

EXHIBIT NO. ___(KJB-7)
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___

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

FEBRUARY 1, 2013

UE-120608-SI



Puget Sound Energy
P.O. Box 97034
Bellevue, WA 98009-9734
PSE.com

April 30, 2012

DELIVERED VIA COURIER

Mr. David Danner
Executive Director and Secretary
Washington Utilities and Transportation Commission
1300 S. Evergreen Park Drive SW
Olympia, WA 98504-7250

RE: Electric Accounting Report Pursuant to WAC 480-100-257

Dear Mr. Danner:

Enclosed are an original and two copies of Puget Sound Energy, Inc.'s ("PSE" or "the Company") Electric Annual "Commission Basis" Results of Operations for the twelve-month period ended December 31, 2011. Workpapers supporting this filing are available upon request. These reports were prepared in compliance with the above-referenced WAC. The reports do not necessarily reflect all adjustments the Company would submit in a rate filing. There are no pro-forma adjustments in accordance with WAC 480-100-257.

The results show a normalized overall rate of return of 6.62% and a return on actual common equity of 6.98%, compared with the Company's authorized rate of return of 8.10% overall and 10.10% on common equity.

If you have any questions, please feel free to call me at (425) 462-2105.

Sincerely,

Susan E. Free
Manager of Revenue Requirement

Enclosures

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STATE OF WASH
UTIL. AND TRANS
COMMISSION

Commission Basis Report Cover Letter

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2011
Electric

Restated Net Operating Income	\$ 275,972,522	a
Restated Rate Base	\$ 4,165,678,380	b
Normalized Overall Rate of Return	6.62%	c=a/b
Restated Net Operating Income	\$ 275,972,522	d=a
Restated Interest Expense	\$ 134,551,412	e
Restated NOI less Restated Interest Exp	\$ 141,421,110	f=d-e
Restated Rate Base	\$ 4,165,678,380	g=b
Actual Equity Percent	48.65%	h
Equity Rate Base	\$ 2,026,602,532	i=g*h
Restated Return on Actual Equity	6.98%	j=f/i

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PUGET SOUND ENERGY, INC.
Utility Capital Structure
Cost of Capital and Rate of Return
For The 12 Months Ending December 31, 2011

1	(A)	(B)	(C)	(D)	(E)
2					
3					
4					Weighted
5	<u>Description</u>	<u>Amount (i)</u>	<u>Ratio</u>	<u>Cost</u>	<u>Cost of</u>
6					<u>Capital</u>
7	Short Term Debt	\$159,106,118	2.23%	4.39%	0.10% (A)
8					
9	Long Term Debt	\$3,509,682,195	49.12%	6.38%	3.13% (A)
10					
11	Common Stock	<u>\$3,476,036,691</u>	<u>48.65%</u>	10.10%	<u>4.91%</u>
12					
13	Total	<u>\$7,144,825,004</u>	<u>100.00%</u>		<u>8.14%</u>
14					
15					
16	(i) - Average of Month-End Balances			Total (A)	3.23%

**PUGET SOUND ENERGY
PERIODIC ALLOCATED RESULTS OF OPERATIONS
FOR THE 12 MONTHS ENDED DECEMBER 31, 2011**

(Based on allocation factors developed for the 12 ME 12/31/2011)

	Electric	Gas	Total Amount
1 - OPERATING REVENUES:			
2 - SALES TO CUSTOMERS	\$ 2,133,846,001	\$ 1,154,651,316	\$ 3,288,497,317
3 - SALES FOR RESALE-FIRM	371,445	-	371,445
4 - SALES TO OTHER UTILITIES	140,420,599	-	140,420,599
5 - OTHER OPERATING REVENUES	81,684,812	14,198,253	95,883,065
6 - TOTAL OPERATING REVENUES	\$ 2,356,322,857	\$ 1,168,849,569	\$ 3,525,172,426
7			
8 - OPERATING REVENUE DEDUCTIONS:			
9			
10 - POWER COSTS:			
11 - FUEL	\$ 199,471,094	\$ -	\$ 199,471,094
12 - PURCHASED AND INTERCHANGED	783,082,464	622,087,912	1,405,170,376
13 - WHEELING	82,631,624	-	82,631,624
14 - RESIDENTIAL EXCHANGE	(71,147,374)	-	(71,147,374)
15 - TOTAL PRODUCTION EXPENSES	\$ 994,037,808	\$ 622,087,912	\$ 1,616,125,720
16			
17 - OTHER ENERGY SUPPLY EXPENSES	\$ 114,139,604	\$ 1,575,816	\$ 115,715,420
18 - TRANSMISSION EXPENSE	9,481,215	49,692	9,530,907
19 - DISTRIBUTION EXPENSE	78,245,091	52,286,164	130,531,255
20 - CUSTOMER ACCTS EXPENSES	49,059,716	30,505,504	79,565,220
21 - CUSTOMER SERVICE EXPENSES	15,881,133	5,018,076	20,899,209
22 - CONSERVATION AMORTIZATION	86,285,987	21,360,371	107,646,358
23 - ADMIN & GENERAL EXPENSE	95,893,696	46,749,178	142,642,874
24 - DEPRECIATION	196,706,434	102,889,642	299,596,076
25 - AMORTIZATION	40,172,915	12,487,218	52,660,133
26 - AMORTIZ OF PROPERTY LOSS	17,829,018	-	17,829,018
27 - OTHER OPERATING EXPENSES	116,451,295	(151,356)	116,299,939
28 - FAS 133	54,145,597	-	54,145,597
29 - TAXES OTHER THAN INCOME TAXES	207,140,327	115,819,431	322,959,758
30 - INCOME TAXES	133,244	519,801	653,045
31 - DEFERRED INCOME TAXES	39,724,568	25,140,413	64,864,981
32 - TOTAL OPERATING REV. DEDUCT.	\$ 2,115,327,648	\$ 1,036,337,862	\$ 3,151,665,510
NET OPERATING INCOME	\$ 240,995,209	\$ 132,511,707	\$ 373,506,916
RATE BASE (AMA For 12 Months Ended December 31, 2011)	\$ 4,168,735,160	\$ 1,644,558,987	

**PUGET SOUND ENERGY
BALANCE SHEET
COMMISSION BASIS REPORT
December 31, 2011**

FERC Account and Description	Dec-11	Dec-11 AMA
*ASSETS		
**UTILITY PLANT		
101 Electric Plant in Service	6,959,385,532	6,829,245,367
101.1 Property Under Capital Leases	-	-
102 Electric Plant Purchased or Sold	-	-
105 Electric Plant Held for Future Use	13,831,085	22,846,819
106 Comp. Construction Not Classfd.-Electric	22,798,183	24,967,908
107 Construction Work in Prog. - Electric	1,166,057,949	919,784,950
114 Electric Plant Acquisition Adjustments	251,782,251	251,782,251
***Total Electric Plant	8,413,855,000	8,048,627,295
***Gas Plant		
101 Gas Plant in Service	2,775,155,272	2,724,344,047
105 Gas Plant Held for Future Use	4,702,851	7,196,502
106 Comp. Construction Not Classfd.- Gas	16,113,099	13,931,100
107 Construction Work in Progress - Gas	51,309,239	36,523,937
117.3 Gas Strd.in Resvr.& Pipln.-Noncurr.	8,513,885	8,298,080
***Total Gas Plant	2,855,794,346	2,790,293,666
***Common Plant		
101 Plant in Service - Common	420,928,119	401,144,896
101.1 Property Under Capital Leases	32,206,872	18,550,544
106 Comp Construction Not Classified - Common	86,771	3,991,300
107 Construction Work in Progress - Common	65,096,123	46,312,546
***Total Common Plant	518,317,885	469,999,286
***Accumulated Depreciation and Amortization		
108 Accumulated Provision for Depreciation	(3,724,435,102)	(3,624,505,686)
111 Accumulated Provision for Amortization	(139,853,706)	(125,569,527)
115 Accm.Prv.for Amort.of Plant Acquis.Adj.	(69,711,006)	(64,918,516)
***Less: Accumulated Depr and Amortizat	(3,933,999,814)	(3,814,993,729)
**NET UTILITY PLANT	7,853,967,417	7,493,926,518
**OTHER PROPERTY AND INVESTMENTS		
***Other Investments		
121 Nonutility Property	5,201,888	3,809,077
122 Accm.Prov.for Depr.& Amort.Non-utility P	(395,871)	(571,137)
123.1 Investment in Subsidiary Companies	43,760,155	48,672,236
124 Other Investments	70,093,913	68,252,180
***Total Other Investments	118,660,085	120,162,356
**TOTAL OTHER PROPERTY AND INVESTMENT	118,660,085	120,162,356
**CURRENT ASSETS		

