

**EXHIBIT NO. \_\_\_(JKP-4)**  
**DOCKET NO. UE-13\_\_\_/UG-13\_\_\_**  
**PSE EXPEDITED RATE FILING**  
**WITNESS: JANET K. PHELPS**

**BEFORE THE**  
**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of**

**PUGET SOUND ENERGY, INC.'S**

**Expedited Rate Filing**

**Docket No. UE-13\_\_\_**  
**Docket No. UG-13\_\_\_**

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

**FEBRUARY 1, 2013**

**Puget Sound Energy**  
**Expedited Rate Filing (ERF) with June 2012 Test Year**  
**Allocation of Property Tax Revenue to Rate Classes**  
**Test Year Ended December 2010 (UG-111049)**

Rate Class	2010 Normalized Volume (Therms) (1)	Approved UG-111049 Margin Revenue (1)	Plant Allocation (2)	Allocated Property Tax Revenue (3)	UG-111049 ERF Margin Revenue	Calculated UG-111049 ERF Margin Revenue	Change in Margin From UG-111049 Approved Margin	Percent Margin Increase	Over (Under) Target Spread
A	B	C	D	E	F = C+E	G	H = G-C	I = H/C	J
Residential (16,23,53)	548,039,263	\$ 299,053,770	67.6%	\$ (11,777,370)	\$ 287,276,400	\$ 287,276,399	\$ (11,777,371)	-3.9%	\$ (1)
Commercial & Industrial (31,31T,61)	202,387,050	88,273,925	22.9%	(3,991,907)	84,282,018	84,282,018	\$ (3,991,907)	-4.5%	\$ (0)
Large Volume (41,41T)	77,382,831	18,501,130	3.7%	(652,837)	17,848,293	17,848,297	\$ (652,834)	-3.5%	\$ 4
Interruptible (85, 85T)	82,190,712	8,635,751	1.8%	(307,062)	8,328,690	8,328,690	\$ (307,062)	-3.6%	\$ 0
Limited Interruptible (86, 86T)	13,962,361	3,071,544	0.5%	(78,712)	2,992,831	2,992,831	\$ (78,712)	-2.6%	\$ (0)
Non-exclusive Interruptible (87,87T)	112,725,701	5,399,791	1.5%	(260,444)	5,139,347	5,139,347	\$ (260,444)	-4.8%	\$ (0)
Rentals (71,72,74)	0	8,207,817	1.4%	(241,828)	7,965,990	7,965,990	\$ (241,828)	-2.9%	\$ -
Contracts	35,980,178	1,668,021	0.6%	(106,184)	1,561,837	1,561,836	\$ (106,185)	-6.4%	\$ (0)
Subtotal Revenue from Rates	1,072,668,096	\$ 432,811,750	100.00%	(17,416,344)	\$ 415,395,406	\$ 415,395,408	\$ (17,416,342)	-4.0%	\$ 2
Other Revenue		6,760,042			6,760,042	6,760,042			
Total	1,072,668,096	\$ 439,571,792		\$ (17,416,344)	\$ 422,155,448	\$ 422,155,450	\$ (17,416,342)	-4.0%	\$ 2

(1) Normalized test year 2010 volume and margin at approved rates from Docket No. UG-111049 compliance filing.

(2) Allocation of plant from cost of service study in Docket No. UG-111049 based on approved revenue requirement.

(3) Allocated to schedules based on plant.

**Puget Sound Energy**  
**Expedited Rate Filing (ERF) with June 2012 Test Year**  
**UG-111049 Rates Applicable to ERF - with Property Tax Adjustment**  
**Test Year Ended December 2010**

