

**REVISED EXHIBIT NO. \_\_\_(JKP-7)  
DOCKET NO. UE-06\_\_\_/UG-06\_\_\_  
2006 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-06\_\_\_  
Docket No. UG-06\_\_\_**

**REVISED PAGES 1, 5, 6, AND 7 OF THE SIXTH EXHIBIT TO  
PREFILED DIRECT TESTIMONY OF  
JANET K. PHELPS  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**APRIL 3, 2006**

Puget Sound Energy  
 2006 Gas General Rate Case  
 Test Year Ended September 2005  
 Revised Allocation of Revenue Deficiency to Rate Classes

Rate Class	A	B		C		D		E	F		G	H	I		J	K	L			M			N			O	P	Q								
		Pro forma Revenue at Existing Rates	Pro forma Gas Revenue at Existing Rates	Pro forma Margin at Existing Rates	Pro forma Revenue at Existing Rates	Pro forma Margin at Existing Rates	Volume (Therms)		Over Parity (1)	Under Parity (1)			Ratio (1)	Parity Ratio (1)			Percent of Average Increase	Proposed Margin Increase on Percentage	Spread Residual Increase	Total Proposed Margin Increase	Calculated Margin Revenue	Calculated Gas Revenue	Calculated Total Revenue	Calculated Margin Revenue	Calculated Gas Revenue	Calculated Total Revenue	Calculated Margin Revenue	Calculated Gas Revenue	Calculated Total Revenue	Change in Margin (2)	Percent Margin Increase	Percent Total Increase				
Residential (16,23,53)	\$ 597,560,401	\$ 404,002,846	\$ 193,547,555	\$ 193,547,555	\$ 193,547,555	510,039,280	\$ (31,766,868)	\$ 86.3%	110.0%	\$ 29,572,131	(8,315)	\$ 29,563,816	\$ 223,109,727	\$ 404,212,433	\$ 627,322,160	\$ 29,562,172	\$ 29,562,172	\$ 29,562,172	\$ 29,562,172	\$ 29,562,172	\$ 29,562,172	\$ 29,562,172	\$ 29,562,172	\$ 29,562,172	\$ 29,562,172	\$ 29,562,172	\$ 29,562,172	\$ 29,562,172	\$ 29,562,172	\$ 29,562,172	\$ 29,562,172	\$ 29,562,172	4.85%	4.10%		
Commercial & Industrial (31,36,51,61)	219,696,706	160,790,645	58,906,061	58,906,061	58,906,061	205,181,707	(10,355,326)	85.4%	110.0%	9,000,257	(2,531)	8,997,727	67,905,502	161,832,968	229,738,469	8,999,441	8,999,441	8,999,441	8,999,441	8,999,441	8,999,441	8,999,441	8,999,441	8,999,441	8,999,441	8,999,441	8,999,441	8,999,441	8,999,441	8,999,441	8,999,441	8,999,441	15.28%	4.17%		
Large volume (41)	50,705,274	40,776,386	9,928,889	9,928,889	9,928,889	51,434,876	1,227,026	113.8%	30.0%	413,737	(116)	413,620	10,375,250	39,195,107	49,570,357	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	20.81%	7.37%		
Compressed natural gas (50)	36,177	23,371	12,806	12,806	12,806	31,831	(702,436)	1.8%	150.0%	2,668	(1)	2,667	15,471	24,176	39,647	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2,665	2.77%	0.36%	
Interruptible (65)	13,758,844	11,968,165	1,790,679	1,790,679	1,790,679	15,479,708	525,255	137.9%	20.0%	49,745	(14)	49,731	1,840,275	11,769,495	13,609,769	49,595	49,595	49,595	49,595	49,595	49,595	49,595	49,595	49,595	49,595	49,595	49,595	49,595	49,595	49,595	49,595	49,595	1.39%	0.30%		