**PUGET SOUND ENERGY
BALANCE SHEET
COMMISSION BASIS REPORT
December 31, 2011**

FERC Account and Description	Dec-11	Dec-11 AMA
***Cash		
131 Cash	16,329,731	23,588,983
134 Other Special Deposits	3,447,837	3,633,435
135 Working Funds	3,452,614	3,353,667
136 Temporary Cash Investments	9,200,000	24,731,667
***Total Cash	32,430,182	55,307,752
***Restricted Cash	-	-
***Total Restricted Cash	-	-
***Accounts Receivable		
141 Notes Receivable	2,448,962	3,055,378
142 Customer Accounts Receivable	263,441,167	220,610,104
143 Other Accounts Receivable	79,588,627	75,818,332
146 Accounts Receiv.from Assoc. Companies	217,147	110,313
171 Interest and Dividends Receivable	-	-
173 Accrued Utility Revenues	191,149,545	135,961,238
185 Temporary Facilities	105,627	43,939
191 Unrecovered Purchased Gas Costs	(25,940,163)	(8,922,385)
***Total Accounts Receivable	511,010,912	426,676,919
***Allowance for Doubtful Accounts		
144 Accm.Prov.for Uncollectble Accts-Credit	(8,495,095)	(8,745,004)
***Less: Allowance for Doubtful Accounts	(8,495,095)	(8,745,004)
***Materials and Supplies		
151 Fuel Stock	17,269,871	17,026,145
154 Plant Materials and Operating Supplies	71,893,629	77,486,369
163 Stores Expense Undistributed	4,174,874	4,494,968
164.1 Gas Stored - Current	79,162,154	58,287,462
164.2 Liquefied Natural Gas Stored	641,796	622,582
***Total Materials and Supplies	173,142,324	157,917,526
***Unrealized Gain-Derivative Instrumnts (ST)		
175 Invest in Derivative Instrumnts -Opt ST	6,549,742	8,473,012
176 Invest in Derivative Instrumnts-Gain ST	-	-
***Unrealized Gain on Derivatives (ST)	6,549,742	8,473,012
***Prepayments and Other Current Assets		
165 Prepayments	12,842,100	13,803,454
174 Misc.Current and Accrued Assets	-	7,016,874
186 Miscellaneous Deferred Debits	8,054	3,509
***Total Prepayments & Othr.Curr.Assets	12,850,154	20,823,837

Current Deferred Taxes

**PUGET SOUND ENERGY
BALANCE SHEET
COMMISSION BASIS REPORT
December 31, 2011**

FERC Account and Description	Dec-11	Dec-11 AMA
Total Current Deferred Taxes	511,537,159	534,158,720
**TOTAL CURRENT ASSETS	1,239,025,378	1,194,612,762
**LONG-TERM ASSETS		
128 Pension Assets	18,500,000	3,393,896
165 Long-Term Prepaid	6,948,591	10,761,936
175 Invest in Derivative Instrumnts -Opt LT	10,083,890	9,883,417
176 Invest in Derivative Instrumnts-Gain LT	97,412	4,059
181 Unamortized Debt Expense	43,181,844	43,195,831
182.1 Extraordinary Property Losses	87,302,575	95,447,419
182.2 Unrecovered Plant & Reg Study Costs	5,599,180	6,459,013
Subtotal WUTC AFUDC	56,314,615	56,075,816
182.3 Other Regulatory Assets	343,757,963	379,853,284
183 Prelm. Survey and Investigation Charges	1,206,341	2,156,310
184 Clearing Accounts	-	574,950
186 Miscellaneous Deferred Debits	448,910,105	352,696,960
187 Def.Losses from Dispos.of Utility Plant	653,284	665,506
189 Unamortized Loss on Reacquired Debt	33,023,258	18,351,494
**TOTAL LONG-TERM ASSETS	1,055,579,058	979,519,891
*TOTAL ASSETS	\$ 10,267,231,938	\$ 9,788,221,527
*CAPITALIZATION AND LIABILITIES		
**CURRENT LIABILITIES		
230 Asset Retirement Obligations	(1,904,012)	(1,717,005)
244 FAS 133 Opt Unrealized Loss ST	(288,923,238)	(227,156,499)
245 FAS 133 Unrealized Loss ST	(19,996,214)	(833,176)
231 Notes Payable	(25,000,000)	(130,650,000)
232 Accounts Payable	(377,276,026)	(286,552,604)
233 Notes Payable to Associated Companies	(29,997,785)	(28,456,119)
234 Accounts Payable to Asscted Companies	(206,642)	(400,671)
235 Customer Deposits	(33,665,115)	(31,419,403)
236 Taxes Accrued	(79,756,375)	(63,822,746)
237 Interest Accrued	(55,842,900)	(57,340,182)
238 Dividends Declared	-	-
241 Tax Collections Payable	(2,654,881)	(3,144,269)
242 Misc. Current and Accrued Liabilities	(18,720,736)	(18,385,400)
243 Obligations Under Cap.Leases - Current	(7,578,088)	(4,104,798)
**TOTAL CURRENT LIABILITIES	(941,522,012)	(853,982,872)
**DEFERRED TAXES		
***Reg. Liability for Def.Income Tax		
253 Other Deferred Credits		
283 Accum.Deferred Income Taxes - Other	(57,261,502)	(64,693,058)

**PUGET SOUND ENERGY
BALANCE SHEET
COMMISSION BASIS REPORT
December 31, 2011**

FERC Account and Description	Dec-11	Dec-11 AMA
***Total Reg.Liab.for Def.Income Tax	(57,261,502)	(64,693,058)
***Deferred Income Tax		
255 Accum.Deferred Investment Tax Credits	(25,437)	(66,381)
282 Accum. Def. Income Taxes - Other Prop.	(1,206,648,908)	(1,272,028,199)
283 Accum.Deferred Income Taxes - Other	(252,014,877)	(213,591,903)
***Total Deferred Income Tax	(1,458,689,222)	(1,485,686,483)
**TOTAL DEFERRED TAXES	(1,515,950,724)	(1,550,379,541)
**OTHER DEFERRED CREDITS		
Subtotal 227 Oblig Under Cap Lease - Noncurr	(24,628,784)	(14,449,123)
Total Unrealized Loss on Derivatives -LT	(162,318,584)	(122,969,472)
228.2 Accum. Prov.for Injuries and Damages	(1,300,000)	(556,667)
228.3 Pension and Post Retirement Liabilities	(143,638,846)	(57,701,544)
228.4 Accum. Misc.Operating Provisions	(70,438,252)	(70,384,931)
230 Asset Retirement Obligations (FAS 143)	(24,636,030)	(23,591,138)
252 Customer Advances for Construction	(87,429,953)	(96,205,084)
253 Other Deferred Credits	(177,483,915)	(165,832,599)
254 Other Regulatory Liabilities	(118,743,536)	(98,139,417)
256 Def. Gains from Dispos.of Utility Plt	(3,076,017)	(4,074,505)
257 Unamortized Gain on Reacquired Debt	-	(420)
**TOTAL OTHER DEFERRED CREDITS	(813,693,917)	(653,904,900)
**CAPITALIZATION		
***SHAREHOLDER'S EQUITY		
****Common Equity		
201 Common Stock Issued	(859,038)	(859,038)
207 Premium on Capital Stock	(478,145,250)	(478,145,250)
210 Gain on Resale/Cancel.of Reacq. Cap.Stk	-	-
211 Miscellaneous Paid-in Capital	(2,775,196,691)	(2,711,321,692)
214 Capital Stock Expense	7,133,879	7,133,879
215 Appropriated Retained Earnings	(9,391,926)	(8,503,394)
216 Unappropriated Retained Earnings	(169,681,027)	(172,350,724)
216.1 Unappr.Undistrib.Subsidiary Earnings	737,289	(4,174,792)
219 Other Comprehensive Income	188,579,238	141,830,478
433 Balance Transferred from Income	(204,120,439)	(131,972,541)
438 Dividends Declared - Common Stock	212,875,426	132,241,834
439 Adjustments to Retained Earnings	5,848,610	5,848,610
****Total Common Equity	(3,222,219,929)	(3,220,272,630)
***TOTAL SHAREHOLDER'S EQUITY	(3,222,219,929)	(3,220,272,630)
***REDEEMABLE SECURITIES AND LONG-TERM DEBT		
****Preferred Stock - Manditorily Redeemable	-	-