Description	Units	UG-111049 Billing Determinants	UG-111049 Approved Rates	Revenues at UG-111049 Approved Rates	Revenue Allocation of Property Tax	Adjusted 2011 GRC Revenue	Property Tax Rates	Adjusted 2011 GRC Rates	Schedule 41 Deficient Revenue	Schedule 41 Adjustment Rates	Adjusted Schedule 41 Rates	Adjusted Schedule 41 Revenue
<b>Schedule 23 Residential</b>												
Basic Charge	Bills	8,441,336	\$10.34	\$87,283,414		\$87,283,414		\$10.34				
Delivery Charge	Therms	548,024,951	\$0.38641	\$211,762,321	(\$11,777,062)	\$199,985,259	(\$0.02149)	\$0.36492				
Total Margin Revenue				\$299,045,736	(\$11,777,062)	\$287,268,673						
<b>Schedule 53 Residential Propane</b>												
Basic Charge	Bills	61	\$10.34	\$631		\$631		\$10.34				
Delivery Charge	Therms	2,114	\$0.38641	\$817	(\$45)	\$771	(\$0.02149)	\$0.36492				
Total Margin Revenue				\$1,448	(\$45)	\$1,402						
<b>Schedule 16 Gas Lights</b>												
Total Margin Revenue	Mantles	642	\$10.26	\$6,587	(\$263)	\$6,324	(\$0.41)	\$9.85				
<b>Schedule 31 Commercial &amp; Industrial - Sales</b>												
Basic Charge	Bills	663,748	\$33.42	\$22,182,459		\$22,182,459		\$33.42				
Delivery Charge	Therms	202,387,050	\$0.32599	\$65,976,154	(\$3,991,907)	\$61,984,247	(\$0.01972)	\$0.30627				
Total Margin Revenue				\$88,158,613	(\$3,991,907)	\$84,166,706						
<b>Schedule 31 Commercial &amp; Industrial - Transportation</b>												
Basic Charge	Bills	0	\$367.59	\$0		\$0		\$367.59				
Delivery Charge	Therms	0	\$0.32599	\$0	\$0	\$0	(\$0.01972)	\$0.30627				
Procurement Charge		0	(\$0.00539)	\$0		\$0		(\$0.00539)				
Total Margin Revenue				\$0	\$0	\$0						
<b>Schedule 61 Standby &amp; Auxiliary Heating</b>												
Demand		1,153,116	\$0.10	\$115,312		\$115,312		\$0.10				
Total Margin Revenue				\$115,312		\$115,312						
<b>Schedule 41 Large Volume High Load Factor - Sales</b>												
Basic Charge	Bills	18,597	\$114.22	\$2,124,150		\$2,124,150		\$114.22			\$114.22	\$2,124,150
Minimum Bill	Bills	18,597	\$131.84	\$2,451,830	(\$141,185)	\$2,310,645		\$124.25			\$124.36	\$2,312,726
Demand Charge	Demand	4,359,702	\$1.15	\$5,013,657		\$5,013,657		\$1.15			\$1.15	\$5,013,657
Delivery Charge:												
First 900 therms	Therms	15,577,647	\$0.14649	\$2,281,150	in minimum bills							
Next 4,100 therms	Therms	29,657,735	\$0.14649	\$4,344,562	(\$250,206)	\$4,094,355		\$0.13805			\$0.13818	\$4,098,042
All over 5,000 therms	Therms	24,332,875	\$0.11954	\$2,908,752	(\$205,283)	\$2,703,469		\$0.11110			\$0.11123	\$2,706,494
Total Volume		69,568,257				\$0	(\$0.00844)		\$9,765	\$0.00012		
Total Margin Revenue				\$16,842,951	(\$596,675)	\$16,246,276						\$16,255,069

**Puget Sound Energy**  
**Expedited Rate Filing (ERF) with June 2012 Test Year**  
**UG-111049 Rates Applicable to ERF - with Property Tax Adjustment**  
**Test Year Ended December 2010**

