

EXHIBIT NO. ___ (CJC-8)
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*)

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

NOVEMBER 3, 2004

Table 1

Total Electric Capital Spending and Cost "Drivers" for Puget Energy and U.S. Power Industry: Growth Rates

Year	Growth Rate of Customers			Growth Rate of Volume			Growth Rate in Gross Plant			Growth Gross Plant - Growth Customers		
	Puget	Sample	Differential	Puget	Sample	Differential	Puget	Sample	Differential	Puget	Sample	Differential
1982	565,702											
1983	579,197	2.36%	-0.04%	-3.12%	4.15%	-7.27%	7.69%	6.99%	0.70%	5.34%	4.59%	0.74%
1984	597,698	3.14%	0.98%	6.33%	5.45%	0.88%	24.77%	8.43%	16.35%	21.63%	6.27%	15.36%
1985	616,528	3.10%	0.92%	4.73%	1.98%	2.75%	6.61%	13.19%	-6.58%	3.51%	11.02%	-7.51%
1986	637,681	3.37%	1.18%	0.03%	2.71%	-2.68%	17.74%	8.81%	8.93%	14.37%	6.61%	7.75%
1987	658,492	3.21%	0.88%	1.92%	4.04%	-2.12%	3.43%	5.67%	-2.24%	0.22%	3.34%	-3.12%
1988	680,567	3.30%	2.19%	6.42%	5.08%	1.34%	4.55%	6.83%	-2.27%	1.25%	5.72%	-4.47%
1989	705,081	3.54%	1.66%	5.42%	2.67%	2.74%	3.62%	4.37%	-0.75%	0.08%	2.49%	-2.41%
1990	732,282	3.79%	1.94%	3.61%	1.85%	1.76%	4.32%	5.48%	-1.16%	0.53%	3.64%	-3.10%
1991	757,365	3.37%	1.83%	1.63%	3.04%	-1.41%	4.74%	5.43%	-0.69%	1.37%	3.90%	-2.52%
1992	777,967	2.68%	1.21%	0.17%	0.25%	-0.08%	5.30%	2.79%	2.51%	2.62%	1.31%	1.30%
1993	795,993	2.29%	0.64%	4.42%	4.62%	-0.20%	3.89%	2.74%	1.14%	1.60%	1.09%	0.51%
1994	813,936	2.23%	0.43%	-0.58%	2.97%	-3.56%	5.72%	4.74%	0.98%	3.49%	2.93%	0.55%
1995	831,822	2.17%	0.37%	1.08%	3.68%	-2.60%	2.66%	3.35%	-0.69%	0.48%	1.55%	-1.06%
1996	849,065	2.05%	0.44%	5.61%	2.65%	2.96%	3.19%	3.99%	-0.79%	1.14%	2.37%	-1.24%
1997	864,463	1.80%	-0.23%	0.56%	1.60%	-1.03%	3.29%	3.02%	0.27%	1.49%	0.99%	0.51%
1998	881,834	1.99%	0.14%	1.97%	3.51%	-1.54%	-0.59%	0.64%	-1.23%	-2.58%	-1.21%	-1.37%
1999	899,902	2.03%	0.19%	2.49%	2.22%	0.27%	7.55%	3.10%	4.45%	5.52%	1.26%	4.26%
2000	915,851	1.76%	-0.13%	1.95%	2.63%	-0.69%	2.93%	3.57%	-0.65%	1.17%	1.69%	-0.52%
2001	931,968	1.74%	0.04%	-8.97%	-1.20%	-7.77%	3.34%	3.20%	0.14%	1.60%	1.50%	0.10%
2002	950,043	1.92%	0.42%	-3.04%	2.60%	-5.64%	1.77%	3.82%	-2.04%	-0.15%	2.32%	-2.47%
Averages:												
1982-2002		2.59%	0.75%	1.63%	2.83%	-1.19%	6.04%	5.01%	0.82%	3.41%	3.17%	0.07%
1990-2002		2.29%	0.56%	0.84%	2.34%	-1.50%	3.86%	3.53%	0.17%	1.54%	1.79%	-0.39%

