

**EXHIBIT NO. \_\_\_(KJB-3)**  
**DOCKET NO. UE-13\_\_\_/UG-13\_\_\_**  
**PSE EXPEDITED RATE FILING**  
**WITNESS: KATHERINE J. BARNARD**

**BEFORE THE**  
**WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of**

**PUGET SOUND ENERGY, INC.'S**

**Expedited Rate Filing**

**Docket No. UE-13\_\_\_**  
**Docket No. UG-13\_\_\_**

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE PREFILED DIRECT**  
**TESTIMONY OF**  
**KATHERINE J. BARNARD**  
**ON BEHALF OF PUGET SOUND ENERGY, INC.**

**FEBRUARY 1, 2013**

**PUGET SOUND ENERGY-ELECTRIC  
EXPEDITED RATE FILING INCREASE  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012**

<b>LINE NO.</b>	<b>DESCRIPTION</b>	<b>EXPEDITED RATE FILING</b>
1	RATE BASE	\$ 2,621,991,642
2	RATE OF RETURN	<u>7.80%</u>
3		
4	OPERATING INCOME REQUIREMENT	204,515,348
5		
6	RESTATED OPERATING INCOME	<u>184,563,096</u>
7	OPERATING INCOME DEFICIENCY	19,952,252
8		
9	CONVERSION FACTOR	<u>0.6203460</u>
<b>10</b>	<b>REVENUE REQUIREMENT DEFICIENCY</b>	<b>\$ 32,163,102</b>

PUGET SOUND ENERGY-ELECTRIC  
DETERMINATION OF ERF RELATED REVENUES AND EXPENSES  
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012

(Based on Streamlined June 2012 Commission Basis Report) (Included in KJB-5) (Segregated by Recovery Mechanism)										
LINE NO.	ACTUAL RESULTS OF OPERATIONS		RESTATED RESULTS OF OPERATIONS	PCA EXHIBIT A-1	PROPERTY TAXES	EXPEDITED RATE FILING	ADJUSTMENT FOR 2011 GRC	ERF ADJUSTED RESULTS		
	A	B	C = A + B	D	E	F = C - D - E	G = H - F	H		
1	OPERATING REVENUES:									
2	\$ 2,120,008,164	\$ (102,488,583)	\$ 2,017,519,581	\$ 1,422,570,376	\$ 18,722,054	\$ 576,227,151	\$ 68,007,263	\$ 644,234,414		
3	360,542	(1,399)	359,143	-	-	359,143	-	359,143		
4	123,650,360	-	123,650,360	123,650,360	-	-	-	-		
5	56,068,111	(39,907,244)	16,160,867	(18,437,378)	-	34,598,245	-	34,598,245		
6	2,300,087,177	(142,397,225)	2,157,689,951	1,527,783,359	18,722,054	611,184,539	68,007,263	679,191,802		
7										
8	OPERATING REVENUE DEDUCTIONS:									
9										
10	POWER COSTS:									
11	218,160,728	-	218,160,728	218,160,728	-	-	-	-		
12	717,639,197	(2,586,726)	715,052,472	715,052,472	-	-	-	-		
13	84,269,117	-	84,269,117	84,269,117	-	-	-	-		
