

**EXHIBIT NO. ___(JKP-11)
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___**

**TENTH 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 (UG-072301 Method)
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	\$ 1,725,007,859	\$ 544,453,105	\$ 90,667,181	\$ 39,336,242	\$ 12,603,796	\$ 44,738,346	\$ 12,921,689	\$ 37,304,250
2	Accumulated Reserve	(853,149,390)	(586,357,382)	(185,609,060)	(28,561,450)	(12,412,046)	(4,130,812)	(13,506,158)	(3,866,298)	(18,706,183)
3	Other Rate Base Items	(179,492,876)	(124,935,055)	(37,901,226)	(6,492,645)	(2,746,254)	(746,045)	(3,418,118)	(1,036,993)	(2,216,540)
4	TOTAL RATE BASE	\$ 1,474,390,203	\$ 1,013,715,422	\$ 320,942,818	\$ 55,613,086	\$ 24,177,943	\$ 7,726,939	\$ 27,814,069	\$ 8,018,399	\$ 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	8,663,256	2,600,279	152,073	15,123	15,653	27,753	1,870	68,292
8	TOTAL REVENUE	\$ 1,228,490,778	\$ 791,046,569	\$ 263,505,817	\$ 89,717,911	\$ 23,790,813	\$ 17,024,401	\$ 33,451,160	\$ 1,629,819	\$ 8,324,289
Expenses at Current Rates										
9	Operation and Maintenance	916,821,679	587,207,921	199,070,408	71,651,078	16,331,932	13,802,659	27,519,349	454,032	784,302
10	Depreciation Expense	105,884,027	68,040,740	21,676,305	3,694,515	1,585,520	509,670	1,833,299	522,081	8,021,896
11	Taxes Other Than Income	60,891,865	39,574,867	13,507,037	3,848,447	1,068,157	682,632	1,575,312	156,793	478,619
12	Income Taxes	35,600,296	23,642,024	7,187,240	2,585,717	1,180,640	498,634	619,951	122,092	(236,002)
13	TOTAL EXPENSES - Current	\$ 1,119,197,867	\$ 718,465,552	\$ 241,440,990	\$ 81,779,758	\$ 20,166,249	\$ 15,493,594	\$ 31,547,911	\$ 1,254,997	\$ 9,048,815
14	Operating Income - Current	\$ 109,292,911	\$ 72,581,016	\$ 22,064,827	\$ 7,938,153	\$ 3,624,564	\$ 1,530,807	\$ 1,903,249	\$ 374,821	\$ (724,526)
15	Current Rate of Return	7.41%	7.16%	6.88%	14.27%	14.99%	19.81%	6.84%	4.67%	-4.42%
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	\$ 86,774,040	\$ 27,472,705	\$ 4,760,480	\$ 2,069,632	\$ 661,426	\$ 2,380,884	\$ 686,375	\$ 1,402,259
18	Operating Income (Deficiency)/Surplus	(16,914,891)	(14,193,024)	(5,407,879)	3,177,672	1,554,932	869,381	(477,635)	(311,554)	(2,126,785)
19	Revenue Conversion Factor	0.6219								
20	Revenue (Deficiency) / Surplus	\$ (27,199,122)	\$ (22,105,538)	\$ (8,205,212)	\$ 4,035,371	\$ 1,984,899	\$ 1,127,936	\$ (720,940)	\$ (438,342)	\$ (2,877,296)
21	Revenue Requirement	\$ 1,255,689,900	\$ 813,152,107	\$ 271,711,029	\$ 85,682,539	\$ 21,805,914	\$ 15,896,465	\$ 34,172,100	\$ 2,068,161	\$ 11,201,584
22	Revenues Other Than Rate Sch. Rev.	11,544,298	8,663,256	2,600,279	152,073	15,123	15,653	27,753	1,870	68,292
23	Rate Schedule Revenue Requirement	1,244,145,602	804,488,851	269,110,750	85,530,466	21,790,791	15,880,813	34,144,347	2,066,291	11,133,293
24	Deficiency / (Surplus) as % of Sales & Trans Rev	2.24%	2.83%	3.14%	-4.51%	-8.35%	-6.63%	2.16%	26.93%	34.85%
Expenses at Required Return										
25	Operation and Maintenance	\$ 916,953,133	\$ 587,308,825	\$ 199,093,271	\$ 71,654,563	\$ 16,333,157	\$ 13,803,256	\$ 27,520,243	\$ 454,261	\$ 785,557
26	Depreciation Expense	105,884,027	68,040,740	21,676,305	3,694,515	1,585,520	509,670	1,833,299	522,081	8,021,896
27	Taxes Other Than Income	61,936,610	40,289,338	13,736,712	3,886,610	1,084,450	687,807	1,594,260	162,300	495,131
28	Income Taxes	44,708,328	30,739,164	9,732,035	1,686,370	733,154	234,306	843,413	243,144	496,741
29	TOTAL EXPENSES - Required	\$ 1,129,482,098	\$ 726,378,067	\$ 244,238,324	\$ 80,922,059	\$ 19,736,282	\$ 15,235,039	\$ 31,791,216	\$ 1,381,786	\$ 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	8,663,256	2,600,279	152,073	15,123	15,653	27,753	1,870	68,292
32	Revenue as Proposed	\$ 1,255,689,071	\$ 810,829,440	\$ 269,242,172	\$ 90,378,394	\$ 24,109,780	\$ 17,024,257	\$ 33,916,491	\$ 1,680,021	\$ 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	\$ 810,829,440	\$ 269,242,172	\$ 90,378,394	\$ 24,109,780	\$ 17,024,257	\$ 33,916,491	\$ 1,680,021	\$ 8,508,516
35	Current Revenue to Cost Ratio	0.98	0.97	0.97	1.05	1.09	1.07	0.98	0.79	0.74
36	Parity Ratio	1.00	0.99	0.99	1.07	1.12	1.09	1.00	0.81	0.76
37	Proposed Revenue to Cost Ratio	1.00	1.00	0.99	1.05	1.11	1.07	0.99	0.81	0.76