Limited interruptible (86)	18,275,798	14,330,944	3,944,854	3,944,854	3,944,854	18,469,221	1,618,529	166.8%	10.0%	54,779	(15)	54,779	3,999,806	14,167,959	18,167,765	54,952	54,952	54,952	54,952	54,952	54,952	54,952	54,952	54,952	54,952	54,952	54,952	54,952	54,952	54,952	54,952	54,952	2.48%	0.17%		
Non exclusive interruptible (87)	30,378,936	28,299,738	2,079,198	2,079,198	2,079,198	38,116,540	552,862	134.0%	20.0%	57,760	(16)	57,744	2,130,697	28,817,944	30,948,642	51,499	51,499	51,499	51,499	51,499	51,499	51,499	51,499	51,499	51,499	51,499	51,499	51,499	51,499	51,499	51,499	51,499	2.48%	1.43%		
Transportation (57)	11,544,657	94,711	11,449,945	11,449,945	11,449,945	183,295,477	4,640,062	164.7%	10.0%	159,040	(45)	158,995	11,615,180	114,307	11,729,486	165,234	165,234	165,234	165,234	165,234	165,234	165,234	165,234	165,234	165,234	165,234	165,234	165,234	165,234	165,234	165,234	165,234	165,234	0.00%	0.00%	
Contracts (99,199,299)	\$ 943,562,555	\$ 660,286,805	\$ 283,275,750	\$ 283,275,750	\$ 283,275,750	36,402,261	\$ (34,246,829)	88.1%	0.0%	\$ 39,310,132	\$(11,052)	\$ 39,299,079	\$ 322,607,669	\$ 660,134,369	\$ 982,742,058	\$ 39,299,390	\$ 39,299,390	\$ 39,299,390	\$ 39,299,390	\$ 39,299,390	\$ 39,299,390	\$ 39,299,390	\$ 39,299,390	\$ 39,299,390	\$ 39,299,390	\$ 39,299,390	\$ 39,299,390	\$ 39,299,390	\$ 39,299,390	\$ 39,299,390	\$ 39,299,390	\$ 39,299,390	\$ 39,299,390	4.17%	14.60%	
Subtotal	7,814,754		7,814,754	7,814,754	7,814,754	1,038,450,901	\$ (6,193,149)	55.9%	105.1%	1,140,879		1,140,879	8,955,633	8,955,633	1,140,879	1,140,879	1,140,879	1,140,879	1,140,879	1,140,879	1,140,879	1,140,879	1,140,879	1,140,879	1,140,879	1,140,879	1,140,879	1,140,879	1,140,879	1,140,879	1,140,879	1,140,879	1,140,879	14.60%	0.00%	
Rentals																																			0.00%	0.00%
Other revenue	\$ 960,901,702	\$ 660,286,805	\$ 300,614,897	\$ 300,614,897	\$ 300,614,897	1,038,450,901	\$ (40,439,978)			\$ 40,451,010	\$(11,052)	\$ 40,439,958	\$ 341,087,895	\$ 660,134,369	\$ 1,001,222,084	\$ 40,440,268	\$ 40,440,268	\$ 40,440,268	\$ 40,440,268	\$ 40,440,268	\$ 40,440,268	\$ 40,440,268	\$ 40,440,268	\$ 40,440,268	\$ 40,440,268	\$ 40,440,268	\$ 40,440,268	\$ 40,440,268	\$ 40,440,268	\$ 40,440,268	\$ 40,440,268	\$ 40,440,268	\$ 40,440,268	\$ 40,440,268	13.89%	13.45%
Total																																				4.21%

Proposed total increase  
 Average increase (includes rentals)

(1) At existing rates.  
 (2) Schedule 41 change in margin excludes \$32,530 in minimum bill revenue that is included in revenue under existing and proposed rates in detail pages but is not in pro forma margin revenue in column D. Total change in margin differs from proposed increase by \$310 of rounding error.  
 (3) Calculated margin increase (column O) divided by pro forma revenue at existing rates (column B).

