

**EXHIBIT NO. \_\_\_(KJB-4C)**  
**DOCKET NO. UE-13 \_\_\_**  
**2013 PSE PCORC**  
**WITNESS: KATHERINE J. BARNARD**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

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

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

**REDACTED  
VERSION**

**APRIL 25, 2013**





PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2013  
SUMMARY PAGES

Row	4.19	4.20	4.21	4.22	4.23	4.24	Adjusted
	Adjustment 19	Adjustment 20	Adjustment 21	Adjustment 22	Adjustment 23	Adjustment 24	12 months ended
	CHELAN PUD	COLSTRIP 1&2	LSR PREPAID TRNS	HEDGING	PRODUCTION	TEMPERATURE	September 30, 2012
	CONTR INT PMT	FERC PART 12	CARRYING CHR	LINE OF	ADJUSTMENT	NORMALIZATION	
	& SECURITY DPS	CONTRACT MM	ON LSR PREPD	CREDIT			
						TOTAL	
						ADJUSTMENT	
3	\$ (10,487,985)	\$ (1,206,047)	\$ (4,578,231)	\$ -	\$ (5,621,534)	\$ (900,072)	\$ 315,242,298
4							91,760,899
5	\$ (10,487,985)	\$ (1,206,047)	\$ (4,578,231)	\$ -	\$ (42,057,742)	\$ 613,616,622	\$ 2,358,498,384
6							\$ 2,765,501,581
7							6.71%
8							
9							
10	\$ (1,082,683)	\$ (124,501)	\$ (472,614)	\$ -	\$ (580,315)	\$ (92,915)	\$ 32,542,704
11							9,472,548
12							243,469,602
13							90,360,801
14							399,792,577
15							6,346,743
15a							6,535,308
15b							1,975,579
15c							1,707,003
15d							2,035,145
16							144,604,240
17							106,031,259
18							(6,545,360)
19							12,379,038
20							124,763,485
21							(26,525,245)
22							(8,778,033)
23							956,152
24							114,479,727
25	590,672	(1,275,845)	2,949,798	(52,144)	(563,347)	2,341,415	4,136,830
26							31,591,173
27							-
28							-
29	\$ (492,011)	\$ (1,400,346)	\$ 2,477,184	\$ (52,144)	\$ (7,759,274)	\$ (66,149)	\$ 785,409
							\$ 1,279,737,645

**Adjustment 1**  
Page 1 of 2

**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
POWER COST ADJUSTMENT**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED TEST YEAR	ADJUSTMENT
1	PRODUCTION EXPENSES:			
2	FUEL:			
3	501-STEAM FUEL	\$ 70,102,791	\$ 90,360,801	\$ 20,258,010
4	547-FUEL	151,230,975	144,604,240	(6,626,735)
5	PURCHASED AND INTERCHANGED:			
6	555-PURCHASED POWER	619,576,589	399,792,577	(219,784,012)
7	557 - OTHER POWER EXPENSE	13,306,753	6,346,743	(6,960,010)
8	WHEELING	84,999,684	106,031,259	21,031,575
9	PRODUCTION O&M	112,384,447	124,763,485	12,379,038
10	TRANS. EXP. INCL. 500KV O&M	973,202	956,152	(17,051)
11	SALES FOR RESALE	(102,454,344)	(26,525,245)	75,929,099
12	PURCHASES/SALES OF NON-CORE GAS	24,051,167	(8,778,033)	(32,829,201)
13	VARIABLE TRANSMISSION INCOME - COLSTRIP, 3RD AC	(6,326,170)	(6,545,360)	(219,189)
14	INCREASE (DECREASE) EXPENSE	<u>967,845,094</u>	<u>831,006,617</u>	<u>(136,838,477)</u>

**PUGET SOUND ENERGY**  
**DETERMINATION OF NET POWER COSTS**  
**TEST YEAR ENDED SEPTEMBER 30, 2012**  
**RATE YEAR ENDED OCTOBER 31, 2014**

