

**EXHIBIT NO. \_\_\_(JHS-4)  
DOCKET NO. UG-110723  
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. UG-110723**

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

**SEPTEMBER 2, 2011**

**Revenue Requirement Calculation  
Summary - Pipeline Integrity Programs  
Incremental Plant Additions since June 2010 - October 2012**

| Line No. | Revenue Requirement 11/2011-10/2012   | Summary       | By Program                                       |                                     |   |
|----------|---------------------------------------|---------------|--|-------------------------------------|---|
|          |                                       |               | Wrapped Steel Service Assessment Exhibit __JHS-5 | Wrapped Steel Mains Exhibit __JHS-6 | Older Polyethylene Plastic Pipe Exhibit __JHS-7 |
| 1        | Gross Plant                           | \$ 16,438,660 | \$ 4,611,079                                     | \$ 5,719,728                        | \$ 6,107,852                                    |
| 2        | Accum Depr                            | (560,429)     | (244,400)  | (144,997)                           | (171,033)                                       |
| 3        | Deferred Taxes                        | (4,217,125)   | (1,248,156)                                      | (1,413,117)                         | (1,555,851)                                     |
| 4        | Ratebase                              | 11,661,105    | 3,118,523  | 4,161,614                           | 4,380,968                                       |
| 5        | ROR - 2009 GRC                        | 6.90%         | 6.90%  | 6.90%                               | 6.90%   |
| 6        | Operating Income                      | 804,616       | 215,178  | 287,151                             | 302,287   |
| 7        | Conversion Factor                     | 0.65          | 0.65   | 0.65                                | 0.65  |
| 8        | Plant Revenue Requirement             | 1,237,871     | 331,043  | 441,771                             | 465,057   |
| 9        |                                       |               |  | -                                   |   |
| 10       | Depreciation                          | 586,537       | 197,935  | 187,093                             | 201,509   |
| 11       |                                       |               |  | -                                   |   |
| 12       | Revenue Deficiency Before Other Taxes | 1,824,409     | 528,979  | 628,865                             | 666,566   |
| 13       | Revenue Taxes                         | 0.956756      | 0.956756   | 0.956756                            | 0.956756  |
| 14       | Revenue Deficiency                    | 1,906,869     | 552,888  | 657,288                             | 696,693   |