

**EXHIBIT NO. JHS-18
DOCKET NOS. UE-090704/UG-090705
2009 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-090704
Docket No. UG-090705**

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

DECEMBER 17, 2009

PUGET SOUND ENERGY
ELECTRIC RESULTS OF OPERATIONS
FORECAST TWELVE MONTHS ENDED DECEMBER 31, 2008 VS SEPTMEBER 30, 2007 GENERAL RATE CASE
UNIT COST

LINE NO.	12/31/2008		9/30/2007		VARIANCE	
	RESTATED RESULTS OF OPERATIONS	UNIT COST	RESTATED RESULTS OF OPERATIONS	UNIT COST		
		Dollars/Kwh 21,702,460,739		Dollars/Kwh 21,283,655,838		
1	<u>OPERATING REVENUES:</u>					
2	SALES TO CUSTOMERS	\$ 2,002,420,403	\$ 0.092267	\$ 1,966,434,673	\$ 0.092392	\$ 2,708,396
3	SALES FROM RESALE-FIRM	\$ 349,279	0.000016	458,138	0.000022	117,875
4	SALES TO OTHER UTILITIES	\$ 28,992,726	0.001336	14,704,466	0.000691	(13,998,915)
5	OTHER OPERATING REVENUES	\$ 40,339,974	0.001859	38,147,752	0.001792	(1,441,577)
6	TOTAL OPERATING REVENUES	\$ 2,072,102,382	\$ 0.095478	\$ 2,019,745,029	\$ 0.094897	\$ (12,614,222)
7						
8	<u>OPERATING REVENUE DEDUCTIONS:</u>					
9						
10	<u>POWER COSTS:</u>					
11	FUEL	\$ 300,380,824	\$ 0.013841	\$ 176,520,586	\$ 0.008294	\$ 120,386,789
12	PURCHASED AND INTERCHANGED	661,372,000	0.0304745	774,752,070	0.0364013	(128,625,100)
13	WHEELING	81,754,188	0.0037670	69,624,050	0.0032712	10,760,125
14	RESIDENTIAL EXCHANGE	-	0.0000000	(0)	0.0000000	0
15	TOTAL PRODUCTION EXPENSES	\$ 1,043,507,012	\$ 0.048082	\$ 1,020,896,706	\$ 0.047966	\$ 2,521,815
16						
17	OTHER POWER SUPPLY EXPENSES	\$ 100,386,955	\$ 0.004626	\$ 96,183,223	\$ 0.004519	2,311,105
18	TRANSMISSION EXPENSE	9,251,827	0.000426	8,567,648	0.000403	515,591
19	DISTRIBUTION EXPENSE	76,180,696	0.003510	67,664,296	0.003179	7,184,949
20	CUSTOMER ACCOUNT EXPENSES	42,166,329	0.001943	39,850,516	0.001872	1,531,662
21	CUSTOMER SERVICE EXPENSES	2,242,720	0.000103	2,028,306	0.000095	174,502
22	CONSERVATION AMORTIZATION	1,062	0.0000000	5,111	0.0000000	(4,149)
23	AMORTIZATION OF PROPERTY LOSS	17,889,546	0.000824	16,574,707	0.000779	988,693
24	OTHER OPERATING EXPENSES	11,351,345	0.000523	1,241,531	0.000058	10,085,384
25	FAS 133	-	0.0000000	-	0.0000000	-
26	ADMIN & GENERAL EXPENSE	94,968,855	0.00438	81,986,794	0.00385	11,368,783
27	Subtotal	354,439,336	\$ 0.016332	314,102,133	\$ 0.014758	\$ 34,156,521
28	DEPRECIATION	176,004,104	0.008110	161,919,743	0.007608	10,898,218
28	AMORTIZATION	43,980,979	0.002027	32,932,455	0.001547	10,400,502
29	TAXES OTHER INCOME TAXES	118,759,789	0.005472	120,664,263	0.005669	(4,278,821)
30	INCOME TAXES	32,185,351	0.001483	6,667,481	0.000313	25,386,672
31	DEFERRED INCOME TAXES	49,297,727	0.002272	90,017,435	0.004229	(42,491,008)
32	TOTAL OPERATING REV. DEDUCT.	\$ 1,818,174,299	\$ 0.083777	\$ 1,747,200,216	\$ 0.082091	\$ 36,593,898
33						
34	NET OPERATING INCOME	\$ 253,928,083	\$ 0.011700	\$ 272,544,813	\$ 0.012805	\$ 23,979,676
35						
36	RATE BASE	\$ 3,817,123,336	\$ 0.175884	\$ 3,303,573,534	\$ 0.155216	
37	RATE OF RETURN	8.50%		8.25%		
38	RETURN ON RATE BASE	\$ 324,455,484	\$ 0.014950	\$ 272,544,813	\$ 0.012805	46,547,725
39	REVENUE DEFICIENCY - NET OF TAX	\$ 70,527,401		\$ -		\$ 70,527,401

Note: Amounts presented in bold italic have changed since the Sept 28 supplemental filing.