Adjustment 1

Page 2 of 2

		<i>RATE YEAR</i>				
Line	FERC Description	12ME 8/31/2014 Total	Amort of Reg Assets (Note 1)	Reclass Ben&Tax (Note 2)	Net Before Prod Factor	After Prod Factor of 0.98248 Adjustment-1
1	Fuel:					
2	501 Steam Fuel	\$ 92,472,153	\$ (500,000)		\$ 91,972,153	\$ 90,360,801
3	547 Fuel	146,253,088	929,796		147,182,884	144,604,240
4		<u>238,725,241</u>	<u>429,796</u>	<u>-</u>	<u>239,155,037</u>	<u>234,965,040</u>
5	Purchased and Interchanged					
6	555 Purchased Power	417,536,534	(10,614,686)	-	406,921,848	399,792,577
7					-	-
8	557 Other Power Expense	7,833,383		(1,373,462)	6,459,921	6,346,743
9		<u>425,369,917</u>	<u>(10,614,686)</u>	<u>(1,373,462)</u>	<u>413,381,768</u>	<u>406,139,320</u>
10						
11	565 Wheeling	110,466,495	(2,544,442)		107,922,054	106,031,259
12						
13						
14						
15	447 Sales for Resale	(26,998,255)			(26,998,255)	(26,525,245)
16	456 Purchases/Sales Of Non-Core Gas	(8,934,567)			(8,934,567)	(8,778,033)
17		<u>(35,932,822)</u>	<u>-</u>	<u>-</u>	<u>(35,932,822)</u>	<u>(35,303,279)</u>
18						
19	Net Power Costs from DEM Exhibit	738,628,831	(12,729,332)	(1,373,462)	724,526,037	711,832,341
13	various Production O&M	134,972,863	(634,721)	(7,349,822)	126,988,320	124,763,485
20	various Trans. Exp. Incl. 500Kv O&M	973,202			973,202	956,152
21	456-17 Variable Transmission Income	(6,662,080)	-		(6,662,080)	(6,545,360)
22						
23	To Power Cost Adjustment	<u>\$ 867,912,816</u>	<u>\$ (13,364,052)</u>	<u>\$ (8,723,284)</u>	<u>\$ 845,825,480</u>	<u>\$ 831,006,617</u>

(Note 1) Amounts are included in Adjustments 15, 18, 19, 20 and 21.

(Note 2) Amounts are included in the test year and are adjusted in the Production Adjustment , Adjustment 23.

<b>Adjustment 2</b>
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
MONTANA ENERGY TAX**

<b>LINE NO.</b>	<b>DESCRIPTION</b>	<b>ADJUSTED RATE YEAR</b>	<b>ADJUSTMENT</b>
1	PROFORMA KWH (COLSTRIP)	4,964,123,833	
2	TAX RATE	<u>0.00035</u>	
3			
4	PROFORMA ENERGY TAX		1,737,443
5	CHARGED TO EXPENSE		<u>819,440</u>
6	INCREASE (DECREASE) EXPENSE		<u><u>\$ 918,003</u></u>



<b>Adjustment 3</b>
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
LOWER SNAKE RIVER PROJECT**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED TEST YEAR	ADJUSTMENT
1	<u>PLANT RATE BASE</u>			
2	PLANT BALANCE	\$ 429,594,822	\$ 689,560,142	\$ 259,965,320
3	ACCUM DEPRECIATION	(4,905,223)	(14,380,018)	(9,474,794)
4	DEFERRED INCOME TAX	(27,932,659)	(49,545,868)	(21,613,209)
5	NET LOWER SNAKE RIVER PLANT RATEBASE	<u>396,756,939</u>	<u>625,634,255</u>	<u>228,877,317</u>
6				
7	NET OF TAX RATE OF RETURN	6.71%		
8	FIXED ASSETS RECOVERY	<u>40,957,524</u>	<u>64,584,705</u>	<u>23,627,181</u>
9				
10	<u>LOWER SNAKE RIVER OPERATING EXPENSE</u>			
11	TAXABLE DEPRECIATION EXPENSE	14,382,540	24,572,610	10,190,070
12	NON-TAXABLE DEPRECIATION EXPENSE	2,373,346	4,078,521	1,705,175
13		<u>16,755,886</u>	<u>28,651,131</u>	<u>11,895,245</u>



<b>Adjustment 4</b>
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
SNOQUALMIE LICENSE UPGRADE**

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED TEST YEAR	ADJUSTMENT
1 <u>PLANT RATE BASE</u>			
2 PLANT BALANCE	\$ -	\$ 301,060,534	\$ 301,060,534
3 ACCUM DEPRECIATION	-	(9,042,644)	(9,042,644)
4 DEFERRED INCOME TAX	-	(42,407,216)	(42,407,216)
5 NET SNOQUALMIE PLANT RATEBASE	-	249,610,673	249,610,673
6			
7 NET OF TAX RATE OF RETURN	6.71%		
8 FIXED ASSETS RECOVERY	-	25,767,502	25,767,502
9			
10 <u>SNOQUALMIE OPERATING EXPENSE</u>			
11 TAXABLE DEPRECIATION EXPENSE	-	8,153,420	8,153,420
12 NON-TAXABLE DEPRECIATION EXPENSE	-	1,455,850	1,455,850
13 REVENUE ADJUSTMENT FOR FLOW-THRU TAXES		783,919	783,919
14 INCREASE OPERATING EXPENSES	-	10,393,189	10,393,189

