

**EXHIBIT NO. ___(JHS-19)
DOCKET NOS. UE-111048/UG-111049
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-111048
Docket No. UG-111049**

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

JANUARY 17, 2012

PUGET SOUND ENERGY-ELECTRIC
RESULTS OF OPERATIONS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE

| LINE NO. | ACTUAL RESULTS OF OPERATIONS | REVISED TOTAL ADJUSTMENTS | REVISED ADJUSTED RESULTS OF OPERATIONS | REVISED REVENUE REQUIREMENT DEFICIENCY | REVISED AFTER RATE INCREASE | |
|----------|---|---------------------------|--|--|-----------------------------|------------------|
| 1 | OPERATING REVENUES | | | | | |
| 2 | SALES TO CUSTOMERS | \$ 2,042,334,319 | \$ (65,220,782) | \$ 1,977,113,537 | \$ 125,401,321 | \$ 2,102,514,858 |
| 3 | SALES FROM RESALE-FIRM/SPECIAL CONTRACT | 350,182 | 867,565 | 1,217,748 | 591,462 | 1,809,210 |
| 4 | SALES TO OTHER UTILITIES | 201,262,557 | (178,855,859) | 22,406,698 | | 22,406,698 |
| 5 | OTHER OPERATING REVENUES | 30,706,333 | 5,968,010 | 36,674,343 | | 36,674,343 |
| 6 | TOTAL OPERATING REVENUES | 2,274,653,391 | (237,241,066) | 2,037,412,326 | 125,992,783 | 2,163,405,109 |
| 7 | | | | | | |
| 8 | OPERATING REVENUE DEDUCTIONS: | | | | | |
| 9 | | | | | | |
| 10 | POWER COSTS: | | | | | |
| 11 | FUEL | \$ 268,147,071 | (18,673,912) | 249,473,159 | - | 249,473,159 |
| 12 | PURCHASED AND INTERCHANGED | 832,711,097 | (340,999,451) | 491,711,646 | | 491,711,646 |
| 13 | WHEELING | 78,564,669 | 12,053,617 | 90,618,286 | | 90,618,286 |
| 14 | RESIDENTIAL EXCHANGE | (75,109,150) | 75,109,150 | - | | - |
| 15 | TOTAL PRODUCTION EXPENSES | 1,104,313,687 | (272,510,596) | 831,803,090 | - | 831,803,090 |
| 16 | | | | | | |
| 17 | OTHER POWER SUPPLY EXPENSES | \$ 102,409,192 | 22,163,514 | 124,572,706 | - | 124,572,706 |
| 18 | TRANSMISSION EXPENSE | 11,865,443 | 81,665 | 11,947,108 | | 11,947,108 |
| 19 | DISTRIBUTION EXPENSE | 82,924,735 | (1,367,811) | 81,556,924 | | 81,556,924 |
