

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
Revised August 9, 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		
PLANT INVESTMENT								
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
EXPENSES:								
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+)	\$	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 Depr 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)			6.61%		6.61%		6.61%
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	\$	3.82	\$	2.51	\$	1.19
50	\$ per Month Customer for Expenses	((44*48/47)/45)		6.77		5.90		5.02
51	TOTAL MONTHLY BASIC CHARGE	(49+50)		10.60		8.40		6.21