Averages:
1982-2002
1990-2002

Table 2

Total Electric Capital Spending and Cost "Drivers" for Puget Energy and U.S. Power Industry

Year	Customers		Volume		Additions		Gross Plant	
	Puget Sample	% of Sample	Puget Sample	% of Sample	Puget Sample	% of Sample	Puget Sample	% of Sample
1982	565,702	2,05%	13,892,827	2,11%	80,169	1,01%	1,267,303	1,31%
1983	579,197	2,09%	13,466,081	1,97%	109,413	1,42%	1,368,641	1,32%
1984	597,698	2,11%	14,346,274	1,96%	396,134	3,85%	1,753,379	1,55%
1985	616,528	2,13%	15,040,484	2,04%	135,158	0,83%	1,873,221	1,45%
1986	637,681	2,16%	15,045,342	1,98%	373,266	2,88%	2,236,868	1,59%
1987	658,492	2,18%	15,337,175	1,94%	113,000	1,14%	2,314,994	1,56%
1988	680,567	2,22%	16,354,625	1,97%	122,339	0,94%	2,422,777	1,52%
1989	705,081	2,26%	17,264,672	2,02%	106,198	1,20%	2,512,012	1,51%
1990	732,282	2,31%	17,899,608	2,06%	128,071	1,19%	2,622,882	1,49%
1991	757,365	2,35%	18,194,148	2,03%	141,082	1,16%	2,750,264	1,48%
1992	777,967	2,38%	18,224,496	2,03%	163,806	2,01%	2,898,972	1,52%
1993	795,993	2,39%	19,048,904	2,02%	136,167	1,56%	3,014,884	1,54%
1994	813,936	2,40%	18,938,140	1,95%	214,422	2,17%	3,192,229	1,55%
1995	831,822	2,41%	19,144,638	1,90%	107,507	1,20%	3,278,213	1,54%
1996	849,065	2,42%	20,248,708	1,96%	137,933	1,45%	3,384,516	1,53%
1997	864,463	2,42%	20,363,370	1,94%	133,599	1,53%	3,497,666	1,53%
1998	881,834	2,42%	20,768,030	1,91%	96,530	1,31%	3,476,987	1,51%
1999	899,902	2,43%	21,292,032	1,92%	308,698	3,18%	3,749,684	1,58%
2000	915,851	2,42%	21,710,218	1,90%	165,763	1,59%	3,860,996	1,57%
2001	931,968	2,42%	19,848,308	1,76%	147,532	1,22%	3,992,123	1,57%
2002	950,043	2,43%	19,253,824	1,66%	114,609	0,93%	4,063,562	1,54%
Averages:								
1982-2002	763,973	2,32%	17,889,614	1,95%	163,400	1,64%	2,834,913	1,52%
1990-2002	846,345	2,40%	19,610,340	1,93%	156,759	1,58%	3,310,035	1,54%

