

**EXHIBIT NO. \_\_\_ (KRK-10)  
DOCKET NO. UE-060266/UG-060267  
2006 PSE GENERAL RATE CASE  
WITNESS: KARL R. KARZMAR**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**Docket No. UE-060266  
Docket No. UG-060267**

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED SUPPLEMENTAL DIRECT TESTIMONY OF  
KARL R. KARZMAR  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**JULY 7, 2006**

**PUGET SOUND ENERGY-GAS  
GENERAL RATE INCREASE  
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2005  
GENERAL RATE INCREASE**

1	RATE BASE	\$ 1,180,351,743
2	RATE OF RETURN	8.76%
3		<hr/>
4	OPERATING INCOME REQUIREMENT	103,398,813
5		
6	PRO FORMA OPERATING INCOME	79,024,887
7	OPERATING INCOME DEFICIENCY	24,373,925
8		
9	CONVERSION FACTOR	62.16003%
10		<hr/>
11		
12	TOTAL REVENUE REQUIREMENT	<b>\$39,211,573</b>

*(Note) Amounts presented in bold italic type have changed since the February 15, 2006 original filing.*