

**EXHIBIT NO. ___(DWH-7T)
DOCKET NOS. UE-090704/UG-090705
2009 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-090704
Docket No. UG-090705**

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

SEPTEMBER 28, 2009

PUGET SOUND ENERGY, INC.

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

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2 **PREFILED SUPPLEMENTAL DIRECT TESTIMONY**
3 **(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 **these dockets on behalf of Puget Sound Energy, Inc. (“PSE”)?**

8 A. Yes.

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

10 A. This prefiled supplemental direct testimony describes how PSE has spread the
11 updated electric revenue requirement provided in the Prefiled Supplemental Direct
12 Testimony of John H. Story, Exhibit No. ___(JHS-9T).

13 **II. DESCRIPTION OF RECALCULATION OF**
14 **AVERAGE RATE INCREASE OF ALL RATE SCHEDULES**

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

17 A. As shown below, PSE’s updated revenue requirement raises the average rate
18 increase of all electric schedules from 7.41% to 7.68%. The table below also shows
19 the percentage rate increases over pro forma test year revenues, as filed in my

1 Prefiled Direct Testimony, Exhibit No. ____ (DWH-1T), and the percentage rate
 2 increases over updated pro forma test year revenues resulting from the updated
 3 revenue requirement described in Exhibit No. ____ (JHS-9T).

Customer Class	Rate Schedule	Proposed Rate Increase as filed in Exhibit No. ____ (DWH-1T)	<i>Revised</i> Proposed Rate Increase Utilizing Revenue Requirement in Exhibit No. ____ (JHS-9T)
Residential	7	8.37%	8.68%
General Service <51 kW	24	6.28%	6.51%
General Service 51 – 350 kW	25	4.19%	4.34%
General Service >350 kW	26	8.37%	8.68%
Primary Service	31/35/43	6.28%	6.51%
Campus Schedule	40	8.68%	8.98%
High Voltage Service	46/49	8.37%	8.68%
Choice / Retail Wheeling	449	8.37%	8.68%
Lights	50-59	6.28%	6.51%
Firm Resale / Special Contract		22.35%	22.66%
System Average	All	7.41%	7.68%

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

5 A. The above updates were calculated based on the same methodology as described on
 6 pages 18-21 of my Prefiled Direct Testimony, Exhibit No. ____ (DWH-1T), and
 7 Exhibit No. ____ (DWH-4). The only significant difference between the previous
 8 analysis and this analysis is the total revenue requirement. The updates were
 9 calculated by applying the same percentage of average increase to the various rate

1 classes that was applied in the previous analysis described in Exhibit
2 No. ___(DWH-1T). In addition, the amount spread to firm resale was adjusted by
3 the ratio of total revenues in this supplemental testimony to total revenues in the
4 original testimony. These calculations are shown in Exhibit No. ___(DWH-8).

5 **Q. Is PSE calculating rates and filing revised tariff sheets to reflect these**
6 **adjustments?**

7 A. PSE has calculated rates that reflect these adjustments. These rates are shown in
8 Exhibit No. ___(DWH-8). PSE will update its tariff sheets based on the
9 Commission's final order in this proceeding.

10 **III. CONCLUSION**

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

12 A. Yes, it does.