

EXHIBIT NO. ___ (CJC-7)
DOCKET NO. UG-040640, *et al.* (consolidated)
2004 PSE GENERAL RATE CASE
WITNESS: DR. CHARLES J. CICHETTI

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*)

In the Matter of the Petition of

PUGET SOUND ENERGY, INC.

For an Order Regarding the Accounting
Treatment for Certain Costs of the Company's
Power Cost Only Rate Filing.

Docket No. UE-031471 (*consolidated*)

In the Matter of the Petition of

PUGET SOUND ENERGY, INC.

For an Accounting Order Authorizing
Deferral and Recovery of the Investment
And Costs Related to the White River
Hydroelectric Project.

Docket No. UE-032043 (*consolidated*)

FIRST EXHIBIT TO THE
PREFILED REBUTTAL TESTIMONY OF
DR. CHARLES J. CICHETTI (NONCONFIDENTIAL)
ON BEHALF OF PUGET SOUND ENERGY, INC.

NOVEMBER 3, 2004

Table 1

Capital Spending and Cost "Drivers" for Puget Energy and U.S. Gas Distribution Industry: Growth Rates

Year	Growth Rate of Customers			Growth Rate of Throughput			Growth Rate in Gas Gross Plant			Growth Gas Plant - Growth Customers		
	Puget	Sample	Differential	Puget	Sample	Differential	Puget	Sample	Differential	Puget	Sample	Differential
1983	253,803											
1984	259,009	1.23%	0.80%	14.74%	6.33%	8.41%	8.19%	5.04%	1.15%	4.16%	3.81%	0.35%
1985	266,349	1.64%	1.16%	5.76%	1.05%	4.71%	7.53%	6.11%	1.42%	4.75%	4.47%	0.28%
1986	275,124	3.24%	1.38%	-0.47%	-5.56%	6.08%	9.93%	6.34%	3.60%	6.69%	4.49%	2.21%
1987	288,506	4.75%	2.82%	-8.35%	8.28%	-14.68%	10.46%	6.79%	3.68%	6.73%	4.66%	0.87%
1988	305,520	5.73%	3.82%	12.04%	4.10%	7.94%	9.56%	7.56%	1.98%	3.89%	5.77%	-1.95%
1989	324,222	5.94%	4.05%	10.66%	4.47%	6.19%	12.43%	6.67%	3.75%	4.48%	4.79%	-0.30%
1990	348,633	7.26%	5.32%	-0.47%	-1.50%	1.04%	12.31%	6.41%	5.90%	5.05%	4.47%	0.59%
1991	374,761	7.23%	5.30%	12.85%	1.84%	11.22%	11.17%	6.98%	4.24%	3.94%	5.08%	-1.14%
1992	399,892	6.49%	4.89%	-8.73%	2.59%	-11.32%	10.64%	8.02%	2.62%	4.15%	6.52%	-2.37%
1993	423,142	5.65%	4.26%	15.71%	5.64%	10.07%	10.65%	6.92%	2.56%	4.89%	-1.59%	-1.70%
1994	450,030	6.16%	4.82%	0.62%	2.12%	-1.51%	7.83%	4.93%	10.88%	4.49%	3.23%	0.39%
1995	469,393	4.21%	2.61%	-1.88%	0.47%	-2.36%	7.83%	4.86%	2.90%	3.62%	2.85%	-0.58%
1996	493,000	4.91%	3.11%	13.81%	4.56%	9.25%	7.18%	4.66%	2.52%	2.27%	2.65%	-0.58%
1997	510,016	3.39%	1.63%	-3.11%	-0.60%	-2.51%	6.67%	3.39%	3.28%	3.28%	1.52%	1.79%
1998	532,487	4.31%	2.58%	-0.35%	-4.35%	3.96%	3.77%	5.54%	-1.76%	-0.54%	3.80%	-4.34%
1999	556,592	4.43%	2.56%	9.56%	-0.46%	10.02%	2.48%	1.12%	1.34%	-1.96%	-0.75%	-1.21%
2000	560,187	4.15%	2.48%	-1.28%	0.23%	-1.51%	7.31%	3.36%	3.92%	3.16%	1.72%	1.44%
2001	587,845	3.00%	1.03%	16.18%	-6.87%	23.05%	7.66%	4.60%	3.06%	4.86%	2.63%	2.03%
2002	613,540	2.58%	1.92%	-23.88%	-2.14%	-21.75%						
Averages:												
1983-2002		4.65%	2.98%	3.44%	1.00%	2.44%	8.40%	5.23%	3.17%	3.64%	3.51%	0.13%
1990-2002		4.91%	3.27%	2.23%	0.10%	2.13%	8.09%	4.64%	3.45%	2.95%	2.92%	0.08%