Adjustment 5

**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
SNOQUALMIE DEFERRAL**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<b><u>OPERATING EXPENSES</u></b>			
2	<b><u>PLANT 2 AND DIVERSION DAM</u></b>			
3	AMORT. OF DEFERRAL PLANT 2 AND DIVERSION DAM	\$ -	\$ 1,256,652	\$ 1,256,652
4	DEFERRAL OF PLANT 2 AND DIVERSION DAM	-	-	-
5	TOTAL AMORT. PLANT 2 AND DIVERSION DAM PROJECT	-	1,256,652	1,256,652
6				
7	<b><u>PLANT 1</u></b>			
8	AMORT. OF DEFERRAL PLANT 1 SNOQUALMIE	-	991,997	991,997
9	DEFERRAL OF PLANT 1 SNOQUALMIE	-	-	-
10	TOTAL AMORT. PLANT 1 SNOQUALMIE PROJECT	-	991,997	991,997
11				
12	INCREASE (DECREASE) OPERATING EXPENSES	-	2,248,649	2,248,649
13				
14				
15	<b><u>RATE BASE</u></b>			
16	<b><u>PLANT 2 AND DIVERSION DAM</u></b>			
17	PLANT 2 AND DIVERSION DAM AMA GROSS - DEF	\$ -	\$ 7,539,913	\$ 7,539,913
18	PLANT 2 AND DIVERSION DAM AMA ACCUM. AMORT.	-	(628,326)	(628,326)
19	PLANT 2 AND DIVERSION DAM AMA ACCUM. DEFERRED FIT	-	(2,419,055)	(2,419,055)
20	TOTAL PLANT 2 AND DIVERSION DAM PROJECT RATE BASE	-	4,492,532	4,492,532
21				
22	<b><u>PLANT 1</u></b>			
23	SNOQUALMIE PLANT 1 AMA GROSS - DEF	-	5,951,980	5,951,980
24	SNOQUALMIE PLANT 1 AMA ACCUM AMORTIZATION	-	(495,998)	(495,998)
25	SNOQUALMIE PLANT 1 AMA ACCUM. DEFERRED FIT	-	(1,909,594)	(1,909,594)
26	TOTAL SNOQUALMIE PLANT 1 RATE BASE	\$ -	\$ 3,546,388	\$ 3,546,388
27				
28	TOTAL SNOQUALMIE PROJECT RATE BASE	-	8,038,920	8,038,920

Adjustment 6
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**PUGET SOUND ENERGY**  
**POWER COST ONLY RATE CASE**  
**TWELVE MONTHS ENDED SEPTEMBER 30, 2012**  
**RATE YEAR ENDED OCTOBER 31, 2014**  
**BAKER UNIT 4 POWERHOUSE AND FLOATING SURFACE COLLECTOR**

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1 <u>PLANT RATE BASE</u>			
2 PLANT BALANCE	\$ -	\$ 160,480,841	\$ 160,480,841
3 ACCUM DEPRECIATION	-	(3,548,023)	(3,548,023)
4 DEFERRED INCOME TAX	-	(24,273,951)	(24,273,951)
5 NET BAKER PLANT RATEBASE	-	132,658,867	132,658,867
6			
7 NET OF TAX RATE OF RETURN	6.71%		
8 FIXED ASSETS RECOVERY	-	13,694,477	13,694,477
9			
10 <u>BAKER OPERATING EXPENSE</u>			
11 TAXABLE DEPRECIATION EXPENSE	-	3,153,612	3,153,612
12 NON-TAXABLE DEPRECIATION EXPENSE	-	367,032	367,032
13 REVENUE ADJUSTMENT FOR FLOW-THRU TAXES		197,633	197,633
14 TOTAL DEPRECIATION EXPENSE	-	3,718,278	3,718,278

<b>Adjustment 7</b>
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
BAKER DEFERRAL**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<b><u>OPERATING EXPENSES</u></b>			
2	AMORTIZATION OF BAKER COST DEFERRAL		\$ 733,170	\$ 733,170
3	DEFERRAL OF BAKER COSTS			-
4	TOTAL AMORTIZATION BAKER PROJECT	-	733,170	733,170
5				
6				
7	<b><u>RATE BASE</u></b>			
8	BAKER PROJECT AMA GROSS - DEF		\$ 4,399,023	\$ 4,399,023
9	BAKER PROJECT AMA ACCUMULATED DEPRECIATION		(366,585)	(366,585)
10	BAKER PROJECT AMA ACCUMULATED DEFERRED FIT		(1,411,353)	(1,411,353)
11	TOTAL BAKER PROJECT RATE BASE	-	\$ 2,621,084	\$ 2,621,084

