

**EXHIBIT NO. ___(JHS-5)
DOCKET NO. UE-11___/UG-11___
2011 PSE GENERAL RATE CASE
WITNESS: JOHN H. STORY**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

**Docket No. UE-11___
Docket No. UG-11___**

**FOURTH EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF
JOHN H. STORY
ON BEHALF OF PUGET SOUND ENERGY, INC.**

JUNE 13, 2011

PUGET SOUND ENERGY, INC.-ELECTRIC
POWER COSTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	INCREASE (DECREASE)
1	SALES FOR RESALE	\$ 201,262,557	\$ 7,074,814	\$ (194,187,743)
2				
3	PURCHASES/SALES OF NON-CORE GAS	(36,748,461)	-	36,748,461
4	WHEELING FOR OTHERS	10,703,023	11,378,098	675,075
5		(26,045,439)	11,378,098	37,423,537
6				
7	TOTAL OPERATING REVENUES	175,217,118	18,452,912	(156,764,206)
8				
9	FUEL	\$ 269,007,822	\$ 245,941,338	\$ (23,066,484)
10				
11	PURCHASED AND INTERCHANGED	792,862,060	487,666,594	(305,195,466)
12	HEDGING	-	1,420,907	1,420,907
13				
14	SUBTOTAL PURCHASED AND INTERCHANGED	\$ 792,862,060	\$ 489,087,502	\$ (303,774,558)
15	WHEELING	76,487,811	87,974,703	11,486,893
16				-
17	TOTAL PRODUCTION EXPENSES	\$ 1,138,357,693	\$ 823,003,543	\$ (315,354,150)
18	HYDRO AND OTHER POWER	101,194,084	115,053,360	13,859,275
19	TRANS. EXP. INCL. 500KV O&M	1,419,635	1,662,798	243,163
20				
21	TOTAL OPERATING EXPENSES	\$ 1,240,971,412	\$ 939,719,701	\$ (301,251,711)
22				
23	INCREASE (DECREASE) OPERATING INCOME (LINE 7 - LINE 21)	\$ (1,065,754,294)	\$ (921,266,788)	\$ 144,487,505
24				
25	STATE UTILITY TAX SAVINGS FOR LINE 4	3.873%		(26,146)
26	INCREASE (DECREASE) INCOME			\$ 144,461,360
27	INCREASE (DECREASE) FIT @	35%		50,561,476
28	INCREASE (DECREASE) NOI			\$ 93,899,884

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

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1	<u>LOWER SNAKE RIVER RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 42,219	\$ 773,474,856	\$ 773,432,637
4	ACCUM DEPRECIATION	-	(17,848,252)	(17,848,252)
5	DEFERRED INCOME TAX LIABILITY	-	(67,873,620)	(67,873,620)
6				
7	NET LSR EXPANSION PLANT RATEBASE	\$ 42,219	\$ 687,752,984	\$ 687,710,765
8				
9	<u>LOWER SNAKE RIVER OPERATING EXPENSE</u>			
10	TAXABLE DEPRECIATION EXPENSE	\$ -	\$ 28,005,153	\$ 28,005,153
11	NON-TAXABLE DEPRECIATION EXPENSE		4,933,627	4,933,627
12	TOTAL DEPRECIATION EXPENSE	\$ -	\$ 32,938,780	\$ 32,938,780
13				
14				
15	<u>POWER COST AND O&M RELATED TO LOWER SNAKE RIVER</u>			
16	PURCHASED POWER		\$ 776,099	\$ 776,099
17	WHEELING		9,922,939	9,922,939
18	PRODUCTION O&M	-	10,891,023	10,891,023
19	PROPERTY INSURANCE	-	517,501	517,501
20	PROPERTY TAXES		2,967,101	2,967,101
21	TOTAL POWER COST AND PROD O&M	-	25,074,663	25,074,663
22				
23	INCREASE (DECREASE) EXPENSE	-	58,013,442	58,013,442
24				
25	INCREASE (DECREASE) FIT ON ALL EXPENSES EXCEPT LINE 11 @		35%	(18,577,935)
26	INCREASE (DECREASE) NOI			\$ (39,435,507)

