

**EXHIBIT NO. ___(JKP-6)
DOCKET NO. UE-09___/UG-09___
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-09___
Docket No. UG-09___**

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

MAY 8, 2009

Puget Sound Energy - 2009 Gas Cost of Service Study
Proposed Test Year With Gas
Summary

Line No.	Description	Total Company	Residential (16,23,53)	Comm. & Indus. (31,61)	Large Volume (41,41T)	Interruptible (85, 85T)	Limited Interruptible (86)	Non-Exclusive Interruptible (87, 87T)	Contracts	Rentals
	(a)	(b)	(c)	(d)	(e)	(g)	(h)	(i)	(j)	(k)
Rate Base										
1	Plant in Service	\$ 2,507,032,469	\$ 1,719,776,681	\$ 542,593,810	\$ 89,966,958	\$ 46,095,020	\$ 12,475,037	\$ 45,015,962	\$ 13,804,753	\$ 37,304,250
2	Accumulated Reserve	(853,149,390)	(584,816,257)	(185,061,305)	(28,355,162)	(14,403,207)	(4,092,879)	(13,587,945)	(4,126,452)	(18,706,183)
3	Other Rate Base Items	(179,492,876)	(124,487,584)	(37,742,183)	(6,432,748)	(3,324,395)	(735,031)	(3,441,865)	(1,112,530)	(2,216,540)
4	TOTAL RATE BASE	\$ 1,474,390,203	\$ 1,010,472,840	\$ 319,790,321	\$ 55,179,047	\$ 28,367,418	\$ 7,647,126	\$ 27,986,152	\$ 8,565,772	\$ 16,381,527
Revenue at Current Rates										
5	Gas Revenues	821,763,382	511,902,119	182,484,807	71,523,420	15,059,735	13,730,206	27,063,096	-	-
6	Base Rate Revenues	395,183,098	270,481,194	78,420,730	18,042,418	8,715,955	3,278,543	6,360,311	1,627,949	8,255,997
7	Other Revenues	11,544,298	8,662,658	2,600,066	151,993	15,895	15,638	27,785	1,971	68,292
8	TOTAL REVENUE	\$ 1,228,490,778	\$ 791,045,971	\$ 263,505,604	\$ 89,717,831	\$ 23,791,585	\$ 17,024,387	\$ 33,451,192	\$ 1,629,920	\$ 8,324,289
Expenses at Current Rates										
9	Operation and Maintenance	916,821,679	587,087,379	199,027,564	71,634,943	16,487,674	13,799,692	27,525,746	474,380	784,302
10	Depreciation Expense	105,884,027	67,827,488	21,600,510	3,665,970	1,861,047	504,421	1,844,616	558,080	8,021,896
11	Taxes Other Than Income	60,891,865	39,511,023	13,484,346	3,839,901	1,150,645	681,060	1,578,700	167,570	478,619
12	Income Taxes	35,600,296	24,398,651	7,721,586	1,332,341	684,953	184,646	675,747	206,827	395,545
13	TOTAL EXPENSES - Current	\$ 1,119,197,867	\$ 718,824,541	\$ 241,834,005	\$ 80,473,155	\$ 20,184,319	\$ 15,169,819	\$ 31,624,810	\$ 1,406,857	\$ 9,680,361
14	Operating Income - Current	\$ 109,292,911	\$ 72,221,430	\$ 21,671,599	\$ 9,244,675	\$ 3,607,267	\$ 1,854,568	\$ 1,826,382	\$ 223,062	\$ (1,356,073)
15	Current Rate of Return	7.41%	7.15%	6.78%	16.75%	12.72%	24.25%	6.53%	2.60%	-8.28%
Calculation of Rate Schedule Revenue Requirement at Equal Rates of Return										
16	Required Return	8.56%	8.56%	8.56%	8.56%	8.56%	8.56%	8.56%	8.56%	8.56%