Adjustment 8
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
FERNDALE PLANT**

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1 <u>RATE BASE</u>			
2 UTILITY PLANT BALANCE	\$ -	\$ 134,878,099	\$ 134,878,099
3 ASSET RETIREMENT COST ("ARC")	-	1,482,548	1,482,548
4 ACCUM DEPRECIATION ON UTILITY PLANT AND ARC	-	(87,373,825)	(87,373,825)
5 ACQUISITION ADJUSTMENT	-	30,992,513	30,992,513
6 ACCUM AMORIZATION ACQUISITION ADJUSTMENT	-	(1,668,267)	(1,668,267)
7 DEFERRED INCOME TAX	-	(3,105,699)	(3,105,699)
8 ASSET RETIREMENT OBLIGATION ("ARO")	-	(1,706,381)	(1,706,381)
9 NET FERNDALE PLANT RATEBASE	-	73,498,988	73,498,988
10			
11 NET OF TAX RATE OF RETURN	6.71%		
12 FIXED ASSETS RECOVERY	-	7,587,357	7,587,357
13			
14 <u>FERNDALE OPERATING EXPENSE</u>			
15 DEPRECIATION EXPENSE	-	1,855,149	1,855,149
16 ACQUISITION ADJUSTMENT AMORTIZATION EXPENSE	-	1,144,339	1,144,339
17 ARC DEPRECIATION EXPENSE 403.1	-	57,756	57,756
18 ARO ACCRETION EXPENSE 411.1	-	117,302	117,302
19 TOTAL OPERATING EXPENSE	-	3,174,547	3,174,547

<b>Adjustment 9</b>
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
FERNDALE DEFERRAL**

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1 <b><u>OPERATING EXPENSES</u></b>			
2 AMORTIZATION OF FERNALE COST DEFERRAL	\$ -	\$ 4,191,320	\$ 4,191,320
3	-	-	-
4 TOTAL AMORTIZATION FERNDALE PROJECT	-	4,191,320	4,191,320
5			
6			
7 <b><u>RATE BASE</u></b>			
8 FERNDALE DEFERRAL AMA GROSS - DEF	\$ -	\$ 25,147,918	\$ 25,147,918
9 FERNDALE DEFERRAL AMA ACCUMULATED DEPRECIATION	-	(2,095,660)	(2,095,660)
10 FERNDALE DEFERRAL AMA ACCUMULATED DEFERRED FIT	-	(8,068,290)	(8,068,290)
11 TOTAL FERNDALE RATE BASE	\$ -	\$ 14,983,968	\$ 14,983,968

## Adjustment 10

**PUGET SOUND ENERGY**  
**POWER COST ONLY RATE CASE**  
**TWELVE MONTHS ENDED SEPTEMBER 30, 2012**  
**RATE YEAR ENDED OCTOBER 31, 2014**  
**REMOVE WILD HORSE SOLAR**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>WILD HORSE RATE BASE</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 4,530,703		\$ (4,530,703)
4	ACCUMULATED DEPRECIATION	(825,947)		825,947
5	DEFERRED TAX	(899,206)		899,206
6	TOTAL UTILITY PLANT RATEBASE	<u>2,805,550</u>	-	<u>(2,805,550)</u>
7				
8	NET OF TAX RATE OF RETURN	6.71%		
9	FIXED ASSET RECOVERY	<u>\$ 289,619</u>	\$ -	<u>\$ (289,619)</u>
10				
11	<u>WILD HORSE O&amp;M</u>			
12	DEPRECIATION EXPENSE ON UTILITY PLANT	203,597		(203,597)
13	PROPERTY INSURANCE			-
14	PROPERTY TAXES			-
15	TOTAL O&M	<u>203,597</u>	-	<u>(203,597)</u>
16				
17	GRAND TOTAL OF OPERATING EXPENSES	<u>\$ 493,216</u>	\$ -	<u>\$ (493,216)</u>



<b>Adjustment 11</b>
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
REMOVE TENASKA**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<b>RATEBASE</b>			
2	REGULATORY ASSET	\$ 1,269,605		\$ (1,269,605)
3	DEFERRED FIT	(56,231)		56,231
4				
5	NET RATEBASE	1,213,374	-	(1,213,374)
6				
7				
8	<b>AMORTIZATION EXPENSE</b>			
9	AMORTIZATION EXPENSE	10,157,004		(10,157,004)
10	TOTAL AMORTIZATION	10,157,004	-	(10,157,004)

