

**EXHIBIT NO. \_\_\_(JKP-5)  
DOCKET NO. UE-11\_\_\_/UG-11\_\_\_  
2011 PSE GENERAL RATE CASE  
WITNESS: JANET K. PHELPS**

**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\_\_\_**

**FOURTH EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED DIRECT TESTIMONY OF  
JANET K. PHELPS  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**JUNE 13, 2011**

**Puget Sound Energy - 2011 Gas Cost of Service Study**  
**Proposed Test Year With Gas**  
**Summary**

Line No.	Description	Total Company	Residential (16,23,53)	Comm. & Indus. (31,61)	Large Volume (41,41T)	Interruptible (85, 85T)	Limited Interruptible (86, 86T)	Non-Exclusive Interruptible (87, 87T)	Contracts	Rentals
	(a)	(b)	(c)	(d)	(e)	(g)	(h)	(i)	(j)	(k)
<b>Rate Base</b>										
1	Plant in Service	\$ 2,794,672,762	\$ 1,894,220,258	\$ 632,946,768	\$ 103,104,298	\$ 48,830,364	\$ 12,603,142	\$ 48,066,292	\$ 16,781,495	\$ 38,120,145
2	Accumulated Reserve	(933,554,964)	(622,900,332)	(209,715,003)	(30,859,146)	(14,488,528)	(3,831,160)	(14,058,247)	(4,899,528)	(32,803,019)
3	Other Rate Base Items	(202,812,274)	(139,350,108)	(46,322,324)	(7,859,340)	(3,705,884)	(782,435)	(3,668,902)	(1,368,016)	244,736
4	<b>TOTAL RATE BASE</b>	<b>\$ 1,658,305,524</b>	<b>\$ 1,131,969,817</b>	<b>\$ 376,909,440</b>	<b>\$ 64,385,812</b>	<b>\$ 30,635,952</b>	<b>\$ 7,989,547</b>	<b>\$ 30,339,143</b>	<b>\$ 10,513,952</b>	<b>\$ 5,561,861</b>
<b>Revenue at Current Rates</b>										
5	Gas Revenues	628,515,103	394,704,822	144,583,285	48,354,809	11,608,811	9,365,238	19,898,138	-	-
6	Base Rate Revenues	420,045,912	289,229,013	85,374,213	18,192,109	8,563,124	3,045,621	5,844,435	1,658,616	8,138,782
7	Other Revenues	6,760,042	4,549,895	1,932,279	121,667	62,598	25,836	36,239	25	31,504
8	<b>TOTAL REVENUE</b>	<b>\$ 1,055,321,057</b>	<b>\$ 688,483,731</b>	<b>\$ 231,889,776</b>	<b>\$ 66,668,584</b>	<b>\$ 20,234,533</b>	<b>\$ 12,436,695</b>	<b>\$ 25,778,812</b>	<b>\$ 1,658,641</b>	<b>\$ 8,170,285</b>
<b>Expenses at Current Rates</b>										
9	Operation and Maintenance	729,077,423	473,702,970	161,794,490	48,751,896	12,690,863	9,492,918	20,549,697	477,026	1,617,564
10	Depreciation Expense	108,564,422	73,917,535	24,329,894	3,938,175	1,874,740	482,460	1,831,007	640,056	1,550,555
11	Taxes Other Than Income	61,034,225	40,375,000	13,452,491	3,312,104	1,142,893	576,224	1,331,832	181,442	662,239
12	Income Taxes	36,819,374	25,133,137	8,368,524	1,429,559	680,210	177,392	673,620	233,441	123,490
13	<b>TOTAL EXPENSES - Current</b>	<b>\$ 935,495,444</b>	<b>\$ 613,128,642</b>	<b>\$ 207,945,399</b>	<b>\$ 57,431,734</b>	<b>\$ 16,388,705</b>	<b>\$ 10,728,995</b>	<b>\$ 24,386,155</b>	<b>\$ 1,531,966</b>	<b>\$ 3,953,848</b>
14	Operating Income - Current	\$ 119,825,614	\$ 75,355,089	\$ 23,944,377	\$ 9,236,851	\$ 3,845,828	\$ 1,707,700	\$ 1,392,656	\$ 126,675	\$ 4,216,438
15	Current Rate of Return	7.23%	6.66%	6.35%	14.35%	12.55%	21.37%	4.59%	1.20%	75.81%
<b>Calculation of Rate Schedule Revenue Requirement at Equal Rates of Return</b>										