14	(72,809,411)	72,809,411	-	-	-	-	-	-		
15	947,259,632	70,222,685	1,017,482,317	1,017,482,317	-	-	-	-		
16										
17	117,133,188	-	117,133,188	117,133,188	-	-	-	-		
18	13,719,587	-	13,719,587	1,103,238	-	12,616,350	-	12,616,350		
19	81,255,580	-	81,255,580	-	-	81,255,580	-	81,255,580		
20	48,756,165	(1,060,169)	47,695,996	7,232,348	95,183	40,368,465	345,749	40,368,465		
21	15,570,221	(11,083,432)	4,486,789	-	-	4,486,789	-	4,486,789		
22	85,049,596	(85,047,212)	2,384	-	-	2,384	-	2,384		
23	99,574,020	(48,305)	99,525,715	12,300,313	37,444	87,187,958	136,015	87,323,972		
24	211,288,588	-	211,288,588	77,310,515	-	133,978,073	2,549,351	136,527,424		
25	40,063,865	-	40,063,865	11,804,795	-	28,259,070	-	28,259,070		
26	17,837,766	-	17,837,766	1,615,336	-	16,222,429	-	16,222,429		
27	65,549,106	(60,686,951)	4,862,154	6,278,234	-	(1,416,080)	-	(1,416,080)		
28	20,062,310	(20,062,310)	-	-	-	-	-	-		
29	207,386,995	(80,005,520)	127,381,475	75,191,823	23,386,766	28,802,887	2,620,796	31,423,683		
30	133,244	8,368,537	8,501,781	43,393,801	(1,679,069)	(33,212,951)	21,824,397	(11,388,554)		
31	61,579,635	7,021,809	68,601,444	-	-	68,601,444	-	68,601,444		
32	2,032,219,498	(172,380,867)	1,859,838,631	1,370,845,909	21,840,324	467,152,398	27,476,308	494,628,706		
33										
34	\$ 267,867,679	\$ 29,983,642	\$ 297,851,321	\$ 156,937,450	\$ (3,118,270)	\$ 144,032,141	\$ 40,530,955	\$ 184,563,096		
35										
36	\$ 4,962,312,346	\$ -	\$ 4,962,312,346	\$ 2,340,320,709	\$ -	\$ 2,621,991,642	\$ -	\$ 2,621,991,642		
37										
38	5.40%	6.00%	6.71%	N/A	5.49%	N/A	N/A	7.04%		
39										
40	RATE BASE:									
41	\$ 8,371,335,805	\$ -	\$ 8,371,335,805	\$ 3,812,207,290	\$ -	\$ 4,559,128,515	\$ -	\$ 4,559,128,515		
42	(3,014,999,833)	-	(3,014,999,833)	\$(1,448,634,744)	-	(1,566,365,090)	-	(1,566,365,090)		
43	437,285,427	-	437,285,427	\$ 378,678,655	-	58,606,772	-	58,606,772		
44	(929,775,902)	-	(929,775,902)	\$(401,930,497)	-	(527,845,405)	-	(527,845,405)		
45	180,394,295	-	180,394,295	-	-	180,394,295	-	180,394,295		
46	(81,927,445)	-	(81,927,445)	-	-	(81,927,445)	-	(81,927,445)		
47	\$ 4,962,312,346	\$ -	\$ 4,962,312,346	\$ 2,340,320,709	\$ -	\$ 2,621,991,642	\$ -	\$ 2,621,991,642		

