

EXHIBIT NO. ___(KJB-5)
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___

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

FEBRUARY 1, 2013

KJB-5 Summary

**PUGET SOUND ENERGY-ELECTRIC
RESULTS OF OPERATIONS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012
COMMISSION BASIS REPORT**

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS
1	<u>OPERATING REVENUES:</u>		
2	\$ 2,120,008,164	\$ (102,488,583)	\$ 2,017,519,581
3	360,542	(1,399)	359,143
4	123,650,360	-	123,650,360
5	56,068,111	(39,907,244)	16,160,867
6	2,300,087,177	(142,397,225)	2,157,689,951
7			
8			
9	<u>OPERATING REVENUE DEDUCTIONS:</u>		
10			
11	<u>POWER COSTS:</u>		
12	\$ 218,160,728	\$ -	\$ 218,160,728
13	717,639,197	(2,586,726)	715,052,472
14	84,269,117	-	84,269,117
15	(72,809,411)	72,809,411	-
16	947,259,632	70,222,685	1,017,482,317
17			
18	\$ 117,133,188	\$ -	\$ 117,133,188
19	13,719,587	-	13,719,587
20	81,255,580	-	81,255,580
21	48,756,165	(1,060,169)	47,695,996
22	15,570,221	(11,083,432)	4,486,789
23	85,049,596	(85,047,212)	2,384
24	99,574,020	(48,305)	99,525,715
25	211,288,588	-	211,288,588
26	40,063,865	-	40,063,865
27	17,837,766	-	17,837,766
28	65,549,106	(60,686,951)	4,862,154
29	20,062,310	(20,062,310)	-
30	207,386,995	(80,005,520)	127,381,475
31	133,244	8,368,537	8,501,781
32	61,579,635	7,021,809	68,601,444
33	\$ 2,032,219,498	\$ (172,380,867)	\$ 1,859,838,631
34			
35	\$ 267,867,679	\$ 29,983,642	\$ 297,851,321
36			
37	\$ 4,962,312,346	\$ -	\$ 4,962,312,346
38			
39	5.40%		6.00%
40			
41	<u>RATE BASE:</u>		
42	\$ 8,371,335,805	\$ -	\$ 8,371,335,805
43	\$ (3,014,999,833)	-	(3,014,999,833)
44	437,285,427	-	437,285,427
45	(929,775,902)	-	(929,775,902)
46	180,394,295	-	180,394,295
47	(81,927,445)	-	(81,927,445)
48	\$ 4,962,312,346	\$ -	\$ 4,962,312,346

**PUGET SOUND ENERGY-ELECTRIC
TEMPERATURE NORMALIZATION
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012
COMMISSION BASIS REPORT**

LINE

NO.	DESCRIPTION				
1	<u>TEMPERATURE NORMALIZATION ADJUSTMENT:</u>				
2		ACTUAL	TEMP ADJ	MWH	ADJ FOR LOSSES
3		<u>GPI MWH</u>	<u>GPI MWH</u>	<u>CHANGE</u>	<u>6.90%</u>
4	Jul-11	1,634,238	1,656,365	22,127	20,600
5	Aug-11	1,680,702	1,685,824	5,123	4,769
6	Sep-11	1,638,712	1,630,722	(7,991)	(7,439)
7	Oct-11	1,811,113	1,803,066	(8,047)	(7,492)
8	Nov-12	2,135,646	2,098,928	(36,718)	(34,184)
9	Dec-11	2,391,169	2,371,197	(19,972)	(18,594)
10	Jan-12	2,329,290	2,286,543	(42,746)	(39,797)
11					
12	Feb-12	2,069,634	2,081,678	12,044	11,213
13	Mar-12	2,153,018	2,100,451	(52,567)	(48,940)
14	Apr-12	1,772,924	1,787,807	14,883	13,856
15	May-12	1,714,905	1,713,355	(1,550)	(1,443)
16	Jun-12	1,603,915	1,614,542	10,627	9,894
17		<u>22,935,264</u>	<u>22,830,479</u>	<u>(104,786)</u>	<u>(97,555)</u>
18					
19	REVENUE ADJUSTMENT:	Schedule 7		(86,267)	\$ (8,866,463)
20		Schedule 24		(5,601)	(503,465)
21		Schedule 25		(3,237)	(205,382)
22		Schedule 26		313	20,874
23		Schedule 29		42	2,255
24		Schedule 31		(622)	(36,083)
25		Schedule 43		(2,112)	(118,172)
26		Schedule 40 - Med Sec Voltage		(15)	(838)
27		Schedule 40 - Large Sec Voltage		(120)	(6,652)
28		Schedule 40 - Primary Voltage		103	5,935
29		Firm Resale		(40)	(1,399)
30	INCREASE (DECREASE) SALES TO CUSTOMERS			<u>(97,555)</u>	\$ (9,709,390) \$ (9,709,390)
31					
32	UNCOLLECTIBLES @			0.0050840	\$ (49,363)
33	ANNUAL FILING FEE @			0.0020000	<u>(19,419)</u>
34	INCREASE (DECREASE) EXPENSE				(68,782)
35					
36	STATE UTILITY TAX @			0.0385370	\$ (374,171)
37	INCREASE (DECREASE) TAXES OTHER				<u>(374,171)</u>
38					
39	INCREASE (DECREASE) OPERATING INCOME				(9,266,437)
40					
41	INCREASE (DECREASE) FIT @			35%	<u>(3,243,253)</u>
42	INCREASE (DECREASE) NOI				<u>\$ (6,023,184)</u>

