

**EXHIBIT NO. RG-56  
DOCKET NOS. UE-090704/UG-090705  
2009 PSE GENERAL RATE CASE  
WITNESS: ROGER GARRATT**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,**

**Complainant,**

**v.**

**PUGET SOUND ENERGY, INC.,**

**Respondent.**

**Docket No. UE-090704  
Docket No. UG-090705**

**THIRD EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED REBUTTAL TESTIMONY OF  
ROGER GARRATT  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**DECEMBER 17, 2009**

**BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**Docket Nos. UE-090704 and UG-090705  
Puget Sound Energy, Inc.'s  
2009 General Rate Case**

**WUTC STAFF DATA REQUEST NO. 146**

**WUTC STAFF DATA REQUEST NO. 146:**

Re: Exhibit (JHS-4), Page 4.33 Fredonia Power Plant

Please update this adjustment with actual dollar amounts, including: plant balance, closing costs and accumulated depreciation. Please provide journal entries for the purchase.

**First Supplemental Response:**

Puget Sound Energy, Inc. ("PSE") has not yet posted any journal entries for the purchase of Fredonia Power Plant ("Fredonia") because the purchase has not yet occurred. To seek approval of the expected purchase accounting to be used, on October 15, 2009, PSE filed a FERC 203 filing for the lease buyout of Fredonia Units 3 and 4. Attached as Attachment A to PSE's First Supplemental Response to WUTC Staff Data Request No. 146, please find an MS Excel file reflecting the proposed estimated journal entries that were submitted with that filing.

Additionally, test year property taxes for Fredonia should not have been removed from Adjustment 4.15E because they are also adjusted for in Adjustment 4.33E. PSE will correct for this in its prefiled rebuttal evidence in this proceeding.

Attached as Attachment B to PSE's First Supplemental Response to WUTC Staff Data Request No. 146, please find the estimated lease termination payoff that has been received from GE Capital Leasing, based on the December 31, 2009 unamortized lease balance. The amortization schedule used as the basis for the payoff amount in electronic workpaper, "4.33E Fredonia Power Plant.xls" has not changed and still agrees with the estimated payoff amount in Attachment B to WUTC Staff Data Request No. 146. However, the dates on the workpaper described above were thought to have been end of month dates when they are actually beginning of the month dates. This is evident when comparing the estimated payoff balance in Attachment B to WUTC Staff Data Request No. 146 to the electronic workpaper. The December 31, 2009 unamortized lease balance on Attachment B to WUTC Staff Data Request No. 146 equals the "Jan-10" balance on the electronic workpaper tab, "Fredonia Amort thru 9-

2008", cell C121 (hard copy workpaper 11). Further inspection of the actual date input in cell C121 indicates it is January 1, 2010, not January 31, 2010, as was first assumed. Use of the wrong date has resulted in PSE overstating the purchase price by the equivalent of one month's payment for the lease and the prepaid sales taxes, or \$280,793. PSE will correct for this in its prefiled rebuttal evidence in this proceeding.

**ATTACHMENT A to  
PSE's First Supplemental Response to  
WUTC Staff Data Request No. 146**

Puget Sound Energy  
Proposed Journal Entries for Fredonia Turbines

Exhibit No. RG-56  
Page 4 of 6

First Supplemental PSE Response WUTC DR 146  
Attachment A

	<u>Account</u>	<u>Description</u>	<u>Debits</u>	<u>Credits</u>
#1	102	Electric Plant Purchased or Sold	43,000,000	
	243	Obligations under Capital Lease - Current	43,000,000	
	101.1	Property under Capital Lease		43,000,000
	131	Cash		43,000,000
<i>To record the purchase cost of Fredonia 3&amp;4 turbines</i>				
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#2	102	Electric Plant Purchased or Sold	200,000	
	107	Construction Work in Progress		200,000
<i>To record internal and external costs pertaining to the purchase of Fredonia 3&amp;4 turbines</i>				
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#3	101	Electric Plant in Service	66,000,000	
	102	Electric Plant Purchased or Sold		43,000,000
	108	Accumulated Depreciation		23,000,000
<i>To record the original cost of Fredonia 3&amp;4 turbines and seller's accumulated depreciation</i>				
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#4	102	Electric Plant Purchased or Sold		200,000
	114	Electric Plant Acquisition Adjustments	200,000	
<i>To clear account 102 to 114</i>				

Note: Puget Sound Energy will record the purchase of Fredonia 3&4 turbines as described in Electric Plant Instructions #5B.

