

EXHIBIT NO. \_\_\_(JAH-25)  
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*)

ELEVENTH 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 DESIGN**  
TWELVE MONTHS ENDED SEPTEMBER 30, 2003

Description	Billing Determinants		Present Rates		Proposed Rates		Difference	
	Revenues	Units	Revenues	Units	Revenues	Units	\$	%
<b>RATE 23/53</b>								
BILLS								
Facility Charge	\$0.00	6,945,588	\$38,200,734.00	6,945,588	\$6.50		\$45,146,322.00	
All Therms	\$0.26113	498,267,928	\$130,112,704.04	498,267,928	\$0.20770		\$52,091,910.00	
Calculated Total			\$168,313,438.04	498,267,928			\$200,728,480.65	19.259%
Gas Costs	\$0.55440		\$276,239,739.28		\$0.55509		\$343,804.87	0.124%
Total Revenues			<u>\$444,553,177.32</u>		<u>\$477,312,024.80</u>		\$32,758,847.48	7.369%
<b>RATE 16</b>								
First 4 Mantles (each)	\$11.78	1,003	\$11,815.34	1,003	\$13.02		\$13,059.06	
5 through 9 Mantles (each)	\$10.78	84	\$905.52	84	\$12.02		\$1,009.68	
All over (each)	\$9.78	24	\$234.72	24	\$11.02		\$264.48	
Calculated Total			\$12,955.58	21,109 Therms			\$1,377.64	10.634%
Gas Costs	\$0.52158		\$11,010.03		\$0.52223		\$13.72	0.125%
Total Revenues			<u>\$23,965.61</u>		<u>\$25,356.97</u>		\$1,391.36	5.806%

TARGET  
\$32,413,038  
DIFFERENCE  
(\$2,005)

Schedule 101  
Gas Costs  
(a) \$0.53076  
RAF  
(b) 1.04584  
Proposed Gas  
Costs  
(c = a \* b)  
\$0.55509

\$1,373.17  
DIFFERENCE  
(\$4.47)

Schedule 101  
Gas Costs  
(a) \$0.49934  
RAF  
(b) 1.04584  
Proposed Gas  
Costs  
(c = a \* b)  
\$0.52223

**PUGET SOUND ENERGY - GAS**  
**REVISED NATURAL GAS RATE DESIGN**  
TWELVE MONTHS ENDED SEPTEMBER 30, 2003

Description	Billing Determinants		Present		Proposed		Difference	
	Determinants	Rates	Revenues	Units	Rates	Revenues	\$	%
<b>RATE 31</b>								
BILLS	511,992	\$10.00	\$5,119,920.00	511,992	\$30.00	\$15,359,760.00		
All Therms	152,705,401	\$0.23742	\$36,255,316.31	152,705,401	\$0.21466	\$32,779,741.38		
Calculated Total	152,705,401		\$41,375,236.31	152,705,401		\$48,139,501.38	\$6,764,265.07	16.349%
Gas Costs		\$0.54323	\$82,954,154.99		\$0.54391	\$83,057,994.66	\$103,839.67	0.125%
Total Revenues			<u>\$124,329,391.30</u>			<u>\$131,197,496.04</u>	\$6,868,104.74	5.524%
<b>RATE 36</b>								
BILLS	60,516	\$20.00	\$1,210,320.00	60,516	\$30.00	\$1,815,480.00		
All Therms	39,915,381	\$0.22042	\$8,798,148.28	39,915,381	\$0.19929	\$7,954,736.28		
Calculated Total	39,915,381		\$10,008,468.28	39,915,381		\$9,770,216.28	(\$238,252.00)	-2.381%
Gas Costs		\$0.54323	\$21,683,232.42		\$0.54391	\$21,710,374.88	\$27,142.46	0.125%
Total Revenues			<u>\$31,691,700.70</u>			<u>\$31,480,591.16</u>	(\$211,109.54)	-0.666%
<b>RATE 51</b>								
BILLS	4,104	\$5.50	\$22,572.00	4,104	\$6.50	\$26,676.00		
Facility Charge	4,104	\$0.00	\$0.00	4,104	\$7.50	\$30,780.00		
All Therms	193,408	\$0.22423	\$43,367.88	193,408	\$0.20274	\$39,211.54		
Calculated Total	193,408		\$65,939.88	193,408		\$96,667.54	\$30,727.66	46.600%
Gas Costs		\$0.54323	\$105,065.03		\$0.54391	\$105,196.55	\$131.52	0.125%
Total Revenues			<u>\$171,004.91</u>			<u>\$201,864.09</u>	\$30,859.18	18.046%

