

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

**FOURTH EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED DIRECT TESTIMONY OF  
MICHAEL J. STRANIK  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**MAY 8, 2009**

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

LINE NO.	DESCRIPTION		
1	RATE BASE	\$	1,474,390,203
2	RATE OF RETURN		<u>8.56%</u>
3			
4	OPERATING INCOME REQUIREMENT		126,207,801
5			
6	PRO FORMA OPERATING INCOME		<u>109,292,915</u>
7	OPERATING INCOME DEFICIENCY		16,914,886
8			
9	CONVERSION FACTOR		<u>62.18910%</u>
10			
11			
12	REVENUE REQUIREMENT DEFICIENCY		27,199,117
13	OTHER OPERATING REVENUES		184,228
14			
15	REVENUE REQUIREMENT DEFICIENCY	<u>\$</u>	<u><u>27,014,889</u></u>

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

LINE NO.	DESCRIPTION	BASE	RATE	AMOUNT
1	BAD DEBTS			0.002833
2	ANNUAL FILING FEE			0.002000
3	STATE UTILITY TAX ( 3.852% - ( LINE 1 * 3.852% ) )		3.852%	<u>0.038411</u>
4				
5	SUM OF TAXES OTHER			0.043244
6				
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX ( 1 - LINE 5)			0.956756
8	FEDERAL INCOME TAX ( LINE 7 * 35%)	0.350000		<u>0.334865</u>
9				
10	CONVERSION FACTOR			<u><u>0.621891</u></u>