

**BEFORE THE**  
**WASHINGTON UTILITIES AND**  
**TRANSPORTATION COMMISSION**

Cause No. UE-920499, UE 921262  
Rate Design Phase

**PUGET SOUND POWER AND LIGHT COMPANY**

Exhibit of

**JIM LAZAR**  
CONSULTING ECONOMIST

On Behalf of  
Public Counsel Section  
Office of the Attorney General  
February, 1993

WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION	
No. UE-920433; -920499; -921262	Ex. 49 ✓

RESIDENTIAL RATE DESIGN

PROPOSED RATES VERSUS PRAM II RATES

	Current Rates		Company Revenue Level Company Rate Spread				Company Revenue Level Public Counsel Rate Spread	
	Number	PRAM II Current Rate	Current Revenue	Puget Proposed Rate	Proposed Revenue	Proposed Increase	Alternate Proposed Rate	Alternate Revenue
Basic Charge:	8,487,444	\$4.55	\$38,617,870	\$5.00	\$42,437,220	9.89%	\$5.00	\$42,437,220
Basic Charge	1,029	\$19.00	\$19,551	\$12.35	\$12,708	-35.00%	\$19.00	\$19,551
500 Winter	1,974,684,706	\$0.053132	\$104,918,948	\$0.060277	\$119,028,070	13.45%	\$0.053132	\$104,918,948
600 Winter	337,528,770	\$0.053132	\$17,933,579	\$0.060277	\$20,345,222	13.45%	\$0.053132	\$17,933,579
800 Winter	586,997,170	\$0.059777	\$35,088,930	\$0.060277	\$35,382,428	0.84%	\$0.074328	\$43,630,326
1000 Winter	470,109,707	\$0.059777	\$28,101,748	\$0.074328	\$34,942,314	24.34%	\$0.074328	\$34,942,314
INF Winter	1,615,836,304	\$0.064442	\$104,127,723	\$0.074328	\$120,101,881	15.34%	\$0.074328	\$120,101,881
400 Summer	1,530,617,015	\$0.053132	\$81,324,743	\$0.060277	\$92,261,002	13.45%	\$0.053132	\$81,324,743
600 Summer	573,491,698	\$0.053132	\$30,470,761	\$0.060277	\$34,568,359	13.45%	\$0.053132	\$30,470,761
800 Summer	410,997,507	\$0.056931	\$23,398,499	\$0.060277	\$24,773,697	5.88%	\$0.066895	\$27,493,760
1000 Summer	277,364,339	\$0.056931	\$15,790,629	\$0.067571	\$18,741,786	18.69%	\$0.066895	\$18,554,343
INF Summer	520,502,466	\$0.061373	\$31,944,798	\$0.067571	\$35,170,872	10.10%	\$0.066895	\$34,819,117
Total:	8,298,129,682		\$511,737,779		\$577,765,559	12.90%		\$556,646,542

RESIDENTIAL RATE DESIGN

PROPOSED RATES VERSUS U-89-2688-T RATES

U-89-2688 Rates	Current Rates		Company Revenue Level Company Rate Spread				Company Revenue Level Public Counsel Rate Spread	
	Number	U-89-2688 Rate	Current Revenue	Proposed Rate	Proposed Revenue	Proposed Increase	Proposed Rate	Alternate Revenue
Basic Charge:	8,487,444	\$4.55	\$38,617,870	\$5.00	\$42,437,220	9.89%	\$5.00	\$42,437,220
Basic Charge	1,029	\$19.00	\$19,551	\$12.35	\$12,708	-35.00%	\$19.00	\$19,551
500 Winter	1,974,684,706	\$0.047311	\$93,424,308	\$0.060277	\$119,028,070	27.41%	\$0.053132	\$104,918,948
600 Winter	337,528,770	\$0.047311	\$15,968,824	\$0.060277	\$20,345,222	27.41%	\$0.053132	\$17,933,579
800 Winter	586,997,170	\$0.053227	\$31,244,098	\$0.060277	\$35,382,428	13.25%	\$0.074328	\$43,630,326
1000 Winter	470,109,707	\$0.053227	\$25,022,529	\$0.074328	\$34,942,314	39.64%	\$0.074328	\$34,942,314
INF Winter	1,615,836,304	\$0.057381	\$92,718,303	\$0.074328	\$120,101,881	29.53%	\$0.074328	\$120,101,881
400 Summer	1,530,617,015	\$0.047311	\$72,415,022	\$0.060277	\$92,261,002	27.41%	\$0.053132	\$81,324,743
600 Summer	573,491,698	\$0.047311	\$27,132,466	\$0.060277	\$34,568,359	27.41%	\$0.053132	\$30,470,761
800 Summer	410,997,507	\$0.050693	\$20,834,697	\$0.060277	\$24,773,697	18.91%	\$0.066895	\$27,493,760
1000 Summer	277,364,339	\$0.050693	\$14,060,430	\$0.067571	\$18,741,786	33.29%	\$0.066895	\$18,554,343
INF Summer	520,502,466	\$0.054648	\$28,444,419	\$0.067571	\$35,170,872	23.65%	\$0.066895	\$34,819,117
Total:	8,298,129,682		\$459,902,517		\$577,765,559	25.63%		\$556,646,542