TARGET  
\$6,555,963  
DIFFERENCE  
(\$778)  
90.42%  
Schedule 101  
Gas Costs  
(a)  
\$0.52007  
Proposed Gas  
Costs  
(c = a \* b)  
\$0.54391  
RAF  
(b)  
1,04584

**PUGET SOUND ENERGY - GAS**  
**REVISED NATURAL GAS RATE DESIGN**  
TWELVE MONTHS ENDED SEPTEMBER 30, 2003

Description	Billing Determinants		Present		Proposed		Difference \$	Difference %
	Units	Rates	Revenues	Rates	Revenues			
<b>RATE 41</b>								
BILLS								
Minimum Bill	16,104	\$35.00	\$563,640.00	\$140.00	\$2,254,560.00			
Demand Units	16,104	\$81.50	\$1,312,476.00	\$75.89	\$1,222,132.56			
First 500 Therms	2,135,712	\$0.50	\$1,067,856.00	\$0.50	\$1,067,856.00			
Next 4,500 therms	7,910,848	\$0.16300	\$3,790,941.04	\$0.15177	\$3,529,761.48			
All over 5,000 therms	23,257,307	\$0.13300	\$2,388,771.37	\$0.12383	\$2,224,071.87			
Calculated Total	49,128,842		\$9,123,684.41		\$10,298,381.91	\$1,174,697.50	12.875%	
Gas Costs		\$0.49834	\$24,482,867.12	\$0.49896	\$24,513,327.00			
Gas Costs for Demand Charge Rate		\$1.04	\$2,221,140.48	\$1.05	\$2,242,497.60	\$51,817.00	0.194%	
Calculated Total			\$26,704,007.60		\$26,755,824.60			
Total Revenues			\$35,827,692.01		\$37,054,206.51	\$1,226,514.50	3.423%	
<b>RATE 50</b>								
BILLS								
All Therms	84	\$150.00	\$12,600.00	\$150.00	\$12,600.00			
Calculated Total	54,593	\$0.09176	\$5,009.45	\$0.14748	\$8,051.38			
Gas Costs	54,593	\$17,609.45	\$17,609.45	\$20,651.38	\$20,651.38	\$3,041.93	17.274%	
Calculated Total		\$0.47789	\$26,089.45	\$0.47848	\$26,121.66	\$32.21	0.123%	
Total Revenues			\$43,698.90		\$46,773.04	\$3,074.14	7.035%	

TARGET	
\$1,174,404	
DIFFERENCE	
(\$294)	
93.11%	

Schedule 101		Proposed Gas
Gas Costs		Costs
(a)	1.04584	(c = a * b)
\$0.47709	1.04584	\$0.49896
\$1.00	1.04584	\$1.05000

TARGET	
\$3,042.00	
DIFFERENCE	
-0.07	

Schedule 101		Proposed Gas
Gas Costs		Costs
(a)	1.04584	(c = a * b)
\$0.45751	1.04584	\$0.47848