**Adjustment 12**

**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014**

<b>LINE NO.</b>	<b>DESCRIPTION</b>	<b>TEST YEAR</b>	<b>ADJUSTED RATE YEAR</b>	<b>ADJUSTMENT</b>
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				
11				
12				
13				
14				
15				
16				

**REDACTED  
VERSION**

<b>Adjustment 13</b>
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
PROPERTY TAXES**

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1 PROPERTY TAXES-PRODUCTION	\$ -	\$ -	-
2 PROPERTY TAXES-TRANSMISSION	-	-	-
3 INCREASE (DECREASE) EXPENSES	\$ -	\$ -	-

**Adjustment 14**

**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
PROPERTY INSURANCE**

<b>LINE NO.</b>	<b>DESCRIPTION</b>	<b>TEST YEAR</b>	<b>ADJUSTED RATE YEAR</b>	<b>ADJUSTMENT</b>
1	PROPERTY INSURANCE EXPENSE	\$ 2,037,869	\$ 2,010,808	\$ (27,061)
2	INCREASE(DECREASE) EXPENSE	\$ 2,037,869	\$ 2,010,808	\$ (27,061)

<b>Adjustment 15</b>
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
BONNEVILLE EXCHANGE POWER (BEP)**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
2	BEP	\$ 12,551,648	\$ 7,616,843	\$ (4,934,805)
3	TOTAL REGULATORY ASSETS	<u>\$ 12,551,648</u>	<u>\$ 7,616,843</u>	<u>\$ (4,934,805)</u>
4	<u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
5	BEP	3,526,620	3,526,620	-
6	TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>\$ 3,526,620</u>	<u>\$ 3,526,620</u>	<u>\$ -</u>

Adjustment 16
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
WHITE RIVER REGULATORY ASSET**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
2	WHITE RIVER PLANT COSTS	\$ 35,416,439	\$ 32,252,094	\$ (3,164,345)
3	WHITE RIVER RELICENSING & CWIP	25,485,829	25,621,603	135,774
4	PROCEED FROM THE SALE OF WHITE RIVER	(30,211,681)	(30,211,681)	-
5	DFIT - WHITE RIVER REG ASSET	(10,741,661)	(9,681,693)	1,059,968
6	TOTAL REGULATORY ASSETS	<u>\$ 19,948,927</u>	<u>\$ 17,980,324</u>	<u>\$ (1,968,603)</u>
7				
8	<u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
9	WHITE RIVER PLANT COSTS	\$ 1,494,702	\$ 1,494,702	\$ (0)
10	TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>\$ 1,494,702</u>	<u>\$ 1,494,702</u>	<u>\$ (0)</u>

<b>Adjustment 17</b>
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
PLANT DEFERRALS**

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
2	GOLDENDALE FIXED COSTS DEFERRAL	\$ 9,335	\$ -	\$ (9,335)
3	MINT FARM DEFFRED - UE-090704	24,270,628	20,363,786	(3,906,842)
4	WILD HORSE EXPANSION DEFFRED - UE-090704	40,660	-	(40,660)
5	LOWER SNAKE RIVER PLANT DEFERRAL	6,126,670	5,849,525	(277,145)
6	TOTAL REGULATORY ASSETS	<u>\$ 30,447,292</u>	<u>\$ 26,213,311</u>	<u>\$ (4,233,981)</u>
7				
8	<u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
9	GOLDENDALE FIXED COSTS DEFERRAL	\$ 346,851	\$ -	\$ (346,851)
10	MINT FARM DEFFRED - UE-090704	2,885,052	2,885,052	-
11	WILD HORSE EXPANSION DEFFRED - UE-090704	582,051	-	(582,051)
12	LOWER SNAKE RIVER PLANT DEFERRAL	1,748,506	4,499,635	2,751,129
13	TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>\$ 5,562,460</u>	<u>\$ 7,384,687</u>	<u>\$ 1,822,226</u>



Adjustment 18
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PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
WESTCOAST PIPELINE CAPACITY PAYMENTS

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
2	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)	\$ (1,678,228)	\$ (1,147,096)	\$ 531,132
3	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)	(2,300,593)	(1,572,557)	728,037
4	TOTAL REGULATORY ASSETS	<u>\$ (3,978,821)</u>	<u>\$ (2,719,653)</u>	<u>\$ 1,259,169</u>
5				
6				
7	<u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
8	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)	\$ (392,170)	\$ (392,170)	\$ 0
9	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)	(537,626)	(537,626)	(0)
10	TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>(929,796)</u>	<u>(929,796)</u>	<u>(0)</u>

