

Exhibit No. MRM-13
Puget Sound Energy
2010 General Rate Case
WUTC Docket Nos. UE-090704 and UG-090705

FEA Cross Examination Exhibit

PSE Response to FEA DR 01.44

Witness: Matthew Marcellia (PSE)

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

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

FEA DATA REQUEST NO. 01.44

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Refer to the prefiled direct testimony of Mr. Story at various pages, including but not limited to page 18, 20, etc, where he states, relative to various pro forma plant additions that: "Deferred taxes associated with the tax depreciation of the plant were calculated in the manner prescribed by Internal Revenue Code Regulations, Section 1.167(l)-1(h)." (a) For each such project for which Mr. Story made similar statements, please indicate whether such project was/is expected to be eligible for bonus tax depreciation. (b) For each such project, please indicate whether PSE computed bonus tax depreciation on such project and took the bonus tax depreciation into account in its determination of deferred taxes. (c) To the extent that PSE did not reflect the impact of bonus tax depreciation for any plant additions that were or are eligible for bonus tax depreciation, explain fully and in detail why PSE did not reflect the impact of bonus tax depreciation on deferred taxes and Accumulated Deferred Income Taxes. (d) For each plant addition that was or is expected to be eligible for bonus tax depreciation, please provide PSE's best estimates, and supporting calculations of the impacts of bonus tax depreciation on deferred taxes and Accumulated Deferred Income Taxes for each of these periods: (1) 2008, (2) 2009, (3) test year, and (4) rate year.

Response:

Attached as Attachment A to Puget Sound Energy, Inc.'s ("PSE") Response to FEA Data Request No. 01.44, please find a Summary of Pro Forma Adjustments and Bonus Depreciation.

FEA Data Request 01.44									
(a) part 1		(a) part 2		(b)		(c)		(d)	
Pro forma adjustment	w/p Reference	Eligible for Bonus Depreciation	If no, why not	Did PSE include Bonus Depreciation in Deferred Taxes	Why did PSE not reflect Bonus in Deferred Tax	2008	2009	Test Year	Rate Year
Hopkins Ridge	4.06 E	No	Placed in service prior to enactment of the bonus depreciation law	No	No Bonus	None	None	None	None
Wild Horse Expansion	4.07 E	Yes (1)		Yes (2)	Included	None	10,803,909 (3)	None	10,803,909 (3)
Mint Farm	4.08 E	No	Originally placed in service by prior owner	No	No Bonus	None	None	None	None
Sumas	4.09 E	No	Originally placed in service by prior owner	No	No Bonus	None	None	None	None
Whitehorn	4.10 E	No	Placed in service prior to enactment of the bonus depreciation law	No	No Bonus	None	None	None	None
Fredonia	4.34 E	No	Placed in service prior to enactment of the bonus depreciation law	No	No Bonus	None	None	None	None

Note (1): PSE's expectation is that the expansion will be completed in time to place the project in service by 12/31/09. If the in-service date slips to 2010, bonus depreciation may not be available.

Note (2): The Confidential proforma, supplied in Mr. Jim Eisea's workpapers, takes bonus depreciation into account. For these calculations, please see the Depreciation tab in the file: WJE Workpaper (C) Wild Horse Expansion Proforma_2009 GRC Version, located on the seventh CD titled: 7 WJE-WP (C) Project Files, under the folder titled: Wild Horse Expansion (C).

Note (3): See Exhibit No. ____ (JHS 4) page 4.07. Bonus depreciation increases the deferred taxes. Bonus depreciation was not included in the Wild Horse Expansion adjustment 4.07E. Should the commercial operation date fall in 2009, bonus depreciation will be included in the revenue requirement in PSE's rebuttal filing.