**PUGET SOUND ENERGY - GAS**  
**REVISED NATURAL GAS RATE DESIGN**  
**TWELVE MONTHS ENDED SEPTEMBER 30, 2003**

Description	Billing Determinants		Present		Proposed		Difference	
	Determinants	Rates	Revenues	Units	Rates	Revenues	\$	%
<b>RATE 85</b>								
BILLS								
Demand Units	456	\$300.00	\$136,800.00	456	\$500.00	\$228,000.00	\$309,023.00	
Procurement Charge	122,376	\$0.99	\$121,152.24	122,376	\$1.07	\$130,942.32	(\$24)	116.77%
First 25,000 Therms	7,426,202	\$0.09099	\$675,710.12	14,391,565	\$0.00350	\$50,370.48		
Next 25,000 Therms	2,344,682	\$0.06451	\$151,255.44	7,426,202	\$0.10625	\$789,033.96		
All over 50,000 Therms	4,620,681	\$0.04951	\$228,769.92	4,620,681	\$0.07533	\$176,624.90		
Calculated Total	14,391,565		\$1,313,687.72	14,391,565	\$0.05361	\$247,714.71	\$308,998.65	23.521%
Gas Costs								
Gas Costs for Demand Charge Rate		\$0.51983	\$7,481,167.23	6,965,363	\$0.52047	\$7,490,377.84	\$0.49766	
Calculated Total		\$1.04	\$127,271.04		\$1.05	\$128,494.80	\$1.00	
Total Revenues			\$8,922,125.99			\$9,241,559.01	\$319,433.01	3.580%
<b>RATE 86</b>								
BILLS								
Demand Units	6,816	\$50.00	\$340,800.00	6,816	\$165.00	\$1,124,640.00	\$820,445.00	
Procurement Charge	219,180	\$0.99	\$216,968.20	219,180	\$1.07	\$234,522.60	(\$13)	98.39%
First 1,000 therms	5,475,950	\$0.20170	\$1,104,499.12	5,475,950	\$0.00350	\$77,572.93		
All over 1,000 therms	16,687,744	\$0.15170	\$2,531,530.76	16,687,744	\$0.14926	\$2,490,812.67		
Calculated Total	22,163,694		\$4,193,818.08	22,163,694		\$5,014,250.48	\$820,432.40	19.563%
Gas Costs								
Gas Costs for Demand Charge Rate		\$0.51983	\$11,521,353.05		\$0.52047	\$11,535,537.82	\$0.49766	
Calculated Total		\$1.04	\$227,947.20		\$1.05	\$230,139.00	\$1.00	
Total Revenues			\$15,943,118.33			\$16,779,927.30	\$836,808.96	5.249%

Schedule 101 Gas Costs  
(a) \$0.49766  
(b) \$1.00  
Proposed Gas Costs (c = a \* b) \$0.52047 \$1.05000

Schedule 101 Gas Costs  
(a) \$0.49766  
(b) \$1.00  
Proposed Gas Costs (c = a \* b) \$0.52047 \$1.05000

TARGET  
\$820,445.00  
DIFFERENCE  
(\$13)  
98.39%

TARGET  
\$309,023.00  
DIFFERENCE  
(\$24)  
116.77%

**PUGET SOUND ENERGY - GAS**  
**REVISED NATURAL GAS RATE DESIGN**  
**TWELVE MONTHS ENDED SEPTEMBER 30, 2003**

Description	Billing Determinants		Present		Units	Proposed Rates	Difference	
	Determinants	Rates	Revenues	Rates			\$	%
<b>RATE 87</b>								
BILLS								
Demand Units	156	\$300.00	\$46,800.00	\$500.00	156	\$500.00	\$78,000.00	
Procurement Charge	7,080	\$0.99	\$7,009.20	\$1.07	7,080	\$1.07	\$7,575.60	
First 25,000 Therms	3,974,949	\$0.11825	\$470,037.72	\$0.12805	30,720,280	\$0.00350	\$107,520.98	
Next 25,000 Therms	3,739,992	\$0.07624	\$285,136.99	\$0.08256	3,974,949	\$0.12805	\$508,992.22	
Next 50,000 Therms	4,965,091	\$0.04951	\$245,821.66	\$0.05361	3,739,992	\$0.08256	\$308,773.74	
Next 100,000 Therms	5,131,590	\$0.03268	\$167,700.36	\$0.03539	4,965,091	\$0.05361	\$266,178.53	
Next 300,000 Therms	4,960,790	\$0.02476	\$122,829.16	\$0.02681	5,131,590	\$0.03539	\$181,606.97	
All over 500,000 Therms	7,947,868	\$0.01981	\$157,447.27	\$0.02145	4,960,790	\$0.02681	\$132,998.78	
Calculated Total	30,720,280		\$1,502,782.36		30,720,280		\$1,762,128.59	17.258%
<b>RATE 57</b>								
BILLS								
Demand Units	1,440	\$800.00	\$1,152,000.00	\$800.00	1,440	\$800.00	\$1,152,000.00	
First 25,000 Therms	1,624,332	\$0.99000	\$1,608,088.68	\$1.07	1,624,332	\$1.07	\$1,738,035.24	
Next 25,000 Therms	33,097,585	\$0.11825	\$3,913,789.43	\$0.12805	33,097,585	\$0.12805	\$4,238,145.76	
Next 50,000 Therms	23,201,790	\$0.07624	\$1,768,904.47	\$0.08256	23,201,790	\$0.08256	\$1,915,539.78	
Next 100,000 Therms	25,366,655	\$0.04951	\$1,255,903.09	\$0.05361	25,366,655	\$0.05361	\$1,359,906.37	
Next 300,000 Therms	22,963,283	\$0.03268	\$750,440.09	\$0.03539	22,963,283	\$0.03539	\$812,670.59	
All over 500,000 Therms	40,420,524	\$0.01981	\$800,730.58	\$0.02145	40,420,524	\$0.02145	\$867,020.24	
Calculated Total	173,948,493		\$11,965,387.06		173,948,493		\$12,858,090.95	7.461%
Balancing Service Charge for JP		\$0.00061	\$106,108.58	\$0.00066		\$0.00066	\$114,806.01	8.197%
Calculated Total			\$106,108.58				\$114,806.01	
Total Revenues			\$12,071,495.64				\$12,972,896.96	7.467%