Adjustment 19
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PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
CHELAN PUD CONTRACT PAYMENTS

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1 <u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
2 CHELAN PUD CONTRACT INITITATION	\$ 120,683,675	\$ 107,883,190	\$ (12,800,485)
3 CHELAN - ROCK ISLAND SECURITY DEPOSIT	16,187,500	18,500,000	2,312,500
4 TOTAL REGULATORY ASSETS	<u>\$ 136,871,175</u>	<u>\$ 126,383,190</u>	<u>(10,487,985)</u>
5			
6			
7 <u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
8 CHELAN PUD CONTRACT INITITATION	\$ 6,497,393	\$ 7,088,066	\$ 590,672
9 TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>\$ 6,497,393</u>	<u>\$ 7,088,066</u>	<u>\$ 590,672</u>

**Adjustment 20**

**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
OTHER MISCELLANEOUS REGULATORY ASSETS**

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>		
2	\$ 4,150,656	\$ 2,833,333	\$ (1,317,322)
3	786,635	643,382	(143,253)
4	CONTRACT MAJOR MAINTENANCE:		
5	200,983	-	(200,983)
6	963,013	-	(963,013)
7	4,419	-	(4,419)
8	30,780	-	(30,780)
9	133,079	-	(133,079)
10	-	1,586,802	1,586,802
11	\$ 6,269,564	\$ 5,063,517	\$ (1,206,047)
12			
13	<u>AMORTIZATION OF REGULATORY ASSET</u>		
14	\$ 958,333	\$ 500,000	\$ (458,333)
15	180,951	241,268	60,317
16	CONTRACT MAJOR MAINTENANCE:		
17	396,857	-	(396,857)
18	476,329	-	(476,329)
19	35,351	-	(35,351)
20	147,742	-	(147,742)
21	456,270	-	(456,270)
22	-	634,721	634,721
23	\$ 2,651,834	\$ 1,375,989	\$ (1,275,845)

**Adjustment 21**

**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
LSR PREPAID TRANSM PRINCIPAL AND DEFERRED CARRYING CHARGES**

<b>LINE NO.</b>	<b>DESCRIPTION</b>	<b>TEST YEAR</b>	<b>ADJUSTED RATE YEAR</b>	<b>ADJUSTMENT</b>
1	<u>AMA OF REG ASSET/LIAB NET OF ACCUM AMORT AND DFIT</u>			
2	LOWER SNAKE RIVER PREPAID TRANSM PRINCIPAL	\$ 99,800,000	\$ 97,852,274	\$ (1,947,726)
3	CARRYING CHARGES ON LSR PREPAID TRANSM	13,019,212	10,388,707	(2,630,505)
4	TOTAL REGULATORY ASSETS	<u>\$ 112,819,212</u>	<u>\$ 108,240,981</u>	<u>\$ (4,578,231)</u>
5				
6	<u>AMORTIZATION OF REGULATORY ASSET</u>			
7	LOWER SNAKE RIVER PREPAID TRANSM PRINCIPAL	\$ -	\$ 2,544,442	\$ 2,544,442
8	CARRYING CHARGES ON LSR PREPAID TRANSM	289,540	694,897	405,356
9	TOTAL REGULATORY AMORT	<u>\$ 289,540</u>	<u>\$ 3,239,339</u>	<u>\$ 2,949,798</u>

**Adjustment 22**

**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
HEDGING LINE OF CREDIT**

<b>LINE NO.</b>	<b>DESCRIPTION</b>	<b>TEST YEAR</b>	<b>ADJUSTED RATE YEAR</b>	<b>ADJUSTMENT</b>
1	HEDGING LINE OF CREDIT	\$ 851,558	\$ 799,414	\$ (52,144)
2	INCREASE(DECREASE) EXPENSE	\$ 851,558	\$ 799,414	\$ (52,144)