| 20 | CUSTOMER ACCTS EXPENSES | 50,172,086 | (2,695,193) | 47,476,893 | 559,912 | 48,036,805 |
| 21 | CUSTOMER SERVICE EXPENSES | 13,431,632 | (11,734,878) | 1,696,754 | | 1,696,754 |
| 22 | CONSERVATION AMORTIZATION | 75,336,909 | (75,334,320) | 2,589 | | 2,589 |
| 23 | ADMIN & GENERAL EXPENSE | 94,643,935 | 5,227,795 | 99,871,730 | 251,986 | 100,123,715 |
| 24 | DEPRECIATION | 190,245,449 | 29,260,097 | 219,505,546 | | 219,505,546 |
| 25 | AMORTIZATION | 40,184,321 | (236,433) | 39,947,888 | | 39,947,888 |
| 26 | AMORTIZ OF PROPERTY GAIN/LOSS | 17,493,031 | (552,298) | 16,940,733 | | 16,940,733 |
| 27 | OTHER OPERATING EXPENSES | 30,169,560 | (20,910,151) | 9,259,409 | | 9,259,409 |
| 28 | ASC 815 | 166,953,097 | (166,953,097) | - | | - |
| 29 | TAXES OTHER THAN INCOME TAXES | 193,255,907 | (67,661,690) | 125,594,217 | 4,858,030 | 130,452,246 |
| 30 | INCOME TAXES | 16,263,334 | (83,510,160) | (67,246,826) | 42,112,962 | (25,133,864) |
| 31 | DEFERRED INCOME TAXES | (32,436,237) | 200,902,071 | 168,465,833 | | 168,465,833 |
| 32 | TOTAL OPERATING REV. DEDUCT. | \$ 2,157,226,080 | (445,831,487) | 1,711,394,593 | 47,782,889 | 1,759,177,482 |
| 33 | | | | | | |
| 34 | NET OPERATING INCOME | \$ 117,427,311 | 208,590,421 | 326,017,733 | 78,209,894 | 404,227,627 |
| 35 | | | | | | |
| 36 | RATE BASE | \$ 4,100,870,913 | 792,926,012 | 4,893,796,925 | - | 4,893,796,925 |
| 37 | | | | | | |
| 38 | RATE OF RETURN | 2.86% | | 6.66% | | 8.26% |
| 39 | | | | | | |
| 40 | RATE BASE: | | | | | |
| 41 | GROSS UTILITY PLANT IN SERVICE | \$ 7,157,671,291 | 685,730,324 | 7,843,401,615 | | |
| 42 | ACCUM DEPR AND AMORT | (2,758,182,029) | 2,336,753 | (2,755,845,277) | | |
| 43 | DEFERRED DEBITS AND CREDITS | 241,208,023 | 204,441,040 | 445,649,062 | | |
| 44 | DEFERRED TAXES | (656,658,557) | (98,203,276) | (754,861,833) | | |
| 45 | ALLOWANCE FOR WORKING CAPITAL | 204,952,589 | (1,378,828) | 203,573,761 | | |
| 46 | OTHER | (88,120,404) | - | (88,120,404) | | |
| 47 | TOTAL RATE BASE | \$ 4,100,870,913 | 792,926,012 | 4,893,796,925 | | |