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**PUGET SOUND ENERGY-ELECTRIC
REVENUE & EXPENSE RESTATING
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	SALES TO CUSTOMERS:		
2	REMOVE MERGER RATE CREDIT SCH 132	\$ 5,968,655	
3	REMOVE SCHEDULE 95A TREASURY GRANTS	<u>6,655,433</u>	
4			
5	INCREASE (DECREASE) SALES TO CUSTOMERS	<u>12,624,088</u>	
6			
7	INCREASE (DECREASE) REVENUES		\$ 12,624,088
8			
9	UNCOLLECTIBLES @	0.0050840 \$ 64,181	
10	ANNUAL FILING FEE @	0.0020000 <u>25,248</u>	
11			
12	INCREASE (DECREASE) EXPENSE		89,429
13			
14	STATE UTILITY TAX @	0.0385370 \$ <u>486,494</u>	
15	INCREASE (DECREASE) TAXES OTHER		486,494
16			
17			
18			
19	OTHER OPERATING EXPENSES:		
20	REMOVE SCHEDULE 95A TREASURY GRANTS AMORTIZATION	4,134,767	
21	REMOVE ACCRUAL FOR FUTURE PTC LIABILITY		
22	(ACTUAL PTC'S REMOVED IN FIT ADJUSTMENT NO. 3.06)	<u>(35,674,121)</u>	
23	INCREASE (DECREASE) OPERATING EXPENSES		<u>(31,539,354)</u>
24			
25	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT		43,587,518
26			
27	INCREASE (DECREASE) FIT @	35%	<u>15,255,631</u>
28			
29	INCREASE (DECREASE) NOI		<u>\$ 28,331,887</u>

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**PUGET SOUND ENERGY-ELECTRIC
REGULATORY CREDITS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1				
2				
3				
4				
5				
6				
7				
8	<u>LOWER SNAKE RIVER</u>			
9	LSR FIXED COST DEFERRAL	\$(9,373,131)	-	\$ 9,373,131
10				
11				
12	INCREASE (DECREASE) EXPENSE			9,373,131
13				
14	INCREASE (DECREASE) FIT @		35%	(3,280,596)
15	INCREASE (DECREASE) NOI			<u><u>\$ (6,092,535)</u></u>

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**PUGET SOUND ENERGY-ELECTRIC
FEDERAL INCOME TAX
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME BEFORE ADJUSTMENTS	\$ 306,681,985
2		
3	ADD BACK:	
4	CURRENT FEDERAL INCOME TAXES	(328,883)
5	DEFERRED FEDERAL INCOME TAXES	68,601,444
6	SUB TOTAL	<u>374,954,547</u>
7		
8	LESS: INTEREST	160,778,920
9	TAXABLE INCOME	<u>\$ 214,175,627</u>
10		
11	EFFECTIVE TAX RATE	36%
12	CALCULATED FEDERAL INCOME TAX	\$77,103,226
13	LESS:	
14	CURRENT FEDERAL INCOME TAXES	(328,883)
15	DEFERRED FEDERAL INCOME TAXES	- \$ 68,601,444
16		
17	INCREASE(DECREASE) FIT	\$8,830,664
18		-
19	INCREASE(DECREASE) NOI	<u><u>\$ (8,830,664)</u></u>

**PUGET SOUND ENERGY-ELECTRIC
TAX BENEFIT OF RESTATED INTEREST
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	\$ 4,962,312,346
2		
3	WEIGHTED COST OF DEBT	3.24%
4	RESTATED INTEREST	<u>\$ 160,778,920</u>
5		
6	INTEREST FOR WHICH THE TAX BENEFIT IS INCLUDED ABOVE THE LINE	134,146,880
7		
8	INCREASE (DECREASE) INCOME	<u>\$ (26,632,040)</u>
9		
10		
11	INCREASE (DECREASE) FIT @	35% \$ (9,321,214)
12		
13	INCREASE (DECREASE) NOI	<u><u>\$ 9,321,214</u></u>