16	Required Return	8.42%	8.42%	8.42%	8.42%	8.42%	8.42%	8.42%	8.42%	8.42%
17	Required Operating Income	\$ 139,629,325	\$ 95,311,859	\$ 31,735,775	\$ 5,421,285	\$ 2,579,547	\$ 672,720	\$ 2,554,556	\$ 885,275	\$ 468,309
18	Operating Income (Deficiency)/Surplus	(19,803,711)	(19,956,770)	(7,791,398)	3,815,566	1,266,280	1,034,981	(1,161,900)	(758,600)	3,748,129
19	Revenue Conversion Factor	0.621490								
20	Revenue (Deficiency) / Surplus	\$ (31,864,888)	\$ (28,212,071)	\$ (10,494,984)	\$ 3,344,675	\$ 1,042,982	\$ 974,168	\$ (1,374,898)	\$ (831,290)	\$ 3,686,529
21	Revenue Requirement	\$ 1,087,185,946	\$ 716,695,802	\$ 242,384,760	\$ 63,323,909	\$ 19,191,551	\$ 11,462,527	\$ 27,153,709	\$ 2,489,931	\$ 4,483,756
22	Revenues Other Than Rate Sch. Rev.	6,760,042	4,549,895	1,932,279	121,667	62,598	25,836	36,239	25	31,504
23	Rate Schedule Revenue Requirement	1,080,425,903	712,145,906	240,452,482	63,202,242	19,128,953	11,436,691	27,117,471	2,489,906	4,452,253
24	Deficiency / (Surplus) as % of Rate Rev	3.04%	4.12%	4.56%	-5.03%	-5.17%	-7.85%	5.34%	50.12%	-45.30%
<b>Expenses at Required Return</b>										
25	Operation and Maintenance	\$ 729,251,883	\$ 473,837,034	\$ 161,825,793	\$ 48,755,785	\$ 12,692,224	\$ 9,493,486	\$ 20,550,583	\$ 477,277	\$ 1,619,699
26	Depreciation Expense	108,564,422	73,917,535	24,329,894	3,938,175	1,874,740	482,460	1,831,007	640,056	1,550,555
27	Taxes Other Than Income	62,257,390	41,217,229	13,701,099	3,365,079	1,167,828	585,093	1,348,851	186,272	685,938
28	Income Taxes	47,482,926	32,412,145	10,792,199	1,843,585	877,211	228,768	868,713	301,050	159,255
29	<b>TOTAL EXPENSES - Required</b>	<b>\$ 947,556,621</b>	<b>\$ 621,383,943</b>	<b>\$ 210,648,985</b>	<b>\$ 57,902,624</b>	<b>\$ 16,612,004</b>	<b>\$ 10,789,807</b>	<b>\$ 24,599,154</b>	<b>\$ 1,604,656</b>	<b>\$ 4,015,448</b>
30	Rate Schedule Revenue as Proposed	\$ 1,080,423,556	\$ 707,100,883	\$ 236,798,409	\$ 67,275,582	\$ 20,515,137	\$ 12,410,831	\$ 26,444,792	\$ 1,739,141	\$ 8,138,782
31	Other Revenue	6,760,042	4,549,895	1,932,279	121,667	62,598	25,836	36,239	25	31,504
32	<b>Revenue as Proposed</b>	<b>\$ 1,087,183,599</b>	<b>\$ 711,650,779</b>	<b>\$ 238,730,688</b>	<b>\$ 67,397,249</b>	<b>\$ 20,577,735</b>	<b>\$ 12,436,667</b>	<b>\$ 26,481,031</b>	<b>\$ 1,739,166</b>	<b>\$ 8,170,285</b>
33	Proposed Revenue Increase	\$ 31,862,541	\$ 23,167,048	\$ 6,840,912	\$ 728,664	\$ 343,202	\$ (28)	\$ 702,219	\$ 80,525	\$ -
34	<b>Proposed Revenue - Revenue Requirement</b>	<b>\$ 1,087,183,599</b>	<b>\$ 711,650,779</b>	<b>\$ 238,730,688</b>	<b>\$ 67,397,249</b>	<b>\$ 20,577,735</b>	<b>\$ 12,436,667</b>	<b>\$ 26,481,031</b>	<b>\$ 1,739,166</b>	<b>\$ 8,170,285</b>
35	Current Revenue to Cost Ratio	0.97	0.96	0.96	1.05	1.05	1.09	0.95	0.67	1.83
36	<b>Parity Ratio</b>	<b>1.00</b>	<b>0.99</b>	<b>0.99</b>	<b>1.08</b>	<b>1.09</b>	<b>1.12</b>	<b>0.98</b>	<b>0.69</b>	<b>1.88</b>
37	Proposed Revenue to Cost Ratio	1.00	0.99	0.98	1.06	1.07	1.09	0.98	0.70	1.83