Description	Units	UG-111049 Billing Determinants	UG-111049 Approved Rates	Revenues at UG-111049 Approved Rates	Revenue Allocation of Property Tax	Adjusted 2011 GRC Revenue	Property Tax Rates	Adjusted 2011 GRC Rates	Schedule 41 Deficient Revenue	Schedule 41 Adjustment Rates	Adjusted Schedule 41 Rates	Adjusted Schedule 41 Revenue
<b>Schedule 41 Large Volume High Load Factor - Transportation</b>												
Basic Charge	Bills	552	\$440.55	\$243,184		\$243,184		\$440.55			\$440.55	\$243,184
Minimum Bill	Bills	552	\$131.84	\$72,776	(\$4,194)	\$68,585		\$124.25			\$124.36	\$68,647
Demand Charge	Demand	397,232	\$1.15	\$456,817		\$456,817		\$1.15			\$1.15	\$456,817
Delivery Charge:												
First 900 therms	Therms	497,166	\$0.14649	in minimum bills								
Next 4,100 therms	Therms	1,959,234	\$0.14649	\$287,008	(\$16,529)	\$270,479		\$0.13805			\$0.13818	\$270,723
All over 5,000 therms	Therms	5,358,174	\$0.11954	\$640,516	(\$45,204)	\$595,312		\$0.11110			\$0.11123	\$595,978
Total Volume		7,814,574				\$0	(\$0.00844)					\$0
Procurement Charge	Therms	7,814,574	\$(0.00539)	(\$42,121)		(\$42,121)		(\$0.00539)			(\$0.00539)	(\$42,121)
Total Margin Revenue				\$1,658,180	(\$65,927)	\$1,592,256						\$1,593,228
<b>Schedule 85 Interruptible - Sales</b>												
Basic Charge	Bills	421	\$563.45	\$237,212		\$237,212		\$563.45				
Demand Charge	Demand	120,500	\$1.15	\$138,575		\$138,575		\$1.15				
Procurement Charge	Therms	17,284,828	\$0.00682	\$117,883		\$117,883		\$0.00682				
Minimum Bills				\$34,026		\$34,026						
Delivery Charge:												
First 25,000 Therms	Therms	8,779,903	\$0.10580	\$928,914	(\$32,801)	\$896,112		\$0.10206				
Next 25,000 Therms	Therms	3,788,338	\$0.05424	\$205,479	(\$14,153)	\$191,326		\$0.05050				
All over 50,000 Therms	Therms	4,716,587	\$0.05206	\$245,546	(\$17,621)	\$227,925		\$0.04832				
Total Volume		17,284,828				\$0	(\$0.00374)					
Total Margin Revenue				\$1,907,635	(\$64,576)	\$1,843,059						
<b>Schedule 85 Interruptible - Transportation</b>												
Basic Charge	Bills	1,173	\$901.50	\$1,057,460		\$1,057,460		\$901.50				
Demand Charge	Demand	693,267	\$1.15	\$797,257		\$797,257		\$1.15				
Minimum Bills				\$28,428		\$28,428						
Delivery Charge:												
First 25,000 Therms	Therms	26,607,080	\$0.10580	\$2,815,029	(\$99,403)	\$2,715,626		\$0.10206				
Next 25,000 Therms	Therms	16,563,029	\$0.05424	\$898,379	(\$61,879)	\$836,500		\$0.05050				
Next 50,000 Therms	Therms	21,735,775	\$0.05206	\$1,131,564	(\$81,204)	\$1,050,360		\$0.04832				
Total Volume		64,905,884				\$0	(\$0.00374)					
Total Margin Revenue				\$6,728,117	(\$242,486)	\$6,485,631						

**Puget Sound Energy**  
**Expedited Rate Filing (ERF) with June 2012 Test Year**  
**UG-111049 Rates Applicable to ERF - with Property Tax Adjustment**  
**Test Year Ended December 2010**

Description	Units	UG-111049	UG-111049	Revenues at	Revenue	Adjusted	Property Tax	Adjusted	Schedule 41	Schedule 41	Adjusted	Adjusted
		Billing	Approved	UG-111049	Allocation of	2011 GRC		2011 GRC	Deficient	Adjustment	Schedule 41	Schedule 41
		Determinants	Rates	Approved	Property Tax	Revenue	Rates	Rates	Revenue	Rates	Rates	Revenue
<b>Schedule 86 Limited Interruptible - Sales</b>												
Basic Charge	Bills	4,023	\$144.01	\$579,352		\$579,352		\$144.01				
Demand Charge	Demand	109,265	\$1.15	\$125,655		\$125,655		\$1.15				
Procurement Charge	Therms	13,889,578	\$0.00681	\$94,588		\$94,588		\$0.00681				
Minimum Bills				\$28,233		\$28,233						
Delivery Charge:												
First 1,000 therms	Therms	3,233,916	\$0.20480	\$662,306	(\$18,231)	\$644,075		\$0.19916				
All over 1,000 therms	Therms	10,655,662	\$0.14684	\$1,564,677	(\$60,071)	\$1,504,607		\$0.14120				
Total Volume	Therms	13,889,578				\$0	(\$0.00564)					
Total Margin Revenue				\$3,054,811	(\$78,302)	\$2,976,509						
<b>Schedule 86 Limited Interruptible - Transportation</b>												
Basic Charge	Bills	12	\$458.22	\$5,499		\$5,499		\$458.22				
Demand Charge	Demand	0	\$1.15	\$0		\$0		\$1.15				
Minimum Bills				\$68		\$68						
Delivery Charge:												
First 1,000 therms	Therms	8,251	\$0.20480	\$1,690	(\$47)	\$1,643		\$0.19916				
All over 1,000 therms	Therms	64,532	\$0.14684	\$9,476	(\$364)	\$9,112		\$0.14120				
Total Volume	Therms	72,783				\$0	(\$0.00564)					
Total Margin Revenue				\$16,732	(\$410)	\$16,322						
<b>Schedule 87 Non-exclusive Interruptible - Sales</b>												
Basic Charge	Bills	108	\$579.19	\$62,553		\$62,553		\$579.19				
Demand Charge	Demand	6,384	\$1.15	\$7,342		\$7,342		\$1.15				
Procurement Charge		30,035,655	\$0.00539	\$161,892		\$161,892		\$0.00539				
Minimum Bills				\$82,874		\$82,874						
Delivery Charge:												
First 25,000 Therms	Therms	2,700,000	\$0.14685	\$396,495	(\$6,238)	\$390,257		\$0.14454				
Next 25,000 Therms	Therms	2,658,565	\$0.08966	\$238,367	(\$6,142)	\$232,225		\$0.08735				
Next 50,000 Therms	Therms	4,736,135	\$0.05789	\$274,175	(\$10,942)	\$263,232		\$0.05558				
Next 100,000 therms	Therms	5,876,905	\$0.03795	\$223,029	(\$13,578)	\$209,450		\$0.03564				
Next 300,000 therms	Therms	4,629,800	\$0.02795	\$129,403	(\$10,697)	\$118,706		\$0.02564				
All over 500,000 therms	Therms	9,434,250	\$0.02208	\$208,308	(\$21,797)	\$186,511		\$0.01977				
Total Volume	Therms	30,035,655				\$0	(\$0.00231)					
Total Margin Revenue				\$1,784,437	(\$69,395)	\$1,715,042						