Amounts presented in bold italic type have changed since the September 1, 2011 supplemental filing.

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010

Adjustment Detail (Page 1)

| LINE NO. | ACTUAL RESULTS OF OPERATIONS | REVISSED | | | | | | | | |
|----------|---|-------------------------|--------------------------------|------------------------------|------------------------------|------------------------|--------------------------------|-------------------------|-----------------------|------------------------|
| | | POWER COSTS 20.01 | LOWER SNAKE RIVER 20.02 | LSR PPD TRANSM DEP 20.03 | MT ELECTRIC ENERGY TAX 20.04 | WILD HORSE SOLAR 20.05 | ASC 815 (PREV. SFAS 133) 20.06 | STORM DAMAGE 20.07 | REMOVE TENASKA 20.08 | |
| 1 | OPERATING REVENUES | | | | | | | | | |
| 2 | SALES TO CUSTOMERS | \$ 2,042,334,319 | \$ - | | \$ - | | \$ - | | \$ - | |
| 3 | SALES FROM RESALE-FIRM/SPECIAL CONTRACT | 350,182 | | | | | | | | |
| 4 | SALES TO OTHER UTILITIES | 201,262,557 | <i>(178,855,859)</i> | | | | | | | |
| 5 | OTHER OPERATING REVENUES | 30,706,333 | 37,423,537 | | | | | | | |
| 6 | TOTAL OPERATING REVENUES | <u>\$ 2,274,653,391</u> | <u><i>\$ (141,432,322)</i></u> | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 7 | | | | | | | | | | |
| 8 | OPERATING REVENUE DEDUCTIONS: | | | | | | | | | |
| 9 | | | | | | | | | | |
| 10 | POWER COSTS: | | | | | | | | | |
| 11 | FUEL | \$ 268,147,071 | <i>\$ (19,168,278)</i> | | \$ - | | \$ - | | \$ - | |
| 12 | PURCHASED AND INTERCHANGED | 832,711,097 | <i>(312,380,137)</i> | 776,099 | | | | | | (37,532,000) |
| 13 | WHEELING | 78,564,669 | <i>6,827,616</i> | <i>7,039,229</i> | <i>420,203</i> | | | | | |
| 14 | RESIDENTIAL EXCHANGE | (75,109,150) | - | | | | | | | |
| 15 | TOTAL PRODUCTION EXPENSES | <u>\$ 1,104,313,687</u> | <u><i>\$ (324,720,799)</i></u> | \$ 7,815,329 | <i>\$ 420,203</i> | \$ - | \$ - | \$ - | \$ - | (37,532,000) |
| 16 | | | | | | | | | | |
| 17 | OTHER POWER SUPPLY EXPENSES | \$ 102,409,192 | <i>\$ 11,287,763</i> | \$ 10,891,023 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 18 | TRANSMISSION EXPENSE | 11,865,443 | <i>(29,798)</i> | | | | | | 50,883 | |
| 19 | DISTRIBUTION EXPENSE | 82,924,735 | | | | | | | (1,606,134) | |
| 20 | CUSTOMER ACCTS EXPENSES | 50,172,086 | | | | | | | | |
| 21 | CUSTOMER SERVICE EXPENSES | 13,431,632 | | | | | | | | |
