

Exhibit (JL-5)
Application of Cost of Service Principles

BEFORE THE
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION

Cause No. UE-920499, UE 921262
Rate Design Phase

PUGET SOUND POWER AND LIGHT COMPANY

Exhibit of

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On Behalf of
Public Counsel Section
Office of the Attorney General
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WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION
UE-920433; -920499;
No. 921262 Ex. 48 ✓

PUGET SOUND POWER AND LIGHT COMPANY RATE INCREASES BY CUSTOMER CLASS

		Revenue/ kwh 1980	Puget Revenue/ kwh Proposed	Increase Over 1980 \$/kwh	Increase Over 1980 % of Average
Residential	7	\$0.024	\$0.069	\$0.045	121%
Secondary General Service	14				
	24				
Demand General Service	25				
Large Secondary	26				
Irrigation	29				
Total Secondary General Service		\$0.032	\$0.064	\$0.032	85%
Primary General Service	31				
Irrigation	35				
Electric Schools	43				
Total Primary General Service		\$0.021	\$0.051	\$0.030	79%
High Voltage Interruptible	46				
Optional High Voltage	39				
High Voltage	49				
Total High Voltage		\$0.016	\$0.038	\$0.022	59%
Lighting	55	\$0.060	\$0.152	\$0.092	245%
Resale		\$0.011	\$0.041	\$0.030	81%
System Sales Total:		\$0.024	\$0.062	\$0.038	100%

PUGET SOUND POWER AND LIGHT COMPANY SALES GROWTH BY CUSTOMER CLASS

		1980	Test Year Ending 6/92	% Increase
Residential	7	7,438,940,271	8,281,738,117	11.3%
Secondary General Service	14	838,497,711		
	24	1,982,728,986	1,903,912,430	
Demand General Service	25		2,100,063,737	
Large Secondary	26		1,305,031,596	
Irrigation	29	13,936,831	10,647,589	
Total Secondary General Service		2,835,163,528	5,319,655,352	87.6%
Primary General Service	31	816,426,857	1,274,715,209	
Irrigation	35	3,324,600	5,001,595	
Electric Schools	43	123,926,911	180,506,139	
Total Primary General Service		943,678,368	1,460,222,943	54.7%
High Voltage Interruptible	46	64,429,000	88,658,170	
Optional High Voltage	39	13,454,000		
High Voltage	49	1,983,507,796	2,644,857,314	
Total High Voltage		2,061,390,796	2,733,515,484	32.6%
Lighting	55	57,398,132	59,925,594	4.4%
Resale		87,229,160	120,819,120	38.5%
System Sales Total:		13,423,800,255	17,975,876,610	33.9%

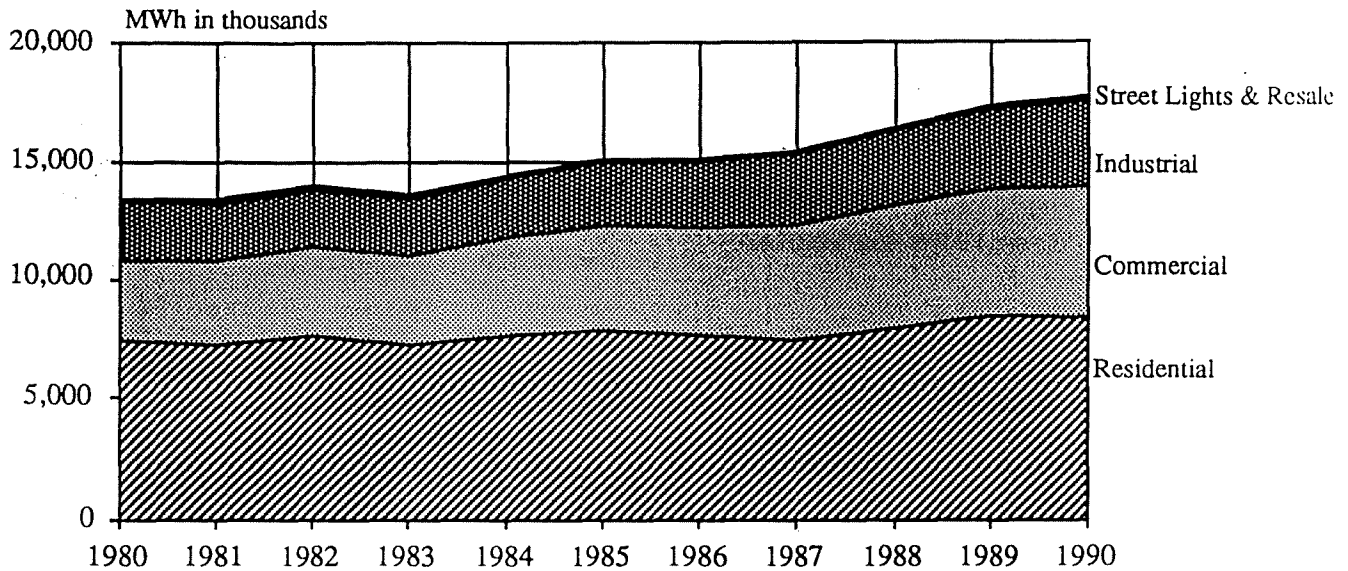
COMPARISON OF PROPOSED WITH U-89-2688 RATES