PUGET SOUND ENERGY, INC.-ELECTRIC
LOWER SNAKE RIVER PREPAID TRANSMISSION DEPOSITS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1	<u>PRINCIPAL PORTION OF LSR PREPAID TRANSMISSION (AMA)</u>			
2	TOTAL PREPAID DEPOSIT		\$ 99,707,854	\$ 99,707,854
3	ACCUM AMORT. CREDIT PYMT FR. BPA		-	-
4	NET LSR PREPAID TRANS. RATEBASE	\$ -	\$ 99,707,854	\$ 99,707,854
5				
6	<u>DEFERRED CARRYING CHARGES (AMA)</u>			
7	CARRYING CHARGES BALANCE		17,003,226	\$ 17,003,226
8	ACCUM AMORT. CARRYING CHARGES		(340,065)	\$ (340,065)
9	DEFERRED INCOME TAX		(5,832,107)	\$ (5,832,107)
10	NET LSR CARRYING CHARGES RATEBASE	\$ -	\$ 10,831,055	\$ 10,831,055
11				
12	<u>TOTAL RATEBASE</u>	\$ -	\$ 110,538,909	\$ 110,538,909
13				
14	<u>OPERATING EXPENSE</u>			
15	AMORTIZATION OF PRINCIPAL (565)	\$ -		\$ -
16	AMORTIZATION OF CARRYING CHARGES (407.3)	-	680,129	\$ 680,129
17				
18	INCREASE (DECREASE) EXPENSE	-	680,129	680,129
19				
20	INCREASE (DECREASE) FIT @		35%	(238,045)
21	INCREASE (DECREASE) NOI			\$ (442,084)

**PUGET SOUND ENERGY, INC.-ELECTRIC
MONTANA ELECTRIC ENERGY TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	PROFORMA KWH (COLSTRIP)	4,846,358,760
2	TAX RATE	<u>0.00035</u>
3		
4	PROFORMA ENERGY TAX	1,696,226
5	CHARGED TO EXPENSE	<u>1,542,094</u>
6	INCREASE (DECREASE) EXPENSE	\$ 154,131
7		
8	INCREASE (DECREASE) FIT @ 35%	<u>(53,946)</u>
9	INCREASE (DECREASE) NOI	<u><u>\$ (100,185)</u></u>

**PUGET SOUND ENERGY, INC.-ELECTRIC
WILD HORSE SOLAR
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1				
2	<u>RATEBASE (AMA) UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 4,357,020		\$ (4,357,020)
4	ACCUM DEPRECIATION	(462,883)		462,883
5	DEFERRED INCOME TAX LIABILITY	(523,501)		523,501
6	NET WILD HORSE SOLAR PLANT RATEBASE	<u>\$ 3,370,636</u>	<u>\$ -</u>	<u>\$ (3,370,636)</u>
7				
8	<u>OPERATING EXPENSE</u>			
9	DEPRECIATION EXPENSE	\$ 275,497		\$ (275,497)
10				
11	INCREASE (DECREASE) EXPENSE			(275,497)
12				
13	INCREASE (DECREASE) FIT @		35%	96,424
14	INCREASE (DECREASE) NOI			<u>\$ 179,073</u>

PUGET SOUND ENERGY, INC.-ELECTRIC
ACCOUNTING STANDARDS CODIFICATION 815 (FORMERLY SFAS 133)
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE

LINE NO.		ACTUAL	RESTATED	ADJUSTMENT
1	ASC 815 OPERATING EXPENSE	\$ 166,953,097	\$ -	(166,953,097)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 166,953,097	\$ -	(166,953,097)
4				
5	INCREASE(DECREASE) OPERATING INCOME			166,953,097
6				
7	INCREASE (DECREASE) DEFERRED FIT @	35%		58,433,584
8				
9	INCREASE (DECREASE) NOI			<u>\$ 108,519,513</u>