**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
PRODUCTION ADJUSTMENT**

LINE NO.	DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION FACTOR 1.752%	NET AMOUNT
1	<b><u>O&amp;M ON PRODUCTION PROPERTY</u></b>			
2	O&M INCLUDED IN 557:			
3	WORKER'S COMPENSATION	\$ 8,723,284	\$ (152,832)	\$ 8,570,452
4	PROPERTY INSURANCE	2,010,808	(35,229)	1,975,579
5				
6	TOTAL O&M ON PRODUCTION PROPERTY	10,734,092	(188,061)	10,546,031
7				
8				
9				
10	HEDGING LINE OF CREDIT	799,414	(14,006)	785,409
11				
12	<b><u>DEPRECIATION / AMORTIZATION:</u></b>			
13	DEPRECIATION	104,220,701	(1,825,947)	102,394,754
14	AMORTIZATION (OTHER THAN REGULATORY ASSETS/LIAB)	12,300,477	(215,504)	12,084,973
15		116,521,178	(2,041,451)	114,479,727
16	<b><u>TAXES OTHER-PRODUCTION PROPERTY:</u></b>			
17	PROPERTY TAXES - PRODUCTION		-	-
18	ELECTRIC ENERGY TAX	1,737,443	(30,440)	1,707,003
19	TOTAL TAXES OTHER	1,737,443	(30,440)	1,707,003
20				
21	TOTAL PRODUCTION ADJUSTMENT ON PRODUCTION PROPERTY	\$ 129,792,128	\$ (2,273,958)	\$ 127,518,170
22				
23	<b><u>EXPENSE ON REGULATORY ASSETS:</u></b>			
24	ADJ. NO. 9 - FERNDALE DEFERRAL	4,191,320	(73,432)	4,117,888
25	ADJ. NO. 5 - SNOQUALMIE DEFERRAL	2,248,649	(39,396)	2,209,252
26	ADJ. NO. 7 - BAKER DEFERRAL	733,170	(12,845)	720,325
27				
28	<b><u>ADJ - POWER COST &amp; PROD O&amp;M RELATED</u></b>			
29	NO. 15 - BEP	3,526,620	(61,786)	3,464,834
30	NO. 18 - WESTCOAST PIPE CAP - UE-082013 (FB ENERGY)	(392,170)	6,871	(385,299)
31	NO. 18 - WESTCOAST PIPE CAP - UE-100503 (BNP PARIBUS)	(537,626)	9,419	(528,207)
32	NO. 19 - CHELAN	7,088,066	(124,183)	6,963,883
33	NO. 20 - COLSTRIP 1&2 (WEC <sub>o</sub> ) PREPAYMENT	500,000	(8,760)	491,240
34	NO. 21 - LOWER SNAKE RIVER PREPAID TRANSM PRINCIPAL	2,544,442	(44,579)	2,499,863
35	NO. 20 - MINT FARM APRIL 2013 HOT GAS PATH INSPECTION	634,721	(11,120)	623,600
36	<b><u>ADJ - ALL OTHER</u></b>			
37	NO. 16 - WHITE RIVER PLANT COSTS	1,494,702	(26,187)	1,468,515
38	NO. 17 - MINT FARM DEFFRED - UE-090704	2,885,052	(50,546)	2,834,506
39	NO. 17 - LOWER SNAKE RIVER PLANT DEFERRAL	4,499,635	(78,834)	4,420,801
40	NO. 20 - FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074	241,268	(4,227)	237,041
41	NO. 21 - CARRYING CHARGES ON LSR PREPAID TRANSM	694,897	(12,175)	682,722
42				
43	TOTAL PRODUCTION ADJUSTMENT TO REGULATORY ASSET/LIABILITY EXPENSES	\$ 32,154,520	\$ (563,347)	\$ 31,591,173
44				
45	<b>TOTAL PRODUCTION ADJUSTMENT TO EXPENSES</b>		<b>(2,837,305)</b>	
46				
47	<b><u>PRODUCTION RATE BASE:</u></b>			
48	DEPRECIABLE PRODUCTION PROPERTY	3,795,780,216	(66,502,069)	3,729,278,147
49	PRODUCTION PROPERTY ACCUM DEPR.	(1,316,803,762)	23,070,402	(1,293,733,360)
50	NON-DEPRECIABLE PRODUCTION PROPERTY	77,802,363	(1,363,097)	76,439,266
51	PRODUCTION PROPERTY ACCUM AMORT.	(5,230,652)	91,641	(5,139,011)
52	COLSTRIP COMMON FERC ADJUSTMENT	4,326,958	(75,808)	4,251,150
53	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	1,276,167	(22,358)	1,253,809
54	ACQUISITION ADJUSTMENT	281,526,234	(4,932,340)	276,593,894
55	ACCUMULATED AMORTIZATION ON ACQUISITION ADJ	(72,694,902)	1,273,615	(71,421,287)
56	NET PRODUCTION PROPERTY	2,765,982,621	(48,460,014)	2,717,522,607
57				
58	<b><u>DEDUCT:</u></b>			