**PUGET SOUND ENERGY
BALANCE SHEET
COMMISSION BASIS REPORT
December 31, 2011**

FERC Account and Description	Dec-11	Dec-11 AMA
****Total Preferred Stock - Mand Redeem	-	-
****Corporation Obligated, Mand Redeemable Preferred Stock Subscribed	-	-
****Corporation Obligated, Mand Redeem	-	-
****Long-term Debt		
221 Bonds	(3,523,860,000)	(3,259,693,333)
221 Junior Subordinated Debt	(250,000,000)	(250,000,000)
226 Unamort. Disc. on Long-term Debt-Debit	14,646	11,749
Long-term Debt	<u>(3,773,845,354)</u>	<u>(3,509,681,584)</u>
****Long-term Debt	(3,773,845,354)	(3,509,681,584)
***REDEEMABLE SECURITIES AND LTD	(3,773,845,354)	(3,509,681,584)
**TOTAL CAPITALIZATION	(6,996,065,283)	(6,729,954,214)
*TOTAL CAPITALIZATION AND LIABILITIES	<u>\$ (10,267,231,936)</u>	<u>\$ (9,788,221,527)</u>

**Puget Sound Energy
Commission Basis Report
Electric Rate Base
December 31, 2011**

	4-Factor	NOL
Electric	65.95%	55.67%
Gas	34.05%	44.33%

1	Account	Description	PER SAP AMA 12 Months Ended 12/31/11	AMA Adjustment 12/31/2011	AMA Adjusted For NOL/Repairs Retirements 12/31/2011
3		Rate Base			
4	101 / 102 / 230XXX1	Electric Plant in Service	\$ 6,807,353,272		\$ 6,807,353,272
5	101 / 253XXX3	Common Plant-Allocation to Electric	258,514,029		258,514,029
6	114XXX1	Electric Plant Aquisition Adjustment	251,782,251		251,782,251
6a	18230001	Tenaska	20,314,264		20,314,264
6b	18230171	Cabot	-		-
6c	1822XXX1	White River Deferred Plant Costs	36,558,212		36,558,212
6d	1823XXX1	White River Deferred Relicensing & CWIP	(4,953,505)		(4,953,505)
6e	14300061 & 25400021	Net Regulatory Liability - Canwest	-		-
6f	18230231/ 18230371	Hopkins Ridge BPA Transmission	15,595		15,595
6g	25300831	Hopkins II Wake Effect Settlement	-		-
6h	18230381/18230391	Goldendale Deferral -UE-070533	1,445,196		1,445,196
6i	18230351-71	Mint Farm Deferral	39,503,225		39,503,225
6j	1340xxxx	BPA Deposits	837,630		837,630
6k	18606XX	WHE Deferred Costs-UE-090704	1,291,724		1,291,724
6l	1860xxx	Prepaid Major Maint Sumas/Gold./Freddy	2,177,127		2,177,127
6m	18230351	Chelan PUD Contract Initiation	140,694,918		140,694,918
7	18230041	Colstrip Common FERC Adj - Reg Asset	21,589,277		21,589,277
8	18230051	Accum Amortization Colstrip-Common FERC	(14,123,877)		(14,123,877)
9	18230061	Colstrip Def Depr FERC Adj - Reg	1,802,263		1,802,263
10	18230071	BPA Power Exch Invstmt - Reg Asset	113,632,921		113,632,921
11	18230081	BPA Power Exch Inv Amortization - Reg Asset	(92,473,293)		(92,473,293)
12	18230031	Electric - Def AFUDC - Regulatory Asset	52,505,221		52,505,221
13	1861051	Capitalized OH	-		-
14	10500001	Electric - Plant Held for Future Use	22,846,819		22,846,819
15	10500003	Common Plant Held for Fut Use-Alloc to Electric	-		-
16	10605001	Electric - Const Completed Non Classified	24,967,908		24,967,908
16a	10600003	Common - Const Completed Non Classified	2,632,262		2,632,262
17	108XXX1	Elec-Accum Depreciation	(2,650,767,771)		(2,650,767,771)
18	108XXX3	Common Accum Depr-Allocation to Electric	(36,649,626)		(36,649,626)
19	111XXX1	Elec-Accum Amortization	(16,992,722)		(16,992,722)
20	11100003	Common Accum Amort-Allocation to Electric	(69,730,867)		(69,730,867)
21	115XXX1	Accum Amort Acq Adj - Electric	(64,918,516)		(64,918,516)
22	18230221	Accum Unamort Consvr Costs	-		-
23	19000041	CIAC after 10/8/76 - Accum Def Income Tax	-		-
24	19000051	CIAC - 1986 Changes - Accum Def Income Tax	-		-
25	19000061	CIAC - 7/1/87 - Accum Def Income Tax	92,974,495		92,974,495
26	19000093	Vacation Pay - Accum Def Inc Taxes	-		-
26a	19000121	Cabot Gas Contract - Accum Def Inc Taxe	-		-
26b	19000151	DFIT - Westcoast Capacity Assignment - Electric	1,006,250		1,006,250
26c	19000711	DFIT- BNP Electric	1,379,906		1,379,906
27	19000191	RB-Consv Pre91 Tax Settltmt - Accum Def Inc Tax	-		-
27.1	19000701	DFFIT SSCM INT - ELEC	-		-
28	235XXX1	Customer Deposits - Electric	(22,620,429)		(22,620,429)
29	25400081	Residential Exchange	-		-
29.1	25400191& 25400201	Westcoast Pipeline Capacity Regulatory Liabilities	(6,865,585)		(6,865,585)
30	252XXX1	Cust Advances for Construction	(62,989,252)		(62,989,252)
31	28200101	Major Projects - Property Tax Expense	-		-
32	28200111	Def Inc Tax - Pre 1981 Additions	-		-
33	28200121, 161/28300341	Def Inc Tax - Post 1980 Additions	(863,661,536)	15,754,280	(847,907,256)
34	28200131	Colstrip 3 & 4 Deferred Inc Tax	-		-
35	28200141	Excess Def Taxes - Centralia Sale	-		-
35-1	28200151	Def FIT Indirect Cost Adj - Electric	-		-
35a	283XXXXX	Electric Portion of Common Deferred Taxes	(17,282,076)		(17,282,076)
35a2	19000433	NOL Carryforward	46,042,579	(197,387)	45,845,192
36	28300161	Def Inc Tax - Energy Conservation & FAS 133	-		-
37	28300261	Def FIT Bond Redemption Costs	-		-
37a	28300451	Accum Def Inc Tax - Tenaska Purchase	(892,449)		(892,449)
37b	28300461	Accum Def Inc Tax - Cabot Gas Contract	-		-
37c	28300011	Def FIT - White River Water Right	(11,061,440)		(11,061,440)
37d	19000451	Deferred FIT - Canwest Gas Supply - Ele	-		-
37e	28300431	Deferred Taxes WNP#3	(6,706,094)		(6,706,094)