Companies Used for Power Sample

Alabama Power Co	Minnesota Power Inc
AmerenUE	Mississippi Power Co
Appalachian Power Co (VA)	Monongahela Power Co
Arizona Public Service Co	Nevada Power Co
Carolina Power & Light Co	Northern Indiana Public Service Co
Central Power & Light Co (TX)	Northern States Power Co
Cincinnati Gas & Electric Co	Ohio Power Co
Cleco Corp	Oklahoma Gas and Electric Co
Columbus Southern Power Co (OH)	Otter Tail Power Co
Dayton Power & Light Co (OH)	Portland General Electric Co
Detroit Edison Co	PSI Energy Inc
Duke Energy Corp	Public Service Co of Colorado
El Paso Electric Co	Public Service Co of New Hampshire
Empire District Electric Co (MO)	Public Service Co of New Mexico
Entergy Gulf States Inc	Public Service Co of Oklahoma
Entergy New Orleans Inc	Sierra Pacific Power Co
Florida Power & Light Co	South Carolina Electric & Gas Co
Florida Power Corp	Southern Indiana Gas and Electric Co
Hawaiian Electric Co Inc	Southwestern Electric Power Co (LA)
Idaho Power Co	Southwestern Public Service Co
Indiana Michigan Power Co	Tampa Electric Co
Indianapolis Power & Light Co	Tucson Electric Power Co
Kansas City Power & Light Co (MO)	Virginia Electric and Power Co
Kansas Gas and Electric Co	West Texas Utilities Co
Kentucky Power Co	Wisconsin Electric Power Co
Kentucky Utilities Co	Wisconsin Power and Light Co
Louisville Gas and Electric Co (KY)	Wisconsin Public Service Corp
Madison Gas and Electric Co (WI)	

Number of Companies = 55

Table 4

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

Year	Growth Rate of Customers			Growth Rate of Volume			Growth Rate in Gross Plant			Growth Gross Plant - Growth Customers		
	Puget	Sample	Differential	Puget	Sample	Differential	Puget	Sample	Differential	Puget	Sample	Differential
1982	565,702											
1983	579,197	2.36%	-0.04%	-3.12%	4.15%	-7.27%	3.84%	7.77%	-3.93%	1.48%	5.37%	-3.89%
1984	597,698	3.14%	0.98%	6.33%	5.45%	0.88%	6.23%	7.16%	-0.93%	3.09%	5.00%	-1.91%
1985	616,528	3.10%	0.92%	4.73%	1.98%	2.75%	5.33%	7.03%	-1.70%	2.23%	4.85%	-2.63%
1986	637,681	3.27%	1.18%	0.03%	2.71%	-2.68%	7.31%	7.14%	0.16%	3.93%	4.95%	-1.01%
1987	658,492	3.21%	0.88%	1.92%	4.04%	-2.12%	6.68%	6.89%	-0.21%	3.47%	4.56%	-1.09%
1988	680,567	3.30%	2.19%	6.42%	5.08%	1.34%	6.57%	6.90%	-0.34%	3.27%	5.80%	-2.53%
1989	705,081	3.54%	1.66%	5.42%	2.67%	2.74%	6.02%	7.18%	-1.16%	2.48%	5.30%	-2.82%
1990	732,282	3.79%	1.94%	3.61%	1.85%	1.76%	6.23%	6.90%	-0.67%	2.44%	5.06%	-2.61%
1991	757,365	3.37%	1.83%	1.63%	3.04%	-1.41%	6.46%	6.12%	0.34%	3.09%	4.58%	-1.49%
1992	777,967	2.68%	1.21%	0.17%	0.25%	-0.08%	6.96%	5.88%	1.08%	4.28%	4.40%	-0.12%
1993	795,993	2.29%	0.64%	4.42%	4.62%	-0.20%	6.05%	5.45%	0.59%	3.76%	3.80%	-0.04%
1994	813,936	2.23%	0.43%	-0.58%	2.97%	-3.56%	5.35%	6.40%	-1.05%	3.12%	4.60%	-1.48%
1995	831,822	2.17%	0.37%	1.08%	3.68%	-2.60%	3.75%	5.38%	-1.63%	1.57%	3.58%	-2.00%
1996	849,065	2.05%	0.44%	5.61%	2.65%	2.96%	3.96%	5.52%	-1.56%	1.91%	3.91%	-2.00%
1997	864,463	1.80%	-0.23%	0.56%	1.60%	-1.03%	3.84%	5.46%	-1.62%	2.04%	3.43%	-1.38%
1998	881,334	1.99%	0.14%	1.97%	3.51%	-1.54%	3.17%	5.62%	-2.45%	1.18%	3.77%	-2.59%
1999	899,902	2.03%	0.19%	2.49%	2.22%	0.27%	4.73%	5.03%	-0.31%	2.70%	3.19%	-0.49%
2000	915,851	1.76%	-0.13%	1.95%	2.63%	-0.69%	6.62%	5.70%	0.91%	4.86%	3.82%	1.04%
2001	931,968	1.74%	0.04%	-8.97%	-1.20%	-7.77%	20.86%	5.25%	15.61%	19.11%	3.55%	15.57%
2002	950,043	1.92%	0.42%	-3.04%	2.60%	-5.64%	3.28%	4.84%	-1.56%	1.36%	3.34%	-1.98%
Averages:												
1982-2002		2.59%	0.75%	1.63%	2.83%	-1.19%	6.31%	6.18%	-0.02%	3.68%	4.34%	-0.77%
1990-2002		2.29%	0.56%	0.84%	2.34%	-1.50%	6.50%	5.66%	0.59%	4.17%	3.92%	0.03%