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**PUGET SOUND ENERGY-ELECTRIC
PASS-THROUGH REVENUE & EXPENSE
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	<u>REMOVE REVENUES ASSOCIATED WITH RIDERS:</u>		
2	REMOVE CONSERVATION RIDER - SCHEDULE 120		\$ 88,991,716
3	REMOVE MUNICIPAL TAXES - SCHEDULE 81		78,714,329
4	REMOVE LOW INCOME RIDER - SCHEDULE 129		11,372,744
5	REMOVE RESIDENTIAL EXCHANGE - SCH 194		(76,177,365)
6	GREEN POWER - SCH 135/136 "		3,758,866
7	GREEN POWER - SCH 135/136 ELIMINATE UNDER EXPENSED		187,536
8	REMOVE REC PROCEEDS - SCH 137		(1,255,611)
9	REMOVE EXPENSES ASSOCIATED WITH SCH 137 REC PROCEEDS		1,043,288
10	REMOVE REC/PTC OFFSET PERIOD ACCOUNTING		38,676,420
11			
12	TOTAL (INCREASE) DECREASE REVENUES		\$ 145,311,923
13			
14	<u>DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:</u>		
15	BAD DEBTS	0.0050840	(536,831)
16	ANNUAL FILING FEE	0.0020000	(211,184)
17	STATE UTILITY TAX	0.0385370	(4,069,207)
18	TOTAL		(4,817,222)
19			
20	<u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>		
21	REMOVE CONSERVATION AMORTIZATON - SCHEDULE 120		\$ (85,047,212)
22	REMOVE MUNICIPAL TAXES - SCHEDULE 81		(75,818,237)
23	REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129		(10,870,112)
24	REMOVE RESIDENTIAL EXCHANGE - SCH 194		72,809,411
25	REMOVE REC/PTC OFFSET PERIOD ACCOUNTING		(38,676,420)
26	REMOVE EXPENSES ASSOCIATED WITH SCH 137 REC INTEREST		155,692
27	GREEN POWER - SCH 135/136 TAGS		(2,586,726)
28	GREEN POWER - SCH 135/136 ADMIN		(213,320)
29	GREEN POWER - SCH 135/136 BENEFITS PORTION OF ADMIN		(51,762)
30	GREEN POWER - SCH 135/136 TAXES PORTION OF ADMIN		(15,870)
31	TOTAL INCREASE (DECREASE) EXPENSE		\$ (140,314,556)
32			
33	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT		\$ (180,145)
34	INCREASE (DECREASE) FIT		(63,051)
35	INCREASE (DECREASE) NOI		\$ (117,094)

**PUGET SOUND ENERGY-ELECTRIC
BAD DEBTS
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012
COMMISSION BASIS REPORT**

LINE NO.	YEAR	NET	GROSS	SALES FOR	OTHER	SALES FOR	NET	PERCENT
		WRITEOFF'S	REVENUES	RESALE OTHER	OPERATING REVENUE	RESALE FIRM	REVENUES	WRITEOFFS TO REVENUE
		June	February	February	February	February	February	
1	12 ME 6/30/2009	\$ 9,346,383	\$ 2,119,079,610	\$ 76,416,241	\$ 48,890,213	\$ 372,754	\$ 1,993,400,402	0.4689000%
2	12 ME 6/30/2011	10,795,681	2,195,900,041	58,504,973	42,174,024	355,271	2,094,865,774	0.5153000%
3	12 ME 6/30/2012	11,515,730	2,252,228,204	46,263,193	76,933,064	369,825	2,128,662,122	0.5410000%
4								
5	3-YR AVERAGE OF NET WRITE OFF RATE							0.5084000%
6								
7	REPORTING PERIOD REVENUES		\$ 2,300,087,177	\$ 123,650,360	\$ 56,068,111	\$ 360,542	\$ 2,120,008,164	
8								
9	RESTATED BAD DEBT RATE						<u>0.5084000%</u>	
10								
11	RESTATED BAD DEBTS						\$ 10,778,122	
12								
13	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR						<u>11,316,278</u>	
14	INCREASE (DECREASE) EXPENSE							\$ (538,156)
15								
16	INCREASE (DECREASE) NOI							\$ 538,156
17	INCREASE (DECREASE) FIT						35%	<u>188,355</u>
18	INCREASE (DECREASE) NOI							<u><u>\$ 349,801</u></u>