Puget Sound Energy
Commission Basis Report
Electric Rate Base
December 31, 2011

	4-Factor	NOL
Electric	65.95%	55.67%
Gas	34.05%	44.33%

1	Account	Description	PER SAP AMA 12 Months Ended 12/31/11	AMA Adjustment 12/31/2011	AMA Adjusted For NOL/Repairs Retirements 12/31/2011
37f	19000441	Deferred FIT FAS 143 Whitehorn 2 &3	2,129,753		2,129,753
37g	19000553	Common DFIT Summit Purchase Opt Buyout - Elec	397,255		397,255
37h	19000561	Def FIT - Wind Loss Settlement Agreeemen	-		-
37i	28300541 \ 28300551	DFIT Goldendale Deferral -UE-070533	(506,091)		(506,091)
37j	28300601\28300611\2830066	DFIT Mint Fam Costs-UE-090704	(13,826,132)		(13,826,132)
37k	28300631\28300641\2830067	DFIT Wild Horse Costs-UE-090704	(452,100)		(452,100)
37l	28300561	DFIT - Interest Chelan PUD Reg Asset	(17,305,286)		(17,305,286)
38	124001X1	Conservation Rate Base	-		-
39	18230181	1995 Conservation Trust Rate Base	-		-
40					
41	Working Capital- Rate Base		184,511,383	(948,820)	183,562,563
42	Rate Base		\$ 4,154,127,088	\$ 14,608,073	\$ 4,168,735,161
43					
44					
45					
46	Gross Utility Plant in Service		\$ 7,368,096,541	\$ -	\$ 7,368,096,541
47	Less Accum Dep and Amort		(2,839,059,503)	-	(2,839,059,503)
48	Deferred Debits and Credits		313,951,313	-	313,951,313
49	Deferred Taxes		(787,762,966)	15,556,893	(772,206,073)
50	Allowance for Working Capital		184,511,382	(948,820)	183,562,563
51	Customer Deposits/Advances		(85,609,681)	-	(85,609,681)
52	Total Rate Base		\$ 4,154,127,086	\$ 14,608,073	\$ 4,168,735,160

Puget Sound Energy
Commission Basis Report
Combined Working Capital
December 31, 2011

	4-Factor	NOL
Electric	90.63%	Allocator
Gas	9.37%	55.67%

Line No.	Description	PER SAP AMA 12 Months Ended 12/31/11	AMA Adjustment 12/31/2011	AMA Adjusted For NOL/Repairs Retirements 12/31/2011
1	Average Invested Capital			
2	Common Stock	\$ 859,038		\$ 859,038
3	Preferred Stock	-		-
4	Additional Paid in Capital	3,181,841,487		3,181,841,487
5	Unamortized Debt Expense	(54,089,616)		(54,089,616)
6	Unappropriated Retained Earnings	184,759,618		184,759,618
7	Notes Payable - Misc	-		-
8	Long Term Debt	3,509,681,584		3,509,681,584
9	Short Term Debt	159,106,119		159,106,119
10	Accumulated Deferred ITC	66,381		66,381
11	Treasury Grants	25,916,098		25,916,098
12	Deferred Debits-Other	(13,301)		(13,301)
13	Unamortized Gain/Loss on Debt	(18,351,074)		(18,351,074)
14	Total Average Invested Capital	6,989,776,334		6,989,776,334
15				
16	Average Operating Investments - Electric			
17				
18	Plant in Service (includes acquisition adj)	7,084,103,431		7,084,103,431
19	Electric Future Use Property	22,846,819		22,846,819
20	Customer Advances for Construction	(62,989,252)		(62,989,252)
21	Customer Deposits	(22,620,429)		(22,620,429)
22	Deferred Taxes	(729,469,663)		(729,469,663)
23	Deferred Debits/Credits - Other	336,922,303		336,922,303
24	Less: Accumulated Depreciation	(2,730,876,747)		(2,730,876,747)
25	Conservation Investment	-		-
26	Common Plant-Allocation to Electric	261,146,292		261,146,292
27	Common Accum Depr-Allocation to Electric	(106,380,493)		(106,380,493)
28	Common Deferred Taxes-Allocation to Electric	(21,466,256)		(21,466,256)
29	Common Deferred Taxes-Repairs/Retirements	636,991	916,255	1,553,246
30	NOL Carryforward	46,042,579	(197,387)	45,845,192
31	Total Average Operating Investment - Electric	4,077,895,575	718,868	4,078,614,443
32				
33	Average Operating Investments - Gas			
34				
35	Gas Utility Plant in Service	2,742,181,171		2,742,181,171
36	Deferred Items - Other	8,295,151		8,295,151
37	Gas Stored Underground, Non-Current	8,298,080		8,298,080
38	Gas Accumulated Depreciation	(921,009,953)		(921,009,953)
39	Gas Customer Advances for Construction	(33,215,831)		(33,215,831)
40	Gas Customer Deposits	(8,798,474)		(8,798,474)
41	DFIT 17	(344,207,374)		(344,207,374)
42	PGA	(8,922,385)		(8,922,385)
43	Common Plant-Allocation to Gas	134,829,890		134,829,890
44	Common Accumulated Depreciation-Allocation to Gas	(54,924,273)		(54,924,273)
45	Common Deferred Tax	(11,083,033)		(11,083,033)
46	Common Deferred Taxes-Repairs/Retirements	507,332	756,304	1,263,636
47	NOL Carryforward	36,670,678	(157,209)	36,513,469
48	Total Average Operating Investment - Gas	1,548,620,979	599,095	1,549,220,074
49				
50	Total Electric & Gas Operating Investment	5,626,516,554	1,317,963	5,627,834,517
51				
52	Construction Work in Progress			
53				
54	Elec Construction Work in Process	950,328,075		950,328,075
55	Gas Construction Work in Process	52,293,359		52,293,359
56	Other Work in Process	1,829,610		1,829,610
57	Electric Preliminary Surveys	2,156,310		2,156,310

Puget Sound Energy
Commission Basis Report
Combined Working Capital
December 31, 2011