RESIDENTIAL RATE DESIGN ALTERNATIVES

Usage	U-89-2688	PRAM II	Puget	Alternate	Difference
Winter	Rates	Rates	Proposed	Proposed	Alternative Vs Puget
0	4.55	\$4.55	\$5.00	\$5.00	\$0.00
200	\$14.01	\$15.18	\$17.06	\$15.63	(\$1.43)
500	\$28.21	\$31.12	\$35.14	\$31.57	(\$3.57)
750	\$40.92	\$45.40	\$50.21	\$48.03	(\$2.18)
1000	\$54.23	\$60.34	\$68.09	\$66.61	(\$1.48)
1250	\$68.57	\$74.69	\$86.67	\$85.19	(\$1.48)
1500	\$82.92	\$90.80	\$105.25	\$103.77	(\$1.48)
2000	\$111.61	\$123.02	\$142.42	\$140.94	(\$1.48)
3000	\$168.99	\$187.46	\$216.74	\$215.27	(\$1.48)
<b>Summer</b>					
0	\$4.55	\$4.55	\$5.00	\$5.00	\$0.00
200	\$14.01	\$15.18	\$17.06	\$15.63	(\$1.43)
500	\$25.84	\$31.12	\$35.14	\$31.57	(\$3.57)
750	\$38.18	\$44.97	\$50.21	\$46.91	(\$3.29)
1000	\$50.85	\$59.20	\$66.74	\$63.64	(\$3.10)
1250	\$64.51	\$74.54	\$83.63	\$80.36	(\$3.27)
1500	\$78.17	\$89.89	\$100.52	\$97.08	(\$3.44)
2000	\$105.50	\$120.57	\$134.31	\$130.53	(\$3.77)
3000	\$160.14	\$181.95	\$201.88	\$197.43	(\$4.45)

RESIDENTIAL RATE DESIGN

PROPOSED RATES VERSUS PRAM II RATES

RESIDENTIAL RATE INCREASE 50% OF COMPANY REQUESTED INCREASE OVER PRAM II

	Current Rates		Company Revenue Level Company Rate Spread				50% of Company-Requested Increase Public Counsel Rate Design		
	Number	PRAM II Current Rate	Current Revenue	Puget Proposed Rate	Proposed Revenue	Proposed Increase	Alternate Proposed Rate	Alternate Revenue	Alternate Increase
Basic Charge:	8,487,444	\$4.55	\$38,617,870	\$5.00	\$42,437,220	9.89%	\$5.00	\$42,437,220	9.89%
Basic Charge	1,029	\$19.00	\$19,551	\$12.35	\$12,708	-35.00%	\$19.00	\$19,551	0.00%
500 Winter	1,974,684,706	\$0.053132	\$104,918,948	\$0.060277	\$119,028,070	13.45%	\$0.050500	\$99,721,578	-4.95%
600 Winter	337,528,770	\$0.053132	\$17,933,579	\$0.060277	\$20,345,222	13.45%	\$0.050500	\$17,045,203	-4.95%
800 Winter	586,997,170	\$0.059777	\$35,088,930	\$0.060277	\$35,382,428	0.84%	\$0.074328	\$43,630,326	24.34%
1000 Winter	470,109,707	\$0.059777	\$28,101,748	\$0.074328	\$34,942,314	24.34%	\$0.074328	\$34,942,314	24.34%
INF Winter	1,615,836,304	\$0.064442	\$104,127,723	\$0.074328	\$120,101,881	15.34%	\$0.074328	\$120,101,881	15.34%
400 Summer	1,530,617,015	\$0.053132	\$81,324,743	\$0.060277	\$92,261,002	13.45%	\$0.050500	\$77,296,159	-4.95%
600 Summer	573,491,698	\$0.053132	\$30,470,761	\$0.060277	\$34,568,359	13.45%	\$0.050500	\$28,961,331	-4.95%
800 Summer	410,997,507	\$0.056931	\$23,398,499	\$0.060277	\$24,773,697	5.88%	\$0.066895	\$27,493,760	17.50%
1000 Summer	277,364,339	\$0.056931	\$15,790,629	\$0.067571	\$18,741,786	18.69%	\$0.066895	\$18,554,343	17.50%
INF Summer	520,502,466	\$0.061373	\$31,944,798	\$0.067571	\$35,170,872	10.10%	\$0.066895	\$34,819,117	9.00%
Total:	8,298,129,682		\$511,737,779		\$577,765,559	12.90%		\$545,022,782	6.50%

