

**EXHIBIT NO. ___(JHS-4)
DOCKET NO. UE-11___/UG-11___
2011 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-11___
Docket No. UG-11___**

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

JUNE 13, 2011

PUGET SOUND ENERGY, INC.-ELECTRIC
RESULTS OF OPERATIONS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS	REVENUE REQUIREMENT DEFICIENCY	AFTER RATE INCREASE	
1	OPERATING REVENUES					
2	SALES TO CUSTOMERS	\$ 2,042,334,319	\$ (64,997,951)	\$ 1,977,336,368	\$ 160,681,142	\$ 2,138,017,510
3	SALES FROM RESALE-FIRM/SPECIAL CONTRACT	350,182	867,565	1,217,748	594,415	1,812,163
4	SALES TO OTHER UTILITIES	201,262,557	(194,187,743)	7,074,814		7,074,814
5	OTHER OPERATING REVENUES	30,706,333	5,968,010	36,674,343		36,674,343
6	TOTAL OPERATING REVENUES	2,274,653,391	(252,350,118)	2,022,303,273	161,275,557	2,183,578,830
7						
8	OPERATING REVENUE DEDUCTIONS:					
9						
10	POWER COSTS:					
11	FUEL	\$ 268,147,071	\$ (22,572,118)	\$ 245,574,953	\$ -	\$ 245,574,953
12	PURCHASED AND INTERCHANGE	832,711,097	(332,393,764)	500,317,332		500,317,332
13	WHEELING	78,564,669	19,124,691	97,689,360		97,689,360
14	RESIDENTIAL EXCHANGE	(75,109,150)	75,109,150	-		-
15	TOTAL PRODUCTION EXPENSES	1,104,313,687	(260,732,041)	843,581,646	-	843,581,646
16						
17	OTHER POWER SUPPLY EXPENSES	\$ 102,409,192	\$ 24,983,852	\$ 127,393,044	\$ -	\$ 127,393,044
18	TRANSMISSION EXPENSE	11,865,443	365,083	12,230,526		12,230,526
19	DISTRIBUTION EXPENSE	82,924,735	(998,711)	81,926,024		81,926,024
20	CUSTOMER ACCTS EXPENSES	50,172,086	(2,459,606)	47,712,480	716,709	48,429,188
21	CUSTOMER SERVICE EXPENSES	13,431,632	(11,727,008)	1,704,624		1,704,624
22	CONSERVATION AMORTIZATION	75,336,909	(75,334,320)	2,589		2,589
23	ADMIN & GENERAL EXPENSE	94,643,935	3,938,663	98,582,598	322,551	98,905,149
24	DEPRECIATION	190,245,449	29,592,275	219,837,724		219,837,724
25	AMORTIZATION	40,184,321	(236,433)	39,947,888		39,947,888
26	AMORTIZ OF PROPERTY GAIN/LOSS	17,493,031	(552,298)	16,940,733		16,940,733
27	OTHER OPERATING EXPENSES	30,169,560	(26,608,988)	3,560,572		3,560,572
28	ASC 815	166,953,097	(166,953,097)	-		-
29	TAXES OTHER THAN INCOME TAXES	193,255,907	(67,569,351)	125,686,555	6,218,463	131,905,018
30	INCOME TAXES	16,263,334	(94,401,791)	(78,138,457)	53,906,194	(24,232,264)
31	DEFERRED INCOME TAXES	(32,436,237)	200,902,071	168,465,833		168,465,833
32	TOTAL OPERATING REV. DEDUCT.	\$ 2,157,226,080	\$ (447,791,701)	\$ 1,709,434,379	\$ 61,163,916	\$ 1,770,598,295
33						
34	NET OPERATING INCOME	\$ 117,427,311	\$ 195,441,583	\$ 312,868,894	\$ 100,111,641	\$ 412,980,535
35						
36	RATE BASE	\$ 4,100,870,913	\$ 803,886,033	\$ 4,904,756,946	\$ -	\$ 4,904,756,946
37						
38	RATE OF RETURN	2.86%		6.38%		8.42%
39						
40	RATE BASE:					
41	GROSS UTILITY PLANT IN SERVICE	\$ 7,157,671,291	\$ 693,485,863	\$ 7,851,157,154		
42	ACCUM DEPR AND AMORT	(2,758,182,029)	7,805,936	(2,750,376,093)		
43	DEFERRED DEBITS AND CREDITS	241,208,023	184,108,059	425,316,082		
44	DEFERRED TAXES	(656,658,557)	(81,513,826)	(738,172,383)		
45						
45	ALLOWANCE FOR WORKING CAPITAL	204,952,589	-	204,952,589		
46	OTHER	(88,120,404)	-	(88,120,404)		
47	TOTAL RATE BASE	\$ 4,100,870,913	\$ 803,886,033	\$ 4,904,756,946		