Electric Gas
4-Factor
90.63%
9.37%

NOL
Allocator
55.67%

Line No.	Description	PER SAP AMA 12 Months Ended 12/31/11	AMA Adjustment 12/31/2011	AMA Adjusted For NOL/Repairs Retirements 12/31/2011
1	Average Invested Capital			
58	Total Construction Work in Progress	1,006,607,354		1,006,607,354
59				
60	Nonoperating			
61				
62	Non-Utility Property	(109,329,596)		(109,329,596)
63	Investment in Associated Companies	48,378,502		48,378,502
64	Other Investments & FAS 133	71,318,505		71,318,505
65	Deferred Items-Other	167,244,761		167,244,761
66	Deferred Federal Income Tax	(17,809,721)		(17,809,721)
67	Investment Tracking Funds	2,279,912		2,279,912
68	Environmental Receivables	(64,502,931)		(64,502,931)
69	Current Accounts - Gas Allocation only	(4,707)		(4,707)
70	Merchandising Inventory - Gas Only	77,847		77,847
71	Total Non Operating Investment	97,652,572		97,652,572
72				
73	Total CWIP & Nonoperating Investment	1,104,259,926		1,104,259,926
74				
75	Total Average Investments	6,730,776,480	1,317,963	6,732,094,443
76	Rounding			
77	Total Investor Supplied Capital	\$ 258,999,854	\$ (1,317,963)	\$ 257,681,891
Allocation of Working Capital				
Electric Working Capital				
	Total Investment	\$ 6,730,776,480	\$ 1,317,963	\$ 6,732,094,443
	Less: Electric CWIP	(950,328,075)		(950,328,075)
	Less: Gas	(52,293,359)		(52,293,359)
	Interest Bearing Regulatory Assets			-
	Other Work in Progress	(1,829,610)		(1,829,610)
	Preliminary Surveys	(2,156,310)		(2,156,310)
	Total	5,724,169,126	1,317,963	5,725,487,089
	Electric Working Capital Ratio	4.5247%		4.5006%
	Electric Working Capital	\$ 184,511,382	\$ (948,820)	\$ 183,562,563
Gas Working Capital				
	Total Investment	6,730,776,480	1,317,963	6,732,094,443
	Less: Electric CWIP	(950,328,075)		(950,328,075)
	Less: Gas CWIP	(52,293,359)		(52,293,359)
	Interest Bearing Regulatory Assets			-
	Other Work in Progress	(1,829,610)		(1,829,610)
	Preliminary Surveys	(2,156,310)		(2,156,310)
	Total	5,724,169,126	1,317,963	5,725,487,089
	Gas Working Capital Ratio	4.5247%		4.5006%
	Gas Working Capital	\$ 70,070,013	\$ (345,647)	\$ 69,724,366
	Non Operating Working Capital	\$ 4,418,458	\$ (23,496)	\$ 4,394,962

**PUGET SOUND ENERGY-ELECTRIC & GAS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
ALLOCATION METHODS**

<u>Method</u>	<u>Description</u>		<u>Electric</u>	<u>Gas</u>	<u>Total</u>
1	* <u>12 Month Average Number of Customers</u>	12/31/2011	1,083,403	756,711	1,840,114
	Percent		58.88%	41.12%	100.00%
2	* <u>Joint Meter Reading Customers</u>	12/31/2011	711,247	412,367	1,123,614
	Percent		63.30%	36.70%	100.00%
3	* <u>Non-Production Plant</u>				
	Distribution	12/31/2011	\$ 2,995,941,531	\$ 2,639,163,800	\$ 5,635,105,331
	Transmission	12/31/2011	1,068,191,547	-	1,068,191,547
	Direct General Plant	12/31/2011	146,279,781	38,526,839	184,806,620
	Total		\$ 4,210,412,859	\$ 2,677,690,639	\$ 6,888,103,498
	Percent		61.13%	38.87%	100.00%
4	* <u>4-Factor Allocator</u>				
	Number of Customers	12/31/2011	1,083,403	756,711	1,840,114
	Percent		58.88%	41.12%	100.00%
	Labor - Direct Charge to O&M	12/31/2011	49,824,740	25,029,769	\$ 74,854,509
	Percent		66.56%	33.44%	100.00%
	T&D O&M Expense (Less Labor)	12/31/2011	61,862,168	28,236,713	\$ 90,098,881
	Percent		68.66%	31.34%	100.00%
	Net Classified Plant (Excluding General (Common) Plant)	12/31/2011	4,139,592,778	1,800,043,615	5,939,636,393
	Percent		69.69%	30.31%	100.00%
	Total Percentages		263.79%	136.21%	400.00%
	Percent		65.95%	34.05%	100.00%
5	* <u>Employee Benefits</u>				
	Direct Labor Accts 500-935	12/31/2011	51,534,026	25,705,486	77,239,512
	Total		\$ 51,534,026	\$ 25,705,486	\$ 77,239,512
	Percent		66.72%	33.28%	100.00%

Page 3 Summary

**PUGET SOUND ENERGY-ELECTRIC
RESULTS OF OPERATIONS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	RESTATEMENT RESULTS OF OPERATIONS
1	<u>OPERATING REVENUES:</u>		
2	\$ 2,133,846,001	\$ (94,555,772)	\$ 2,039,290,229
3	371,445	(3,453)	367,992
4	140,420,599	(2,059,961)	138,360,638
5	81,684,812	(98,845,392)	(17,160,580)
6	<u>2,356,322,857</u>	<u>(195,464,578)</u>	<u>2,160,858,279</u>
7			
8	<u>OPERATING REVENUE DEDUCTIONS:</u>		
9			
10	<u>POWER COSTS:</u>		
11	\$ 199,471,094	\$ 11,033,255	\$ 210,504,349
12	783,082,464	(24,462,121)	758,620,343
13	82,631,624	-	82,631,624
14	(71,147,374)	71,147,374	(0)
15	<u>994,037,808</u>	<u>57,718,508</u>	<u>1,051,756,316</u>
16			
17	<u>\$ 114,139,604</u>	<u>\$ -</u>	<u>\$ 114,139,604</u>
18	9,481,215	-	9,481,215
19	78,245,091	-	78,245,091
20	49,059,716	(918,840)	48,140,876
21	15,881,133	(12,161,178)	3,719,955
22	86,285,987	(86,283,603)	2,384
23	95,893,696	468,141	96,361,837
24	196,706,434	(187,935)	196,518,499
25	40,172,915	-	40,172,915
26	17,829,018	-	17,829,018
27	116,451,295	(108,921,116)	7,530,179
28	54,145,597	(54,145,597)	-
29	207,140,327	(79,411,834)	127,728,493
30	133,244	7,250,851	7,384,095
31	39,724,568	46,150,713	85,875,281
32	<u>\$ 2,115,327,648</u>	<u>\$ (230,441,891)</u>	<u>\$ 1,884,885,757</u>
33			
34	\$ 240,995,209	\$ 34,977,313	\$ 275,972,522
35			
36	\$ 4,168,735,160	\$ (3,056,780)	\$ 4,165,678,380
37			
38	5.78%		6.62%
39			
40	<u>RATE BASE:</u>		
41	\$ 4,529,037,038	\$ (3,835,962)	\$ 4,525,201,076
42	313,951,313	-	313,951,313
43	(772,206,073)	779,182	(771,426,891)
44	183,562,563	-	183,562,563
45	(85,609,681)	-	(85,609,681)
46	<u>\$ 4,168,735,160</u>	<u>\$ (3,056,780)</u>	<u>\$ 4,165,678,380</u>