Based on Company Revenue Level, Public Counsel Proposed Rate Spread
 150% of average to Primary, High Voltage, Resale
 50% of average to Lighting
 Balance to Residential/Secondary

		\$/kwh @ U-89-2688 Rates	Average Rates @ 50%/150% Option	Class Revenues @ 50%/150% Option	Increase @ 50/150 Option \$/kwh	Increase As % of System Average
Residential	7	\$0.0555	\$0.06527	\$540,583,119	\$0.00977	80.4%
Small Secondary	24					
Demand-Metered Secondary	25					
Large Secondary	26					
Irrigation Secondary	29					
Total Secondary General Service	24	\$0.0543	\$0.06406	\$340,756,886	\$0.00977	80.4%
Primary General Service	31	\$0.0388				
Primary Irrigation	35					
Interruptible Schools	43	\$0.0459				
Special Contracts	00	\$0.0306				
Total Primary		\$0.0398	\$0.05798	\$84,667,303	\$0.01823	150.0%
High Voltage Interruptible	46	\$0.0263				
High Voltage General Service	49	\$0.0277				
Total High Voltage		\$0.0276	\$0.04578	\$125,153,567	\$0.01823	150.0%
Outdoor Lighting		\$0.1443	\$0.15040	\$9,012,819	\$0.00608	50.0%
Firm Resale		\$0.0302	\$0.04839	\$5,846,648	\$0.01823	150.0%
Reactive Power						
Temperature Adjustment				\$31,675,844		
Total:		\$0.0496	\$0.06177	\$1,137,696,186	\$0.0122	100.0%

ELECTRICITY CONSUMPTION (MWh)

By Customer Class
1980-1990



Year	Residential	Commercial	Industrial	Street Lights & Resale	Total
1980	7,438,940	3,352,380	2,482,538	152,575	13,426,433
1981	7,269,005	3,497,746	2,460,975	151,090	13,378,816
1982	7,687,058	3,740,558	2,401,023	150,777	13,979,416
1983	7,246,630	3,775,554	2,383,306	147,497	13,552,987
1984	7,621,599	4,133,091	2,530,920	152,548	14,438,158
1985	7,853,059	4,468,619	2,656,714	157,167	15,135,559
1986	7,626,084	4,558,893	2,798,850	157,869	15,141,696
1987	7,490,067	4,802,161	2,982,406	163,515	15,438,149
1988	8,009,994	5,041,838	3,239,228	151,955	16,443,015
1989	8,424,670	5,373,864	3,400,549	165,798	17,364,881
1990	8,364,736	5,565,672	3,559,574	182,568	17,672,550
5 Year & 10 Year Compound Growth Rate	1.3%	4.5%	6.0%	3.0%	3.1%
	1.2%	5.2%	3.7%	1.8%	2.8%

Notes: Commercial class includes area lighting (Schedules 551 and 561). Street Lights & Resale includes unmetered lighting service (Schedule 243). Prior to 1983, figures have not been adjusted for revenue code corrections made to commercial and industrial classes.