| 22 | CONSERVATION AMORTIZATION | 75,336,909 | | | | | | | | |
| 23 | ADMIN & GENERAL EXPENSE | 94,643,935 | | <i>522,423</i> | | | | | | |
| 24 | DEPRECIATION | 190,245,449 | | <i>32,599,479</i> | | | (275,497) | | | |
| 25 | AMORTIZATION | 40,184,321 | | | | | | | | |
| 26 | AMORTIZ OF PROPERTY GAIN/LOSS | 17,493,031 | | | | | | | (520,925) | |
| 27 | OTHER OPERATING EXPENSES | 30,169,560 | | | <i>697,745</i> | | | | | |
| 28 | ASC 815 | 166,953,097 | | | | | | \$ (166,953,097) | | |
| 29 | TAXES OTHER THAN INCOME TAXES | 193,255,907 | 26,146 | <i>2,932,856</i> | | <i>158,583</i> | | | | |
| 30 | INCOME TAXES | 16,263,334 | <i>60,201,528</i> | <i>(17,485,360)</i> | <i>(391,282)</i> | <i>(55,504)</i> | 96,424 | | 726,662 | 7,247,900 |
| 31 | DEFERRED INCOME TAXES | (32,436,237) | | | | | | 58,433,584 | | |
| 32 | TOTAL OPERATING REV. DEDUCT. | <u>\$ 2,157,226,080</u> | <u><i>\$ (253,235,160)</i></u> | <u>\$ 37,275,750</u> | <u>\$ 726,665</u> | <u>\$ 103,079</u> | <u>\$ (179,073)</u> | <u>\$ (108,519,513)</u> | <u>\$ (1,349,514)</u> | <u>\$ (30,284,100)</u> |
| 33 | | | | | | | | | | |
| 34 | NET OPERATING INCOME | \$ 117,427,311 | <i>\$ 111,802,838</i> | <i>\$ (37,275,750)</i> | <i>\$ (726,665)</i> | <i>\$ (103,079)</i> | \$ 179,073 | \$ 108,519,513 | \$ 1,349,514 | \$ 30,284,100 |
| 35 | | | | | | | | | | |
| 36 | RATE BASE | \$ 4,100,870,913 | \$ - | <i>\$ 664,324,546</i> | <i>\$ 110,846,093</i> | \$ - | \$ (3,370,636) | \$ - | \$ - | \$ (56,496,129) |
| 37 | | | | | | | | | | |
| 38 | RATE OF RETURN | 2.86% | | | | | | | | |
| 39 | | | | | | | | | | |
| 40 | RATE BASE: | | | | | | | | | |
| 41 | GROSS UTILITY PLANT IN SERVICE | \$ 7,157,671,291 | \$ - | <i>\$ 765,510,819</i> | \$ - | \$ - | \$ (4,357,020) | \$ - | \$ - | \$ - |
| 42 | ACCUM DEPR AND AMORT | (2,758,182,029) | | <i>(23,434,695)</i> | | | 462,883 | | | |
| 43 | DEFERRED DEBITS AND CREDITS | 241,208,023 | | | <i>116,822,817</i> | | | | | (59,395,254) |
| 44 | DEFERRED TAXES | (656,658,557) | | <i>(77,751,579)</i> | <i>(5,976,724)</i> | | 523,501 | | | 2,899,125 |
| 45 | ALLOWANCE FOR WORKING CAPITAL | 204,952,589 | | | | | | | | |
| 46 | OTHER | (88,120,404) | | | | | | | | |
| 47 | TOTAL RATE BASE | <u>\$ 4,100,870,913</u> | <u>\$ -</u> | <u><i>\$ 664,324,546</i></u> | <u><i>\$ 110,846,093</i></u> | <u>\$ -</u> | <u>\$ (3,370,636)</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ (56,496,129)</u> |