PUGET SOUND ENERGY, INC.-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
Adjustment Summary

LINE NO.	DEFERRED G/L ON PROPERTY SALES	PROPERTY & LIABILITY INS	PENSION PLAN	WAGE INCREASE	INVESTMENT PLAN	EMPLOYEE INSURANCE	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS
	6.16	6.17	6.18	6.19	6.20	6.21		
1 OPERATING REVENUES								
2 SALES TO CUSTOMERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(64,997,951)	\$ 1,977,336,368
3 SALES FROM RESALE-FIRM/SPECIAL CONTRACT							867,565	1,217,748
4 SALES TO OTHER UTILITIES							(194,187,743)	7,074,814
5 OTHER OPERATING REVENUES							5,968,010	36,674,343
6 TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(252,350,118)	\$ 2,022,303,273
7								
8 OPERATING REVENUE DEDUCTIONS								
9								
10 POWER COSTS:								
11 FUEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	(22,572,118)	\$ 245,574,953
12 PURCHASED AND INTERCHANGED				112,349			(332,393,764)	500,317,332
13 WHEELING							19,124,691	97,689,360
14 RESIDENTIAL EXCHANGE							75,109,150	-
15 TOTAL PRODUCTION EXPENSES	\$ -	\$ -	\$ -	\$ 112,349	\$ -	\$ -	(260,732,041)	\$ 843,581,646
16								
17 OTHER POWER SUPPLY EXPENSES	\$ -	\$ -	\$ -	\$ 727,816	\$ -	\$ -	24,983,852	\$ 127,393,044
18 TRANSMISSION EXPENSE				96,803			365,083	12,230,526
19 DISTRIBUTION EXPENSE				893,032			(998,711)	81,976,024
20 CUSTOMER ACCTS EXPENSES				540,466			(2,459,606)	47,712,480
21 CUSTOMER SERVICE EXPENSES				42,607			(11,727,008)	1,704,624
22 CONSERVATION AMORTIZATION							(75,334,320)	2,589
23 ADMIN & GENERAL EXPENSE			1,846,129	680,182	165,844	125,768	3,938,663	98,582,598
24 DEPRECIATION		191,504					29,592,275	219,837,724
25 AMORTIZATON							(236,433)	39,947,888
26 AMORTIZ OF PROPERTY GAIN/LOSS							(552,298)	16,940,733
27 OTHER OPERATING EXPENSES	1,582,025						(26,608,988)	3,560,572
28 ASC 815							(166,953,097)	-
29 TAXES OTHER THAN INCOME TAXES				196,920			(67,569,351)	125,686,555
30 INCOME TAXES	(553,709)	(67,026)	(646,145)	(1,151,561)	(58,046)	(44,019)	(94,401,791)	(78,138,457)
31 DEFERRED INCOME TAXES							200,902,071	168,465,833
32 TOTAL OPERATING REV. DEDUCT.	\$ 1,028,316	\$ 124,477	\$ 1,199,984	\$ 2,138,614	\$ 107,798	\$ 81,749	(447,791,701)	\$ 1,709,434,379
33								
34 NET OPERATING INCOME	\$ (1,028,316)	\$ (124,477)	\$ (1,199,984)	\$ (2,138,614)	\$ (107,798)	\$ (81,749)	\$ 195,441,583	\$ 312,868,894
35								
36 RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 803,886,033	\$ 4,904,756,946
37								
38 RATE OF RETURN								6.38%
39								
40 RATE BASE:								
41 GROSS UTILITY PLANT IN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 693,485,863	\$ 7,851,157,154
42 ACCUM DEPR AND AMORT							7,805,936	(2,750,376,093)
43 DEFERRED DEBITS AND CREDITS							184,108,059	425,316,082
44 DEFERRED TAXES							(81,513,826)	(738,172,383)
45								
46 ALLOWANCE FOR WORKING CAPITAL							-	204,952,589
47 OTHER							-	(88,120,403)
TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 803,886,033	\$ 4,904,756,946