

Exhibit ___ (JRS-5)
Docket No. UG-040640, et al.
Witness: Joelle R. Steward

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.

Respondent.

DOCKET NO. UG-040640
DOCKET NO. UE-040641
(consolidated)

EXHIBIT TO TESTIMONY OF

JOELLE R. STEWARD

STAFF OF THE WASHINGTON UTILITIES
AND TRANSPORTATION COMMISSION

Calculation of Electric Residential Rate Block Differential

September 23, 2004

CALCULATION OF ELECTRIC RESIDENTIAL RATE BLOCK DIFFERENTIAL

Line	Production Costs	Source:	Allocation to Residential Class
1	Total Allocated Costs, loaded*	COS unbundled line 359	\$ 785,227,778
2	Total kWh	COS unbundled line 380	10,530,782,001
3	Total Generation, loaded*	COS unbundled line 364	\$ 521,872,773
4	Total Generation costs per kWh	line 3 divided by line 2	\$ 0.049557
5	Total T&D costs, loaded	line 1 minus line 3	\$ 263,355,006
6	Total T&D costs per kWh	line 5 minus line 2	\$ 0.025008
7	Variable production expenses	COS unbundling rpt line 140-141	\$ 126,257,539
8	Variable costs - low cost resources	line 7 multiplied by Box 1 ratio	\$ 5,346,931
9	Variable costs - high cost resources	line 7 minus line 8	\$ 120,910,608
10	Fixed Production Costs per kWh	line 4 multiplied by Box 2 ratio 1	\$ 0.037568
11	Variable production costs, low cost power - per kWh	line 4 multiplied by Box 2 ratio 2	\$ 0.000508
12	Variable production costs, high cost power - per kWh	line 4 multiplied by Box 2 ratio 3	\$ 0.011482
13	First Block Rate (low cost power)	Line 6 + line 10 + line 11	\$ 0.063083
14	Second Block Rate	Line 6 + line 10 + line 12	\$ 0.074057
15	Block Differential		17.4%

Box 1 - Ratio of low cost to high cost

Variable cost - low cost power resources	\$7 per MWh	From Staff's Aurora Run
Variable cost - highest cost resource	\$166 per MWh	
	4.23%	

Box 2 - Ratio of Variable to Total

Production Costs		
1. Fixed	\$ 395,615,234	75.8%
2. Variable - low cost power	\$ 5,346,931	1.0%
3. Variable - high cost power	\$ 120,910,608	23.2%
Total	\$ 521,872,773	100%

*Costs are the average between the PSE proposed COS study and the Commission basis COS study, run with Staff's adjusted results.