

**EXHIBIT NO. JKP-27
DOCKET NOS. UE-090704/UG-090705
2009 PSE GENERAL RATE CASE
WITNESS: JANET K. PHELPS**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

**Docket No. UE-090704
Docket No. UG-090705**

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED REBUTTAL TESTIMONY OF
JANET K. PHELPS
ON BEHALF OF PUGET SOUND ENERGY, INC.**

DECEMBER 17, 2009

Puget Sound Energy
ELECTRIC COST OF SERVICE SUMMARY
Adjusted Test Year Twelve Months ended December 2008 @ Proforma Rev Requirement

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 Sch 46/49	Choice / Retail Wheeling Sch 448/449	Lighting Sch 50-59	Firm Resale / Special Contract
	(a)	(b)	(c)	(d)	(e)	(g)	(h)	(k)	(l)	(m)	(n)	(o)
1	Rate Base											
2	Plant in Service	\$ 6,798,896,476	\$ 3,987,897,023	\$ 814,215,960	\$ 800,137,810	\$ 474,059,837	\$ 361,065,310	\$ 138,721,141	\$ 97,954,057	\$ 59,353,546	\$ 58,638,716	\$ 6,853,075
3	Accumulated Reserve	\$ (2,691,159,202)	\$ (1,582,083,069)	\$ (317,982,835)	\$ (314,817,722)	\$ (188,543,841)	\$ (141,639,713)	\$ (56,107,484)	\$ (40,077,672)	\$ (22,535,377)	\$ (24,840,873)	\$ (2,530,618)
4	Other Ratebase Items	\$ (290,613,938)	\$ (193,446,736)	\$ (42,053,838)	\$ (23,116,586)	\$ (11,576,163)	\$ (9,893,826)	\$ (3,207,470)	\$ (1,931,418)	\$ (2,801,674)	\$ (2,303,465)	\$ (282,762)
5	TOTAL RATE BASE	\$ 3,817,123,336	\$ 2,212,367,218	\$ 454,179,287	\$ 462,203,502	\$ 273,939,834	\$ 209,531,771	\$ 79,406,188	\$ 55,944,968	\$ 34,016,495	\$ 31,494,379	\$ 4,039,695
6												
7	Revenue at Current Rates											
8	Firm Sales	\$ 2,003,744,274	\$ 1,086,009,285	\$ 251,380,615	\$ 274,490,508	\$ 167,558,420	\$ 120,099,328	\$ 44,871,350	\$ 35,350,468	\$ 6,161,090	\$ 16,499,336	\$ 1,323,873
9	Non-Firm Sales	\$ 28,992,726	\$ 15,456,363	\$ 3,510,053	\$ 4,003,863	\$ 2,682,199	\$ 1,760,011	\$ 810,573	\$ 651,157	\$ -	\$ 108,408	\$ 10,098
10	Other Operating Revenue	\$ 39,365,382	\$ 25,482,745	\$ 3,922,843	\$ 2,832,770	\$ 1,622,684	\$ 1,695,709	\$ 508,028	\$ 1,772,374	\$ 1,353,281	\$ 142,387	\$ 32,561
11	TOTAL REVENUE - Current	\$ 2,072,102,382	\$ 1,126,948,393	\$ 258,813,512	\$ 281,327,141	\$ 171,863,303	\$ 123,555,048	\$ 46,189,951	\$ 37,774,000	\$ 7,514,371	\$ 16,750,132	\$ 1,366,532
12												
13	Expenses at Current Rates											
14	Operation and Maintenance	\$ 1,380,056,746	\$ 760,039,032	\$ 166,328,105	\$ 179,585,563	\$ 117,993,311	\$ 80,095,117	\$ 35,466,034	\$ 28,088,610	\$ 1,665,476	\$ 10,020,096	\$ 775,401
15	Depreciation Expense	\$ 237,874,627	\$ 141,125,658	\$ 28,427,349	\$ 27,336,048	\$ 16,035,270	\$ 12,337,896	\$ 4,699,676	\$ 3,277,896	\$ 2,188,526	\$ 2,199,535	\$ 246,774
16	Taxes Other Than Income	\$ 118,675,123	\$ 67,412,848	\$ 14,249,990	\$ 14,733,235	\$ 9,225,341	\$ 6,616,849	\$ 2,739,317	\$ 2,063,641	\$ 599,052	\$ 940,857	\$ 93,993
17	Income Taxes	\$ 81,567,803	\$ 47,275,898	\$ 9,705,321	\$ 9,876,790	\$ 5,853,798	\$ 4,477,468	\$ 1,696,824	\$ 1,195,484	\$ 726,896	\$ 673,001	\$ 86,324
18	TOTAL EXPENSES - Current	\$ 1,818,174,299	\$ 1,015,853,436	\$ 218,710,764	\$ 231,531,636	\$ 149,107,720	\$ 103,527,329	\$ 44,601,852	\$ 34,625,631	\$ 5,179,949	\$ 13,833,489	\$ 1,202,493
19												
20	OPERATING INCOME - Current	\$ 253,928,083	\$ 111,094,957	\$ 40,102,747	\$ 49,795,505	\$ 22,755,583	\$ 20,027,719	\$ 1,588,099	\$ 3,148,369	\$ 2,334,422	\$ 2,916,642	\$ 164,040
21	Current Rate of Return	6.65%	5.02%	8.83%	10.77%	8.31%	9.56%	2.00%	5.63%	6.86%	9.26%	4.06%
22												
23	Calculation of Rate Schedule Revenue Requirement at Equal Rates of Return											
