

**EXHIBIT NO. ___(JKP-22)
DOCKET NOS. UE-090704/UG-090705
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-090704
Docket No. UG-090705**

**SIXTH EXHIBIT TO THE PREFILED SUPPLEMENTAL DIRECT TESTIMONY
(NONCONFIDENTIAL) OF
JANET K. PHELPS
ON BEHALF OF PUGET SOUND ENERGY, INC.**

AUGUST 3, 2009

**Puget Sound Energy - 2009 Gas Cost of Service Study
Proposed Test Year Without Gas (UG-072301 Method)**

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)
Summary										
Rate Base										
1	Plant in Service	\$ 2,507,032,469	\$ 1,725,007,861	\$ 544,453,103	\$ 90,667,181	\$ 39,336,242	\$ 12,603,796	\$ 44,738,346	\$ 12,921,689	\$ 37,304,250
2	Accumulated Reserve	(853,149,390)	(586,357,383)	(185,609,059)	(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)	(124,935,422)	(37,901,058)	(6,492,560)	(2,746,178)	(746,029)	(3,418,054)	(1,036,975)	(2,216,601)
4	TOTAL RATE BASE	\$ 1,474,390,203	\$ 1,013,715,056	\$ 320,942,986	\$ 55,613,171	\$ 24,178,018	\$ 7,726,956	\$ 27,814,133	\$ 8,018,417	\$ 16,381,466
Revenue at Current Rates										
5	Gas Revenues	-	-	-	-	-	-	-	-	-
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	8,335,038	6,251,368	1,873,774	112,471	12,844	11,856	21,641	1,859	49,226
8	TOTAL REVENUE	\$ 403,518,135	\$ 276,732,562	\$ 80,294,504	\$ 18,154,889	\$ 8,728,799	\$ 3,290,399	\$ 6,381,952	\$ 1,629,808	\$ 8,305,223
Expenses at Current Rates										
9	Operation and Maintenance	126,607,431	94,117,137	23,504,884	3,677,053	1,937,793	649,212	1,501,815	435,409	784,128
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	29,203,950	19,827,962	6,470,538	1,096,668	487,777	154,632	533,560	156,143	476,670
12	Income Taxes	34,525,628	23,065,345	6,972,859	2,358,140	1,148,489	481,257	611,838	125,659	(237,958)
13	TOTAL EXPENSES - Current	\$ 296,221,036	\$ 205,051,184	\$ 58,624,586	\$ 10,826,375	\$ 5,159,580	\$ 1,794,771	\$ 4,480,512	\$ 1,239,292	\$ 9,044,736
14	Operating Income - Current	\$ 107,297,099	\$ 71,681,378	\$ 21,669,918	\$ 7,328,513	\$ 3,569,219	\$ 1,495,628	\$ 1,901,440	\$ 390,516	\$ (739,513)
15	Current Rate of Return	7.28%	7.07%	6.75%	13.18%	14.76%	19.36%	6.84%	4.87%	-4.51%
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	\$ 86,774,009	\$ 27,472,720	\$ 4,760,487	\$ 2,069,638	\$ 661,427	\$ 2,380,890	\$ 686,376	\$ 1,402,253
18	Operating Income (Deficiency)/Surplus	(18,910,702)	(15,092,630)	(5,802,802)	2,568,026	1,499,581	834,200	(479,450)	(295,860)	(2,141,767)
19	Revenue Conversion Factor	0.6219								
20	Revenue (Deficiency) / Surplus	\$ (30,408,383)	\$ (23,678,021)	\$ (8,844,319)	\$ 3,193,230	\$ 1,895,328	\$ 1,074,696	\$ (733,211)	\$ (419,759)	\$ (2,896,328)
21	Revenue Requirement	\$ 433,926,519	\$ 300,410,583	\$ 89,138,823	\$ 14,961,658	\$ 6,833,471	\$ 2,215,703	\$ 7,115,163	\$ 2,049,567	\$ 11,201,551
22	Revenues Other Than Rate Sch. Rev.	8,335,038	6,251,368	1,873,774	112,471	12,844	11,856	21,641	1,859	49,226
23	Rate Schedule Revenue Requirement	425,591,481	294,159,215	87,265,049	14,849,187	6,820,627	2,203,847	7,093,522	2,047,708	11,152,325
24	Deficiency / (Surplus) as % of Sales & Trans Rev	7.69%	8.75%	11.28%	-17.70%	-21.75%	-32.78%	11.53%	25.78%	35.08%
Expenses at Required Return										
25	Operation and Maintenance	\$ 126,754,395	\$ 94,229,947	\$ 23,530,445	\$ 3,680,949	\$ 1,939,163	\$ 649,880	\$ 1,502,815	\$ 435,665	\$ 785,531
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	30,371,966	20,626,733	6,727,313	1,139,334	505,993	160,418	554,743	162,300	495,131
28	Income Taxes	44,708,329	30,739,153	9,732,040	1,686,373	733,157	234,307	843,415	243,145	496,740
29	TOTAL EXPENSES - Required	\$ 307,718,717	\$ 213,636,574	\$ 61,666,103	\$ 10,201,171	\$ 4,763,833	\$ 1,554,275	\$ 4,734,273	\$ 1,363,191	\$ 9,799,298
30	Rate Schedule Revenue as Proposed	\$ 425,590,670	\$ 292,600,879	\$ 84,832,659	\$ 18,780,101	\$ 9,072,451	\$ 3,278,414	\$ 6,880,071	\$ 1,684,319	\$ 8,461,777
31	Other Revenue	8,335,038	6,251,368	1,873,774	112,471	12,844	11,856	21,641	1,859	49,226
32	Revenue as Proposed	\$ 433,925,708	\$ 298,852,247	\$ 86,706,432	\$ 18,892,572	\$ 9,085,294	\$ 3,290,270	\$ 6,901,711	\$ 1,686,178	\$ 8,511,003
33	Proposed Revenue Increase	\$ 30,407,572	\$ 22,119,685	\$ 6,411,928	\$ 737,683	\$ 356,495	\$ (129)	\$ 519,759	\$ 56,370	\$ 205,780
34	Proposed Revenue - Revenue Requirement	\$ 433,925,708	\$ 298,852,247	\$ 86,706,432	\$ 18,892,572	\$ 9,085,294	\$ 3,290,270	\$ 6,901,711	\$ 1,686,178	\$ 8,511,003
35	Current Revenue to Cost Ratio	0.93	0.92	0.90	1.22	1.28	1.49	0.90	0.80	0.74
36	Parity Ratio	1.00	0.99	0.97	1.31	1.38	1.60	0.97	0.86	0.80
37	Proposed Revenue to Cost Ratio	1.00	0.99	0.97	1.26	1.33	1.48	0.97	0.82	0.76