Source: Revenue and Consumption Masterfile, Market Research, Puget Power.

COMPARISON OF PROPOSED WITH EXISTING PERMANENT RATES

		U-89-2688-T \$/kwh	UE-921262 Proposed \$/kwh	Proposed Increase
Residential	7	\$0.0555	\$0.0695	\$0.0140
Small Secondary	24		\$0.0656	\$0.0656
Demand-Metered Secondary	25		\$0.0645	\$0.0645
Large Secondary	26		\$0.0593	\$0.0593
Irrigation Secondary	29		\$0.0517	
Total Secondary General Service	24	\$0.0543	\$0.0636	\$0.0093
Primary General Service	31	\$0.0388	\$0.0500	\$0.0111
Primary Irrigation	35		\$0.0290	
Interruptible Schools	43	\$0.0459	\$0.0597	\$0.0138
Special Contracts	00	\$0.0306		
Total Primary		\$0.0398	\$0.0511	\$0.0114
High Voltage Interruptible	46	\$0.0263	\$0.0371	\$0.0108
High Voltage General Service	49	\$0.0277	\$0.0379	\$0.0103
Total High Voltage		\$0.0276	\$0.0379	\$0.0104
Outdoor Lighting		\$0.1443	\$0.1521	\$0.0078
Firm Resale		\$0.0302	\$0.0412	\$0.0110
Reactive Power				
Temperature Adjustment				
Total:		\$0.0496	\$0.0618	\$0.0122

COMPARISON OF PROPOSED WITH U-89-2688 AND PRAM II RATES

		\$/kwh @ U-89-2688 Rates	\$/kwh @ PRAM II Rates	\$/kwh @ Proposed Rates	Proposed Increase Over U-89-2688	% of Average Increase	Proposed Increase Over PRAM II	% of Average Increase
Residential	7	\$0.0555	\$0.0617	\$0.0695	\$0.0140	115%	\$0.0078	122%
Small Secondary	24		\$0.0605	\$0.0656	\$0.0113	93%	\$0.0051	80%
Demand-Metered Secondary	25		\$0.0605	\$0.0645	\$0.0102	84%	\$0.0040	62%
Large Secondary	26		\$0.0553	\$0.0593	\$0.0051	42%	\$0.0040	63%
Irrigation Secondary	29		\$0.0451	\$0.0517			\$0.0066	102%
Total Secondary General Service	24	\$0.0543	\$0.0592	\$0.0636	\$0.0093	76%	\$0.0044	69%
Primary General Service	31	\$0.0388	\$0.0433	\$0.0500	\$0.0111	92%	\$0.0066	104%
Primary Irrigation	35		\$0.0252	\$0.0290			\$0.0038	60%
Interruptible Schools	43	\$0.0459	\$0.0518	\$0.0597	\$0.0138	114%	\$0.0080	125%
Special Contracts	00	\$0.0306						
Total Primary		\$0.0398	\$0.0443	\$0.0511	\$0.0114	93%	\$0.0068	106%
High Voltage Interruptible	46	\$0.0263	\$0.0314	\$0.0371	\$0.0108	89%	\$0.0057	89%
High Voltage General Service	49	\$0.0277	\$0.0323	\$0.0379	\$0.0103	84%	\$0.0056	88%
Total High Voltage		\$0.0276	\$0.0323	\$0.0379	\$0.0104	85%	\$0.0056	88%
Outdoor Lighting		\$0.1443	\$0.1493	\$0.1521	\$0.0078	64%	\$0.0028	43%
Firm Resale		\$0.0302	\$0.0329	\$0.0412	\$0.0110	91%	\$0.0083	129%
Reactive Power								
Temperature Adjustment								
Total:		\$0.0496	\$0.0554	\$0.0618	\$0.0122	100%	\$0.0064	100%