

**EXHIBIT NO. ___(JHS-12)
DOCKET NOS. UE-090704/UG-090705
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-090704
Docket No. UG-090705**

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

SEPTEMBER 28, 2009

PUGET SOUND ENERGY
ELECTRIC RESULTS OF OPERATIONS
FORECAST TWELVE MONTHS ENDED DECEMBER 31, 2008 VS SEPTMEBER 30, 2007 GENERAL RATE CASE
UNIT COST

LINE NO.	12/31/2008		9/30/2007		VARIANCE	
	RESTATED RESULTS OF OPERATIONS	UNIT COST	RESTATED RESULTS OF OPERATIONS	UNIT COST		
		Dollars/Kwh 21,702,460,739		Dollars/Kwh 21,283,655,838		
1	<u>OPERATING REVENUES:</u>					
2	SALES TO CUSTOMERS	\$ 2,002,420,403	\$ 0.092267	\$ 1,966,434,673	\$ 0.092392	\$ 2,708,396
3	SALES FROM RESALE-FIRM	\$ 349,279	0.000016	458,138	0.000022	117,875
4	SALES TO OTHER UTILITIES	\$ 28,655,965	0.001320	14,704,466	0.000691	(13,662,154)
5	OTHER OPERATING REVENUES	\$ 40,339,974	0.001859	38,147,752	0.001792	(1,441,577)
6	TOTAL OPERATING REVENUES	\$ 2,071,765,620	\$ 0.095462	\$ 2,019,745,029	\$ 0.094897	\$ (12,277,460)
7						
8	OPERATING REVENUE DEDUCTIONS:					
9						
10	<u>POWER COSTS:</u>					
11	FUEL	\$ 308,601,246	\$ 0.014220	\$ 176,520,586	\$ 0.008294	\$ 128,607,211
12	PURCHASED AND INTERCHANGED	662,671,742	0.030534	774,752,070	0.0364013	(127,325,358)
13	WHEELING	81,754,188	0.003767	69,624,050	0.0032712	10,760,125
14	RESIDENTIAL EXCHANGE	-	0.0000000	(0)	0.0000000	0
15	TOTAL PRODUCTION EXPENSES	\$ 1,053,027,176	\$ 0.048521	\$ 1,020,896,706	\$ 0.047966	\$ 12,041,978
16						
17	OTHER POWER SUPPLY EXPENSES	\$ 109,094,806	\$ 0.005027	\$ 96,183,223	\$ 0.004519	11,018,957
18	TRANSMISSION EXPENSE	9,339,317	0.000430	8,567,648	0.000403	603,081
19	DISTRIBUTION EXPENSE	76,271,375	0.003514	67,664,296	0.003179	7,275,628
20	CUSTOMER ACCOUNT EXPENSES	42,245,306	0.001947	39,850,516	0.001872	1,610,639
21	CUSTOMER SERVICE EXPENSES	2,254,080	0.000104	2,028,306	0.000095	185,862
22	CONSERVATION AMORTIZATION	1,062	0.000000	5,111	0.000000	(4,149)
23	AMORTIZATION OF PROPERTY LOSS	17,889,546	0.000824	16,574,707	0.000779	988,693
24	OTHER OPERATING EXPENSES	22,024,113	0.001015	1,241,531	0.000058	20,758,152
25	FAS 133	-	0.000000	-	0.000000	-
26	ADMIN & GENERAL EXPENSE	95,765,396	0.004413	81,986,794	0.00385	12,165,323
27	Subtotal	374,885,002	\$ 0.017274	314,102,133	\$ 0.014758	\$ 54,602,187
28	DEPRECIATION	176,362,686	0.008126	161,919,743	0.007608	11,256,800
28	AMORTIZATION	44,101,452	0.002032	32,932,455	0.001547	10,520,975
29	TAXES OTHER INCOME TAXES	124,182,998	0.005722	120,664,263	0.005669	1,144,388
30	INCOME TAXES	19,687,523	0.000907	6,667,481	0.000313	12,888,844
31	DEFERRED INCOME TAXES	50,015,228	0.002305	90,017,435	0.004229	(41,773,508)
32	TOTAL OPERATING REV. DEDUCT.	\$ 1,842,262,065	\$ 0.084887	\$ 1,747,200,216	\$ 0.082091	\$ 60,681,664
33						
34	NET OPERATING INCOME	\$ 229,503,555	\$ 0.010575	\$ 272,544,813	\$ 0.012805	\$ 48,404,204
35						
36	RATE BASE	\$ 3,825,186,520	\$ 0.176256	\$ 3,303,573,534	\$ 0.155216	
37	RATE OF RETURN	8.50%		8.25%		
38	RETURN ON RATE BASE	\$ 325,140,854	\$ 0.014982	\$ 272,544,813	\$ 0.012805	47,233,095
39	REVENUE DEFICIENCY - NET OF TAX	\$ 95,637,299		\$ -		\$ 95,637,299