Adjustment 23

PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
PRODUCTION ADJUSTMENT

LINE NO. DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION FACTOR 1.752%	NET AMOUNT
59 LIBR. DEPREC. POST 1980 (AMA)	(404,934,420)	7,094,451	(397,839,969)
60 NOL DEFERRED TAX ASSET ATTRIBUTABLE TO PRODUCTION	39,507,925	(692,179)	38,815,746
61 ADJUSTMENT TO RATE BASE	(365,426,495)	6,402,272	(359,024,223)
62			
63 TOTAL PRODUCTION ADJUSTMENT TO PRODUCTION RATE BASE	<b>\$ 2,400,556,126</b>	<b>\$ (42,057,742)</b>	<b>\$ 2,358,498,384</b>
64			
65 <b>REGULATORY ASSETS RATE BASE:</b>			
66 BEP	7,616,843	(133,447)	7,483,396
67 WHITE RIVER PLANT COSTS	32,252,094	(565,057)	31,687,038
68 WHITE RIVER RELICENSING & CWIP	25,621,603	(448,890)	25,172,712
69 PROCEEDS FROM THE SALE OF WHITE RIVER	(30,211,681)	529,309	(29,682,372)
70 DFIT - WHITE RIVER REG ASSET	(9,681,693)	169,623	(9,512,069)
71 WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)	(1,147,096)	20,097	(1,126,999)
72 WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)	(1,572,557)	27,551	(1,545,005)
73 MINT FARM DEFFRED - UE-090704	20,363,786	(356,774)	20,007,012
74 CHELAN PUD CONTRACT INITIATION	107,883,190	(1,890,113)	105,993,077
75 CHELAN - ROCK ISLAND SECURITY DEPOSIT	18,500,000	(324,120)	18,175,880
76 COLSTRIP 1&2 (WEC <sub>o</sub> ) PREPAYMENT	2,833,333	(49,640)	2,783,693
77 FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074	643,382	(11,272)	632,110
78 MINT FARM APRIL 2013 HOT GAS PATH INSPECTION	1,586,802	(27,801)	1,559,001
79 LOWER SNAKE RIVER PREPAID TRANSM PRINCIPAL	97,852,274	(1,714,372)	96,137,902
80 CARRYING CHARGES ON LSR PREPAID TRANSM	10,388,707	(182,010)	10,206,696
81 LOWER SNAKE RIVER PLANT DEFERRAL	5,849,525	(102,484)	5,747,042
82 FERNDAL DEFERRAL	14,983,968	(262,519)	14,721,449
83 SNOQUALMIE DEFERRAL	8,038,920	(140,842)	7,898,078
84 BAKER DEFERRAL	2,621,084	(45,921)	2,575,163
85			
86 TOTAL PRODUCTION ADJUSTMENT TO REGULATORY ASSETS RATE BASE	<b>\$ 320,863,832</b>	<b>\$ (5,621,534)</b>	<b>\$ 315,242,298</b>
87			
88 TOTAL PRODUCTION ADJUSTMENT TO RATE BASE		<b>\$ (47,679,276)</b>	

**REDACTED  
VERSION**



<b>Adjustment 24</b>
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
TEMPERATURE NORMALIZATION**

<b>LINE NO.</b>	<b>DESCRIPTION</b>	<b>ACTUAL GPI MWH</b>	<b>TEMP ADJ GPI MWH</b>	<b>MWH CHANGE</b>	<b>ADJ FOR LOSSES 6.90%</b>
1	Oct-11	1,787,546	1,779,700	(7,846)	(7,304)
2	Nov-11	2,101,522	2,065,752	(35,770)	(33,302)
3	Dec-11	2,356,931	2,337,381	(19,551)	(18,202)
4	Jan-12	2,292,567	2,250,955	(41,611)	(38,740)
5	Feb-12	2,038,936	2,050,693	11,757	10,946
6	Mar-12	2,120,952	2,069,642	(51,310)	(47,769)
7	Apr-12	1,748,782	1,763,298	14,515	13,514
8	May-12	1,693,850	1,692,346	(1,504)	(1,400)
9	Jun-12	1,583,503	1,594,319	10,816	10,070
10	Jul-12	1,625,813	1,642,567	16,754	15,598
11	Aug-12	1,704,899	1,687,369	(17,531)	(16,321)
12	Sep-12	1,588,781	1,588,077	(703)	(655)
13	Total	22,644,082	22,522,100	(121,982)	(113,565)

Adjustment 25
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
CONVERSION FACTOR**

<b>LINE NO.</b>	<b>DESCRIPTION</b>		<b>RATE</b>
1	BAD DEBTS		0.004444
2	ANNUAL FILING FEE		0.002000
3	STATE UTILITY TAX (( 1 - LINE 1 ) * 3.8734%)	3.8734%	<u>0.038562</u>
4			
5	SUM OF TAXES OTHER		0.045006
6			
7	CONVERSION FACTOR ( 1 - LINE 5 )		<b>0.954994</b>