516977			
4	Secondary	General Service Demand > 350	202.981	0.05626001	202.981	0.05725865	219.351	0.05411296	257.994	0.05972515	257.994	0.06521719	257.994	0.06543322			
5	Secondary	Irrigation Service	213	0.00005904	213	0.00006008	215	0.00005304	5.986	0.00138581	5.986	0.00151324	5.986	0.00151825			
6	Primary	All Primary Service	255.040	0.07068914	201.991	0.05697938	286.296	0.07062801	344.347	0.07971567	0	0.00000000	0	0.00000000			
7	High Voltage	All High Voltage Service	343.532	0.09521637	333.656	0.09412059	355.669	0.08774203	0	0.00000000	0	0.00000000	0	0.00000000			
8	Lighting	All Lighting	8.076	0.00223842	8.076	0.00227815	9.306	0.00229575	13.060	0.00302347	13.060	0.00330149	0	0.00000000			
9	Firm Resale	Large & Small	15.747	0.00436458	15.747	0.00444205	16.242	0.00400683	19.421	0.00449592	0	0.00000000	0	0.00000000			
10		Total	3,607,909	1.00000000	3,544,984	1.00000000	4,053,576	1.00000000	4,319,691	1.00000000	3,955,923	1.00000000	3,942,863	1.00000000			

Puget Sound Power & Light Company
Energy Allocation Factors
Twelve Months ended June 1992

Line No.	Class	Sub Class	kWh	Allocation Factor
1	Residential	All Residential Service	8,940,952,160	0.46699746
2	Secondary	General Service Demand <= 50	2,033,413,644	0.10620782
3	Secondary	General Service Demand > 50 & <= 350	2,253,580,488	0.11770742
4	Secondary	General Service Demand > 350	1,397,879,156	0.07301303
5	Secondary	Irrigation Services	10,709,571	0.00055937
6	Primary	All Primary Service	1,520,525,254	0.07941899
7	High Voltage	All High Voltage Service	2,797,785,862	0.14613196
8	Lighting	All Lighting Service	64,629,627	0.00337569
9	Firm Resale	Large & Small	126,136,121	0.00658825
10		Total	19,145,611,883	1.00000000

Puget Sound Power & Light Company
 Customer Allocation Factors
 Twelve Months ended June 1992

Line No.	Class	Sub Class	CUST 1		CUST 2		CUST 3		CUST 4	
			Allocation		Allocation		Allocation		Allocation	
			Customers	Factor	Customers	Factor	Customers	Factor	Customers	Factor
			A	B	C	D	E	F	G	H
1	Residential	All Residential Service	683,348	0.8897019	683,348	0.8897309	683,348	0.8903940	683,348	0.8924732
2	Secondary	General Service Demand <= 50	76,479	0.0995737	76,479	0.0995770	76,479	0.0996512	76,479	0.0998839
3	Secondary	General Service Demand > 50 & <= 350	5,018	0.0065333	5,018	0.0065335	5,018	0.0065384	5,018	0.0065537
4	Secondary	General Service Demand > 350	477	0.0006210	477	0.0006211	477	0.0006215	477	0.0006230
5	Secondary	Irrigation Service	357	0.0004648	357	0.0004648	357	0.0004652	357	0.0004663
6	Primary	All Primary Service	563	0.0007330	563	0.0007330	0	0.0000000	0	0.0000000
7	High Voltage	All High Voltage Service	25	0.0000325	0	0.0000000	0	0.0000000	0	0.0000000
8	Lighting	All Lighting Service	1,788	0.0023279	1,788	0.0023280	1,788	0.0023297	0	0.0000000
9	Firm Resale	Large & Small	9	0.0000117	9	0.0000117	0	0.0000000	0	0.0000000
10		Total	768,064	1.0000000	768,039	1.0000000	767,467	1.0000000	765,679	1.0000000

Puget Sound Power & Light Company
 Customer Allocation Factors
 Twelve Months ended June 1992

Line No.	Class	Sub Class	CUST 5				CUST 6			
			Customer Accounting		CUST 5	CUST 5	Meter Reading		CUST 6	CUST 6
			CUST I	Factor	Weighted Customers	Allocation Factor	Average Schedules	Expense Factor	Weighted Schedules	Allocation Factor
1	Residential	All Residential Service			683,348	0.8445320			684,035	0.8337711
2	Secondary	General Service Demand <= 50	76,479	1.28	97,893	0.1209834	83,273	1.29	107,294	0.1307808
3	Secondary	General Service Demand > 50 & <= 350	5,018	1.91	9,584	0.0118446	5,465	3.67	20,075	0.0244694
4	Secondary	General Service Demand > 350	477	1.91	911	0.0011259	518	3.67	1,903	0.0023196
5	Secondary	Irrigation Service	357	1.28	457	0.0005648	378	1.29	487	0.0005936
6	Primary	All Primary Service			8,107	0.0100192			2,869	0.0034970
7	High Voltage	All High Voltage Service			6,237	0.0077081			3,584	0.0043685
8	Lighting	All Lighting Service			2,378	0.0029389			0	0.0000000
9	Firm Resale	Large & Small	9	25.44	229	0.0002830	11	14.91	164	0.0001999
10		Total	768,064		809,144	1.0000000	782,390		820,411	1.0000000

Puget Sound Power & Light Company
 Customer Allocation Factors
 Twelve Months ended June 1992

Line No.	Class	Sub Class	CUST 7				
			Average Schedules	Meter Investment Factor	CUST 7 Weighted Schedules	CUST 7 Allocation Factor	CUST 7 Allocation Factor
			Q	R	S	T	T
1	Residential	All Residential Service - 1 Phase	683,953	62	42,405,086	0.5882400	
2	Residential	All Residential Service - 3 Phase	82	527	43,214	0.0005995	0.5888395
3	Secondary	General Service Demand <= 50 - 1 Phase	61,352	62	3,803,824	0.0527663	
4	Secondary	General Service Demand <= 50 - 3 Phase	21,921	527	11,552,367	0.1602535	0.2130199
5	Secondary	General Service Demand > 50 & <= 350 - 1 Phase	250	62	15,500	0.0002150	
6	Secondary	General Service Demand > 50 & <= 350 - 3 Phase	5,215	1,393	7,264,495	0.1007725	0.1009875
7	Secondary	General Service Demand > 350 - 1 Phase	0	242	0	0.0000000	
8	Secondary	General Service Demand > 350 - 3 Phase	518	1,393	721,574	0.0100096	0.0100096
9	Secondary	Irrigation Service - 1 Phase	105	62	6,510	0.0000903	
10	Secondary	Irrigation Service - 3 Phase	273	1,393	380,289	0.0052753	0.0053656
11	Primary	All Primary Service - 1 Phase	16	7,210	115,360	0.0016003	
12	Primary	All Primary Service - 3 Phase	636	8,470	5,386,920	0.0747269	0.0763272
13	High Voltage	All High Voltage Service	29	12,722	368,938	0.0051179	0.0051179
14	Lighting	All Lighting Service	8,029	0	0	0.0000000	0.0000000
15	Firm Resale	Small - 1 Phase	2	62	124	0.0000017	
16	Firm Resale	Small - 3 Phase	8	1,393	11,144	0.0001546	
17	Firm Resale	Large - 3 Phase	1	12,722	12,722	0.0001765	
18	Firm Resale	All Firm Resale	11		23,990	0.0003328	0.0003328
19		Total	782,390		72,088,067	1.0000000	1.0000000