RESIDENTIAL RATE DESIGN

PROPOSED RATES VERSUS U-89-2688-T RATES

U-89-2688 Rates	Current Rates		Company Revenue Level Company Rate Spread				50% of Company-Requested Increase Public Counsel Rate Design		
	Number	U-89-2688 Rate	Current Revenue	Proposed Rate	Proposed Revenue	Proposed Increase	Proposed Rate	Alternate Revenue	Alternate Increase
Basic Charge:	8,487,444	\$4.55	\$38,617,870	\$5.00	\$42,437,220	9.89%	\$5.00	\$42,437,220	9.89%
Basic Charge	1,029	\$19.00	\$19,551	\$12.35	\$12,708	-35.00%	\$19.00	\$19,551	0.00%
500 Winter	1,974,684,706	\$0.047311	\$93,424,308	\$0.060277	\$119,028,070	27.41%	\$0.050500	\$99,721,578	6.74%
600 Winter	337,528,770	\$0.047311	\$15,968,824	\$0.060277	\$20,345,222	27.41%	\$0.050500	\$17,045,203	6.74%
800 Winter	586,997,170	\$0.053227	\$31,244,098	\$0.060277	\$35,382,428	13.25%	\$0.074328	\$43,630,326	39.64%
1000 Winter	470,109,707	\$0.053227	\$25,022,529	\$0.074328	\$34,942,314	39.64%	\$0.074328	\$34,942,314	39.64%
INF Winter	1,615,836,304	\$0.057381	\$92,718,303	\$0.074328	\$120,101,881	29.53%	\$0.074328	\$120,101,881	29.53%
400 Summer	1,530,617,015	\$0.047311	\$72,415,022	\$0.060277	\$92,261,002	27.41%	\$0.050500	\$77,296,159	6.74%
600 Summer	573,491,698	\$0.047311	\$27,132,466	\$0.060277	\$34,568,359	27.41%	\$0.050500	\$28,961,331	6.74%
800 Summer	410,997,507	\$0.050693	\$20,834,697	\$0.060277	\$24,773,697	18.91%	\$0.066895	\$27,493,760	31.96%
1000 Summer	277,364,339	\$0.050693	\$14,060,430	\$0.067571	\$18,741,786	33.29%	\$0.066895	\$18,554,343	31.96%
INF Summer	520,502,466	\$0.054648	\$28,444,419	\$0.067571	\$35,170,872	23.65%	\$0.066895	\$34,819,117	22.41%
Total:	8,298,129,682		\$459,902,517		\$577,765,559	25.63%		\$545,022,782	18.51%

RESIDENTIAL RATE DESIGN ALTERNATIVES

Usage	U-89-2688	PRAM II	Puget	Alternate	Difference
Winter	Rates	Rates	Proposed	Proposed	Alternative Vs Puget
0	4.55	\$4.55	\$5.00	\$5.00	\$0.00
200	\$14.01	\$15.18	\$17.06	\$15.10	(\$1.96)
500	\$28.21	\$31.12	\$35.14	\$30.25	(\$4.89)
750	\$40.92	\$45.40	\$50.21	\$46.45	(\$3.76)
1000	\$54.23	\$60.34	\$68.09	\$65.03	(\$3.06)
1250	\$68.57	\$74.69	\$86.67	\$83.61	(\$3.06)
1500	\$82.92	\$90.80	\$105.25	\$102.20	(\$3.06)
2000	\$111.61	\$123.02	\$142.42	\$139.36	(\$3.06)
3000	\$168.99	\$187.46	\$216.74	\$213.69	(\$3.06)
<b>Summer</b>					
0	\$4.55	\$4.55	\$5.00	\$5.00	\$0.00
200	\$14.01	\$15.18	\$17.06	\$15.10	(\$1.96)
500	\$25.84	\$31.12	\$35.14	\$30.25	(\$4.89)
750	\$38.18	\$44.97	\$50.21	\$45.33	(\$4.87)
1000	\$50.85	\$59.20	\$66.74	\$62.06	(\$4.68)
1250	\$64.51	\$74.54	\$83.63	\$78.78	(\$4.85)
1500	\$78.17	\$89.89	\$100.52	\$95.51	(\$5.02)
2000	\$105.50	\$120.57	\$134.31	\$128.95	(\$5.35)
3000	\$160.14	\$181.95	\$201.88	\$195.85	(\$6.03)

PUGET LOW COST HYDRO AVAILABILITY

PURCHASED HYDRO		mwh
Mid-Columbia	8,350,272	JRL-6, P. 4
Columbia Storage Power Exchange	427,320	JRL-6, P. 4
Total:	8,777,592	
Residential Load:	8,281,738,117	DWH-5, P. 1
Total Load:	18,418,941,610	DWH-5, P. 1
Residential Share of Total Load:	44.96%	
Residential Share of Hydro:	3,946,683	
Residential Customers:	707,373	RD WP P. 3
Hydro/customer/month	465	
ADD OTHER LOW-COST RESOURCES		
Colstrip 1/2	2,144,016	
Total Low Cost Resources:	10,921,608	
Residential Share of Low-Cost Resources:	4,910,700	
Low-Cost Resources/Cust/Month:	579	