

**EXHIBIT NO. \_\_\_(JHS-5)  
DOCKET NO. UE-09\_\_\_/UG-09\_\_\_  
2009 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-09\_\_\_  
Docket No. UG-09\_\_\_**

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

**MAY 8, 2009**

**PUGET SOUND ENERGY-ELECTRIC  
GENERAL RATE INCREASE  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	
1	RATE BASE	\$ 3,771,145,344
2	RATE OF RETURN	8.56%
3		
4	OPERATING INCOME REQUIREMENT	322,810,041
5		
6	PRO FORMA OPERATING INCOME	230,587,485
7	OPERATING INCOME DEFICIENCY	92,222,557
8		
9	CONVERSION FACTOR	0.6212620
10	REVENUE REQUIREMENT DEFICIENCY	148,443,904
11	LARGE FIRM WHOLESale	217,835
12	SALES FROM RESALE-FIRM	78,069
13	REVENUE REQUIREMENT DEFICIENCY	\$ 148,148,000

**PUGET SOUND ENERGY-ELECTRIC  
PRO FORMA COST OF CAPITAL  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	PRO FORMA CAPITAL %	COST %	COST OF CAPITAL
1	SHORT TERM DEBT	3.95%	2.47%	0.10%
2	LONG TERM DEBT	48.05%	6.82%	3.28%
3	PREFERRED	0.00%	0.00%	0.00%
4	EQUITY	48.00%	10.80%	5.18%
5	TOTAL	100.00%		8.56%
6				
7	AFTER TAX SHORT TERM DEBT ( (LINE 1)* 65%	3.95%	1.61%	0.07%
8	AFTER TAX LONG TERM DEBT ( (LINE 2)* 65%)	48.05%	4.43%	2.13%
9	PREFERRED	0.00%	0.00%	0.00%
10	EQUITY	48.00%	10.80%	5.18%
11	TOTAL AFTER TAX COST OF CAPITAL	100.00%		7.38%

**PUGET SOUND ENERGY-ELECTRIC  
CONVERSION FACTOR  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008  
GENERAL RATE INCREASE**

<b>LINE NO.</b>	<b>DESCRIPTION</b>	<b>RATE</b>
1	BAD DEBTS	0.003622
2	ANNUAL FILING FEE	0.002000
3	STATE UTILITY TAX ( 3.873% - ( LINE 1 * 3.873% ) )	3.873% <u>0.038590</u>
4		
5	SUM OF TAXES OTHER	0.044212
6		
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX ( 1 - LINE )	0.955788
8	FEDERAL INCOME TAX ( LINE 7 * 0% )	35% 0.334526
9	CONVERSION FACTOR INCL FEDERAL INCOME TAX ( LINE 7 - LINE 8 )	<u>0.621262</u>