PUGET SOUND ENERGY, INC.-ELECTRIC
STORM DAMAGE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	AMOUNT		
1	NORMAL STORMS	Transmission	Distribution	Total
2	ACTUAL O&M:			
3	TWELVE MONTHS ENDED 12/31/05	\$ 122,468	\$ 3,449,456	\$ 3,571,923
4	TWELVE MONTHS ENDED 12/31/06	450,748	10,435,721	10,886,469
5	TWELVE MONTHS ENDED 12/31/07	376,353	8,672,798	9,049,151
6	TWELVE MONTHS ENDED 12/31/08	77,335	9,881,618	9,958,953
7	TWELVE MONTHS ENDED 12/31/09	41,126	4,617,466	4,658,592
8	TWELVE MONTHS ENDED 12/31/10	152,546	9,338,773	9,491,319
9	TOTAL NORMAL STORMS	1,220,576	46,395,832	47,616,408
10				
11	SIX-YEAR AVERAGE STORM EXPENSE FOR RATE YEAR	203,429	7,732,639	7,936,068
12				
13	CHARGED TO EXPENSE 12 MONTHS ENDED 12/31/10			
14	STORM DAMAGE EXPENSE (LINE 8)	152,546	9,338,773	9,491,319
15				
16	INCREASE (DECREASE) OPERATING EXPENSE	\$ 50,883	\$ (1,606,134)	\$ (1,555,251)
17				
18				
19	CATASTROPHIC STORMS			
20	DEFERRED BALANCES FOR UE-090704 4 YEAR AMORTIZATION			
21	AT START OF RATE YEAR (05/1/12):			
22	2006 STORM DAMAGE (EXCL 12/13/06 WIND STORM)	\$ 283,161		
23	2007 STORM DAMAGE	13,794,354		
24	2008 STORM DAMAGE	1,998,779		
25	2008 STORM DAMAGE-PENDING APPROVAL	86,185		
26	2010 STORM DAMAGE-PENDING APPROVAL	13,909,769		
27	DEFERRAL BALANCES BEG OF RY (LINE 22 THROUGH LINE 26)	30,072,248		
28				
29	ANNUAL AMORTIZATION (LINE 27 ÷ 48 MONTHS) x 12	7,518,062		
30				
31				
32	DEFERRED BALANCES FOR 10 YEAR AMORTIZATION AT			
33	START OF RATE YEAR (05/1/12):			
34	12/13/06 WIND STORM	51,735,725		
35	TOTAL (LINE 34)	51,735,725		
36	ORIGINAL AMORT PERIOD FROM UE-072300 WAS 10 YEARS			
37	FROM NOVEMBER 2008 THROUGH OCTOBER 2018			
38	ANNUAL AMORTIZATION (LINE 35 ÷ 78 (5/2012 - 10/2018) x 12)	7,959,342		
39	TOTAL RATE YEAR AMORTIZATION (LINE 29 + LINE 38)	15,477,404		
40	LESS TEST YEAR CATASTROPHIC STORM AMORTIZATION		15,998,329	
41				
42	INCREASE (DECREASE) OPERATING EXPENSE (LINE 38- LINE 39)			(520,925)
43				
44	TOTAL INCREASE (DECREASE) OPERATING EXPENSE (LINE 16 + LINE 42)			(2,076,176)
45				
46	INCREASE (DECREASE) FIT @ 35% (LINE 44 X 35%)		35%	726,662
47				
48	INCREASE (DECREASE) NOI			\$ 1,349,514

