

Exhibit No. \_\_\_ (RCM-4)  
Dockets UE-111048/UG-111049  
Witness: Roland C. Martin

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

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**DOCKET UE-111048  
DOCKET UG-111049  
(Consolidated)**

**TESTIMONY OF**

**ROLAND C. MARTIN**

**STAFF OF  
WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION**

*Comparison of Staff versus Company Adjustments*

**December 7, 2011**

PUGET SOUND ENERGY - ELECTRIC  
COMPARISON OF PSE-STAFF REVENUE REQUIREMENTS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010

Adj. No. (a)	Description (b)	PSE Direct (Supplemental)		Rev Req @8.42 (c)	Return on Rate Base (f)	NOI (c)	Staff		Rev Req @7.59% (f)	Return on Rate Base (f)	Staff-PSE Difference (g)
		NOI (c)	Rate Base (d)				NOI (c)	Rate Base (d)			
	Actual Results of Operations	117,427,311	4,100,870,913	367,082,379	2.86%	117,427,311	4,100,870,913	312,249,864	2.86%	(54,832,514)	
13.01	Power Costs	100,033,495	-	(161,149,667)	2.44%	115,317,944	-	(185,772,259)	2.81%	(24,622,593)	
13.02	Lower Snake River	(39,435,507)	687,710,765	156,811,777	-1.23%	(35,151,089)	644,066,095	135,377,915	-1.13%	(21,433,862)	
13.03	LSR PPD Transm Dep	(442,084)	110,538,909	15,705,962	-0.09%	(726,666)	110,846,093	14,723,961	-0.09%	(982,001)	
13.04	MT Electric Energy Tax	(100,186)	-	161,395	0.00%	(100,185)	-	161,394	0.00%	(0)	
13.05	Wild Horse Solar	179,073	(3,370,636)	(745,681)	0.01%	179,073	(3,370,636)	(700,612)	0.01%	45,069	
13.06	ASC 815 (Prev. SFAS 133)	108,519,513	-	(174,820,278)	2.65%	108,519,513	-	(174,820,278)	2.65%	0	
13.07	Storm Damage	1,349,514	-	(2,174,009)	0.03%	2,107,628	-	(3,393,299)	0.05%	(1,221,290)	
13.08	Remove Tenaska	30,284,100	(56,496,129)	(56,449,667)	0.79%	30,284,100	(56,496,129)	(55,694,260)	0.79%	755,407	
13.09	Chelan Payments	(4,607,243)	135,630,302	25,819,316	-0.20%	(4,607,243)	135,630,302	24,005,810	-0.20%	(1,813,506)	
13.10	Regulatory Assets & Liabilities	3,683,316	(19,546,418)	(8,584,991)	0.10%	1,374,710	(11,625,469)	(3,636,065)	0.04%	4,948,926	
13.11	Production Adjustment	2,294,360	(50,346,992)	(10,525,312)	0.09%	2,224,593	(49,421,747)	(9,626,603)	0.09%	898,709	
14.01	Temperature Normalization	12,971,429	-	(20,896,415)	0.32%	12,971,429	-	(20,896,416)	0.32%	(0)	
14.02	Revenue and Expenses	1,490,395	-	(2,400,962)	0.04%	1,490,395	-	(2,400,962)	0.04%	(0)	
14.03	Pass Through Rev and Exp	(306,445)	-	493,670	-0.01%	(306,445)	-	493,670	-0.01%	0	
14.04	Federal Income Tax	(60,471,550)	-	97,417,073	-1.47%	(60,471,551)	(41,414,322)	92,353,276	-1.46%	(5,063,797)	
14.05	Tax Benefit of Proforma Interest	55,619,944	-	(89,601,343)	1.36%	54,026,842	-	(87,034,924)	1.32%	2,566,419	
14.06	Operating Expenses	(4,311,356)	-	6,945,409	-0.11%	(4,219,511)	-	6,797,451	-0.10%	(147,959)	
14.07	General Plant Depreciation	688,453	(233,769)	(1,140,777)	0.02%	688,453	(233,769)	(1,137,651)	0.02%	3,126	
14.08	Injuries & Damages	(725,618)	-	1,168,939	-0.02%	(725,618)	-	1,168,939	-0.02%	(0)	
14.09	Bad Debt	1,638,181	-	(2,639,039)	0.04%	1,638,181	-	(2,639,039)	0.04%	-	
14.10	Incentive Pay	482,220	-	(776,836)	0.01%	2,277,270	-	(3,668,584)	0.06%	(2,891,748)	
14.11	Property Tax	(3,359,921)	-	5,412,689	-0.08%	(474,214)	-	763,938	-0.01%	(4,648,751)	
14.12	Excise Tax & Filing Fee	(200,979)	-	323,769	0.00%	(200,979)	-	323,769	0.00%	0	
14.13	D&O Insurance	33,584	-	(54,102)	0.00%	77,592	-	(124,997)	0.00%	(70,894)	
14.14	Interest on Customer Deposits	(47,149)	-	75,955	0.00%	(47,149)	-	75,955	0.00%	0	
14.15	Rate Case Expense	44,411	-	(71,544)	0.00%	-	-	-	0.00%	71,544	
14.16	Deferred G/L on Property Sales	(1,028,316)	-	1,656,573	-0.03%	(1,028,316)	-	1,656,573	-0.03%	0	
14.17	Property and Liability Insurance	(124,477)	-	200,528	0.00%	(124,477)	-	200,528	0.00%	0	
14.18	Pension Plan	(1,199,984)	-	1,933,123	-0.03%	(1,199,984)	-	1,933,123	-0.03%	(0)	
14.19	Wage Increase	(2,138,614)	-	3,445,215	-0.05%	(1,512,830)	-	2,437,104	-0.04%	(1,008,112)	
14.20	Investment Plan	(107,798)	-	173,658	0.00%	(83,624)	-	134,714	0.00%	(38,944)	
14.21	Employee Insurance	(81,749)	-	131,694	0.00%	69,938	-	(112,667)	0.00%	-244,361,2475	
14.22	Working Capital						(34,987,818)	(4,278,018)		(4,278,018)	
	<b>Total Adjustment</b>	200,623,010	803,886,032	(214,153,879)	4.56%	222,267,781	692,992,601	(273,330,513)	5.10%	(59,176,634)	
	<b>Adjusted Results of Operations</b>	318,050,320	4,904,756,945	152,928,499	6.48%	339,695,092	4,793,863,513	38,919,351	7.09%	(114,009,148)	
	check	318,050,320	8.42%	94,930,213		339,695,092	7.55%	24,169,148			