

**EXHIBIT NO. ___(JHS-23)
DOCKET NO. UE-060266/UG-060267
2006 PSE GENERAL RATE CASE
WITNESS: JOHN H. STORY**

**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**

**FOURTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED REBUTTAL TESTIMONY OF
JOHN H. STORY
ON BEHALF OF PUGET SOUND ENERGY, INC.**

AUGUST 23, 2006

2002 Utility Operations:

Results of Operations - Actual

(Per Comm. Basis Report)

	Electric	Gas	Total
21 Net Operating Income	212,276,159	78,710,111	290,986,270 A
22 Rate Base	2,588,830,450	1,068,854,952	3,657,685,402 B
23 Overall Rate of Return	8.20%	7.36%	7.96%
24 Implied Utility Operations ROE	9.95%	7.42%	9.21%

PSE "Utility" Capital Structure

	AMA Amount	Structure (%)	Rate (%)	Weighted Cost
15 Short Term Debt	131,839,500	3.25%	2.77%	0.09% C
16 Long Term Debt	2,180,798,445	53.76%	7.42%	3.99% C
17 Trust Preferred	300,000,000	7.40%	8.58%	0.63% C
18 Preferred Stock	104,099,400	2.57%	7.78%	0.20% C
19 Common Stock	1,339,577,881	33.02% D	9.21%	3.04%
20 Total	\$4,056,315,226	100.00%		7.96%

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27	COMBINED	A	290,986,270	Net Operating Income
28	B		3,657,685,402	
29	C		4.91%	
30			179,719,546	=====> - (179,719,546) Less Interest
31				111,266,724
32				
33	B		3,657,685,402	
34	D		33.02%	
35			1,207,932,369	=====> ÷ 1,207,932,369 Equity portion of ratebase
36				
37			9.21%	
38				
39	GAS		78,710,111	Net Operating Income
40			1,068,854,952	
41			4.91%	
42			52,517,947	=====> - (52,517,947) Less Interest
43				26,192,164
44				
45			1,068,854,952	
46			33.02%	
47			352,984,019	=====> ÷ 352,984,019 Equity portion of ratebase
48				
49			7.42%	
50				
51	ELECTRIC		212,276,159	Net Operating Income
52			2,588,830,450	
53			4.91%	
54			127,201,599	=====> - (127,201,599) Less Interest
55				85,074,560
56				
57			2,588,830,450	
58			33.02%	
59			854,948,350	=====> ÷ 854,948,350 Equity portion of ratebase
60				
61			9.95%	