

**EXHIBIT NO. ___(KRK-7)
DOCKET NO. UE-051828/UE-051966
WITNESS: KARL R. KARZMAR**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WESTERN VILLAGE, LLC, D/B/A
WESTERN VILLAGE ESTATES,

Complainant,**

v.

**PUGET SOUND ENERGY, INC.

Respondent.**

Docket No. UE-051828

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,

Complainant,**

v.

**PUGET SOUND ENERGY, INC.,

Respondent.**

Docket No. UE-051966

**SIXTH EXHIBIT TO THE PREFILED TESTIMONY OF
KARL R. KARZMAR
ON BEHALF OF PUGET SOUND ENERGY, INC.
IN RESPONSE TO THE
PREFILED TESTIMONY OF WESTERN VILLAGE, LLC
DATED MARCH 8, 2006**

APRIL 19, 2006

PUGET SOUND ENERGY
ELECTRIC RESULTS OF OPERATIONS
FORECAST TWELVE MONTHS ENDED SEPTEMBER 30, 2005 VS 2003 RATE CASE
UNIT COST

LINE NO.	9/30/2005				9/30/2003				VARIANCE	S/Share 109,129,909
	RESTATE RESULTS OF OPERATIONS	UNIT COST		RESTATE RESULTS OF OPERATIONS	UNIT COST		VARIANCE			
		Dollars/kwh 20,339,226,968	S/Customer 1,007,216		Dollars/kwh 19,334,018,640	S/Customer 963,673				
1	OPERATING REVENUES:									
2	SALES TO CUSTOMERS	\$ 1,615,403,012	\$ 1,603.83	\$ 1,472,490,440	\$ 1,468.16	\$ (66,355,304)	\$ (0.608040)			
3	SALES FROM RESALE-FIRM	478,623	0.48	480,277	0.47	26,624	0.000244			
4	SALES TO OTHER UTILITIES	10,163,628	10.09	27,538,643	28.58	18,806,796	0.172334			
5	OTHER OPERATING REVENUES	36,157,442	35.90	32,653,921	33.88	(1,805,788)	(0.016547)			
6	TOTAL OPERATING REVENUES	\$ 1,662,202,705	\$ 1,650.29	\$ 1,533,163,281	\$ 1,531.09	\$ (49,327,672)	\$ (0.452009)			
7	OPERATING REVENUE DEDUCTIONS:									
8	POWER COSTS:									
9	FUEL	\$ 92,934,509	\$ 92.27	\$ 137,354,114	\$ 142.53	\$ (51,560,877)	\$ (0.472472)			
10	PURCHASED AND INTERCHANGED	735,563,694	730.29	587,264,728	609.40	117,766,079	1.079137			
11	WHEELING	61,937,178	61.49	44,231,986	45.90	15,405,497	0.141167			
12	RESIDENTIAL EXCHANGE	-	-	-	-	-	-			
13	TOTAL PRODUCTION EXPENSES	\$ 890,435,381	\$ 884.06	\$ 768,850,828	\$ 797.83	\$ 81,610,698	\$ 0.747831			
14	OTHER POWER SUPPLY EXPENSES	\$ 73,832,956	\$ 73.30	\$ 52,551,925	\$ 54.53	\$ 18,548,768	\$ 0.169970			
15	TRANSMISSION EXPENSE	4,151,687	4.12	3,602,990	3.74	361,371	0.003311			
16	DISTRIBUTION EXPENSE	61,562,237	61.12	60,619,256	62.90	(2,208,717)	(0.020239)			
17	CUSTOMER ACCOUNT EXPENSES	35,587,389	35.33	34,600,855	35.91	(812,423)	(0.007445)			
18	CUSTOMER SERVICE EXPENSES	4,531,287	4.50	2,941,948	3.05	1,436,382	0.013162			
19	CONSERVATION AMORTIZATION	-	-	98,370	0.10	(103,484)	(0.000948)			
20	AMORTIZATION OF PROPERTY LOSS	4,757,062	4.72	6,165,768	7.76	(1,729,275)	(0.015846)			
21	OTHER OPERATING EXPENSES	(232,518)	(0.23)	195,650	0.20	(438,340)	(0.004017)			
22	FAS 133	-	-	-	-	-	-			
23	ADMIN & GENERAL EXPENSE	74,313,536	73.78	70,951,920	73.24	(327,294)	(0.002999)			
24	Subtotal	258,503,636	256.65	231,728,682	241.44	\$ 14,726,987	\$ 0.134949			
25	DEPRECIATION	156,882,885	155.76	125,292,233	131.26	25,076,497	0.229786			
26	AMORTIZATION	25,235,870	25.06	25,354,610	23.71	(1,436,969)	(0.013168)			
27	TAXES OTHER INCOME TAXES	108,600,864	107.82	100,251,689	101.72	3,136,920	0.028745			
28	INCOME TAXES	49,738,060	49.38	40,500,344	22.02	7,132,034	0.065354			
29	DEFERRED INCOME TAXES	(163,593)	(0.16)	27,432,615	28.47	(29,022,476)	(0.265944)			
30	TOTAL OPERATING REV. DEDUCT.	\$ 1,489,233,102	\$ 1,478.56	\$ 1,319,411,001	\$ 1,346.45	\$ 101,223,692	\$ 0.927552			
31	NET OPERATING INCOME	\$ 172,969,603	\$ 171.73	\$ 213,752,280	\$ 184.65	\$ 51,896,020	\$ 0.475544			
32	RATE BASE	\$ 2,973,018,835	\$ 2,951.72	\$ 2,544,670,041	\$ 2,640.59					
33	RATE OF RETURN	8.76%		8.40%						
34	Return on Rate Base	\$ 260,436,448	\$ 258.57	\$ 213,752,280	\$ 221.81	\$ 35,570,825	\$ 0.325949			
35	Revenue Deficiency - Net of Tax	\$ 87,466,845	\$ (0)	\$	\$	\$ 87,466,845	\$ 0.801493			