Amounts presented in bold italic type have changed since the September 1, 2011 supplemental filing.

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010

Adjustment Detail (Page 2)

| LINE NO. | REVISED | | | NEW | REVISED | | | REVISED | |
|----------|--------------------------------|--------------------------------|-----------------------------|--------------------|---------------------------------|---------------------------|----------------------------------|--------------------------|---|
| | CHELAN PAYMENTS 20.09 | REG ASSETS & LIABILITIES 20.10 | PRODUCTION ADJUSTMENT 20.11 | LSR DEFERRAL 20.12 | TEMPERATURE NORMALIZATION 21.01 | REVENUES & EXPENSES 21.02 | PASS-THROUGH REVS. & EXPS. 21.03 | FEDERAL INCOME TAX 21.04 | VAX BENEFIT OF PRO FORMA INTEREST 21.05 |
| 1 | OPERATING REVENUES | | | | | | | | |
| 2 | | \$ - | \$ - | | \$ 20,893,333 | \$ (7,338,700) | \$ (78,775,416) | \$ - | \$ - |
| 3 | | | | | 3,093 | 864,472 | | | |
| 4 | SALES TO OTHER UTILITIES | | | | | | | | |
| 5 | | | | | | 1,036,143 | (32,491,670) | | |
| 6 | \$ - | \$ - | \$ - | 0 | \$ 20,896,426 | \$ (5,438,084) | \$ (111,267,086) | \$ - | \$ - |
| 7 | | | | | | | | | |
| 8 | OPERATING REVENUE DEDUCTIONS: | | | | | | | | |
| 9 | | | | | | | | | |
| 10 | POWER COSTS: | | | | | | | | |
| 11 | | \$ 486,511 | 7,855 | | \$ - | - | \$ - | \$ - | \$ - |
| 12 | 7,088,066 | 1,209,583 | (240,766) | | | | | | |
| 13 | | (2,076,858) | (156,573) | | | | | | |
| 14 | RESIDENTIAL EXCHANGE | | | | | | | | |
| 15 | \$ 7,088,066 | \$ (380,764) | \$ (389,484) | 0 | \$ - | \$ - | 75,109,150 | \$ - | \$ - |
| 16 | TOTAL PRODUCTION EXPENSES | | | | | | | | |
| 17 | \$ - | \$ - | \$ (259,228) | 0 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 18 | TRANSMISSION EXPENSE | | | | | | | | |
| 19 | DISTRIBUTION EXPENSE | | | | | | | | |
| 20 | | | | | 92,864 | (24,167) | (494,471) | | |
| 21 | CUSTOMER ACCTS EXPENSES | | | | | | | | |
| 22 | | | | | | | (11,759,103) | | |
| 23 | CONSERVATION AMORTIZATION | | | | | | | | |
| 24 | | | (175,637) | | 41,793 | (10,876) | (275,781) | | |
| 25 | ADMIN & GENERAL EXPENSE | | | | | | | | |
| 26 | | | (2,004,728) | | | | | | |
| 27 | | (0) | (236,432) | | | | (75,334,320) | | |
| 28 | AMORTIZ OF PROPERTY GAIN/LOSS | | | | | | | | |
| 29 | | | (31,374) | | | | | | |
| 30 | | (5,285,876) | (202,312) | 5,803,404 | | (7,273,471) | (21,591,916) | | |
| 31 | ASC 815 | | | | | | | | |
| 32 | | | (462,393) | | 805,724 | (209,682) | (76,449,191) | | |
| 33 | TAXES OTHER THAN INCOME TAXES | | | | | | | | |
| 34 | (2,480,823) | 1,983,324 | 1,431,567 | (2,031,191) | 6,984,616 | 728,039 | (165,009) | (81,996,936) | (53,097,697) |
| 35 | DEFERRED INCOME TAXES | | | | | | | | |
| 36 | | | | | | | 142,468,487 | | |
| 37 | \$ 4,607,243 | \$ (3,683,316) | \$ (2,330,021) | 3,772,213 | \$ 7,924,997 | \$ (6,790,157) | \$ (110,960,641) | \$ 60,471,551 | \$ (53,097,697) |
| 38 | TOTAL OPERATING REV. DEDUCT. | | | | | | | | |
| 39 | | | | | | | | | |
| 40 | NET OPERATING INCOME | | | | | | | | |
| 41 | \$ (4,607,243) | \$ 3,683,316 | \$ 2,330,021 | (3,772,213) | \$ 12,971,429 | \$ 1,352,073 | \$ (306,445) | \$ (60,471,551) | \$ 53,097,697 |
| 42 | RATE BASE | | | | | | | | |
| 43 | \$ 135,630,302 | \$ (19,546,418) | \$ (49,954,915) | 13,105,765 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 44 | RATE OF RETURN | | | | | | | | |
| 45 | RATE BASE: | | | | | | | | |
| 46 | \$ - | | \$ (75,063,831) | | \$ - | \$ - | \$ - | \$ - | \$ - |
| 47 | GROSS UTILITY PLANT IN SERVICE | | | | | | | | |
| 48 | | | 25,182,689 | | | | | | |
| 49 | 153,173,246 | (19,546,418) | (6,776,068) | 20,162,716 | | | | | |
| 50 | DEFERRED DEBITS AND CREDITS | | | | | | | | |
| 51 | (17,542,944) | - | 6,702,295 | (7,056,951) | | | | | |
| 52 | DEFERRED TAXES | | | | | | | | |
| 53 | ALLOWANCE FOR WORKING CAPITAL | | | | | | | | |
| 54 | OTHER | | | | | | | | |
| 55 | \$ 135,630,302 | \$ (19,546,418) | \$ (49,954,915) | 13,105,765 | \$ - | \$ - | \$ - | \$ - | \$ - |
| 56 | TOTAL RATE BASE | | | | | | | | |

