

Exhibit No. __ (RTA-3)
Dockets UE-111048/UG-111049
Witness: Rick T. Applegate

BEFORE THE WASHINGTON STATE UTILITIES AND TRANSPORTATION COMMISSION

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET UE-111048
DOCKET UG-111049
(Consolidated)

**EXHIBIT TO
TESTIMONY OF**

RICK T. APPLGATE

**ON BEHALF OF THE STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Lower Snake River Adjustment Summary

December 7, 2011

PUGET SOUND ENERGY-ELECTRIC
LOWER SNAKE RIVER PROJECT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	Company Proposed Adjustment (JHS-13)		Staff Proposed Adjustment (RCM-2)		DIFFERENCE
		TEST YEAR	PROFORMA ADJUSTMENT	TEST YEAR	PROFORMA ADJUSTMENT	
1	LOWER SNAKE RIVER RATEBASE (AMA)					
2	UTILITY PLANT RATEBASE					
3	PLANT BALANCE	\$ 42,219	\$ 773,474,856	\$ 42,219	\$ 742,547,251	\$ (30,927,605)
4	ACCUM DEPRECIATION	-	(17,848,252)	(23,093,267)	(23,093,267)	\$ (5,245,015)
5	DEFERRED INCOME TAX LIABILITY	-	(67,873,620)	(75,345,670)	(75,345,670)	\$ (7,472,050)
6						
7	NET LSR EXPANSION PLANT RATEBASE	\$ 42,219	\$ 687,752,984	\$ 42,219	\$ 644,108,314	\$ (43,644,670)
8						
9	LOWER SNAKE RIVER OPERATING EXPENSE					
10	TAXABLE DEPRECIATION EXPENSE	\$ -	\$ 28,005,153	\$ 26,936,416	\$ 26,936,416	\$ (1,068,737)
11	NON-TAXABLE DEPRECIATION EXPENSE		4,933,627	\$ 4,845,776	\$ 4,845,776	\$ (87,851)
12	TOTAL DEPRECIATION EXPENSE	\$ -	\$ 32,938,780	\$ 31,782,192	\$ 31,782,192	\$ (1,156,588)
13						
14						
15	POWER COST AND O&M RELATED TO LOWER SNAKE RIVER					
16	PURCHASED POWER	\$ -	\$ 776,099	\$ 776,099	\$ 776,099	\$ -
17	WHEELING		9,922,939	\$ 7,524,912	\$ 7,524,912	\$ (2,398,027)
18	PRODUCTION O&M		10,891,023	\$ 10,891,023	\$ 10,891,023	\$ -
19	PROPERTY INSURANCE		517,501	\$ 495,108	\$ 495,108	\$ (22,393)
20	PROPERTY TAXES		2,967,101			\$ (2,967,101)
21	TOTAL POWER COST AND PROD O&M	\$ -	\$ 25,074,663	\$ 19,687,142	\$ 19,687,142	\$ (5,387,521)
22						
23	INCREASE (DECREASE) EXPENSE	\$ -	\$ 58,013,442	\$ 51,469,334	\$ 51,469,334	\$ (6,544,108)
24						
25	INCREASE (DECREASE) FIT ON ALL EXPENSES EXCEPT LINE 11 @		35%		(16,318,245)	2,259,690
26	INCREASE (DECREASE) NOI				\$ (35,151,089)	\$ 4,284,418