

**EXHIBIT NO. \_\_\_(MJS-5)  
DOCKET NO. UE-11\_\_\_/UG-11\_\_\_  
2011 PSE GENERAL RATE CASE  
WITNESS: MICHAEL J. STRANIK**

**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  
MICHAEL J. STRANIK  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**JUNE 13, 2011**

**PUGET SOUND ENERGY-GAS  
WATER HEATER DEPRECIATION  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA RESTATED	ADJUSTMENT
1	<u>ADJUSTMENT TO OPERATING EXPENSES</u>			
2	DEPRECIATION EXPENSE	\$ 7,798,988	\$ 1,535,589	\$ (6,263,399)
3	TOTAL WATER HEATERS DEPRECIATION EXPENSE	<u>7,798,988</u>	<u>1,535,589</u>	<u>(6,263,399)</u>
4				
5	INCREASE (DECREASE) EXPENSE			\$ (6,263,399)
6				
7	INCREASE (DECREASE) FIT EXPENSE		35%	<u>\$ 2,192,190</u>
8				
9	INCREASE (DECREASE) NOI			<u>\$ 4,071,209</u>
11				
12	<u>ADJUSTMENT TO RATE BASE</u>			
12	IMPACT ON ACCUMULATED DEPRECIATION			\$ (2,431,349)
13	DEFERRED FEDERAL INCOME TAX BENEFIT			<u>\$ 212,503</u>
14				
14	TOTAL ADJUSTMENT TO RATEBASE			<u>\$ (2,218,846)</u>

**PUGET SOUND ENERGY-GAS  
RECLASSIFICATION OF BARE STEEL PIPE TO WRAPPED STEEL PIPE  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010  
GENERAL RATE INCREASE**

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1	<u>ADJUSTMENT TO OPERATING EXPENSES</u>			
2	403 DEPRECIATION EXPENSE	\$ 1,062,621	\$ 1,363,155	\$ 300,534
3				
4	INCREASE (DECREASE) EXPENSE			\$ 300,534
5				
6	INCREASE (DECREASE) FIT EXPENSE		35%	\$ (105,187)
7				
8	INCREASE(DECREASE) NOI			<u>\$ (195,347)</u>
9				
10	<u>ADJUSTMENT TO RATE BASE</u>			
11	ADJUSTMENT TO ACCUM. DEPREC.			\$ (150,267)
12	DEFERRED FEDERAL INCOME TAXES			<u>\$ 52,593</u>
13	TOTAL ADJUSTMENT TO RATEBASE			<u><u>(97,673)</u></u>

**PUGET SOUND ENERGY-GAS  
CONTRACT CHANGES  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010  
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1 <u>ADJUSTMENT TO OPERATING EXPENSES</u>			
2 DECREASE IN SERVICE CONTRACT O&M BASELINE CHARGES	\$ 8,525,942	\$ 7,541,080	\$ (984,862)
3 INCREASE(DECREASE ) IN EXPENSE	\$ 8,525,942	\$ 7,541,080	\$ (984,862)
4			
5 TOTAL INCREASE (DECREASE) IN INCOME			\$ (984,862)
6 INCREASE (DECREASE) FIT @ 35%		35.00%	\$ 344,702
7			
8 INCREASE (DECREASE) NOI			<u>\$ 640,161</u>