**Puget Sound Energy**  
**Expedited Rate Filing (ERF) with June 2012 Test Year**  
**UG-111049 Rates Applicable to ERF - with Property Tax Adjustment**  
**Test Year Ended December 2010**

Description	Units	UG-111049	UG-111049	Revenues at	Revenue	Adjusted	Property Tax	Adjusted	Schedule 41	Schedule 41	Adjusted	Adjusted
		Billing	Approved	UG-111049	Allocation of	2011 GRC		2011 GRC	Deficient	Adjustment	Schedule 41	Schedule 41
		Determinants	Rates	Rates	Property Tax	Revenue	Rates	Rates	Revenue	Rates	Rates	Revenue
<b>Schedule 87 Non-exclusive Interruptible - Transportation</b>												
Basic Charge	Bills	143	\$926.71	\$132,520		\$132,520		\$926.71				
Demand Charge	Demand	332,875	\$1.15	\$382,806		\$382,806		\$1.15				
Minimum Bills				\$66,687		\$66,687						
Delivery Charge:												
First 25,000 Therms	Therms	3,355,136	\$0.14685	\$492,702	(\$7,752)	\$484,950		\$0.14454				
Next 25,000 Therms	Therms	3,241,188	\$0.08966	\$290,605	(\$7,489)	\$283,116		\$0.08735				
Next 50,000 Therms	Therms	6,266,088	\$0.05789	\$362,744	(\$14,477)	\$348,267		\$0.05558				
Next 100,000 therms	Therms	11,937,582	\$0.03795	\$453,031	(\$27,581)	\$425,450		\$0.03564				
Next 300,000 therms	Therms	26,583,866	\$0.02795	\$743,019	(\$61,420)	\$681,599		\$0.02564				
All over 500,000 therms	Therms	31,306,186	\$0.02208	\$691,241	(\$72,330)	\$618,910		\$0.01977				
Total Volume		82,690,046				\$0	(\$0.00231)					
Total Margin Revenue				\$3,615,354	(\$191,049)	\$3,424,305						
<b>Schedule 71 - Residential Water Heater Rental Service</b>												
71G-A Standard Models		17,947	\$7.95	\$142,679	(\$8,212)	\$134,466	(\$0.45758)	\$7.49				
71G-B Conservation Models		285,976	\$12.75	\$3,646,194	(\$130,856)	\$3,515,338	(\$0.45758)	\$12.29				
71G-C Direct Vent Models		52,189	\$17.89	\$933,661	(\$23,881)	\$909,781	(\$0.45758)	\$17.43				
71G-D High Recovery Models		14,037	\$17.52	\$245,928	(\$6,423)	\$239,505	(\$0.45758)	\$17.06				
71G-E High Efficiency Standard (Energy Factor ≥.60)		56,035	\$6.39	\$358,064	(\$25,640)	\$332,423	(\$0.45758)	\$5.93				
71G-F High Efficiency Direct Vent (Energy Factor ≥.60)		3,117	\$11.20	\$34,910	(\$1,426)	\$33,484	(\$0.45758)	\$10.74				
Total Margin Revenue				\$5,361,436	(\$196,439)	\$5,164,997						
<b>Schedule 72 - Large Volume Water Heater Rental Service</b>												
72G-F 25 - 40 gallon storage 30,000 to 50,000		2,263	\$15.60	\$35,303	(\$1,035)	\$34,267	(\$0.45758)	\$15.14				
72G-G 45 - 55 gallon storage 70,000 to 79,000		1,422	\$20.38	\$28,980	(\$651)	\$28,330	(\$0.45758)	\$19.92				
72G-H 45 - 55 gallon storage 51,000 to 75,000		4,250	\$20.38	\$86,615	(\$1,945)	\$84,670	(\$0.45758)	\$19.92				
72G-I 50 - 65 gallon storage 60,000 to 69,000		232	\$31.92	\$7,405	(\$106)	\$7,299	(\$0.45758)	\$31.46				
72G-J 60 - 84 gallon storage 70,000 to 129,000		9,455	\$41.64	\$393,706	(\$4,326)	\$389,380	(\$0.45758)	\$41.18				
72G-K 75 - 90 gallon storage 130,000 to 169,000		6,107	\$55.60	\$339,549	(\$2,794)	\$336,755	(\$0.45758)	\$55.14				
72G-L 75 - 100 gallon storage 170,000 to 200,000		16,707	\$64.59	\$1,079,105	(\$7,645)	\$1,071,460	(\$0.45758)	\$64.13				
Total Margin Revenue				\$1,970,664	(\$18,503)	\$1,952,161						

