

EXHIBIT NO. ___(JHS-12)
DOCKET NO. UE-06 ___/UG-06 ___
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-06 ___
Docket No. UG-06 ___

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

FEBRUARY 15, 2006

Line No.	Delivered Load	20,339,226,968		Annualized Growth Rate 2 years	20,522,175,000		Tax impact
		30-Sep-03 Without PCA	30-Sep-05 Without PCA		Number of Years End of Rate Year	2.25	
	OPERATING REVENUES:						
1	SALES TO CUSTOMERS	\$ 509,131,960	\$ 509,806,957	\$ 0.025065	514,392,587	Adj. by Load	
2	SALES FROM RESALE-FIRM	\$ 480,277	\$ 478,623		478,623		
3	SALES TO OTHER UTILITIES	\$ -	\$ -		0		
4	OTHER OPERATING REVENUES	\$ 28,929,091	\$ 31,816,928	0.048725268	35,411,730		
5	TOTAL OPERATING REVENUES	\$ 538,541,328	\$ 542,102,508		550,282,941	2,863,151	
6							
7	OPERATING REVENUE DEDUCTIONS:						
8							
9	POWER COSTS:	\$ -	\$ -				
10	FUEL	\$ -	\$ -				
11	PURCHASED AND INTERCHANGED	\$ (0)	\$ 0				
12	WHEELING	\$ (1)	\$ -				
13	RESIDENTIAL EXCHANGE	\$ -	\$ -				
14	TOTAL PRODUCTION EXPENSES	\$ (1)	\$ 0				
15							
16	OTHER POWER SUPPLY EXPENSES	\$ -	\$ 0		0		
17	TRANSMISSION EXPENSE	\$ 3,117,030	\$ 3,289,438	0.027283667	3,494,822		
18	DISTRIBUTION EXPENSE	\$ 60,619,256	\$ 61,562,237	0.007747886	62,640,636		
19	CUSTOMER ACCOUNT EXPENSES	\$ 30,117,099	\$ 30,465,490	0.005767303	30,862,249		
20	CUSTOMER SERVICE EXPENSES	\$ 2,941,948	\$ 4,531,287	0.24106142	7,366,419		
21	CONSERVATION AMORTIZATION	\$ 98,370	\$ -		0		
22	AMORTIZATION OF PROPERTY LOSS	\$ 6,165,768	\$ 4,757,062		4,757,062		
23	OTHER OPERATING EXPENSES	\$ 195,650	\$ (232,518)		-232,518		
24	FAS 133	\$ -	\$ -		0		
25	ADMIN & GENERAL EXPENSE	\$ 65,202,221	\$ 69,155,553	0.029869828	73,890,280		
26	Subtotal	\$ 168,457,342	\$ 173,528,549		182,778,950	-3,237,640	
27	DEPRECIATION	\$ 79,610,729	\$ 83,697,595	0.025346583	88,546,628	-1,697,162	
28	AMORTIZATION	\$ 23,879,055	\$ 23,754,486	-0.002611744	23,615,122	48,777	
29	TAXES OTHER THAN F.I.T.	\$ 45,272,610	\$ 46,257,946	0.010823674	47,392,106	-396,956	
30	FEDERAL INCOME TAXES	\$ 51,477,379	\$ 72,494,221		70,074,392	-2,419,829	
31	DEFERRED INCOME TAXES	\$ 29,331,040	\$ (163,593)		-163,593		
32	TOTAL OPERATING REV. DEDUCT.	\$ 398,028,155	\$ 399,569,203		412,243,604		
33							
34	NET OPERATING INCOME	\$ 140,513,173	\$ 142,533,305		138,039,336		
35							
36	RATE BASE WITH BONUS DEPREC.	\$ 1,672,775,916	\$ 1,627,092,541	\$ (31,580,043)	1,595,512,498		
37	RATE OF RETURN	8.40%	8.76%		8.76%		
38	Return on Rate Base	\$ 140,513,177	\$ 142,533,305		139,766,894		
39	Revenue Deficiency - Net of Tax	\$ 4	\$ 0		1,727,557		
40							
41							
42							
43	Rate base growth without bonus Deprec.	\$ 1,688,772,992	\$ 1,660,188,128	-0.008499324	1,628,608,085		
44				Difference	\$ (31,580,043)		