TARGET 87  
\$126,325  
DIFFERENCE  
133,021.23

Proposed  
Gas Costs  
(c = a \* b)  
\$0.48913  
\$1.05000

RAF  
(b)  
1.04584  
1.04584

Schedule 101 Gas Costs  
(a)  
\$0.46769  
\$1.00

TARGET 57  
\$1,033,802  
DIFFERENCE  
(\$141,098)

TOTAL TARGET 87 & 57  
\$1,160,127  
TOTAL DIFFERENCE  
(\$621)  
108.29%

**PUGET SOUND ENERGY - GAS**  
**REVISED NATURAL GAS RATE DESIGN**  
TWELVE MONTHS ENDED SEPTEMBER 30, 2003

Line No.	Schedule (a)	Price Schedule (b)	Description (c)	Current Rate (d)	Calculated Rate (e)	Proposed Rate (f)	% Increase (g)
1							
2							
3	71	71G-A	Standard Models	\$ 5.85	\$ 6.42	\$ 6.40	9.40%
4	71	71G-B	Conservation Models	\$ 9.40	\$ 10.32	\$ 10.30	9.57%
5	71	71G-C	Direct Vent Models	\$ 13.40	\$ 14.71	\$ 14.70	9.70%
6	71	71G-D	High Recovery Models	\$ 12.00	\$ 13.18	\$ 13.20	10.00%
7	71	71G-E	High Efficiency Standard (Energy Factor ≥60)	\$ 4.70	\$ 5.16	\$ 5.15	9.57%
8	71	71G-F	High Efficiency Direct Vent (Energy Factor ≥60)	\$ 8.15	\$ 8.95	\$ 8.95	9.80%
9	72	72G-F	25 - 40 gallon storage 30,000 to 50,000	\$ 6.95	\$ 13.90	\$ 13.90	100.00%
10	72	72G-G	45 - 55 gallon storage 70,000 to 79,000	\$ 9.10	\$ 18.20	\$ 18.20	100.00%
11	72	72G-H	45 - 55 gallon storage 51,000 to 75,000	\$ 9.10	\$ 18.20	\$ 18.20	100.00%
12	72	72G-I	50 - 65 gallon storage 60,000 to 69,000	\$ 14.25	\$ 28.50	\$ 28.50	100.00%
13	72	72G-J	60 - 84 gallon storage 70,000 to 129,000	\$ 18.60	\$ 37.20	\$ 37.20	100.00%
14	72	72G-K	75 - 90 gallon storage 130,000 to 169,000	\$ 24.85	\$ 49.70	\$ 49.70	100.00%
15	72	72G-L	75 - 100 gallon storage 170,000 to 200,000	\$ 28.85	\$ 57.70	\$ 57.70	100.00%
16	72	72G-M	68 - 79 gallon storage 201,000 to 369,000	\$ 41.00	\$ 82.00	\$ 82.00	100.00%
17	74	74G-A	45,000 to 400,000 Standard Models	\$ 4.10	\$ 6.15	\$ 6.15	50.00%
18	74	74G-B	401,000 to 700,000 Standard Models	\$ 10.90	\$ 16.35	\$ 16.35	50.00%
19	74	74G-C	701,000 to 1,300,000 Standard Models	\$ 14.75	\$ 22.13	\$ 22.15	50.17%
20	74	74G-D	45,000 to 400,000 Conservation Models	\$ 6.20	\$ 9.30	\$ 9.30	50.00%
21							
22							
23							

Average Increase %	25.52%
Margin Increase	\$ 2,076,235