

**EXHIBIT NO. ___(JHS-15)
DOCKET NOS. UE-111048/UG-111049
2011 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-111048
Docket No. UG-111049**

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

SEPTEMBER 1, 2011

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

LINE NO. DESCRIPTION	REVISED
1 RATE BASE	\$ 4,904,756,946
2 RATE OF RETURN	<u>8.42%</u>
3	
4 OPERATING INCOME REQUIREMENT	412,980,535
5	
6 PRO FORMA OPERATING INCOME	<u>318,050,321</u>
7 OPERATING INCOME DEFICIENCY	<u>94,930,214</u>
8	
9 CONVERSION FACTOR	<u>0.6207490</u>
10 REVENUE REQUIREMENT DEFICIENCY	<u>152,928,501</u>
11 LARGE FIRM WHOLESALE	<u>427,352</u>
12 SALES FROM RESALE-FIRM	<u>164,110</u>
13 REVENUE REQUIREMENT DEFICIENCY	<u><u>\$ 152,337,039</u></u>

Note: Amounts presented in bold italic type have changed since the June 13 original filing.

**PUGET SOUND ENERGY-ELECTRIC
PRO FORMA COST OF CAPITAL
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	PRO FORMA CAPITAL %	COST %	COST OF CAPITAL
1 SHORT TERM DEBT	4.00%	4.62%	0.18%
2 LONG TERM DEBT	48.00%	6.37%	3.06%
3 PREFERRED	0.00%	0.00%	0.00%
4 EQUITY	48.00%	10.80%	5.18%
5 TOTAL	100.00%		8.42%
6			
7 AFTER TAX SHORT TERM DEBT ((LINE 1)* 65%)	4.00%	3.00%	0.12%
8 AFTER TAX LONG TERM DEBT ((LINE 2)* 65%)	48.00%	4.14%	1.99%
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%		7.29%

Note: Amounts presented in bold italic type have changed since the June 13 original filing.

**PUGET SOUND ENERGY-ELECTRIC
CONVERSION FACTOR
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	RATE
1 BAD DEBTS	0.004444
2 ANNUAL FILING FEE	0.002000
3 STATE UTILITY TAX (3.873% - (LINE 1 * 3.873%))	3.873% <u>0.038558</u>
4	
5 SUM OF TAXES OTHER	0.045002
6	
7 CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX (1 - LINE 5)	0.954998
8 FEDERAL INCOME TAX (LINE 7 * 35%)	35% 0.334249
9 CONVERSION FACTOR INCL FEDERAL INCOME TAX (LINE 7 - LINE 8)	0.620749

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