Amounts presented in bold italic type have changed since the September 1, 2011 supplemental filing.

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
Adjustment Detail (Page 3)

REVISED

| LINE NO. | OPERATING EXPENSES 21.06 | GENERAL DEPRECIATION 21.07 | PLAN INJ & DMGS 21.08 | NORMALIZE 21.09 | BAD DEBTS 21.09 | INCENTIVE PAY 21.10 | PROPERTY TAXES 21.11 | EXCISE TAX & FILING FEE 21.12 | D&O INSURANCE 21.13 | INTEREST ON CUST DEPOSITS 21.14 | RATE CASE EXPENSES 21.15 |
|----------|---|----------------------------|-----------------------|-----------------|-----------------|---------------------|----------------------|-------------------------------|---------------------|---------------------------------|--------------------------|
| 1 | OPERATING REVENUES | | | | | | | | | | |
| 2 | SALES TO CUSTOMERS | \$ - | \$ - | | \$ - | | \$ - | \$ - | | \$ - | \$ - |
| 3 | SALES FROM RESALE-FIRM/SPECIAL CONTRACT | | | | | | | | | | |
| 4 | SALES TO OTHER UTILITIES | | | | | | | | | | |
| 5 | OTHER OPERATING REVENUES | | | | | | | | | | |
| 6 | TOTAL OPERATING REVENUES | \$ - | \$ - | | \$ - | \$ - | \$ - | \$ - | | \$ - | \$ - |
| 7 | | | | | | | | | | | |
| 8 | OPERATING REVENUE DEDUCTIONS: | | | | | | | | | | |
| 9 | | | | | | | | | | | |
| 10 | POWER COSTS: | | | | | | | | | | |
| 11 | FUEL | \$ - | \$ - | | \$ - | | \$ - | \$ - | | \$ - | \$ - |
| 12 | PURCHASED AND INTERCHANGED | | | | | (32,535) | | | | | |
| 13 | WHEELING | | | | | | | | | | |
| 14 | RESIDENTIAL EXCHANGE | | | | | | | | | | |
| 15 | TOTAL PRODUCTION EXPENSES | \$ - | \$ - | \$ - | \$ - | (32,535) | \$ - | \$ - | | \$ - | \$ - |
| 16 | | | | | | | | | | | |
| 17 | OTHER POWER SUPPLY EXPENSES | (77,825) | \$ - | \$ - | \$ - | (151,874) | \$ - | \$ - | | \$ - | \$ - |
| 18 | TRANSMISSION EXPENSE | | | | | (25,766) | | | | | |
| 19 | DISTRIBUTION EXPENSE | (112,534) | | | | (173,076) | | | | | |
| 20 | CUSTOMER ACCTS EXPENSES | | | | (2,520,278) | (102,159) | | | | 47,149 | |
| 21 | CUSTOMER SERVICE EXPENSES | | | | | (10,513) | | | | | |
| 22 | CONSERVATION AMORTIZATION | | | | | | | | | | |
| 23 | ADMIN & GENERAL EXPENSE | 1,486,933 | | 1,116,336 | | (189,642) | | | (51,667) | | (68,325) |
| 24 | DEPRECIATION | | (1,059,158) | | | | | | | | |
| 25 | AMORTIZATION | | | | | | | | | | |
| 26 | AMORTIZ OF PROPERTY GAIN/LOSS | | | | | | | | | | |
| 27 | OTHER OPERATING EXPENSES | 5,360,250 | | | | | | | | | |
| 28 | ASC 815 | | | | | | | | | | |
| 29 | TAXES OTHER THAN INCOME TAXES | (27,777) | | | | (56,311) | 5,169,110 | 309,198 | | | |
| 30 | INCOME TAXES | (2,320,167) | 370,705 | (390,718) | 882,097 | 259,656 | (1,809,189) | (108,219) | 18,084 | | \$ 23,914 |
| 31 | DEFERRED INCOME TAXES | | | | | | | | | | |
| 32 | TOTAL OPERATING REV. DEDUCT. | \$ 4,308,881 | \$ (688,453) | \$ 725,618 | \$ (1,638,181) | \$ (482,220) | \$ 3,359,921 | \$ 200,979 | \$ (33,584) | \$ 47,149 | \$ (44,411) |
| 33 | | | | | | | | | | | |
| 34 | NET OPERATING INCOME | \$ (4,308,881) | \$ 688,453 | \$ (725,618) | \$ 1,638,181 | \$ 482,220 | \$ (3,359,921) | \$ (200,979) | \$ 33,584 | \$ (47,149) | \$ 44,411 |
| 35 | | | | | | | | | | | |
| 36 | RATE BASE | \$ - | (233,769) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 37 | | | | | | | | | | | |
| 38 | RATE OF RETURN | | | | | | | | | | |
| 39 | | | | | | | | | | | |
| 40 | RATE BASE: | | | | | | | | | | |
| 41 | GROSS UTILITY PLANT IN SERVICE | \$ - | (359,644) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| 42 | ACCUM DEPR AND AMORT | | 125,875 | | | | | | | | |
| 43 | DEFERRED DEBITS AND CREDITS | | | | | | | | | | |
| 44 | DEFERRED TAXES | | | | | | | | | | |
| 45 | ALLOWANCE FOR WORKING CAPITAL | | | | | | | | | | |
| 46 | OTHER | | | | | | | | | | |
| 47 | TOTAL RATE BASE | \$ - | (233,769) | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |

Amounts presented in bold italic type have changed since the September 1, 2011 supplemental filing.

