

**EXHIBIT NO. \_\_\_(DWH-8T)  
DOCKET NO. UE-072300/UG-072301  
2007 PSE GENERAL RATE CASE  
WITNESS: DAVID W. HOFF**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**Docket No. UE-072300  
Docket No. UG-072301**

**PREFILED SUPPLEMENTAL  
DIRECT TESTIMONY (NONCONFIDENTIAL) OF  
DAVID W. HOFF  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**APRIL 11, 2008**

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**PREFILED SUPPLEMENTAL  
DIRECT TESTIMONY (NONCONFIDENTIAL) OF  
DAVID W. HOFF**

**CONTENTS**

I. INTRODUCTION .....1  
II. DESCRIPTION OF RECALCULATION OF AVERAGE RATE  
INCREASE OF ALL RATE SCHEDULES.....1  
III. CONCLUSION.....3

1 **PUGET SOUND ENERGY, INC.**

2 **PREFILED SUPPLEMENTAL**  
3 **DIRECT TESTIMONY (NONCONFIDENTIAL) OF**  
4 **DAVID W. HOFF**

5 **I. INTRODUCTION**

6 **Q. Are you the same David W. Hoff who provided prefiled direct testimony in**  
7 **this Docket on behalf of Puget Sound Energy, Inc. (“PSE” or “the**  
8 **Company”)?**

9 **A. Yes.**

10 **Q. What topics are you covering in your prefiled supplemental direct**  
11 **testimony?**

12 **A. My prefiled supplemental direct testimony describes how PSE has spread the**  
13 **updated electric revenue requirement provided in the prefiled supplemental direct**  
14 **testimony of John H. Story, Exhibit No. \_\_\_(JHS-9T).**

15 **II. DESCRIPTION OF RECALCULATION OF**  
16 **AVERAGE RATE INCREASE OF ALL RATE SCHEDULES**

17 **Q. What effect does the updated revenue requirement have on the average rate**  
18 **increase of all electric schedules?**

1 A. As shown below, the updated revenue requirement raises the average rate increase  
 2 of all electric schedules from 9.51% to 9.78%. The table below also shows the  
 3 percentage increases over pro forma test year revenues as filed in the fourth  
 4 exhibit to my prefiled direct testimony, Exhibit No. \_\_\_(DWH-5), and the  
 5 percentage increases over updated pro forma test year revenues resulting from the  
 6 updated revenue requirement described in Exhibit No. \_\_\_(JHS-9T).

<b>Customer Class</b>	<b>Rate Schedule</b>	<b>Proposed Rate Increase as filed in Exhibit No. ___(DWH-1T)</b>	<b><i>Revised Proposed Rate Increase Utilizing Revenue Requirement in Exhibit No. ___(JHS-9T)</i></b>
Residential	7	11.78%	12.11%
General Service <51 kW	24	9.43%	9.69%
General Service 51 – 350 kW	25	4.71%	4.84%
General Service >350 kW	26	4.71%	4.84%
Primary Service	31/35/43	9.43%	9.69%
Campus Schedule	40	5.00%	5.17%
High Voltage Service	46/49	9.43%	9.69%
Transportation	449	9.43%	9.69%
Lights	50-59	7.07%	7.27%
Small Firm Resale		29.47%	29.78%
<b>System Average</b>	<b>All</b>	<b>9.51%</b>	<b>9.78%</b>

7 **Q. How were these updates to the average rate increases calculated?**

8 A. The above updates were calculated based on the method described at pages 19 –  
 9 21 of my prefiled direct testimony, Exhibit No. \_\_\_(DWH-1T), and Exhibit  
 10 No. \_\_\_(DWH-5). The only significant difference between the previous analysis  
 11 and this analysis is the total revenue requirement. The updates were calculated by

1 applying the same percent of average increase to the various rate classes as was  
2 applied in the previous analysis found in Exhibit No. \_\_\_(DWH-1T). In addition,  
3 the amount spread to Schedule 40 was increased by an amount representing the  
4 demand and energy portions of Schedule 40 only, and the amount spread to firm  
5 resale was adjusted by the ratio of total revenues in this supplemental testimony  
6 to total revenues in the original testimony. The calculations are shown in Exhibit  
7 No. \_\_\_(DWH-9). Also shown in that exhibit are updated proforma kWh and  
8 revenue, which are discussed as adjustments 11.01 and 11.02 Exhibit  
9 No. \_\_\_(JHS-9T).

10 **Q. Is the Company calculating rates and filing revised tariff sheets to reflect**  
11 **these adjustments?**

12 A. No. The Company will calculate specific rates and update the tariffs based on the  
13 Commission's final order in this docket determining the revenue deficiency.

### 14 III. CONCLUSION

15 **Q. Does that conclude your prefiled supplemental direct testimony?**

16 A. Yes, it does.