TEXT IN BOXES HAS BEEN REVISED  
 REVISED APRIL 3, 2006

TEXT IN BOXES HAS BEEN REVISED

Puget Sound Energy  
2006 Gas General Rate Case  
Test Year Ended September 2005  
Current and Proposed Rates by Rate Schedule

Description	Billing		Present		Proposed		Difference
	Units	Determinants	Rates	Revenues	Rates	Revenues	
				\$		\$	%
<b>Schedule 85</b>							
Customer Charge		412	\$500.00	\$206,000	\$500.00	\$206,000	
Demand Charge		106,321	\$0.99	\$105,258	\$1.02	\$108,447	
Procurement Charge		15,479,708	\$0.00355	\$54,953	\$0.00500	\$77,399	
<b>Minimum Bills</b>				<b>\$220,492</b>		<b>\$220,492</b>	
Delivery Charge:							
First 25,000 Therms		8,315,629	\$0.09467	\$787,241	\$0.09570	\$795,806	
Next 25,000 Therms		3,523,141	\$0.06712	\$236,473	\$0.07150	\$251,905	
All over 50,000 Therms		3,640,938	\$0.04951	\$180,263	\$0.04950	\$180,226	
Calculated Total		<u>15,479,708</u>		<u>\$1,790,679</u>		<u>\$1,840,275</u>	2.8%
Gas Revenue (Schedule 101):							
Volumetric Charge		15,479,708	\$0.76594	\$11,856,527	\$0.75132	\$11,630,214	
Demand Charge		106,321	\$1.05	\$111,637	\$1.31	\$139,281	
Calculated Total				<u>\$11,968,165</u>		<u>\$11,769,495</u>	-1.7%
Total Revenues				<b>\$13,758,844</b>		<b>\$13,609,769</b>	-1.1%
<b>Schedule 86</b>							
Customer Charge		5,881	\$100.00	\$588,100	\$100.00	\$588,100	
Demand Charge		175,837	\$0.99	\$174,079	\$1.02	\$179,354	
Procurement Charge		18,469,221	\$0.00355	\$65,566	\$0.00500	\$92,346	
<b>Minimum Bills</b>				<b>\$45,658</b>		<b>\$45,658</b>	
Delivery Charge:							
First 1,000 therms		4,558,496	\$0.20448	\$932,121	\$0.20520	\$935,403	
All over 1,000 therms		13,910,725	\$0.15379	\$2,139,330	\$0.15520	\$2,158,945	
Calculated Total		<u>18,469,221</u>		<u>\$3,944,854</u>		<u>\$3,999,806</u>	1.4%
Gas Revenue (Schedule 101):							
Volumetric Charge		18,469,221	\$0.76594	\$14,146,315	\$0.75464	\$13,937,613	
Demand Charge		175,837	\$1.05	\$184,629	\$1.31	\$230,346	
Calculated Total				<u>\$14,330,944</u>		<u>\$14,167,959</u>	-1.1%
Total Revenues				<u>\$18,275,798</u>		<u>\$18,167,765</u>	-0.6%

TEXT IN BOXES HAS BEEN REVISED

Puget Sound Energy  
2006 Gas General Rate Case  
Test Year Ended September 2005  
Current and Proposed Rates by Rate Schedule