PUGET SOUND ENERGY, INC.-ELECTRIC
REMOVE COSTS ASSOCIATED WITH TENASKA REGULATORY ASSET
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	ADJUSTED		
		TEST YEAR	TEST YEAR	ADJUSTMENT
1	RATEBASE			
2	REGULATORY ASSET	\$ 59,395,254	\$ -	\$ (59,395,254)
3	DEFERRED FIT	(2,899,125)	0	2,899,125
4				
5	NET RATEBASE	<u>\$ 56,496,129</u>	<u>\$ -</u>	<u>\$ (56,496,129)</u>
6				
7	AMORTIZATION (NOTE 1) AND DISALLOWANCES			
8	AMORTIZATION OF PURCHASE PRICE:			-
9	TAXABLE - SEE LINE 18 FOR TAX (LINE 18 ÷ 35%)	14,334,286	-	(14,334,286)
10	NON-TAXABLE	16,823,714	-	(16,823,714)
11	TOTAL AMORTIZATION OF PURCHASE PRICE	<u>31,158,000</u>	-	<u>(31,158,000)</u>
12				
13	AMORTIZATION OF AFPC PORTION (NOTE 3)	6,374,000	-	(6,374,000)
14	DISALLOWANCES		-	-
15	SUBTOTAL NORMALIZED	<u>6,374,000</u>	-	<u>(6,374,000)</u>
16				
17	INCREASE (DECREASE) EXPENSE			(37,532,000)
18	INCREASE (DECREASE) FIT (ON LINE 9)			5,017,000
19	INCREASE (DECREASE) FIT (ON LINE 15)		35%	<u>2,230,900</u>
20	INCREASE (DECREASE) NOI			
21	TOTAL NET OPERATING INCOME			<u>\$ 30,284,100</u>
22				
23				
24				
25	(NOTE 1) TOTAL AMORTIZATION = \$37,532,000 = \$14,334,286 TAXABLE PURCHASE PRICE +			
26	\$16,823,714 NON-TAXABLE PURCHASE PRICE + TAXABLE AFPC \$6,374,000.			
27				
28	(NOTE 2) THE IMPACT ON THE TAX BENEFIT OF PROFORMA INTEREST IS HANDLED IN			
29	ADJUSTMENT NO. 5.05			
30				
31	(NOTE 3) AFPC STANDS FOR ALLOWANCE FOR FUNDS ON POWER CONTRACTS			

PUGET SOUND ENERGY, INC.-ELECTRIC
CONTRACT PAYMENTS TO CHELAN PUD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>INITIATION PAYMENT AMA (UE-060539)</u>			
2	INITIATION PAYMENT BALANCE	\$ -	\$ 141,761,312	\$ 141,761,312
3	ACCUMULATED AMORTIZATION	0	(7,088,066)	(7,088,066)
4	DEFERRED INCOME TAX	-	(17,542,944)	(17,542,944)
5				
6	NET INITIATION PAYMENT RATEBASE AMA	\$ -	\$ 117,130,302	\$ 117,130,302
7				
8	<u>SECURITY DEPOSIT AMA</u>			
9	SECURITY DEPOSIT BALANCE	\$ -	\$ 18,500,000	\$ 18,500,000
10	ACCUMULATED AMORTIZATION	-	-	-
11	NET SECURITY DEPOSIT AMA	\$ -	\$ 18,500,000	\$ 18,500,000
12				
13	<u>INCREASE RATEBASE</u>	\$ -	\$ 135,630,302	\$ 135,630,302
14				
15	<u>OPERATING EXPENSE</u>			
16	AMORTIZATION OF INITIATION PAYMENT (555)	-	7,088,066	7,088,066
17	INCREASE (DECREASE) EXPENSE	\$ -	\$ 7,088,066	\$ 7,088,066
18				
19	INCREASE (DECREASE) FIT @		35%	(2,480,823)
20	INCREASE (DECREASE) NOI			\$ (4,607,243)

