

Exhibit ____ (DRS-2)
Docket Nos. UE-920433, UE-920499 and UE-921262
Witness: Diane R. Sorrells

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

Petition of PUGET SOUND POWER &
LIGHT COMPANY for an Order
Regarding the Accounting Treatment
of Residential Exchange Benefits

DOCKET NO. UE-920433

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

DOCKET NO. UE-920499

v.

PUGET SOUND POWER & LIGHT COMPANY,

Respondent.

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

DOCKET NO. UE-921262

v.

PUGET SOUND POWER & LIGHT COMPANY,

Respondent.

EXHIBIT OF
DIANE R. SORRELLS
For Commission Staff

RECEIVED
RECORDS MANAGEMENT
93 FEB 24 PM 4:48
STATE OF WASH.
UTIL. AND TRANSP.
COMMISSION

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
UE-920433; -920499;
No. -921262 Ex. 35 ✓

Puget Sound Power & Light Company
Docket No. UE-920499
Response to Deposition Request Number 11

Request:

Please provide a cost of service run similar to the one performed in Exhibit No. 6 (CEL-5), page 4, line 5, where transmission plant is allocated on the same basis as production plant, using the revenue requirement in Docket No. UE-921262.

Response by Ms. Lynch:

Please see Attachment I for the requested cost of service summary.

TMP1.XLS

Cost of Service Report

Puget Sound Power & Light Company Summary Results of Operations											
	Category		Summary	Summary	Summary	Summary	Summary	Summary	Summary	Summary	Summary
	Reference	Total	Class	Class	Class	Class	Class	Class	Class	Class	Class
Description	ID #	Allocation	Residential	Sec kW<=50	Sec 50<kW<=350	Sec kW>350	Primary Svc	High Volt Svc	Lighting	Firm Resale	
1 Operating Revenue	REV.T3	1,079,386,941	570,559,636	121,056,759	133,187,942	75,571,384	68,704,316	96,858,717	9,177,349	4,270,838	
Operating Expense											
2 Operation & Maintenance Expense	OME.T	717,345,174	373,853,590	75,705,142	79,261,782	46,702,446	51,112,361	83,180,915	3,534,430	3,994,508	
3 Depreciation & Amortization	DAE.T	109,079,943	61,271,612	11,461,281	11,964,022	6,743,413	7,033,622	9,051,455	1,038,280	516,257	
4 Taxes Other Than FIT	TOTF.T	76,491,885	41,694,369	8,329,636	8,935,466	5,064,504	4,915,136	6,698,841	664,837	189,096	
5 Total Expenses Before Fed Income Tax (EBFIT.T)	(2+3+4)	902,917,002	476,819,571	95,496,059	100,161,269	58,510,364	63,061,120	98,931,211	5,237,547	4,699,861	
6 Total Income Before Fed Income Tax (IBFIT.T)	(1-5)	176,469,939	93,740,065	25,560,699	33,026,673	17,061,020	5,643,196	-2,072,494	3,939,802	-429,023	
Federal Income Tax											
7 Currently Payable	409.1.T	33,663,165	17,881,727	4,875,924	6,300,123	3,254,537	1,076,488	-395,346	751,551	-81,840	
8 Provision For Deferred Income Tax	410.1.T	60,726,600	34,235,531	6,375,235	6,721,820	3,765,683	3,913,286	4,808,396	622,826	283,822	
9 Provision For Deferred Income Tax	411.1.T	-45,024,249	-25,383,095	-4,726,762	-4,983,729	-2,791,973	-2,901,410	-3,565,067	-461,779	-210,433	
10 Investment Tax Credit Adjustment	411.4.T	-4,319,000	-2,434,901	-453,420	-478,070	-267,823	-278,321	-341,983	-44,297	-20,186	
11 Total Federal Income Tax (FIT.T)	(7+8+9+10)	45,046,516	24,299,262	6,070,978	7,560,145	3,960,423	1,810,044	506,000	868,302	-28,637	
12 Total Operating Expense	OE.T	947,963,518	501,118,833	101,567,037	107,721,414	62,470,787	64,871,164	99,437,210	6,105,849	4,671,224	
13 Total Operating Income	(1-12)	131,423,423	69,440,803	19,489,722	25,466,528	13,100,597	3,833,153	-2,578,493	3,071,501	-400,387	
14 Total Plant In Service	EP.T	2,728,796,767	1,578,465,105	287,084,882	296,772,412	163,967,303	169,369,287	190,751,658	30,396,279	11,989,842	
15 Plant Held For Future Use	PHFU.T	15,198,916	8,502,490	1,594,515	1,682,639	948,437	987,877	1,263,072	147,350	72,535	
16 Bonneville Exchange Power	BEP.T	84,173,280	40,926,512	8,763,434	9,772,073	5,933,571	6,382,747	11,599,932	269,361	525,650	
17 Working Capital	WC.T	45,628,398	26,356,150	4,799,977	4,964,990	2,745,805	2,837,557	3,217,801	504,880	201,238	
18 Conservation & Misc Def Debits	CMMD.T	175,815,315	85,890,991	18,309,130	20,379,786	12,348,116	13,271,368	23,928,129	598,019	1,089,776	
19 Accum Provision For Depr & Amort	PFDA.T	-801,453,614	-469,487,615	-84,407,143	-86,570,347	-47,446,060	-48,840,201	-51,918,547	-9,379,486	-3,404,214	
20 Accumulated Deferred Income Tax	ADIT.T	-173,870,731	-94,678,562	-18,205,448	-19,483,485	-11,152,642	-11,692,897	-16,300,527	-1,475,686	-881,484	
21 Customer Deposits	ID235.00	-5,786,337	-4,619,912	-862,094	-183,612	-43,574	-37,118	-38,870	-1,157	0	
22 Customer Advances	ID252.00	-15,666,716	-13,982,124	-1,564,853	-109,979	-9,760	0	0	0	0	
23 Gain on Property Sales	IDGAIN.T	-1,025,408	-634,461	-108,105	-109,877	-57,581	-57,816	-38,197	-15,708	-3,663	
24 Net Investment In Plant (RB.T)	(14+15+16+17+18+19+20+21+22+23)	2,051,809,870	1,156,738,574	215,404,295	227,114,600	127,233,615	132,220,803	162,464,451	21,043,851	9,589,680	
25 Realized Rate of Return on Net Investment	(13/24)	6.41%	6.00%	9.05%	11.21%	10.30%	2.90%	-1.59%	14.60%	-4.18%	