PSE will file the proposed journal entries with the Commission to clear account 102 within the required six months after the acquisition.

**ATTACHMENT B to  
PSE's First Supplemental Response to  
WUTC Staff Data Request No. 146**

T_LESSEESSOR_NAM	ILR_NO	MORT_TERM	REMAINET_ACQ_COST	PAYMENT_AM	BALLOON	UB_8-31-09	NVOICE_DESC
PUGET BLC	A-1	120	32,514,971.97	115,428.15	18,663,593.91	21,318,441.42	WHITNEY
PUGET COL PAC	A-2	120	15,783,228.77	56,030.46	9,059,573.31	10,348,274.15	WHITNEY
PUGET COL PAC	A-6	118	2,933,384.92	10,590.02	1,683,762.94	1,927,333.02	WHITNEY
PUGET COL PAC	A-7	118	4,000,000.00	14,440.68	2,296,000.00	2,628,135.40	WHITNEY
PUGET COL PAC	A-5	120	1,031,270.50	3,661.01	591,949.27	676,152.53	WHITNEY
PUGET COL PAC	A-3	120	1,104,935.03	3,922.52	634,232.71	724,450.59	WHITNEY
PUGET BLC	A-15	108	27,541.42	108.64	15,808.78	18,307.02	01 TURBINES
PUGET BLC	A-1	120	254,067.01	901.94	145,834.46	166,578.83	WHITNEY
PUGET COL PAC	A-9	115	2,641,399.48	9,784.66	1,516,163.30	1,741,210.76	01 TURBINE
PUGET BLC	A-10	115	239,397.20	886.81	137,413.99	157,810.68	01 TURBINE
PUGET COL PAC	A-12	112	1,000,000.00	3,803.57	574,000.00	661,482.27	01 TURBINES
PUGET BLC	A-13	109	674,326.72	2,635.44	387,063.54	447,678.88	01 TURBINES
PUGET COL PAC	A-11	115	787,771.33	2,918.18	452,180.74	519,298.77	01 TURBINE
PUGET BLC	A-17	75	515,454.14	2,927.78	295,870.68	363,209.58	WHITNEY
PUGET BLC	A-14	109	86,816.13	339.30	49,832.46	57,636.33	01 TURBINES
PUGET BLC	A-4	120	1,259,701.70	4,471.94	723,068.78	825,923.52	WHITNEY
PUGET COL PAC	A-8	118	725,204.20	2,618.11	416,267.21	476,483.75	01 TURBINE
PUGET BLC	A-16	103	354,685.99	1,466.95	203,589.76	237,329.99	WHITNEY

65,934,156.51 236,936.16 37,846,205.84 43,295,737.49

- 1 43,058,801.33 9/30/2009
- 2 42,821,865.17 10/31/2009
- 3 42,584,929.01 11/30/2009
- 4 42,347,992.85 12/31/2009
- 5 42,111,056.69 1/31/2010
- 6 41,874,120.53
- 7 41,637,184.37
- 8 41,400,248.21
- 9 41,163,312.05
- 10 40,926,375.89
- 11 40,689,439.73
- 12 40,452,503.57
- 13 40,215,567.41
- 14 39,978,631.25
- 15 39,741,695.09
- 16 39,504,758.93
- 17 39,267,822.77
- 18 39,030,886.61
- 19 38,793,950.45
- 20 38,557,014.29
- 21 38,320,078.13
- 22 38,083,141.97
- 23 37,846,205.81

Estimated Termination Amt.