24	Required Return	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%	8.50%
25	Required Operating Income	\$ 324,455,484	\$ 188,051,214	\$ 38,605,239	\$ 39,287,298	\$ 23,284,886	\$ 17,810,201	\$ 6,749,526	\$ 4,755,322	\$ 2,891,402	\$ 2,677,022	\$ 343,374
26	Operating Income Deficiency / (Surplus)	\$ 70,527,401	\$ 76,956,256	\$ (1,497,508)	\$ (10,508,207)	\$ 529,302	\$ (2,217,518)	\$ 5,161,427	\$ 1,606,954	\$ 556,980	\$ (239,620)	\$ 179,334
27	Revenue Conversion Factor	0.621262										
28	Revenue Deficiency / (Surplus)	\$ 113,522,798	\$ 101,917,443	\$ 3,602,789	\$ (5,313,261)	\$ 3,629,437	\$ 130,511	\$ 6,061,872	\$ 2,248,795	\$ 912,604	\$ 109,772	\$ 222,835
29												
30	Revenue Requirement	\$ 2,185,625,180	\$ 1,228,865,836	\$ 262,416,301	\$ 276,013,880	\$ 175,492,740	\$ 123,685,559	\$ 52,251,823	\$ 40,022,795	\$ 8,426,975	\$ 16,859,903	\$ 1,589,367
31	Revenues Other Than Rate Sch. Rev.	\$ 68,358,108	\$ 40,939,108	\$ 7,432,896	\$ 6,836,633	\$ 4,304,883	\$ 3,455,720	\$ 1,318,601	\$ 2,423,532	\$ 1,353,281	\$ 250,796	\$ 42,659
32	Rate Schedule Revenue Requirement	\$ 2,117,267,072	\$ 1,187,926,728	\$ 254,983,404	\$ 269,177,248	\$ 171,187,857	\$ 120,229,839	\$ 50,933,222	\$ 37,599,263	\$ 7,073,694	\$ 16,609,108	\$ 1,546,708
33	Deficiency / (Surplus) as % of Firm Sales	5.67%	9.38%	1.43%	-1.94%	2.17%	0.11%	13.51%	6.36%	14.81%	0.67%	16.83%
34												
35	Expense at Required Return											
36	Operation and Maintenance	\$ 1,380,694,972	\$ 760,532,904	\$ 166,383,480	\$ 179,626,778	\$ 118,013,231	\$ 80,109,886	\$ 35,470,659	\$ 28,092,390	\$ 1,667,459	\$ 10,022,555	\$ 775,631
37	Depreciation Expense	\$ 237,874,627	\$ 141,125,658	\$ 28,427,349	\$ 27,336,048	\$ 16,035,270	\$ 12,337,896	\$ 4,699,676	\$ 3,277,896	\$ 2,188,526	\$ 2,199,535	\$ 246,774
38	Taxes Other Than Income	\$ 123,055,968	\$ 69,869,458	\$ 14,776,310	\$ 15,288,533	\$ 9,580,144	\$ 6,865,491	\$ 2,845,129	\$ 2,145,110	\$ 614,265	\$ 974,455	\$ 97,073
39	Income Taxes	\$ 119,544,129	\$ 69,286,604	\$ 14,223,923	\$ 14,475,224	\$ 8,579,209	\$ 6,562,086	\$ 2,486,832	\$ 1,752,077	\$ 1,065,324	\$ 986,336	\$ 126,515
40	TOTAL EXPENSES - Required	\$ 1,861,169,696	\$ 1,040,814,623	\$ 223,811,061	\$ 236,726,583	\$ 152,207,854	\$ 105,875,359	\$ 45,502,297	\$ 35,267,473	\$ 5,535,573	\$ 14,182,881	\$ 1,245,993
41												
42	Rate Schedule Revenue as Proposed	\$ 2,117,267,072	\$ 1,150,479,807	\$ 266,303,728	\$ 286,711,775	\$ 177,505,461	\$ 125,446,566	\$ 47,726,900	\$ 37,449,035	\$ 6,618,278	\$ 17,478,813	\$ 1,546,708
43	Other Revenue	\$ 68,358,108	\$ 40,939,108	\$ 7,432,896	\$ 6,836,633	\$ 4,304,883	\$ 3,455,720	\$ 1,318,601	\$ 2,423,532	\$ 1,353,281	\$ 250,796	\$ 42,659
44	Revenue as Proposed	\$ 2,185,625,180	\$ 1,191,418,915	\$ 273,736,625	\$ 293,548,408	\$ 181,810,344	\$ 128,902,286	\$ 49,045,501	\$ 39,872,567	\$ 7,971,559	\$ 17,729,609	\$ 1,589,367
45	Proposed Revenue Increase	\$ 113,522,798	\$ 64,470,522	\$ 14,923,113	\$ 12,221,267	\$ 9,947,041	\$ 5,347,238	\$ 2,855,550	\$ 2,098,567	\$ 457,188	\$ 979,477	\$ 222,835
46	Proposed Revenue - Revenue Requirement	\$ 0	\$ (37,446,921)	\$ 11,320,324	\$ 17,534,528	\$ 6,317,604	\$ 5,216,727	\$ (3,206,322)	\$ (150,228)	\$ (455,416)	\$ 869,705	\$ 0
47												
48	Current Revenue to Cost Ratio	0.95	0.91	0.99	1.02	0.98	1.00	0.88	0.94	0.87	0.99	0.86
49	Parity Ratio	1.00	0.97	1.04	1.08	1.03	1.06	0.93	0.99	0.92	1.05	0.90
50	Proposed Revenue to Cost Ratio	1.00	0.97	1.04	1.06	1.04	1.04	0.94	1.00	0.95	1.05	1.00