

EXHIBIT NO. ___ (JAH-24)
DOCKET NO. UG-040640, *et al.* (consolidated)
2004 PSE GENERAL RATE CASE
WITNESS: JAMES A. HEIDELL

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*)

TENTH EXHIBIT TO THE
PREFILED REBUTTAL TESTIMONY OF
JAMES A. HEIDELL (NONCONFIDENTIAL)
ON BEHALF OF PUGET SOUND ENERGY, INC.

NOVEMBER 3, 2004

PUGET SOUND ENERGY - GAS
REVISED NATURAL GAS RATE SPREAD PROPOSAL
TWELVE MONTHS ENDED SEPTEMBER 30, 2003

| Line No. | Class / Schedule (a) | Proforma Revenues (b) | GAS COST (Recovery @ RAF 1.04584) (c) | Proforma Margin (d) = b-c | Therms (e) | Parity Ratio (Excl. Rev Def & Gas Costs) (f) | % of Average Increase (g) | Average Increase: 17.01% (h) = 17.01% * d * g | % of Residual (i = h / (h + i + r)) (j) | Spread Residual (j) = r - (i) = \$44,513,651 - \$40,575,639 (k) | Net Margin Increase (k) = j * i | Proposed Total Revenues (l) = b + k | % Net Increase (m) = k / b | % of Net Increase (n) = m / 17.01% | % of Total Revenues (o) = k / l | |
|----------|----------------------|-----------------------|---------------------------------------|---------------------------|---------------|----------------------------------------------|---------------------------|-----------------------------------------------|-----------------------------------------|-----------------------------------------------------------------|----------------------------------------------------------|-------------------------------------|----------------------------|------------------------------------|---------------------------------|--------|
| 1 | Residential | \$444,574,749 | \$276,591,404 | \$167,983,345 | 498,267,928 | 96% | 100% | \$28,573,967 | 97.52% | \$3,940,446 | \$32,414,411 | \$476,989,160 | 19.30% | 113.44% | 6.80% | |
| 2 | C&I Heating | \$156,262,648 | \$104,873,569 | \$51,389,079 | 192,814,190 | 118% | 75% | \$6,555,962 | | | \$6,555,963 | \$162,818,611 | 12.76% | 75.00% | 4.03% | |
| 3 | Schedule 41 | \$35,840,848 | \$26,635,251 | \$9,205,597 | 49,128,842 | 127% | 75% | \$1,174,404 | | | \$1,174,404 | \$37,015,252 | 12.76% | 75.00% | 3.17% | |
| 4 | Schedule 85 | \$9,065,372 | \$7,612,003 | \$1,453,369 | 14,391,565 | 79% | 125% | \$309,023 | | | \$309,023 | \$9,374,395 | 21.26% | 125.00% | 3.30% | |
| 5 | Schedule 86 | \$16,005,208 | \$11,753,364 | \$4,251,844 | 22,163,694 | 95% | 100% | \$723,239 | 2.47% | \$97,206 | \$820,445 | \$16,825,653 | 19.30% | 113.44% | 4.88% | |
| 6 | Schedule 87 | \$16,516,516 | \$15,033,212 | \$1,483,304 | 30,720,280 | 143% | 50% | \$126,325 | | | \$126,325 | \$16,644,841 | 8.50% | 50.00% | 0.76% | |
| 7 | Schedule 57 | \$12,155,221 | \$0 | \$12,155,221 | 173,948,482 | 143% | 50% | \$1,033,802 | | | \$1,033,802 | \$13,189,023 | 8.51% | 50.00% | 7.84% | |
| 8 | Transport Contracts | \$8,137,311 | \$0 | \$8,137,311 | 38,431,301 | 76% | 0% | \$0 | 0.01% | \$360 | \$30 | \$1,668,905 | 0.00% | 0.00% | 0.00% | |
| 9 | Rentals | \$36,467 | \$20,699 | \$15,768 | 54,593 | 9% | 150% | \$2,682 | | | \$2,682 | \$39,509 | 19.29% | 113.42% | 7.70% | |
| 10 | Subtotal | \$700,265,245 | \$442,519,502 | \$257,745,743 | 1,019,920,885 | 100% | 100% | \$40,575,639 | 100.00% | \$3,938,012 | \$2,076,235 | \$10,213,546 | 25.52% | 150.00% | 5.98% | |
| 11 | Other Revenues | \$3,874,839 | \$0 | \$3,874,839 | | | | \$0 | 0.00% | \$0 | \$44,513,650 | \$744,776,885 | | | | |
| 12 | Total | \$704,140,084 | \$442,519,502 | \$261,620,582 | 1,019,920,885 | | | \$40,575,639 | 100.00% | \$3,938,012 | \$44,513,650 | \$748,653,734 | 17.01% | | 5.98% | |
| 13 | | | | | | | | | | | | | | | | |
| | | | | | | | | | | | Revenue Requirement Deficiency excl. Municipal Additions | | | | | |
| | | | | | | | | | | | Average Increase | | | | \$44,513,651 | 17.01% |

Note: Schedule 57 total revenues do not have a gas cost component as this is a transportation schedule. This results in an overstatement of the total impact to the customer's total cost of natural gas. Including the cost of gas that transport customers pay to their supplier, the estimated total impact for the class is around 1% as opposed to the increase on transportation service only as shown in column (o).