

**PUGET SOUND ENERGY  
QUALIFIED PENSION PLAN ADJUSTMENT  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008  
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	FEA PROPOSED (A)	PSE REQUESTED (B)	FEA ADJUSTMENT (C)
<b>ELECTRIC</b>			
1 QUALIFIED RETIREMENT FUND	\$ 86,412	\$ 3,693,495	(\$3,607,083)
2 INCREASE(DECREASE) OPERATING EXPENSE			(3,607,083)
3 INCREASE (DECREASE) FIT @ 35% (LINE 2 X 35%)	35%		1,262,479
4 INCREASE (DECREASE) NOI			\$ 2,344,604
<b>GAS</b>			
5 QUALIFIED RETIREMENT FUND	\$ 46,653	\$ 1,994,055	(\$1,947,402)
6 INCREASE(DECREASE) OPERATING EXPENSE (LINE 1)			(1,947,402)
7 INCREASE (DECREASE) FIT @ 35% (LINE 2 X 35%)	35%		681,591
8 INCREASE (DECREASE) NOI			\$ 1,265,811

Notes and Source

PSE adjustments 4.24E and 4.17G and related Company workpapers

Column A, based on four-year average of FAS 87 amounts for calendar years 2005-2008:

	Year	Amount
9 FAS 87 qualified pension plan accruals	2005	(\$2,569,627.00)
10	2006	\$ 1,043,496.00
11	2007	\$ 2,829,391.02
12	2008	\$ (407,199.00)
13	Average	\$224,015.26
14 O&M	59.40%	\$ 133,065
15 Electric	64.94%	\$ 86,412
16 Gas	35.06%	\$ 46,653
17 Electric and Gas O&M		\$ 133,065

Col.B: PSE's request is based on four year average of pension trust funding contributions for the period ending September 30, 2009

**PUGET SOUND ENERGY  
SERP EXPENSE ADJUSTMENT  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008  
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	FEA PROPOSED (A)	PSE REQUESTED (B)	FEA ADJUSTMENT (C)
<b>ELECTRIC</b>			
1 SERP EXPENSE	\$ -	\$ 2,139,086	(\$2,139,086.05)
2 INCREASE(DECREASE) OPERATING EXPENSE			(2,139,086)
3 INCREASE (DECREASE) FIT @ 35% (LINE 2 X 35%)	35%		748,680
4 INCREASE (DECREASE) NOI			<b>\$ 1,390,406</b>
<b>GAS</b>			
5 SERP EXPENSE	\$ -	\$ 1,154,856	(\$1,154,856.13)
6 INCREASE(DECREASE) OPERATING EXPENSE (LINE 1)			(1,154,856)
7 INCREASE (DECREASE) FIT @ 35% (LINE 2 X 35%)	35%		404,200
8 INCREASE (DECREASE) NOI			<b>\$ 750,656</b>

Notes and Source

PSE adjustments 4.24E and 4.17G

Column A reflects the recommendation to disallow SERP expense

Column B: PSE's request is based on four year average of FAS 87 accrual amounts for the period ending September 30, 2009