

Exhibit No. \_\_\_\_ (JOINT-7)  
Docket Nos. UE-060266/UG-060267  
Witness: Joelle R. Steward  
Jim Lazar  
Donald W. Schoenbeck

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION  
COMMISSION

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,

Complainant,

v.

PUGET SOUND ENERGY, INC.

Respondent.

DOCKET NO. UE-060266

DOCKET NO. UG-060267

EXHIBIT TO JOINT TESTIMONY OF

JOELLE R. STEWARD  
JIM LAZAR AND  
DONALD W. SCHOENBECK

*Puget Sound Energy Customer Charge Calculation  
for Residential Customers*

July 25, 2006

**Puget Sound Energy**  
**Customer Charge Calculation For Residential Customers**  
Based on Commission Basis COS version 2 (PC DR-5)

Line No.	Cost of Service Category	Description	Method A		Method B		Method C	
			100% Service Line Cost	50% Service Line Cost	50% Service Line Cost	0% Service Line Cost		
<b>PLANT INVESTMENT</b>								
1	- Services	ID380.00	388,674,689		194,337,345			
2	- Services - CIAC	ID380.01						
3	- Services - Direct Assignment	ID380.02						
4	- Meters	ID381.00	\$ 37,176,159	\$	37,176,159	\$	37,176,159	\$
5	- Meters Installation	ID382.00	\$ 125,135,597	\$	125,135,597	\$	125,135,597	\$
6	- Meters Installation - Direct Assignment	ID382.01						
7	- House Regulators	ID383.00	\$ 8,228,361	\$	8,228,361	\$	8,228,361	\$
8	- House Regulator Installation	ID384.00	\$ 4,420,130	\$	4,420,130	\$	4,420,130	\$
9	- Industrial Measuring & Regulator Equipment	ID385.00	\$ 155,591	\$	155,591	\$	155,591	\$
10	- Industrial Measuring & Regulator Equipment - Direct Assignment	ID385.01						
11	Subtotal Service, Meters & Regulators	(1+2+3+4+5+6+7+8+9+10)	\$ 563,790,527	\$	369,453,183	\$	175,115,838	\$
12	General Plant (GP.T)	GP.T	\$ 74,132,588	\$	74,132,588	\$	74,132,588	\$
13	Prod, Trans & Dist Plant	PTDP.T	\$ 1,244,418,369	\$	1,244,418,369	\$	1,244,418,369	\$
14	Total Related Other Plant	(11/13*12)	\$ 33,586,173	\$	22,009,094	\$	10,432,014	\$
15	Total Distribution Plant	DP.T	\$ 1,077,596,297	\$	1,077,596,297	\$	1,077,596,297	\$
16	- Distribution	ID108.40	\$ (351,684,679)	\$	(351,684,679)	\$	(351,684,679)	\$
17	- Distribution - Direct Assignment	ID108.41						
18	Total Dist Accum Depreciation	(16+17)	\$ (351,684,679)	\$	(351,684,679)	\$	(351,684,679)	\$
19	Distribution Related Accum Depr	(11/15*18)	\$ (183,998,860)	\$	(120,574,861)	\$	(57,150,862)	\$
20	General Accum Depreciation	ID108.50	\$ (18,947,217)	\$	(18,947,217)	\$	(18,947,217)	\$
21	General Related Accum Depr	(11/13*20)	\$ (144,096,702)	\$	(94,426,888)	\$	(44,757,075)	\$
22	Net Plant Investment	(11+14+19+21)	\$ 269,281,138	\$	176,460,527	\$	83,639,916	\$
<b>EXPENSES:</b>								
23	- Supr & Engineering	ID870.00	\$ 503,532	\$	503,532	\$	503,532	\$
24	- Meter & House Regulator	ID878.00	\$ 4,575,225	\$	4,575,225	\$	4,575,225	\$
25	- Customer Installation	ID879.00	\$ 3,609,928	\$	3,609,928	\$	3,609,928	\$
26	- Service Maintenance	ID892.00	\$ 1,656,666	\$	1,656,666	\$	1,656,666	\$
27	- Meter & House Regulator Maintenance	ID893.00	\$ 479,581	\$	479,581	\$	479,581	\$
28	- Supervision	ID901.00	\$ 421,082	\$	421,082	\$	421,082	\$
29	- Meter Reading	ID902.00	\$ 9,426,664	\$	9,426,664	\$	9,426,664	\$
30	- Meter Reading - Direct Assignment	ID902.01						
31	Records & Collections (A/C 903)	ID903.00	\$ 7,807,981	\$	7,807,981	\$	7,807,981	\$
32	Subtotal O&M & Customer Expense	(23+24+25+26+27+28+29+30+31)	\$ 28,480,659	\$	28,480,659	\$	28,480,659	\$
33	Total Admin & General	AGE.T	\$ 27,630,383	\$	27,630,383	\$	27,630,383	\$
34	Total Prod, Gas, Stor, Trans Dist & Cust Exp	PTDC.T	\$ 432,909,537	\$	432,909,537	\$	432,909,537	\$
35	Related Admin & General	((32/34)*33)	\$ 1,817,774	\$	1,817,774	\$	1,817,774	\$
36	- Distribution Depreciation Exp	ID403.04	\$ 32,470,165	\$	32,470,165	\$	32,470,165	\$
37	- Distribution - Direct Assign Depr Exp	ID403.05						
38	Total Distribution Deprec Exp	(36+37)	\$ 32,470,165	\$	32,470,165	\$	32,470,165	\$
39	Related Distribution Depr Expense	(11/15*38)	\$ 16,988,154	\$	11,132,375	\$	5,276,596	\$
40	Total Depreciation Expense	DEP.T	\$ 46,340,193	\$	46,340,193	\$	46,340,193	\$
41	General Depr Expense	ID403.06	\$ 3,098,439	\$	3,098,439	\$	3,098,439	\$
42	Depreciation Net of General Exp	(40-41)	\$ 43,241,754	\$	43,241,754	\$	43,241,754	\$
43	Related General Depr Expense	((39/42)*41)	\$ 1,217,267	\$	797,678	\$	378,089	\$
44	Total Related Expenses	(32+35+39+43)	\$ 48,503,853	\$	42,228,485	\$	35,953,117	\$
45	Number of Customers	ANN_CUST	7,497,375		7,497,375		7,497,375	
46	Cost of Capital (Net of Tax)		7.19%		7.19%		7.19%	
47	Conversion Factor		0.6207334		0.6207334		0.6207334	
48	1-FIT Rate	65%						
49	\$ per Month Customer for Plant Investment	((22*46)/47)/45	\$ 4.16	\$	2.73	\$	1.29	\$
50	\$ per Month Customer for Expenses	((44*48)/47)/45	6.77		5.90		5.02	
51	<b>TOTAL MONTHLY BASIC CHARGE</b>	<b>(49+50)</b>	<b>10.93</b>		<b>8.62</b>		<b>6.31</b>	