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT

LINE NO.	ACTUAL RESULTS OF OPERATIONS 12 ME Dec 31, 2011	TEMPERATURE NORMALIZATION 3.01	REVENUE & EXPENSE 3.02	POWER COSTS 3.03	WILD HORSE SOLAR 3.04	FEDERAL TAX 3.05	TAX BENEFIT OF RESTATED INTEREST REVENUE 3.06	PASS-THROUGH REVENUE & EXPENSE 3.07	RATE CASE EXPENSES 3.08	BAD DEBTS 3.09
1	OPERATING REVENUES									
2	SALES TO CUSTOMERS	\$ 2,133,846,001	\$ (21,097,131)	\$ 14,780,830	\$ -	\$ -	\$ -	\$ (88,239,471)	\$ -	\$ -
3	SALES FROM RESALE-FIRM	371,445	(3,453)							
4	SALES TO OTHER UTILITIES	140,420,599		(2,059,961)						
5	OTHER OPERATING REVENUES	81,684,812						(98,845,392)		
6	TOTAL OPERATING REVENUES	\$ 2,356,322,857	\$ (21,100,584)	\$ 14,780,830	\$ (2,059,961)	\$ -	\$ -	\$ (187,084,863)	\$ -	\$ -
7										
8	OPERATING REVENUE DEDUCTIONS:									
9										
10	POWER COSTS:									
11	FUEL	\$ 199,471,094	\$ -	\$ -	\$ 11,033,255	\$ -	\$ -	\$ -	\$ -	\$ -
12	PURCHASED AND INTERCHANGED	783,082,464		(22,278,003)				(2,084,118)		
13	WHEELING	82,631,624								
14	RESIDENTIAL EXCHANGE	(71,147,374)						71,147,374		
15	TOTAL PRODUCTION EXPENSES	\$ 994,037,808	\$ -	\$ -	\$ (11,344,748)	\$ -	\$ -	\$ 69,063,256	\$ -	\$ -
16										
17	OTHER POWER SUPPLY EXPENSES	\$ 114,139,604	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	TRANSMISSION EXPENSE	9,481,215								
19	DISTRIBUTION EXPENSE	78,245,091								
20	CUSTOMER ACCTS EXPENSES	49,059,716	(104,427)	73,150				(435,616)		(505,102)
21	CUSTOMER SERVICE EXPENSES	15,881,133						(12,161,178)		
22	CONSERVATION AMORTIZATION	86,285,987						(86,283,603)		
23	ADMIN & GENERAL EXPENSE	95,895,696	(42,201)	29,562				(227,064)	29,997	
24	DEPRECIATION	196,706,434								
25	AMORTIZATION	40,172,915			(187,935)					
26	AMORTIZ OF PROPERTY GAIN/LOSS	17,829,018								
27	OTHER OPERATING EXPENSES	116,451,295		(30,374,654)				(78,546,462)		
28	FAS 133	54,145,597								
29	TAXES OTHER THAN F.I.T.	207,140,327	(813,174)	569,624				(79,118,997)		
30	FEDERAL INCOME TAXES	133,244	(7,049,274)	15,569,102	3,249,675	65,777	42,343,594	(47,092,994)	218,681	(10,499)
31	DEFERRED INCOME TAXES	39,724,568					27,199,754			176,786
32	TOTAL OPERATING REV. DEDUCT.	\$ 2,115,327,648	\$ (8,009,076)	\$ (14,133,217)	\$ (8,095,073)	\$ (122,158)	\$ 69,543,348	\$ (47,092,994)	\$ (187,490,984)	\$ 19,498
33										\$ (328,316)
34	NET OPERATING INCOME	\$ 240,995,209	\$ (13,091,508)	\$ 28,914,047	\$ 6,035,112	\$ 122,158	\$ (69,543,348)	\$ 47,092,994	\$ 406,121	\$ (19,498)
35										\$ 328,316
36	RATE BASE	\$ 4,168,735,160	\$ -	\$ -	\$ -	\$ (3,056,780)	\$ -	\$ -	\$ -	\$ -
37										
38	RATE OF RETURN	5.78%								
39										
40	RATE BASE:									
41	UTILITY PLANT IN SERVICE	\$ 4,529,037,038	\$ -	\$ -	\$ -	\$ (3,835,962)	\$ -	\$ -	\$ -	\$ -
42	DEFERRED DEBITS	313,951,313								
43	DEFERRED TAXES	(772,206,073)				779,182				
44	ALLOWANCE FOR WORKING CAPITAL	183,562,563								
45	OTHER	(85,609,681)								
46	TOTAL RATE BASE	\$ 4,168,735,160	\$ -	\$ -	\$ -	\$ (3,056,780)	\$ -	\$ -	\$ -	\$ -

**PUGET SOUND ENERGY-ELECTRIC
TEMPERATURE NORMALIZATION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE

NO. DESCRIPTION

<u>TEMPERATURE NORMALIZATION ADJUSTMENT:</u>					
		ACTUAL	TEMP ADJ	MWH	ADJ FOR LOSSES
		GPI MWH	GPI MWH	CHANGE	6.80%
1	Jan-11	2,329,418	2,332,467	3,049	2,842
2	Feb-11	2,117,555	2,025,088	(92,468)	(86,180)
3	Mar-11	2,133,902	2,121,746	(12,156)	(11,330)
4	Apr-11	1,928,458	1,860,873	(67,584)	(62,988)
5	May-11	1,758,580	1,738,277	(20,302)	(18,922)
6	Jun-11	1,600,175	1,610,548	10,373	9,667
7	Jul-11	1,634,238	1,657,541	23,303	21,718
8	Aug-11	1,680,702	1,686,429	5,727	5,338
9	Sep-11	1,638,712	1,631,230	(7,482)	(6,974)
10	Oct-11	1,811,113	1,805,882	(5,231)	(4,875)
11	Nov-11	2,135,646	2,093,560	(42,086)	(39,224)
12	Dec-11	2,391,169	2,371,118	(20,051)	(18,687)
13		<u>23,159,668</u>	<u>22,934,759</u>	<u>(224,909)</u>	<u>(209,615)</u>
14					
15	REVENUE ADJUSTMENT:	Schedule 7		(191,751)	\$ (19,745,384)
16		Schedule 24		(10,242)	(906,692)
17		Schedule 25		(3,083)	(197,691)
18		Schedule 26		1,171	72,171
19		Schedule 29		49	2,607
20		Schedule 31		(1,262)	(75,160)
21		Schedule 43		(4,752)	(266,154)
22		Schedule 40 - Med Sec Voltage		(23)	(1,269)
23		Schedule 40 - Large Sec Voltage		(106)	(5,947)
24		Schedule 40 - Primary Voltage		482	26,388
25		Firm Resale		(98)	(3,453)
26				<u>(209,615)</u>	<u>\$ (21,100,584)</u>
27	INCREASE (DECREASE) SALES TO CUSTOMERS				
28					
29	UNCOLLECTIBLES @			0.0049490	\$ (104,427)
30	ANNUAL FILING FEE @			0.0020000	<u>(42,201)</u>
31	INCREASE (DECREASE) EXPENSE				(146,628)
32					
33	STATE UTILITY TAX @			0.0385380	<u>\$ (813,174)</u>
34	INCREASE (DECREASE) TAXES OTHER				<u>(813,174)</u>
35					
36	INCREASE (DECREASE) OPERATING INCOME				(20,140,782)
37					
38	INCREASE (DECREASE) FIT @			35%	<u>(7,049,274)</u>
39	INCREASE (DECREASE) NOI				<u>\$ (13,091,508)</u>

**PUGET SOUND ENERGY-ELECTRIC
REVENUE & EXPENSE RESTATING
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	SALES TO CUSTOMERS:		
2	REMOVE MERGER RATE CREDIT SCH 132	\$ 5,949,101	
3	REMOVE SCHEDULE 95A TREASURY GRANTS	<u>8,831,729</u>	
4			
5	INCREASE (DECREASE) SALES TO CUSTOMERS	<u>14,780,830</u>	
6			
7	INCREASE (DECREASE) REVENUES		\$ 14,780,830
8			
9	UNCOLLECTIBLES @	0.0049490 \$ 73,150	
10	ANNUAL FILING FEE @	0.0020000 <u>29,562</u>	
11	INCREASE (DECREASE) EXPENSE		102,712
12			
13	STATE UTILITY TAX @	0.0385380 \$ <u>569,624</u>	
14	INCREASE (DECREASE) TAXES OTHER		569,624
15			
16			
17			
18	OTHER OPERATING EXPENSES:		
19	REMOVE SCHEDULE 95A TREASURY GRANTS AMORTIZATION	5,486,818	
20	REMOVE ACCRUAL FOR FUTURE PTC LIABILITY		
21	(ACTUAL PTC'S REMOVED IN FIT ADJUSTMENT NO. 3.05)	<u>(35,861,472)</u>	
22	INCREASE (DECREASE) OPERATING EXPENSES		<u>(30,374,654)</u>
23			
24	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT		44,483,149
25			
26	INCREASE (DECREASE) FIT @	35%	<u>15,569,102</u>
27			
28	INCREASE (DECREASE) NOI		<u>\$ 28,914,047</u>