17	Required Operating Income	\$ 126,207,801	\$ 86,496,475	\$ 27,374,051	\$ 4,723,326	\$ 2,428,251	\$ 654,594	\$ 2,395,615	\$ 733,230	\$ 1,402,259
18	Operating Income (Deficiency)/Surplus	(16,914,891)	(14,275,045)	(5,702,452)	4,521,349	1,179,016	1,199,974	(569,232)	(510,168)	(2,758,332)
19	Revenue Conversion Factor	0.6219								
20	Revenue (Deficiency) / Surplus	\$ (27,199,122)	\$ (21,330,312)	\$ (7,929,677)	\$ 4,139,140	\$ 983,293	\$ 1,147,017	\$ (762,081)	\$ (569,206)	\$ (2,877,296)
21	Revenue Requirement	\$ 1,255,689,900	\$ 812,376,283	\$ 271,435,281	\$ 85,578,691	\$ 22,808,293	\$ 15,877,369	\$ 34,213,273	\$ 2,199,126	\$ 11,201,584
22	Revenues Other Than Rate Sch. Rev.	11,544,298	8,662,658	2,600,066	151,993	15,895	15,638	27,785	1,971	68,292
23	Rate Schedule Revenue Requirement	1,244,145,602	803,713,625	268,835,215	85,426,698	22,792,397	15,861,731	34,185,488	2,197,155	11,133,293
24	Deficiency / (Surplus) as % of Sales & Trans Rev	2.24%	2.73%	3.04%	-4.62%	-4.14%	-6.74%	2.28%	34.96%	34.85%
Expenses at Required Return										
25	Operation and Maintenance	\$ 916,953,133	\$ 587,188,283	\$ 199,050,427	\$ 71,638,428	\$ 16,488,899	\$ 13,800,289	\$ 27,526,640	\$ 474,609	\$ 785,557
26	Depreciation Expense	105,884,027	67,827,488	21,600,510	3,665,970	1,861,047	504,421	1,844,616	558,080	8,021,896
27	Taxes Other Than Income	61,936,610	40,223,199	13,713,205	3,877,757	1,169,903	686,179	1,597,770	173,465	495,131
28	Income Taxes	44,708,328	30,640,838	9,697,087	1,673,209	860,193	231,886	848,632	259,742	496,741
29	TOTAL EXPENSES - Required	\$ 1,129,482,098	\$ 725,879,807	\$ 244,061,230	\$ 80,855,364	\$ 20,380,042	\$ 15,222,775	\$ 31,817,658	\$ 1,465,896	\$ 9,799,326
30	Rate Schedule Revenue as Proposed	\$ 1,244,144,773	\$ 802,166,184	\$ 266,641,893	\$ 90,226,321	\$ 24,094,658	\$ 17,008,605	\$ 33,888,738	\$ 1,678,151	\$ 8,440,224
31	Other Revenue	11,544,298	8,662,658	2,600,066	151,993	15,895	15,638	27,785	1,971	68,292
32	Revenue as Proposed	\$ 1,255,689,071	\$ 810,828,842	\$ 269,241,959	\$ 90,378,314	\$ 24,110,553	\$ 17,024,243	\$ 33,916,523	\$ 1,680,122	\$ 8,508,516
33	Proposed Revenue Increase	\$ 27,198,293	\$ 19,782,871	\$ 5,736,355	\$ 660,483	\$ 318,968	\$ (144)	\$ 465,331	\$ 50,202	\$ 184,228
34	Proposed Revenue - Revenue Requirement	\$ 1,255,689,071	\$ 810,828,842	\$ 269,241,959	\$ 90,378,314	\$ 24,110,553	\$ 17,024,243	\$ 33,916,523	\$ 1,680,122	\$ 8,508,516
35	Current Revenue to Cost Ratio	0.98	0.97	0.97	1.05	1.04	1.07	0.98	0.74	0.74
36	Parity Ratio	1.00	1.00	0.99	1.07	1.07	1.10	1.00	0.76	0.76
37	Proposed Revenue to Cost Ratio	1.00	1.00	0.99	1.06	1.06	1.07	0.99	0.76	0.76