

EXHIBIT NO. ___(KJB-4)
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___

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

FEBRUARY 1, 2013

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

LINE NO. DESCRIPTION	EXPEDITED RATE FILING
1 RATE BASE	\$ 1,592,297,567
2 RATE OF RETURN	<u>7.80%</u>
3	
4 OPERATING INCOME REQUIREMENT	124,199,210
5	
6 RESTATED OPERATING INCOME	<u>124,969,751</u>
7 OPERATING INCOME DEFICIENCY	(770,540)
8	
9 CONVERSION FACTOR	<u>0.6213350</u>
10 REVENUE REQUIREMENT DEFICIENCY	\$ (1,240,137)

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

(Based on Streamlined June 30, 2012 Commission Basis Report)
(Segregated by Recovery Mechanism)

LINE NO.	ACTUAL RESULTS OF OPERATIONS		TOTAL ADJUSTMENTS		RESTATED RESULTS OF OPERATIONS		PGA (INCL JP REVS)		PROPERTY TAXES		CBR EXPEDITED RATE FILING		ADJUSTMENT FOR 2011 GRGRCR ERFRATES		CBR LOAD	
	A	B	C = A + B	D	E	F = C - D - E	G = H - F	H								
1	OPERATING REVENUES:															
2	\$ 1,086,060,278	\$ (56,769,119)	\$ 1,029,291,158	\$ 607,120,573	\$ 13,213,092	\$ 408,957,493	\$ 7,638,454	416,595,948								
3	49,438,054	(49,438,054)	0			0		0								
4a	7,503,094	48,366	7,551,459		186,048	7,365,411	14,500	7,379,911								
4b	5,999,666	1,280,943	7,280,608	898,495		6,382,114		6,382,114								
5	1,149,001,091	\$ (104,877,865)	\$ 1,044,123,226	608,019,067	13,399,140	422,705,018	7,652,954	430,357,973								
6																
7	OPERATING REVENUE DEDUCTIONS:															
8																
9																
10	GAS COSTS:															
11																
12	588,140,057	(7,290,712)	580,849,345	580,849,345												
13																
14	588,140,057	(7,290,712)	580,849,345	580,849,345												
15																
16	1,783,066	(101,240)	1,681,827	1,681,827		1,681,827		1,681,827								
17	(38,579)	-	(38,579)	(38,579)		(38,579)		(38,579)								
18	52,377,195	-	52,377,195	52,377,195		52,377,195		52,377,195								
19	30,511,840	(781,543)	29,730,297	2,263,655	49,885	27,416,757	28,492	27,445,249								
20	4,868,324	(3,691,645)	1,176,679			1,176,679		1,176,679								
21	29,433,195	(29,433,195)	-													
22	47,843,681	(97,159)	47,746,522	1,216,038	26,798	46,503,686	15,306	46,518,992								
23	103,505,051	0	103,505,051	103,505,051		103,505,051		103,505,051								
24	11,884,767	-	11,884,767	11,884,767		11,884,767		11,884,767								
25																
26	(137,395)	-	(137,395)	(137,395)		(137,395)		(137,395)								
27	112,482,025	(51,854,053)	60,627,971	23,333,948	17,441,089	19,852,934	293,697	20,146,632								
28	519,801	7,194,390	7,714,191	300,605	(1,441,521)	8,855,107	2,560,411	11,415,518								
29	29,412,287	0	29,412,287	29,412,287		29,412,287		29,412,287								
30	424,445,258	\$ (78,764,445)	\$ 345,680,813	27,114,246	16,076,251	302,490,316	2,897,906	305,388,222								
31																
32	\$ 136,415,776	\$ (18,822,708)	\$ 117,593,068	55,477	(2,677,111)	120,214,702	4,755,048	124,969,751								
33																
34	\$ 1,592,297,567	\$ 0	\$ 1,592,297,567			\$ 1,592,297,567		\$ 1,592,297,567								
35																
36	8.57%		7.39%	N/A	N/A	7.55%	N/A	7.85%								
37																
38	RATE BASE:															
39	2,988,913,700	\$ -	2,988,913,700	-	-	2,988,913,700	-	2,988,913,700								
40	(1,066,032,832)	-	(1,066,032,832)	-	-	(1,066,032,832)	-	(1,066,032,832)								
41	(344,288,809)	-	(344,288,809)	-	-	(344,288,809)	-	(344,288,809)								
42	(42,548,540)	-	(42,548,540)	-	-	(42,548,540)	-	(42,548,540)								
43	1,536,043,519	\$ -	1,536,043,519	\$ -	\$ -	1,536,043,519	\$ -	1,536,043,519								
44	56,254,048	-	56,254,048	-	-	56,254,048	-	56,254,048								
45	\$ 1,592,297,567	\$ -	\$ 1,592,297,567	\$ -	\$ -	\$ 1,592,297,567	\$ -	\$ 1,592,297,567								

PUGET SOUND ENERGY-GAS
RESULTS OF OPERATIONS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
2011 GENERAL RATE INCREASE