**Puget Sound Energy**  
**Expedited Rate Filing (ERF) with June 2012 Test Year**  
**UG-111049 Rates Applicable to ERF - with Property Tax Adjustment**  
**Test Year Ended December 2010**

Description	Units	UG-111049 Billing Determinants	UG-111049 Approved Rates	Revenues at UG-111049 Approved Rates	Revenue Allocation of Property Tax	Adjusted 2011 GRC Revenue	Property Tax Rates	Adjusted 2011 GRC Rates	Schedule 41 Deficient Revenue	Schedule 41 Adjustment Rates	Adjusted Schedule 41 Rates	Adjusted Schedule 41 Revenue
<b>Schedule 74 - Gas Conversion Burner Rental Service</b>												
74G-A		45,000 to 400,000 Standard Models	20,365	\$10.79	\$219,738	(\$9,319)	\$210,420	(\$0.45758)	\$10.33			
74G-B		401,000 to 700,000 Standard Models	1,259	\$28.63	\$36,045	(\$576)	\$35,469	(\$0.45758)	\$28.17			
74G-C		701,000 to 1,300,000 Standard Models	769	\$38.66	\$29,730	(\$352)	\$29,378	(\$0.45758)	\$38.20			
74G-D		45,000 to 400,000 Conservation Models	36,365	\$16.23	\$590,204	(\$16,640)	\$573,564	(\$0.45758)	\$15.77			
		Total Margin Revenue			\$875,717	(\$26,886)	\$848,831					
<b>Contracts</b>	Therms		35,980,178		\$ 1,668,021	(106,184)	\$ 1,561,836	(\$0.00295)				
<b>Total Therms and Margin Revenue By Rate Class</b>												
Residential (16,23,53)			548,039,263		\$299,053,770		\$287,276,399					
Commercial & Industrial (31,31T,61)			202,387,050		\$88,273,925		\$84,282,018					
Large Volume (41,41T)			77,382,831		\$18,501,130		\$17,848,297					
Interruptible (85, 85T)			82,190,712		\$8,635,751		\$8,328,690					
Limited Interruptible (86, 86T)			13,962,361		\$3,071,544		\$2,992,831					
Non-exclusive Interruptible (87,87T)			112,725,701		\$5,399,791		\$5,139,347					
Rentals					\$8,207,817		\$7,965,990					
Contracts			35,980,178		\$1,668,021		\$1,561,836					
Other Revenue					\$6,760,042		\$6,760,042					
<b>Total</b>			<b>1,072,668,096</b>		<b>\$439,571,792</b>		<b>\$422,155,450</b>					