**PUGET SOUND ENERGY-ELECTRIC**  
**RESULTS OF OPERATIONS WITH ALLOCATION TO RECOVERY MECHANISM**  
**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010**  
**2011 GENERAL RATE CASE**

LINE NO.	ACTUAL RESULTS OF OPERATIONS		ADJUSTED RESULTS OF OPERATIONS		REVENUE RQ RMT DEFICIENCY		AFTER RATE INCREASE		PCA EXHIBIT A-1		PROPERTY TAXES		EXPEDITED RATE FILING	
	A	B	C = A + B	D	E = C + D	F	G	H = E - F - G						
1	OPERATING REVENUES													
2	\$ 2,042,334,319	\$ (65,220,782)	\$ 1,977,113,537	\$ 62,795,830	\$ 2,039,909,367	\$ 1,374,903,042	\$ 21,490,002	\$ 643,516,323						
3	350,182	867,565	1,217,748	523,539	1,741,287	-	1,741,287	1,741,287						
4	201,262,557	(161,098,834)	40,163,723	40,163,723	40,163,723	-	40,163,723	40,163,723						
5	30,706,333	8,313,875	39,020,208	39,020,208	39,020,208	-	39,020,208	5,495,638						
6	2,274,653,391	(217,138,176)	2,057,515,215	63,319,369	2,120,834,584	1,420,562,403	21,490,002	678,782,179						
7	OPERATING REVENUE DEDUCTIONS:													
8	POWER COSTS:													
9	FUEL													
10	\$ 268,147,071	\$ (139,012)	\$ 268,008,059	\$ -	\$ 268,008,059	\$ 268,008,059	\$ -	\$ -						
11	832,711,097	(357,662,572)	475,048,524	475,048,524	475,048,524	-	475,048,524	475,048,524						
12	78,564,669	11,825,943	90,390,612	90,390,612	90,390,612	-	90,390,612	90,390,612						
13	(75,109,150)	75,109,150	-	-	-	-	-	-						
14	1,104,313,687	(270,866,491)	833,447,196	833,447,196	833,447,196	-	833,447,196	833,447,196						
15	OTHER POWER SUPPLY EXPENSES													
16	\$ 102,409,192	\$ 21,932,742	\$ 124,341,933	\$ -	\$ 124,341,933	\$ 124,341,933	\$ -	\$ -						
17	11,865,443	81,665	11,947,108	11,947,108	11,947,108	-	11,947,108	1,389,837						
18	82,924,735	(1,367,811)	81,556,924	81,556,924	81,556,924	-	81,556,924	81,556,924						
19	50,172,086	(2,695,193)	47,476,893	47,476,893	47,476,893	-	47,476,893	47,476,893						
20	13,431,632	(11,734,878)	1,696,754	1,696,754	1,696,754	-	1,696,754	1,696,754						
21	94,643,935	5,227,225	99,871,160	126,639	99,997,798	10,941,267	42,980	89,013,551						
22	190,245,449	29,478,180	219,723,630	39,947,888	219,723,630	97,565,573	122,158,056	122,158,056						
23	40,184,321	(236,433)	39,947,888	16,940,733	39,947,888	11,275,733	28,672,155	28,672,155						
24	17,493,031	(552,298)	16,940,733	8,062,262	16,940,733	8,062,262	15,477,405	15,477,405						
25	30,169,560	(22,107,298)	8,062,262	-	8,062,262	-	8,062,262	(176,765)						
26	166,953,097	(166,953,097)	-	-	-	-	-	-						
27	193,255,907	(69,040,956)	124,214,950	2,441,468	126,656,419	75,397,150	21,351,521	29,907,748						
28	16,263,334	(75,691,914)	(59,428,580)	21,164,436	(38,264,144)	61,198,467	(99,462,611)	(99,462,611)						
29	(32,436,237)	200,902,071	168,465,833	168,465,833	168,465,833	-	168,465,833	168,465,833						
30	2,157,226,080	(438,958,808)	1,718,267,272	24,013,934	1,742,281,206	1,231,369,581	21,490,002	489,421,623						
31	TOTAL OPERATING REV. DEDUCT.													
32	\$ 117,427,311	\$ 221,820,632	\$ 339,247,943	\$ 39,305,435	\$ 378,553,378	\$ 189,192,822	\$ -	\$ 189,360,556						
33	NET OPERATING INCOME													
34	\$ 4,100,870,913	\$ 752,377,515	\$ 4,853,248,427	\$ -	\$ 4,853,248,427	\$ 2,425,549,006	\$ -	\$ 2,427,699,422						
35	RATE BASE													
36	RATE OF RETURN													
37	RATE OF RETURN													
38	RATE OF RETURN													
39	RATE OF RETURN													
40	RATE BASE:													
41	\$ 7,157,671,291	\$ 690,844,482	\$ 7,848,515,773	\$ 7,848,515,773	\$ 7,848,515,773	\$ 3,754,419,305	\$ -	\$ 4,094,096,468						
42	(2,758,182,029)	3,627,745	(2,754,554,285)	(2,754,554,285)	(2,754,554,285)	(1,321,591,491)	(1,432,962,793)	(1,432,962,793)						
43	241,208,023	188,590,338	429,798,361	429,798,361	429,798,361	-	59,646,276	59,646,276						
44	(656,658,557)	(129,306,223)	(785,964,779)	(785,964,779)	(785,964,779)	-	(408,533,886)	(408,533,886)						
45	204,952,589	(1,378,828)	203,573,761	203,573,761	203,573,761	-	203,573,761	203,573,761						
46	(88,120,404)	-	(88,120,404)	(88,120,404)	(88,120,404)	-	(88,120,404)	(88,120,404)						
47	\$ 4,100,870,913	\$ 752,377,515	\$ 4,853,248,427	\$ 4,853,248,427	\$ 4,853,248,427	\$ 2,425,549,006	\$ -	\$ 2,427,699,422						