Table 5

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

Year	Customers		Volume		Additions		Gross Plant	
	Puget Sample	% of Sample	Puget Sample	% of Sample	Puget Sample	% of Sample	Puget Sample	% of Sample
1982	565,702	2.09%	13,892,827	657,387,172	52,151	1,916,536	729,094	24,948,158
1983	579,197	2.09%	13,466,081	685,242,834	53,121	1,980,679	757,605	26,963,097
1984	597,698	2.11%	14,346,274	723,609,391	52,909	2,248,155	806,303	28,964,552
1985	616,528	2.13%	15,040,484	738,080,387	63,729	2,441,445	850,424	31,074,615
1986	637,681	2.16%	15,045,342	768,353,718	68,358	2,566,831	914,866	33,375,994
1987	658,492	2.18%	15,337,175	789,588,664	68,818	2,733,428	978,145	35,757,516
1988	680,567	2.22%	16,354,625	830,766,226	74,305	2,997,666	1,044,531	38,313,425
1989	705,081	2.26%	17,264,672	853,270,303	71,431	3,252,736	1,109,357	41,164,443
1990	732,282	2.31%	17,899,608	869,242,078	77,718	3,362,491	1,180,648	44,103,985
1991	757,365	2.35%	18,194,148	896,108,747	84,075	3,179,084	1,259,422	46,886,809
1992	777,967	2.38%	18,224,496	898,365,164	97,464	3,279,337	1,350,237	49,726,082
1993	795,993	2.39%	19,048,904	940,841,062	94,622	3,517,703	1,434,389	52,513,303
1994	813,936	2.40%	18,938,140	969,245,887	87,247	3,676,137	1,513,265	55,984,796
1995	831,822	2.41%	19,144,638	1,005,613,921	67,135	3,742,551	1,571,037	59,080,190
1996	849,065	2.42%	20,248,708	1,032,613,814	73,389	3,790,661	1,634,463	62,432,444
1997	864,463	2.42%	20,363,370	1,049,256,912	73,860	3,976,643	1,698,447	65,934,049
1998	881,834	2.42%	20,768,030	1,086,728,724	62,374	3,790,129	1,753,074	69,743,257
1999	899,902	2.43%	21,292,032	1,111,172,104	103,828	4,411,502	1,837,931	73,343,464
2000	915,851	2.42%	21,710,218	1,140,823,537	136,466	4,551,447	1,963,650	77,646,650
2001	931,968	2.42%	19,848,308	1,127,259,954	111,336	4,842,889	2,419,071	81,833,903
2002	950,043	2.43%	19,253,824	1,156,928,892	100,266	4,666,931	2,499,841	85,892,441
Averages:								
1982-2002	763,973	2.32%	17,889,614	920,023,785	79,743	3,377,428	1,395,516	51,699,180
1990-2002	846,345	2.40%	19,610,340	1,021,961,600	89,126	3,906,731	1,634,636	63,470,876