PUGET SOUND ENERGY, INC.-ELECTRIC
REGULATORY ASSETS AND LIABILITIES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
2	BEP	16,250,380	11,214,773	(5,035,607)
3	WHITE RIVER PLANT COSTS	37,566,968	34,565,277	(3,001,690)
4	WHITE RIVER RELICENSING & CWIP	24,579,164	24,941,807	362,643
5	PROCEEDS FROM THE SALE OF WHITE RIVER ASSETS TO CWA	(25,951,720)	(29,911,730)	(3,960,010)
6	DFIT - WHITE RIVER REG ASSET	(11,889,662)	(10,331,528)	1,558,135
7	HOPKINS RIDGE PREPAID TRANSMISSION	1,394,050	-	(1,394,050)
8	GOLDENDALE FIXED COSTS DEFERRAL	3,605,729	-	(3,605,729)
9	HOPKINS RIDGE MITIGATION CREDIT	(326,871)	-	326,871
10	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)	(2,135,222)	(1,529,462)	605,761
11	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)	(2,286,406)	(2,096,742)	189,664
12	MINT FARM DEFERRAL - UE-090704	26,616,505	23,180,901	(3,435,604)
13	WILD HORSE EXPANSION DEFERRAL - UE-090704	2,331,479	-	(2,331,479)
14	COLSTRIP 1&2 (WECO) COAL CONTRACT PREPAYMENT	5,000,000	3,981,481	(1,018,519)
15	FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074	-	1,193,198	1,193,198
16	CONTRACT MAJOR MAINTENANCE:			
17	SUMAS NOVEMBER 2010 HOT GAS PATH INSPECTION	82,651	82,651	-
18	FREDDY 1 JULY 2009 HOT GAS PATH INSPECTION	212,106	212,106	-
19	GOLENDALE MAY 2009 COMBUSTION INSPECTION	590,967	590,967	-
20	SUMAS NOVEMBER 2008 COMBUSTION INSPECTION	62,508	62,508	-
21	MINT FARM JUNE 2010 COMBUSTION INSPECTION	678,973	678,973	-
22	TOTAL REGULATORY ASSETS AND LIABILITIES RATEBASE	\$ 76,381,598	\$ 56,835,180	\$ (19,546,418)
23				
24				
25	<u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
26	BEP (555)	3,526,620	3,526,620	-
27	WHITE RIVER PLANT COSTS (407)	1,494,702	1,494,702	(0)
28	HOPKINS RIDGE PREPAID TRANSMISSION (565)	2,076,858	-	(2,076,858)
29	GOLDENDALE FIXED COSTS DEFERRAL (407.3)	4,162,154	-	(4,162,154)
30	HOPKINS RIDGE MITIGATION CREDIT (555)	(1,209,583)	-	1,209,583
31	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY) (547)	(457,531)	(392,170)	65,362
32	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS) (547)	(403,220)	(537,626)	(134,407)
33	MINT FARM DEFERRAL - UE-090704 (407.3)	2,159,053	2,872,182	713,129
34	WILD HORSE EXPANSION DEFERRAL - UE-090704 (407.3)	2,102,006	-	(2,102,006)
35	COLSTRIP 1&2 (WECO) COAL CONTRACT PREPAYMENT (501)	-	555,556	555,556
36	FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074 (407.3)	-	265,155	265,155
37	CONTRACT MAJOR MAINTENANCE (PROD O&M):			
38	SUMAS NOVEMBER 2010 HOT GAS PATH INSPECTION	61,034	61,034	-
39	FREDDY 1 JULY 2009 HOT GAS PATH INSPECTION	223,889	223,889	-
40	GOLENDALE MAY 2009 COMBUSTION INSPECTION	354,580	354,580	-
41	SUMAS NOVEMBER 2008 COMBUSTION INSPECTION	119,333	119,333	-
42	MINT FARM JUNE 2010 COMBUSTION INSPECTION	456,270	456,270	-
43	TOTAL AMORTIZATION OF REGULATORY ASSETS AND LIABILITIES	\$ 14,666,166	\$ 8,999,526	\$ (5,666,640)
44				
45				
46				
47	INCREASE (DECREASE) EXPENSE			(5,666,640)
48				
49	INCREASE (DECREASE) FIT		35%	1,983,324
50				
51	INCREASE (DECREASE) NOI			\$ 3,683,316