**PUGET SOUND ENERGY-ELECTRIC
POWER COSTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO. DESCRIPTION	ACTUAL	RESTATED	INCREASE (DECREASE)
1 PRODUCTION EXPENSES:			
2 FUEL	\$ 199,471,094	\$ 210,504,349	\$ 11,033,255
3 PURCHASED AND INTERCHANGED	783,082,464	763,211,783	(19,870,681)
4 PRUDENCE FROM UE-921262	-	(2,507,322)	(2,507,322)
5 SCHEDULE G DISALLOWANCE		-	-
6 WHEELING	82,631,624	82,631,624	-
7 SALES TO OTHER UTILITIES	(140,420,599)	(138,360,638)	2,059,961
8 PURCHASES/SALES OF NON-CORE GAS	58,402,334	58,402,334	-
9 SUBTOTAL - POWER COSTS TO BE ADJUSTED	<u>\$ 983,166,917</u>	<u>\$ 973,882,130</u>	<u>\$ (9,284,787)</u>
10			
11 LESS: SALES FOR RESALE	140,420,599		
12 SCH. 94 - RES./FARM CREDIT	<u>(71,147,374)</u>		
13 TOTAL	<u>\$ 1,052,440,142</u>		
14 PURCHASES/SALES OF NON-CORE GAS	<u>(58,402,334)</u>		
15 PRODUCTION EXPENSES ON INCOME STATEMENT	<u><u>\$ 994,037,808</u></u>		
16 INCREASE(DECREASE) INCOME			\$ 9,284,787
17			
18 INCREASE(DECREASE) FIT @	35%		<u>3,249,675</u>
19 INCREASE(DECREASE) NOI			<u><u>\$ 6,035,112</u></u>

**PUGET SOUND ENERGY-ELECTRIC
WILD HORSE SOLAR
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	<u>WILD HORSE SOLAR RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	4,530,703 \$	-	\$ (4,530,703)
4	ACCUM DEPRECIATION	(694,741)	-	\$ 694,741
5	DEFERRED INCOME TAX LIABILITY	(779,182)	-	\$ 779,182
6	NET WH SOLAR PLANT RATEBASE	<u>3,056,780</u>	0	<u>(3,056,780)</u>
7				
8	<u>WILD HORSE SOLAR OPERATING EXPENSE</u>			
9	DEPRECIATION EXPENSE	\$ 187,935 \$	-	\$ (187,935)
10				
11	INCREASE (DECREASE) EXPENSE			(187,935)
12				
13	INCREASE (DECREASE) FIT @		35%	<u>65,777</u>
14	INCREASE (DECREASE) NOI			<u>\$ 122,158</u>

**PUGET SOUND ENERGY-ELECTRIC
FEDERAL INCOME TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME	\$ 121,362,394
2		
3	FEDERAL INCOME TAX @ 35%	\$ 42,476,838
4	DEFERRED FIT - DEBIT	91,334,495
5	DEFERRED FIT - CREDIT	(24,410,173)
6	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT.	-
7	TOTAL RESTATED FIT	\$ 109,401,160
8		
9	FIT PER BOOKS:	
10	CURRENTLY PAYABLE	133,244
11	DEFERRED FIT - DEBIT	196,831,676
12	DEFERRED FIT - CREDIT	(157,107,107)
13	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT.	-
14	TOTAL CHARGED TO EXPENSE	\$ 39,857,812
15		
16	INCREASE(DECREASE) FIT (LINE 3 - LINE 10)	42,343,594
17	INCREASE(DECREASE) DEFERRED FIT (LINES 4 + 5 + 6 - 11 - 12 - 13)	27,199,754
18	INCREASE(DECREASE) NOI	<u>\$ (69,543,348)</u>

**PUGET SOUND ENERGY-ELECTRIC
TAX BENEFIT OF RESTATED INTEREST
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	\$ 4,165,678,380
2		
3	WEIGHTED COST OF DEBT	3.23%
4	RESTATED INTEREST	\$ 134,551,412
5		
6	INCREASE (DECREASE) INCOME	\$ (134,551,412)
7		
8	INCREASE (DECREASE) FIT @	35% \$ (47,092,994)
9		
10	INCREASE (DECREASE) NOI	\$ 47,092,994

**PUGET SOUND ENERGY-ELECTRIC
PASS-THROUGH REVENUE & EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	<u>REMOVE REVENUES ASSOCIATED WITH RIDERS:</u>		
2	REMOVE CONSERVATION RIDER - SCHEDULE 120		\$ 90,270,800
3	REMOVE MUNICIPAL TAXES - SCHEDULE 81		78,667,787
4	REMOVE LOW INCOME RIDER - SCHEDULE 129		11,593,494
5	REMOVE RESIDENTIAL EXCHANGE - SCH 194		(74,438,447)
6	GREEN POWER - SCH 135/136 (TAGS ELIM IN PAGE 4.03)		3,612,390
7	GREEN POWER - SCH 135/136 ELIMINATE UNDER EXPENSED		(218,545)
8	REMOVE REC PROCEEDS - SCH 137		(21,466,554)
9	REMOVE EXPENSES ASSOCIATED WITH SCH 137 REC PROCEEDS		20,517,475
10	REMOVE REC/PTC OFFSET PERIOD ACCOUNTING		78,546,462
11			
12	TOTAL (INCREASE) DECREASE REVENUES		\$ 187,084,863
13			
14	<u>DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:</u>		
15	BAD DEBTS	0.0049490	(435,616)
16	ANNUAL FILING FEE	0.0020000	(176,042)
17	STATE UTILITY TAX	0.0385380	(3,392,150)
18	TOTAL		(4,003,808)
19			
20	<u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>		
21	REMOVE CONSERVATION AMORTIZATON - SCHEDULE 120		\$ (86,283,603)
22	REMOVE MUNICIPAL TAXES - SCHEDULE 81		(75,710,350)
23	REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129		(11,081,103)
24	REMOVE RESIDENTIAL EXCHANGE - SCH 194		71,147,374
25	REMOVE REC/PTC OFFSET PERIOD ACCOUNTING		(78,546,462)
26	GREEN POWER - SCH 135/136 TAGS		(2,084,118)
27	GREEN POWER - SCH 135/136 ADMIN		(1,080,076)
28	GREEN POWER - SCH 135/136 BENEFITS PORTION OF ADMIN		(51,022)
29	GREEN POWER - SCH 135/136 TAXES PORTION OF ADMIN		(16,496)
30	TOTAL INCREASE (DECREASE) EXPENSE		\$ (183,705,857)
31			
32	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT		\$ 624,802
33	INCREASE (DECREASE) FIT		218,681
34	INCREASE (DECREASE) NOI		\$ 406,121

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**PUGET SOUND ENERGY-ELECTRIC
RATE CASE EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO. DESCRIPTION	AMOUNT	
1 EXPENSES TO BE NORMALIZED - BASED ON AMOUNTS FROM 2009 GRC		
2 APPROVED IN RATES DURING PERIOD:		
3		
4 2007 and 2006 GRC EXPENSES TO BE NORMALIZED	<u>\$ 1,139,000</u>	
5		
6 ANNUAL NORMALIZATION (LINE 3 ÷ 2 YEARS)	569,500	
7 LESS TEST YEAR EXPENSE	704,003	
8 INCREASE (DECREASE) EXPENSE	<u>\$ (134,503)</u>	<u>\$ (134,503)</u>
9		
10 2005 AND 2007 PCORC EXPENSES TO BE NORMALIZED	<u>\$ 329,000</u>	
11		
12 ANNUAL NORMALIZATION (LINE 9 ÷ 2 YEARS)	164,500	
13 LESS TEST YEAR EXPENSE	-	
14 INCREASE (DECREASE) EXPENSE	<u>\$ 164,500</u>	<u>\$ 164,500</u>
15		
16		
17 TOTAL INCREASE (DECREASE) EXPENSE		\$ 29,997
18		
19 INCREASE(DECREASE) FIT @	35%	(10,499)
20 INCREASE(DECREASE) NOI		<u>\$ (19,498)</u>

PUGET SOUND ENERGY-ELECTRIC
BAD DEBTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT

LINE NO.	YEAR	NET WRITEOFF'S	GROSS REVENUES	SALES FOR RESALE OTHER	OTHER OPERATING REVENUE	SALES FOR RESALE FIRM	NET REVENUES	PERCENT WRITEOFFS TO REVENUE
		December	August	August	August	August	August	
1	12 ME 12/31/2008	\$ 8,122,860	\$ 2,132,433,310	\$ 95,513,282	\$ 59,332,118	\$ 374,652	\$ 1,977,213,258	0.4108237%
2	12 ME 12/31/2009	10,727,813	2,093,755,523	64,642,019	7,215,398	360,829	\$ 2,021,537,277	0.5306760%
3	12 ME 12/31/2011	11,518,088	2,253,068,955	51,655,892	80,708,029	372,828	\$ 2,120,332,206	0.5432209%
4								
5	3-YR AVERAGE OF NET WRITE OFF RATE							0.4949000%
6								
7	REPORTING PERIOD REVENUES		2,356,322,857	140,420,599	81,684,812	371,445	\$ 2,133,846,001	
8								
9	RESTATE BAD DEBT RATE						<u>0.4949000%</u>	
10	RESTATE BAD DEBTS						\$ 10,560,404	
11								
12	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR						<u>11,065,506</u>	
13	INCREASE (DECREASE) EXPENSE							\$ (505,102)
14								
15	INCREASE (DECREASE) NOI							\$ 505,102
16	INCREASE (DECREASE) FIT						35%	<u>176,786</u>
17	INCREASE (DECREASE) NOI							<u>\$ 328,316</u>

**PUGET SOUND ENERGY-ELECTRIC
INCENTIVE PLAN
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	INCREASE(DECREASE) IN EXPENSE	\$ 8,882,077	\$ 5,841,394	\$ (3,040,683)
2				
3	PAYROLL TAXES ASSOCI WITH MERIT PAY	582,594	383,149	\$ (199,445)
4	INCREASE(DECREASE) IN EXPENSE	\$ 9,464,671	\$ 6,224,543	\$ (3,240,128)
5				
6	INCREASE (DECREASE) INCOME			3,240,128
7	INCREASE (DECREASE) FIT @		35%	1,134,045
8				
9	INCREASE (DECREASE) NOI			<u>\$ 2,106,083</u>

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**PUGET SOUND ENERGY-ELECTRIC
EXCISE TAX & FILING FEE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	RESTATED EXCISE TAXES	\$ 83,475,433
2	CHARGED TO EXPENSE FOR TEST YEAR	<u>83,465,545</u>
3	INCREASE(DECREASE) EXCISE TAX	\$ 9,888
4		
5	RESTATED WUTC FILING FEE	\$ 4,433,923
6	CHARGED TO EXPENSE FOR TEST YEAR	<u>4,433,928</u>
7	INCREASE(DECREASE) WUTC FILING FEE	\$ (5)
8		
9	INCREASE(DECREASE) EXPENSE	\$ 9,883
10		
11	INCREASE(DECREASE) OPERATING INCOME	\$ (9,883)
12		
13	INCREASE(DECREASE) FIT	35% \$ (3,459)
14		
15	INCREASE(DECREASE) NOI	<u><u>\$ (6,424)</u></u>

**PUGET SOUND ENERGY-ELECTRIC
D&O INSURANCE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	D & O INS. CHG EXPENSE	\$ 217,330	\$ 145,733	\$ (71,597)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 217,330	\$ 145,733	\$ (71,597)
4				
5	INCREASE (DECREASE) OPERATING INCOME			71,597
6				
7	INCREASE (DECREASE) FIT @		35%	25,059
8				
9	INCREASE (DECREASE) NOI			<u>\$ 46,538</u>

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**PUGET SOUND ENERGY-ELECTRIC
MONTANA ENERGY TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE	NO.	DESCRIPTION	AMOUNT
	1	RESTATED KWH	4,839,705,449
	2	TAX RATE	<u>\$ 0.00035</u>
	3		
	4	RESTATED ENERGY TAX	1,693,897
	5	CHARGED TO EXPENSE	<u>1,553,626</u>
	6	INCREASE (DECREASE) INCOME	<u>\$ (140,271)</u>
	7		
	8	INCREASE (DECREASE) FIT @ 35%	<u>(49,095)</u>
	9	INCREASE (DECREASE) NOI	<u><u>\$ (91,176)</u></u>

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**PUGET SOUND ENERGY-ELECTRIC
INTEREST ON CUSTOMER DEPOSITS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	AMOUNT
1	INTEREST EXPENSE FOR TEST YEAR	\$ 53,154
2		
3		
4	INCREASE (DECREASE) NOI	<u>\$ (53,154)</u>

**PUGET SOUND ENERGY-ELECTRIC
ASC 815
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.		ACTUAL	RESTATED	ADJUSTMENT
1	FAS 133 OPERATING EXPENSE	\$ 54,145,597	\$ -	\$ (54,145,597)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 54,145,597	\$ -	\$ (54,145,597)
4				
5	INCREASE (DECREASE) OPERATING INCOME			54,145,597
6				
7	INCREASE (DECREASE) DEFERRED FIT @	35%		18,950,959
8				
9	INCREASE (DECREASE) NOI			<u>\$ 35,194,638</u>

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**PUGET SOUND ENERGY-ELECTRIC
PENSION PLAN
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ 2,672,328	\$ 6,032,368	\$ 3,360,040
2				
3				
4	INCREASE (DECREASE) IN EXPENSE	\$ 2,672,328	\$ 6,032,368	\$ 3,360,040
5				
6	INCREASE (DECREASE) INCOME			(3,360,040)
7	INCREASE (DECREASE) FIT @		35%	(1,176,014)
8				
9	INCREASE (DECREASE) NOI			<u>\$ (2,184,026)</u>

**PUGET SOUND ENERGY-ELECTRIC
INJURIES AND DAMAGES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	INJURIES & DAMAGES ACCRUALS	\$ 135,000	\$ 210,257	\$ 75,257
2	INJURIES & DAMAGES PAYMENTS IN EXCESS OF ACCRUALS	187,253	542,089	354,836
3	INCREASE/(DECREASE) IN EXPENSE	322,253	752,346	430,093
4				
5	INCREASE/(DECREASE) IN OPERATING EXPENSE (LINE 3)			\$ 430,093
6	INCREASE (DECREASE) FIT @		35%	(150,533)
7				
8	INCREASE (DECREASE) NOI			\$ (279,560)

**PUGET SOUND ENERGY-ELECTRIC
DEFERRED GAINS AND LOSSES ON PROPERTY SALES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION	ACTUAL	RESTATE	ADJUSTMENT
1	AMORTIZATION OF DEFERRED GAIN	\$ (2,006,168)	\$ (2,006,168)	\$ -
2	AMORTIZATION OF DEFERRED LOSS	119,727	119,727	0
3	TOTAL GAIN/LOSS AMORTIZATION	(1,886,440)	(1,886,440)	0
4				
5	INCREASE (DECREASE) EXPENSE (Line 15 - Line 17)			\$ -
6				
7	INCREASE (DECREASE) FIT @ 35%			0
8				
9	INCREASE (DECREASE) NOI			\$ -

**PUGET SOUND ENERGY-ELECTRIC
CONVERSION FACTOR
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2011
COMMISSION BASIS REPORT**

LINE NO.	DESCRIPTION		RATE
1	BAD DEBTS		0.004949
2	ANNUAL FILING FEE		0.002000
3	STATE UTILITY TAX ((1 - LINE 1) * 3.873%)	3.873%	<u>0.038538</u>
4			
5	SUM OF TAXES OTHER		0.045487
6			
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX (1 - LINE 5)		0.954513
8	FEDERAL INCOME TAX ((1 - LINE 5) * 35%)	35%	<u>0.334080</u>
9	CONVERSION FACTOR (1 - LINE 8)		<u><u>0.620433</u></u>