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010

Adjustment Detail (Page 4)

| LINE NO. | Adjustment Detail (Page 4) | | | | | | | | | |
|----------|---|--------------------------------|--------------------|---------------------|-----------------------|--------------------------|-----------------------|-------------------|--------------------------------|------------------|
| | DEFERRED G/L ON PROPERTY SALES 21.16 | PROPERTY & LIABILITY INS 21.17 | PENSION PLAN 21.18 | WAGE INCREASE 21.19 | INVESTMENT PLAN 21.20 | EMPLOYEE INSURANCE 21.21 | WORKING CAPITAL 21.22 | TOTAL ADJUSTMENTS | ADJUSTED RESULTS OF OPERATIONS | |
| 1 | OPERATING REVENUES | | | | | | | | | |
| 2 | \$ | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | \$ | (65,220,782) | \$ 1,977,113,537 |
| 3 | SALES FROM RESALE-FIRM/SPECIAL CONTRACT | | | | | | | | | |
| 4 | SALES TO OTHER UTILITIES | | | | | | | | | |
| 5 | OTHER OPERATING REVENUES | | | | | | | | | |
| 6 | \$ | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | (237,241,066) | \$ 2,037,412,326 |
| 7 | | | | | | | | | | |
| 8 | OPERATING REVENUE DEDUCTIONS: | | | | | | | | | |
| 9 | | | | | | | | | | |
| 10 | POWER COSTS: | | | | | | | | | |
| 11 | \$ | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | \$ | (18,673,912) | \$ 249,473,159 |
| 12 | PURCHASED AND INTERCHANGED | | | | | | | | | |
| 13 | WHEELING | | | | | | | | | |
| 14 | RESIDENTIAL EXCHANGE | | | | | | | | | |
| 15 | \$ | - \$ | - \$ | - \$ | 112,238 | - \$ | - \$ | - \$ | (340,999,451) | \$ 491,711,646 |
| 16 | TOTAL PRODUCTION EXPENSES | | | | | | | | | |
| 17 | \$ | - \$ | - \$ | - \$ | 473,655 | \$ | - \$ | - \$ | 22,163,514 | \$ 124,572,706 |
| 18 | TRANSMISSION EXPENSE | | | | | | | | | |
| 19 | DISTRIBUTION EXPENSE | | | | | | | | | |
| 20 | CUSTOMER ACCTS EXPENSES | | | | | | | | | |
| 21 | CUSTOMER SERVICE EXPENSES | | | | | | | | | |
| 22 | CONSERVATION AMORTIZATION | | | | | | | | | |
| 23 | ADMIN & GENERAL EXPENSE | | | | | | | | | |
| 24 | DEPRECIATION | | | | | | | | | |
| 25 | AMORTIZATION | | | | | | | | | |
| 26 | AMORTIZ OF PROPERTY GAIN/LOSS | | | | | | | | | |
| 27 | OTHER OPERATING EXPENSES | | | | | | | | | |
| 28 | ASC 815 | | | | | | | | | |
| 29 | TAXES OTHER THAN INCOME TAXES | | | | | | | | | |
| 30 | INCOME TAXES | | | | | | | | | |
| 31 | DEFERRED INCOME TAXES | | | | | | | | | |
| 32 | \$ | 1,028,316 | \$ 124,477 | \$ 1,199,984 | \$ 1,512,830 | \$ 83,624 | \$ 11,276 | \$ - | (445,831,487) | \$ 1,711,394,593 |
| 33 | | | | | | | | | | |
| 34 | \$ | (1,028,316) | \$ (124,477) | \$ (1,199,984) | \$ (1,512,830) | \$ (83,624) | \$ (11,276) | \$ - | 208,590,421 | \$ 326,017,733 |
| 35 | | | | | | | | | | |
| 36 | \$ | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | \$ (1,378,828) | 792,926,012 | \$ 4,893,796,925 |
| 37 | | | | | | | | | | |
| 38 | RATE OF RETURN | | | | | | | | | |
| 39 | | | | | | | | | | |
| 40 | RATE BASE: | | | | | | | | | |
| 41 | \$ | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | \$ | 685,730,324 | \$ 7,843,401,615 |
| 42 | ACCUM DEPR AND AMORT | | | | | | | | | |
| 43 | DEFERRED DEBITS AND CREDITS | | | | | | | | | |
| 44 | DEFERRED TAXES | | | | | | | | | |
| 45 | ALLOWANCE FOR WORKING CAPITAL | | | | | | | | | |
| 46 | OTHER | | | | | | | | | |
| 47 | \$ | - \$ | - \$ | - \$ | - \$ | - \$ | - \$ | \$ (1,378,828) | 792,926,012 | \$ 4,893,796,925 |

Amounts presented in bold italic type have changed since the September 1, 2011 supplemental filing.