PUGET SOUND ENERGY, INC.-ELECTRIC
PRODUCTION ADJUSTMENT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION 2.099%	FIT 35%
1	<u>O&M ON PRODUCTION PROPERTY</u>			
2	PRODUCTION WAGE ADJUSTMENTS AND INCENTIVE:			
3	PURCHASED POWER	\$ 79,814	\$ (1,675)	\$ 586
4	OTHER POWER SUPPLY	498,117	(10,455)	3,659
5	TOTAL WAGE RELATED ADJUSTMENTS	577,931	(12,131)	4,245
6				
7	ADMIN & GENERAL EXPENSES			
8	PAYROLL OVERHEADS	5,050,730	(106,015)	37,105
9	PROPERTY INSURANCE	2,835,322	(59,513)	20,830
10	TOTAL ADMIN & GENERAL EXPENSES	7,886,052	(165,528)	57,935
11				
12	DEPRECIATION / AMORTIZATION:			
13	DEPRECIATION	95,848,019	(2,011,850)	820,843
14	AMORTIZATION (OTHER THAN REGULATORY ASSETS/LIAB)	11,264,042	(236,432)	80,107
15	TOTAL DEPRECIATION AND AMORTIZATION (FERC 403)	107,112,061	(2,248,282)	900,950
16				
17	TAXES OTHER-PRODUCTION PROPERTY:			
18	PROPERTY TAXES - WASHINGTON	7,396,041	(155,243)	54,335
19	PROPERTY TAXES - MONTANA	7,977,272	(167,443)	58,605
20	ELECTRIC ENERGY TAX	1,696,226	(35,604)	12,461
21	PAYROLL TAXES	2,036,377	(42,744)	14,960
22	TOTAL TAXES OTHER	19,105,916	(401,033)	140,361
23				
24	<u>LOWER SNAKE RIVER</u>			
25				
26	PURCHASED POWER	776,099	(16,290)	5,702
27	WHEELING	9,922,939	(208,282)	72,899
28	SALES FOR RESALE	-	-	-
29	PRODUCTION O&M	10,891,023	(228,603)	80,011
30	PROPERTY INSURANCE	517,501	(10,862)	3,802
31	PROPERTY TAX	2,967,101	(62,279)	21,798
32	TOTAL OPERATING EXPENSES LOWER SNAKE RIVER	25,074,663	(526,317)	184,212
33				
34	<u>AMORTIZATION ON REGULATORY ASSETS:</u>			
35	BEP (555)	3,526,620	(74,024)	25,908
36	WHITE RIVER PLANT COSTS (407)	1,494,702	(31,374)	10,981
37	WHITE RIVER RELICENSING & CWIP	0	-	-
38	HOPKINS RIDGE PREPAID TRANSMISSION (565)	0	-	-
39	GOLDENDALE FIXED COSTS DEFERRAL (407.3)	0	-	-
40	HOPKINS RIDGE MITIGATION CREDIT (555)	0	-	-
41	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY) (547)	(392,170)	8,232	(2,881)
42	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS) (547)	(537,626)	11,285	(3,950)
43	MINT FARM DEFERRAL (407.3)	2,872,182	(60,287)	21,100
44	WILD HORSE EXPANSION DEFERRAL (407.3)	0	-	-
45	COLSTRIP 1&2 (WECO) COAL CONTRACT PREPAYMENT (501)	555,556	(11,661)	4,081
46	FERC PART 12 NON-CONSTRUCTION STUDY COSTS UE-070074 (407.3)	265,155	(5,566)	1,948
47	MAJOR MAINTENANCE (SUMMARIZED) (PROD O&M)	1,215,107	(25,505)	8,927
48	LOWER SNAKE RIVER PREPAID TRANS DEPOSITS (407.3)	680,129	(14,276)	4,997
49	CHELAN RESERVATION PREPAYMENT (555)	7,088,066	(148,778)	52,072
50				
51	TOTAL AMORTIZATION OF REGULATORY ASSETS AND LIABILITIES	\$ 16,767,720	\$ (351,954)	\$ 123,183
52				
53				
54	INCREASE(DECREASE) EXPENSE		176,524,343	(3,705,246)
55	INCREASE(DECREASE) FIT			1,410,886
56	INCREASE(DECREASE) NOI			\$ 2,294,360
57				