Description	Units	Billing Determinants		Present		Proposed		Difference	
		Rates	Revenues	Rates	Revenues	Rates	Revenues	\$	%
<b>Schedule 87</b>									
Customer Charge	Bills	179	\$500.00	\$89,500	\$500.00	\$89,500			
Demand Charge	Demand	6,642	\$0.99	\$6,576	\$1.02	\$6,775			
Procurement Charge	Therms	38,116,540	\$0.00355	\$135,314	\$0.00500	\$190,583			
<b>Minimum Bills</b>				<b>\$75,501</b>		<b>\$75,501</b>			
Delivery Charge:									
First 25,000 Therms	Therms	4,544,558	\$0.12337	\$560,662	\$0.12512	\$568,615			
Next 25,000 Therms	Therms	4,333,199	\$0.07624	\$330,363	\$0.07650	\$331,490			
Next 50,000 Therms	Therms	5,865,815	\$0.04951	\$290,416	\$0.04950	\$290,358			
Next 100,000 Therms	Therms	6,964,426	\$0.03268	\$227,597	\$0.03255	\$226,692			
Next 300,000 Therms	Therms	7,720,307	\$0.02476	\$191,155	\$0.02405	\$185,673			
All over 500,000 Therms	Therms	8,688,235	\$0.01981	\$172,114	\$0.01905	\$165,511			
Calculated Total	Therms	38,116,540		<b>\$2,079,198</b>		<b>\$2,130,697</b>			2.5%
Gas Revenue (Schedule 101):									
Volumetric Charge	Therms	38,116,540	\$0.74227	\$28,292,764	\$0.75582	\$28,809,243			
Demand Charge	Demand	6,642	\$1.05	\$6,974	\$1.31	\$8,701			
Calculated Total				<b>\$28,299,738</b>		<b>\$28,817,944</b>			1.8%
Total Revenues				<b>\$30,378,936</b>		<b>\$30,948,642</b>			1.9%

<b>Schedule 57</b>									
Customer Charge	Bills	1,361	\$800.00	\$1,088,800	\$800.00	\$1,088,800			
Demand Charge	Demand	1,604,988	\$0.99000	\$1,588,938	\$1.02	\$1,637,088			
Delivery Charge:									
First 25,000 Therms	Therms	31,291,953	\$0.12337	\$3,860,488	\$0.12512	\$3,915,249			
Next 25,000 Therms	Therms	21,766,808	\$0.07624	\$1,659,501	\$0.07650	\$1,665,161			
Next 50,000 Therms	Therms	22,617,890	\$0.04951	\$1,119,812	\$0.04950	\$1,119,586			
Next 100,000 Therms	Therms	20,231,129	\$0.03268	\$661,153	\$0.03255	\$658,523			
Next 300,000 Therms	Therms	26,546,132	\$0.02476	\$657,282	\$0.02405	\$638,434			
All over 500,000 Therms	Therms	40,841,565	\$0.01981	\$809,071	\$0.01905	\$778,032			
Total Volume	Therms	163,295,477		\$4,899	\$0.00070	\$114,307			
Balancing Service Charge	Therms	163,295,477	\$0.00003	\$11,449,945		\$11,615,180			1.4%
Calculated Total									
Gas Balancing Service Charge	Therms	163,295,477	\$0.00058	\$94,711	\$0.00070	\$114,307			
Total Balancing Charge				\$0.00061	\$0.00140	\$184,830			
Total Revenues				<b>\$11,544,657</b>		<b>\$11,729,486</b>			1.6%

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Puget Sound Energy  
 2006 Gas General Rate Case  
 Test Year Ended September 2005  
 Current and Proposed Rates by Rate Schedule

Description	Units	Billing Determinants		Present		Proposed		Difference	
		Rates	Revenues	Rates	Revenues	Rates	Revenues	\$	%
<b>Contract Customers</b>									
<del>Balancing Service Charge</del>	<del>Therms</del>	<del>2,322,944</del>	<del>\$0.00003</del>	<del>\$70</del>	<del>\$0.00070</del>	<del>\$1,626</del>	<del>\$1,626</del>	<del>\$1,556</del>	
<del>Gas Balancing Service Charge</del>	<del>Therms</del>	<del>2,322,944</del>	<del>\$0.00058</del>	<del>\$1,347</del>	<del>\$0.00070</del>	<del>\$1,626</del>	<del>\$1,626</del>	<del>\$279</del>	
<del>Total Balancing Charge</del>	<del>Therms</del>		<del>\$0.00061</del>	<del>\$1,417</del>	<del>\$0.00140</del>	<del>\$3,252</del>	<del>\$3,252</del>	<del>\$1,835</del>	