

**EXHIBIT NO. ___(JHS-8)
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___**

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

JUNE 13, 2011

PUGET SOUND ENERGY
ELECTRIC RESULTS OF OPERATIONS
FORECAST TWELVE MONTHS ENDED DECEMBER 31, 2010 VS DECEMBER 31, 2008 GENERAL RATE CASE
UNIT COST

LINE NO.	12/31/2010		12/31/2008		VARIANCE	
	RESTATED RESULTS OF OPERATIONS	UNIT COST	RESTATED RESULTS OF OPERATIONS	UNIT COST		
		Dollars/Kwh 21,143,300,002		Dollars/Kwh 21,821,673,792		
1	<u>OPERATING REVENUES:</u>					
2	SALES TO CUSTOMERS	\$ 1,977,336,368	\$ 0.093521	\$ 2,034,174,915	\$ 0.093218	\$ (6,398,167)
3	SALES FROM RESALE-FIRM	1,217,748	0.000058	353,136	0.000016	(875,590)
4	SALES TO OTHER UTILITIES	7,074,814	0.000335	29,152,008	0.001336	21,170,941
5	OTHER OPERATING REVENUES	36,674,343	0.001735	40,410,071	0.001852	2,479,494
6	TOTAL OPERATING REVENUES	\$ 2,022,303,273	\$ 0.095647	\$ 2,104,090,130	\$ 0.096422	\$ 16,376,678
7						
8	OPERATING REVENUE DEDUCTIONS:					
9						
10	<u>POWER COSTS:</u>					
11	FUEL	\$ 245,574,953	\$ 0.011615	\$ 300,188,768	\$ 0.013756	\$ (45,281,800)
12	PURCHASED AND INTERCHANGED	500,317,332	0.0236632	630,151,589	0.0288773	(110,244,635)
13	WHEELING	97,689,360	0.0046203	82,203,316	0.0037670	18,041,511
14	RESIDENTIAL EXCHANGE	-	0.0000000	-	0.0000000	-
15	TOTAL PRODUCTION EXPENSES	\$ 843,581,646	\$ 0.039898	\$ 1,012,543,673	\$ 0.046401	\$ (137,484,924)
16						
17	OTHER POWER SUPPLY EXPENSES	\$ 127,393,044	\$ 0.006025	\$ 107,091,100	\$ 0.004908	23,631,102
18	TRANSMISSION EXPENSE	12,230,526	0.000578	8,899,925	0.000408	3,607,274
19	DISTRIBUTION EXPENSE	81,926,024	0.003875	74,958,556	0.003435	9,297,716
20	CUSTOMER ACCOUNT EXPENSES	47,712,480	0.002257	41,977,339	0.001924	7,040,097
21	CUSTOMER SERVICE EXPENSES	1,704,624	0.000081	2,200,805	0.000101	(427,765)
22	CONSERVATION AMORTIZATION	2,589	0.000000	1,062	0.000000	1,560
23	AMORTIZATION OF PROPERTY LOSS	16,940,733	0.000801	17,897,856	0.000820	(400,730)
24	OTHER OPERATING EXPENSES	3,560,572	0.000168	8,190,584	0.000375	(4,375,390)
25	ASC 815	-	0.000000	-	0.000000	-
26	ADMIN & GENERAL EXPENSE	98,582,598	0.00466	89,781,329	0.00411	11,592,315
27	Subtotal	390,053,189	\$ 0.018448	350,998,557	\$ 0.016085	\$ 49,966,179
28	DEPRECIATION	219,837,724	0.010398	175,753,602	0.008054	49,547,802
28	AMORTIZATION	39,947,888	0.001889	41,715,383	0.001912	(470,682)
29	TAXES OTHER INCOME TAXES	125,686,555	0.005945	122,553,987	0.005616	6,942,424
30	INCOME TAXES	(78,138,458)	-0.003696	47,621,990	0.002182	(124,280,015)
31	DEFERRED INCOME TAXES	168,465,833	0.007968	49,297,727	0.002259	120,700,632
32	TOTAL OPERATING REV. DEDUCT.	\$ 1,709,434,379	\$ 0.080850	\$ 1,800,484,919	\$ 0.082509	\$ (35,078,584)
33						
34	NET OPERATING INCOME	\$ 312,868,894	\$ 0.014798	\$ 303,605,211	\$ 0.013913	\$ (18,701,906)
35						
36	RATE BASE	\$ 4,904,756,946	\$ 0.231977	\$ 3,748,212,489	\$ 0.171766	
37	RATE OF RETURN	8.42%		8.10%		
38	RETURN ON RATE BASE	\$ 412,980,535	\$ 0.019532	\$ 303,605,212	\$ 0.013913	118,813,546
39	REVENUE DEFICIENCY - NET OF TAX	\$ 100,111,641		\$ 0		\$ 100,111,641