Table 2

Capital Spending and Cost "Drivers" for Puget Energy and U.S. Gas Distribution Industry

Year	Customers		Throughput		Gas Additions		Gas Gross Plant	
	Puget	Sample	Puget	Sample	Puget	Sample	Puget	Sample
1983	253,803	27,917,218	51,696	6,546,072	1,460,667	334,598	25,932,020	1.29%
1984	259,009	28,263,497	59,906	6,973,515	1,720,350	355,960	27,272,226	1.31%
1985	286,349	28,729,670	63,456	7,047,003	2,554,764	383,793	28,989,309	1.32%
1986	275,124	29,266,740	63,158	6,599,677	2,534,458	423,881	30,888,411	1.37%
1987	288,506	29,837,044	59,272	7,169,210	2,531,604	470,700	33,055,712	1.42%
1988	305,520	30,380,678	66,855	7,469,125	2,707,642	571,903	35,688,407	1.45%
1989	324,222	30,959,554	74,376	7,810,336	2,997,860	574,814	38,119,748	1.51%
1990	348,633	31,566,857	74,028	7,693,701	2,975,516	650,127	40,643,211	1.60%
1991	374,761	32,156,190	84,182	7,820,670	3,122,977	726,938	43,559,472	1.67%
1992	399,892	32,643,313	77,141	8,025,807	3,583,327	808,538	47,197,118	1.71%
1993	423,142	33,100,006	90,262	8,491,722	3,646,197	888,944	50,578,120	1.76%
1994	450,030	33,547,845	90,819	8,674,023	3,239,295	988,802	50,458,788	1.96%
1995	469,393	34,122,679	89,128	8,714,685	3,137,987	1,069,372	53,009,571	2.02%
1996	493,000	34,742,804	102,329	9,121,543	3,163,958	1,148,971	55,536,038	2.07%
1997	510,016	35,396,936	99,195	9,068,633	3,289,514	1,228,216	57,450,896	2.14%
1998	532,487	36,020,990	98,845	8,680,931	3,210,455	1,275,382	60,726,222	2.10%
1999	556,592	36,702,650	108,763	8,641,567	3,142,877	1,307,207	61,410,430	2.13%
2000	580,167	37,320,220	107,376	8,661,468	3,111,094	1,406,306	63,525,538	2.21%
2001	597,845	38,061,572	126,232	8,086,095	3,396,595	1,518,251	66,515,085	2.28%
2002	613,540	38,317,806	98,404	7,914,620	117,519	1,618,020		
Averages:								
1983-2002	416,103	32,952,713	84,321	7,960,420	2,922,481	846,248	45,817,070	1.75%
1990-2002	488,424	34,899,990	95,977	8,430,267	3,251,649	1,084,755	54,217,541	1.97%

Companies Used for Gas Distribution Sample

ALABAMA GAS
ATLANTA GAS LIGHT
BALTIMORE GAS & ELECTRIC
BOSTON GAS
CASCADE NATURAL GAS
CENTRAL HUDSON GAS & ELECTRIC
CITIZENS GAS & COKE UTILITY
CONNECTICUT NATURAL GAS
CONSOLIDATED EDISON CO OF NEW YORK
CONSUMERS ENERGY
DELMARVA POWER & LIGHT
EAST OHIO GAS
ENSEARCH
ILLINOIS POWER
INDIANA GAS
KEYSPAN ENERGY DELIVERY
LOUISVILLE GAS & ELECTRIC
MADISON GAS & ELECTRIC
NATIONAL FUEL GAS DISTRIBUTION
NEW JERSEY NATURAL GAS
NEW YORK STATE ELECTRIC & GAS
NIAGARA MOHAWK
NORTH SHORE GAS
NICOR

NORTHERN INDIANA PUBLIC SERVICE
NORTHWEST NATURAL GAS
NORTHWESTERN ENERGY
NSTAR GAS
OKLAHOMA NATURAL GAS
ORANGE & ROCKLAND UTILITIES
PACIFIC GAS & ELECTRIC
PECO ENERGY
PEOPLES GAS LIGHT
PEOPLES NATURAL GAS
PG ENERGY
PIEDMONT NATURAL GAS CO
PSC OF COLORADO
PSC OF NORTH CAROLINA
PUBLIC SERVICE ELECTRIC & GAS
QUESTAR GAS
ROCHESTER GAS & ELECTRIC
SAN DIEGO GAS & ELECTRIC
SOUTHERN CALIFORNIA GAS
SOUTHERN CONNECTICUT GAS
SOUTHWEST GAS
WASHINGTON GAS LIGHT
WISCONSIN GAS
WISCONSIN POWER & LIGHT

Number of Companies - 48