**PUGET SOUND ENERGY-ELECTRIC
INCENTIVE PLAN
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	INCREASE(DECREASE) IN EXPENSE	\$ 8,487,001	\$ 5,741,776	\$ (2,745,226)
2				
3	PAYROLL TAXES ASSOCI WITH MERIT PAY	663,228	448,699	\$ (214,529)
4	INCREASE(DECREASE) IN EXPENSE	\$ 9,150,229	\$ 6,190,474	\$ (2,959,755)
5				
6	INCREASE (DECREASE) INCOME			2,959,755
7	INCREASE (DECREASE) FIT @		35%	1,035,914
8				
9	INCREASE (DECREASE) NOI			<u><u>\$ 1,923,841</u></u>

PUGET SOUND ENERGY-ELECTRIC
ASC 815 (SFAS 133)
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012
COMMISSION BASIS REPORT

LINE NO.		ACTUAL	RESTATED	ADJUSTMENT
1	FAS 133 OPERATING EXPENSE	\$ 20,062,310	\$ -	\$ (20,062,310)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 20,062,310	\$ -	\$ (20,062,310)
4				
5	INCREASE (DECREASE) OPERATING INCOME			20,062,310
6				
7	INCREASE (DECREASE) DEFERRED FIT @	35%		7,021,809
8				
9	INCREASE (DECREASE) NOI			<u><u>\$ 13,040,502</u></u>

**PUGET SOUND ENERGY-ELECTRIC
PENSION PLAN
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ 3,917,360	\$ 6,871,398	\$ 2,954,038
2				
3				
4	INCREASE (DECREASE) IN EXPENSE	\$ 3,917,360	\$ 6,871,398	\$ 2,954,038
5				
6	INCREASE (DECREASE) INCOME			(2,954,038)
7	INCREASE (DECREASE) FIT @		35%	(1,033,913)
8				
9	INCREASE (DECREASE) NOI			<u><u>\$ (1,920,125)</u></u>

**PUGET SOUND ENERGY-ELECTRIC
CONVERSION FACTOR
FOR THE TWELVE MONTHS ENDED JUNE 30, 2012
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	RATE
1	BAD DEBTS	0.005084
2	ANNUAL FILING FEE	0.002000
3	STATE UTILITY TAX ((1 - LINE 1) * 3.8734%)	3.8734% <u>0.038537</u>
4		
5	SUM OF TAXES OTHER	0.045621
6		
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX (1 - LINE 5)	0.954379
8	FEDERAL INCOME TAX ((1 - LINE 5) * 35%)	35% <u>0.334033</u>
9	CONVERSION FACTOR (1 - LINE 8)	<u>0.620346</u>

PUGET SOUND ENERGY-ELECTRIC & GAS

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FOR THE TWELVE MONTHS ENDED JUNE 30, 2012
ALLOCATION METHODS

Method	Description		Electric	Gas	Total
1	* <u>12 Month Average Number of Customers</u>	6/30/2012	1,086,382	760,286	1,846,668
	Percent		58.83%	41.17%	100.00%
2	* <u>Joint Meter Reading Customers</u>	6/30/2012	714,059	413,885	1,127,944
	Percent		63.31%	36.69%	100.00%
3	* <u>Non-Production Plant</u>				
	Distribution	6/30/2012	\$ 3,077,617,333	\$ 2,690,196,591	\$ 5,767,813,924
	Transmission	6/30/2012	1,091,713,943	-	1,091,713,943
	Direct General Plant	6/30/2012	157,891,556	34,244,684	192,136,240
	Total		\$ 4,327,222,832	\$ 2,724,441,275	\$ 7,051,664,107
Percent		61.36%	38.64%	100.00%	
4	* <u>4-Factor Allocator</u>				
	Number of Customers	6/30/2012	1,086,382	760,286	1,846,668
	Percent		58.83%	41.17%	100.00%
	Labor - Direct Charge to O&M	6/30/2012	50,387,385	25,140,397	\$ 75,527,782
	Percent		66.71%	33.29%	100.00%
	T&D O&M Expense (Less Labor)	6/30/2012	67,798,023	28,139,982	\$ 95,938,005
	Percent		70.67%	29.33%	100.00%
	Net Classified Plant (Excluding General (Common) Plant)	6/30/2012	4,286,949,589	1,809,404,108	6,096,353,697
	Percent		70.32%	29.68%	100.00%
	Total Percentages		266.53%	133.47%	400.00%
Percent		66.63%	33.37%	100.00%	
5	* <u>Employee Benefits</u>				
	Direct Labor Accts 500-935	6/30/2012	51,062,420	25,810,760	76,873,180
	Total		\$ 51,062,420	\$ 25,810,760	\$ 76,873,180
	Percent		66.42%	33.58%	100.00%