**PUGET SOUND ENERGY, INC.-ELECTRIC
PRODUCTION ADJUSTMENT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION 2.099%	FIT 35%
58	<u>PRODUCTION PROPERTY RATE BASE:</u>			
59	DEPRECIABLE PRODUCTION PROPERTY (INCL LSR AND WH SOLAR)	\$ 3,310,587,583	\$ (69,489,233)	
60	PRODUCTION PROPERTY ACCUM DEPR. (INCL LSR AND WH SOLAR)	(1,190,080,368)	24,979,787	
61	NON-DEPRECIABLE PRODUCTION PROPERTY	77,287,156	(1,622,257)	
62	PRODUCTION PROPERTY ACCUM AMORT.	(4,080,190)	85,643	
63	COLSTRIP COMMON FERC ADJUSTMENT	4,947,628	(103,851)	
64	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	1,458,712	(30,618)	
65	ACQUISITION ADJUSTMENTS	250,524,822	(5,258,516)	
66	ACCUMULATED AMORTIZATION ON ACQUISITION ADJ	(54,306,612)	1,139,896	
67	NET PRODUCTION PROPERTY	<u>2,396,338,732</u>	<u>(50,299,149)</u>	
68				
69	LIBR. DEPREC. POST 1980 (AMA)	(315,759,925)	6,627,801	
70	NOL DEFERRED TAX ASSET ATTRIBUTABLE TO PRODUCTION	<u>15,034,874</u>	<u>(315,582)</u>	
71	SUBTOTAL	<u>(300,725,051)</u>	<u>6,312,219</u>	
72				
73	TOTAL PRODUCTION PROPERTY RATE BASE	<u>\$ 2,095,613,681</u>	<u>\$ (43,986,930)</u>	<u>\$ 2,051,626,751</u>
74				
75	<u>REGULATORY ASSETS RATE BASE:</u>			
76	BEP	11,214,773	(235,398)	
77	WHITE RIVER PLANT COSTS	34,565,277	(725,525)	
78	WHITE RIVER RELICENSING & CWIP	24,941,807	(523,529)	
79	PROCEEDS FROM THE SALE OF WHITE RIVER ASSETS TO CWA	(29,911,730)	627,847	
80	DFIT WHITE RIVER REG ASSETS	(10,331,528)	216,859	
81	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)	(1,529,462)	32,103	
82	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)	(2,096,742)	44,011	
83	MINT FARM DEFERRAL UE-090704	23,180,901	(486,567)	
84	COLSTRIP 1&2 (WECO) COAL CONTRACT PREPAYMENT	3,981,481	(83,571)	
85	FERC PART 12 NON-CONSTRUCTION STUDY COSTS UE-070074	1,193,198	(25,045)	
84	LOWER SNAKE RIVER PREPAID TRANSMISSION DEPOSITS	99,707,854	(2,092,868)	
85	CARRYING CHARGES ON LSR PREPAID TRANSM DEPOSITS	10,831,055	(227,344)	
86	CHELAN RESERVATION PAYMENT	117,130,302	(2,458,565)	
87	CHELAN SECURITY DEPOSIT	18,500,000	(388,315)	
88	MAJOR MAINTENANCE (SUMMARIZED)	1,627,205	(34,155)	
89	TOTAL REGULATORY ASSETS AND LIABILITIES RATE BASE	<u>\$ 303,004,391</u>	<u>\$ (6,360,062)</u>	<u>\$ 296,644,329</u>
90				
91	TOTAL ADJUSTMENT TO RATEBASE (LINE 73 + LINE 89)		<u>\$ (50,346,992)</u>	