LINE NO.	From Compliance Filing in 2011 GRC WUTC Docket No. UG-111049					Segregated by Recovery Mechanism				
	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS	REVENUE DEFICIENCY	AFTER RATE INCREASE	PGA	F	G	PROPERTY TAXES	EXPEDITED RATE FILING
	A	B	C = A + B	D	E = C + D					H = E - F - G
1	OPERATING REVENUES:									
2	SALES TO CUSTOMERS	\$ 953,445,526	\$ 86,342,728	\$ 1,039,788,253	\$ 13,320,092	\$ 1,053,108,345	\$ 628,504,413	\$ 17,174,516	\$ 407,429,416	
3	MUNICIPAL ADDITIONS	43,761,997	(43,761,997)	-	-	-				
4	RENTALS	7,639,209	499,573	8,138,782	69,036	8,207,817		241,828	7,965,990	
5	OTHER OPERATING REVENUES	6,683,785	76,258	6,760,042		6,760,042			6,760,042	
6	TOTAL OPERATING REVENUES	\$ 1,011,530,516	\$ 43,156,561	\$ 1,054,687,077	\$ 13,389,128	\$ 1,068,076,205	\$ 628,504,413	\$ 17,416,344	\$ 422,155,448	
7										
8	OPERATING REVENUE DEDUCTIONS:									
9										
10										
11	GAS COSTS:									
12										
13	PURCHASED GAS	\$ 535,932,510	\$ 64,990,762	\$ 600,923,272	\$ -	\$ 600,923,272	\$ 600,923,272			
14										
15	TOTAL PRODUCTION EXPENSES	\$ 535,932,510	\$ 64,990,762	\$ 600,923,272	\$ -	\$ 600,923,272	\$ 600,923,272			
16										
17	OTHER POWER SUPPLY EXPENSES	\$ 1,937,122	\$ 22,111	\$ 1,959,232	\$ -	\$ 1,959,232			1,959,232	
18	TRANSMISSION EXPENSE	226,853	1,584	228,438		228,438			228,438	
19	DISTRIBUTION EXPENSE	50,238,405	(683,277)	49,555,128		49,555,128			49,555,128	
20	CUSTOMER ACCOUNT EXPENSES	32,629,594	(2,107,163)	30,522,431	46,527	30,568,958	2,184,053	60,522	28,324,384	
21	CUSTOMER SERVICE EXPENSES	4,454,346	(3,318,461)	1,135,885		1,135,885			1,135,885	
22	CONSERVATION AMORTIZATION	14,771,682	(14,771,682)	(0)		(0)			(0)	
23	ADMIN & GENERAL EXPENSE	42,818,070	1,150,297	43,968,367	26,778	43,995,146	1,257,009	34,833	42,703,304	
24	DEPRECIATION	102,386,843	(6,555,172)	95,831,671		95,831,671			95,831,671	
25	AMORTIZATION	12,778,120	0	12,778,120		12,778,120			12,778,120	
26	AMORTIZATION OF PROPERTY LOSS	-	0	-		-			-	
27	OTHER OPERATING EXPENSES	(187,824)	142,453	(45,370)		(45,370)	14,309		(59,679)	
28	FAS 133	-	0	-		-			-	
29	TAXES OTHER THAN INCOME TAXES	98,746,988	(38,069,234)	60,677,754	513,955	61,191,709	24,125,770	17,320,990	19,744,949	
30	INCOME TAXES	15,204,117	(19,735,619)	(4,531,502)	4,480,658	(50,844)			(50,844)	
31	DEFERRED INCOME TAXES	(3,067,771)	45,680,808	42,613,037		42,613,037			42,613,037	
32	TOTAL OPERATING REV. DEDUCT.	\$ 908,869,057	\$ (38,243,354)	\$ 334,693,193	\$ 5,067,919	\$ 339,761,111	\$ 27,581,141	\$ 17,416,344	\$ 294,763,626	
33										
34	NET OPERATING INCOME	\$ 102,661,459	\$ 16,409,153	\$ 119,070,612	\$ 8,321,209	\$ 127,391,821	\$ -	\$ -	\$ 127,391,821	
35										
36	RATE BASE	\$ 1,660,735,111	\$ (27,506,633)	\$ 1,633,228,479	\$ -	\$ 1,633,228,479	N/A	N/A	\$ 1,633,228,479	
37										
38	RATE OF RETURN	6.18%		7.29%		7.80%			7.80%	
39										
40	RATE BASE:									
41	UTILITY PLANT IN SERVICE	2,787,911,459	\$ -	\$ 2,787,911,459	\$ 2,787,911,459	\$ 2,787,911,459			2,787,911,459	
42	ACCUMULATED DEPRECIATION	(924,038,095)	(2,755,565)	(926,793,660)		(926,793,660)			(926,793,660)	
43	ACCUMULATED DEFERRED FIT	(254,856,083)	(24,238,320)	(279,094,403)		(279,094,403)			(279,094,403)	
44	OTHER	(27,129,125)	-	(27,129,125)		(27,129,125)			(27,129,125)	
45	TOTAL NET INVESTMENT	\$ 1,581,888,156	\$ (26,993,885)	\$ 1,554,894,271		\$ 1,554,894,271			\$ 1,554,894,271	
46	ALLOWANCE FOR WORKING CAPITAL	78,846,956	(512,748)	78,334,208		78,334,208			78,334,208	
46	TOTAL RATE BASE	\$ 1,660,735,111	\$ (27,506,633)	\$ 1,633,228,479		\$ 1,633,228,479			\$ 1,633,228,479	