Line No.		9/30/2005			9/30/2003		
		RESTATED RESULTS OF OPERATIONS	PCA Adjustments	9/30/2005 Adjusted for PCA	RESTATED RESULTS OF OPERATIONS	PCA Adjustments	9/30/2003 Adjusted for PCA
1							
2	OPERATING REVENUES:						
3	SALES TO CUSTOMERS	\$1,756,311,890	-1,246,504,933	\$ 509,806,957	\$ 1,472,490,440	-963,358,480	\$ 509,131,960
4	SALES FROM RESALE-FIRM	\$478,623		\$ 478,623	\$ 480,277		\$ 480,277
5	SALES TO OTHER UTILITIES	\$10,163,628	-10,163,628	\$ -	\$ 27,538,643	-27,538,643	\$ -
6	OTHER OPERATING REVENUES	\$36,157,442	-4,340,513	\$ 31,816,928	\$ 32,653,921	-3,724,830	\$ 28,929,091
7	TOTAL OPERATING REVENUES	\$1,803,111,583	-1,261,009,074	\$ 542,102,508	\$ 1,533,163,281	-994,621,953	\$ 538,541,328
8							
9	OPERATING REVENUE DEDUCTIONS:						
10							
11	POWER COSTS:						
12	FUEL	\$92,934,509	-92,934,509	\$ -	\$ 137,354,114	-137,354,114	\$ -
13	PURCHASED AND INTERCHANGED	\$735,563,694	-735,563,694	\$ 0	\$ 587,264,728	-587,264,728	\$ (0)
14	WHEELING	\$61,937,178	-61,937,178	\$ -	\$ 44,231,986	-44,231,987	\$ (1)
15	RESIDENTIAL EXCHANGE	\$0		\$ -	\$ -		\$ -
16	TOTAL PRODUCTION EXPENSES	\$890,435,381	-890,435,381	\$ 0	\$ 768,850,828	-768,850,829	\$ (1)
17							
18	OTHER POWER SUPPLY EXPENSES	\$73,832,956	-73,832,956	\$ 0	\$ 52,551,925	-52,551,925	\$ -
19	TRANSMISSION EXPENSE	\$4,151,687	-862,248	\$ 3,289,438	\$ 3,602,990	-485,960	\$ 3,117,030
20	DISTRIBUTION EXPENSE	\$61,562,237		\$ 61,562,237	\$ 60,619,256		\$ 60,619,256
21	CUSTOMER ACCOUNT EXPENSES	\$36,231,725	-5,766,235	\$ 30,465,490	\$ 34,600,855	-4,483,756	\$ 30,117,099
22	CUSTOMER SERVICE EXPENSES	\$4,531,287		\$ 4,531,287	\$ 2,941,948		\$ 2,941,948
23	CONSERVATION AMORTIZATION	\$0		\$ -	\$ 98,370		\$ 98,370
24	AMORTIZATION OF PROPERTY LOSS	\$4,757,062		\$ 4,757,062	\$ 6,165,768		\$ 6,165,768
25	OTHER OPERATING EXPENSES	(\$232,518)		\$ (232,518)	\$ 195,650		\$ 195,650
26	FAS 133	\$0		\$ -	\$ -		\$ -
27	ADMIN & GENERAL EXPENSE	\$74,581,263	-5,425,710	\$ 69,155,553	\$ 70,951,920	-5,749,699	\$ 65,202,221
28	Subtotal	\$259,415,699	-85,887,150	\$ 173,528,549	\$ 231,728,682	-63,271,340	\$ 168,457,342
29	DEPRECIATION	\$156,882,885	-73,185,290	\$ 83,697,595	\$ 125,292,233	-45,681,504	\$ 79,610,729
30	AMORTIZATION	\$25,235,870	-1,481,384	\$ 23,754,486	\$ 25,354,610	-1,475,555	\$ 23,879,055
31	TAXES OTHER THAN F.I.T.	\$114,033,310	-67,775,363	\$ 46,257,946	\$ 100,251,689	-54,979,079	\$ 45,272,610
32	FEDERAL INCOME TAXES	\$96,835,584	-24,341,363	\$ 72,494,221	\$ 40,500,344	10,977,035	\$ 51,477,379
33	DEFERRED INCOME TAXES	(\$163,593)		\$ (163,593)	\$ 27,432,615	1,898,425	\$ 29,331,040
34	TOTAL OPERATING REV. DEDUCT.	\$1,542,675,135	-1,143,105,932	\$ 399,569,203	\$ 1,319,411,001	-921,382,846	\$ 398,028,155
35							
36	NET OPERATING INCOME	\$260,436,448	-117,903,142	\$ 142,533,305	\$ 213,752,280	-73,239,107	\$ 140,513,173
37							
38	RATE BASE	\$2,973,018,835	-1,345,926,293	\$ 1,627,092,541	\$ 2,544,670,041	-871,894,125	\$ 1,672,775,916
39	RATE OF RETURN	8.76%	8.76%	8.76%	8.40%	8.40%	8.40%
40	Return on Rate Base	\$ 260,436,448	-117,903,142	\$ 142,533,305	\$ 213,752,280	-73,239,107	\$ 140,513,177
41	Revenue Deficiency - Net of Tax	\$ 0	0	\$ 0	\$ (0)	0	\$ 4
42							
43	Ratebase with Bonus Depreciaton			\$ 1,627,092,541			\$ 1,672,775,916
44	Remove Bonus Depreciation			33,095,587			15,997,076
45	Ratebase without Bonus Depreciaton			\$ 1,660,188,128			\$ 1,688,772,992