Puget Sound Power & Light Company											
Allocated Costs Versus Revenue											
Description	Category	Total Allocation	Summary	Summary	Summary	Summary	Summary	Summary	Summary	Summary	
	Reference ID #		Class	Class	Class	Class	Class	Class	Class	Class	
			Residential	Sec kW<=50	Sec 50<kW<=350	Sec kW>350	Primary Svc	High Volt Svc	Lighting	Firm Resale	
Operating Expense											
1	Operation & Maintenance Expense	OME.T	717,345,174	373,853,590	75,705,142	79,261,782	46,702,446	51,112,361	83,180,915	3,534,430	3,994,508
2	Depreciation & Amortization	DAE.T	109,079,943	61,271,612	11,461,281	11,964,022	6,743,413	7,033,622	9,051,455	1,038,280	516,257
3	Total Taxes	TAX.T	121,538,401	65,993,630	14,400,614	16,495,611	9,024,927	6,725,180	7,204,840	1,533,139	160,459
4	Total Operating Expense (OE.T)	(1+2+3)	947,963,518	501,118,833	101,567,037	107,721,414	62,470,787	64,871,164	99,437,210	6,105,849	4,671,224
5	Requested Return On Net Investment (RRB.T)	RRB.T	205,783,432	116,013,495	21,603,676	22,778,145	12,760,719	13,260,903	16,294,147	2,110,564	961,784
6	Total Cost of Service (TC.T)	(4+5)	1,153,746,950	617,132,328	123,170,713	130,499,559	75,231,506	78,132,066	115,731,358	8,216,413	5,633,008
7	Total Operating Revenue	REV.T3	1,079,386,941	570,559,636	121,056,759	133,187,942	75,571,384	68,704,316	96,858,717	9,177,349	4,270,838
	Operating Income Deficiency (OID.T)	(6-7)	74,360,009	46,572,691	2,113,954	-2,688,383	-339,877	9,427,750	18,872,641	-960,937	1,362,170
9	Adjusted for Conversion Factor	CF.T	117,772,940	73,762,804	3,348,125	-4,257,918	-538,305	14,931,868	29,890,884	-1,521,952	2,157,434
10	Total Sales of Electricity	REV.T1	1,062,046,519	559,680,500	119,500,167	132,442,537	75,157,532	67,890,581	94,053,449	9,083,487	4,238,266
11	Revenue Required From Rates	(9+10)	1,179,819,459	633,443,304	122,848,292	128,184,620	74,619,227	82,822,449	123,944,333	7,561,536	6,395,699
12	Revenue to Revenue Requirement	(10/11)	90%	88%	97%	103%	101%	82%	76%	120%	66%
13	Adjusted Revenue to Revenue Requirement	(restate 12)	100%	98%	108%	115%	112%	91%	84%	133%	74%