

**EXHIBIT NO. ___(JHS-20)
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**

**SECOND 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
POWER COSTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	ACTUAL	REVISED PROFORMA	REVISED INCREASE (DECREASE)
1 SALES FOR RESALE	\$ 201,262,557	\$ 22,406,698	\$ (178,855,859)
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	33,784,796	(141,432,322)
8			
9 FUEL	\$ 269,007,822	\$ 249,839,544	\$ (19,168,278)
10			
11 PURCHASED AND INTERCHANGED	792,862,060	479,061,016	(313,801,044)
12 HEDGING	-	1,420,907	1,420,907
13			
14 SUBTOTAL PURCHASED AND INTERCHANGED	\$ 792,862,060	\$ 480,481,923	\$ (312,380,137)
15 WHEELING	76,487,811	83,315,427	6,827,616
16			-
17 TOTAL PRODUCTION EXPENSES	\$ 1,138,357,693	\$ 813,636,894	\$ (324,720,799)
18 HYDRO AND OTHER POWER	101,194,084	112,481,848	11,287,763
19 TRANS. EXP. INCL. 500KV O&M	1,419,635	1,389,837	(29,798)
20			
21 TOTAL OPERATING EXPENSES	\$ 1,240,971,412	\$ 927,508,579	\$ (313,462,833)
22			
23 INCREASE (DECREASE) OPERATING INCOME (LINE 7 - LINE 21)	\$ (1,065,754,294)	\$ (893,723,783)	\$ 172,030,511
24			
25 STATE UTILITY TAX SAVINGS FOR LINE 4	3.873%		(26,146)
26 INCREASE (DECREASE) INCOME			172,004,366
27 INCREASE (DECREASE) FIT @	35%		60,201,528
28 INCREASE (DECREASE) NOI			<u>\$ 111,802,838</u>

PUGET SOUND ENERGY
GENERAL RATE CASE
DETERMINATION OF NET POWER COSTS FOR GRC ADJUSTMENT JHS 20.01
TEST YEAR ENDED DECEMBER 31, 2010
RATE YEAR ENDED APRIL 30, 2013

Exhibit No. ____ (JHS-20)
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JHS-20.01 (A)

Line	FERC	Description	<i>REVISED</i>	<i>REVISED</i>	<i>REVISED</i>	<i>REVISED</i>	<i>REVISED</i>			<i>REVISED</i>		
			Per Exh. DEM-XX	Reclass	Remove amounts shown on other adjustments				Add / Remove amounts not in / in Exh DEM-XX	Subtotal	Per JHS 20.01	
	a	b	c	c.1	d	e	f	g	h	i	j	k
1		Fuel:										
2	501	Steam Fuel	\$ 90,551,973					\$ (555,556)	\$ -		\$ 89,996,417	\$ 88,107,393
3	547	Fuel	163,443,097	826,800				929,796	-		165,199,693	161,732,151
4			253,995,070	826,800	-			374,240	-	-	255,196,110	249,839,544
5		Purchased and Interchanged:										
6	555	Purchased Power	494,062,782		(776,099)		(7,088,066)	(3,526,620)	-		482,671,997	472,540,712
7												
8	557	Other Power Expense	8,029,303						(1,369,204)		6,660,099	6,520,304
9		Hedging	-							1,451,372	1,451,372	1,420,907
10			502,092,085	-	(776,099)	-	(7,088,066)	(3,526,620)	(1,369,204)	1,451,372	490,783,468	480,481,923
11												
12	565	Wheeling	92,561,144		(7,039,229)	(420,203)		-	-		85,101,712	83,315,427
13												
14	various	Hydro and Other Power	134,675,905	(826,800)	(10,891,023)			(1,215,107)	(6,849,513)		114,893,461	112,481,848
15												
16	various	Trans. Exp. Incl. 500Kv O&M	1,419,635								1,419,635	1,389,837
17	447	Sales for Resale	(22,887,099)								(22,887,099)	(22,406,698)
18	456	Purchases/Sales Of Non-Core Gas	-								-	-
19			(21,467,464)	-	-	-	-	-	-	-	(21,467,464)	(21,016,861)
20												
21		Net Power Costs (column c per DEM Exhibit)	961,856,741	-	(18,706,352)	(420,203)	(7,088,066)	(4,367,487)	(8,218,717)	1,451,372	924,507,289	905,101,881
22	various	Variable Transmission Income	(11,622,045)								(11,622,045)	(11,378,098)
23												
24		Col k = amount of adjustment on JHS 20.01 Line 23	\$ 950,234,696	\$ -	\$ (18,706,352)	\$ (420,203)	\$ (7,088,066)	\$ (4,367,487)	(8,218,717)	\$ 1,451,372	\$ 912,885,244	\$ 893,723,783

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

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

LINE NO.	DESCRIPTION	TEST YEAR	<i>REVISED</i> PROFORMA	<i>REVISED</i> ADJUSTMENT
1	<u>LOWER SNAKE RIVER RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 42,219	\$ 765,553,038	\$ 765,510,819
4	ACCUM DEPRECIATION	-	<i>(23,434,695)</i>	<i>(23,434,695)</i>
5	DEFERRED INCOME TAX LIABILITY	-	<i>(77,751,579)</i>	<i>(77,751,579)</i>
6				
7	NET LSR EXPANSION PLANT RATEBASE	<u>\$ 42,219</u>	<u>\$ 664,366,765</u>	<u>\$ 664,324,546</u>
8				
9	<u>LOWER SNAKE RIVER OPERATING EXPENSE</u>			
10	TAXABLE DEPRECIATION EXPENSE	\$ -	\$ 27,796,539	\$ 27,796,539
11	NON-TAXABLE DEPRECIATION EXPENSE		<i>4,802,940</i>	<i>4,802,940</i>
12	TOTAL DEPRECIATION EXPENSE	<u>\$ -</u>	<u>\$ 32,599,479</u>	<u>\$ 32,599,479</u>
13				
14				
15	<u>POWER COST AND O&M RELATED TO LOWER SNAKE RIVER</u>			
16	PURCHASED POWER		\$ 776,099	\$ 776,099
17	WHEELING		<i>7,039,229</i>	<i>7,039,229</i>
18	PRODUCTION O&M	-	10,891,023	10,891,023
19	PROPERTY INSURANCE	-	<i>522,423</i>	<i>522,423</i>
20	PROPERTY TAXES		<i>2,932,856</i>	<i>2,932,856</i>
21	TOTAL POWER COST AND PROD O&M	-	<u><i>22,161,631</i></u>	<u><i>22,161,631</i></u>
22				
23	INCREASE (DECREASE) EXPENSE	-	<i>54,761,110</i>	<i>54,761,110</i>
24				
25	INCREASE (DECREASE) FIT ON ALL EXPENSES EXCEPT LINE 11 @		35%	<u><i>(17,485,360)</i></u>
26	INCREASE (DECREASE) NOI			<u><u><i>\$ (37,275,750)</i></u></u>

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

LINE NO.	DESCRIPTION	TEST YEAR	<i>REVISED</i> PROFORMA	<i>REVISED</i> ADJUSTMENT
1	<u>PRINCIPAL PORTION OF LSR PREPAID TRANSMISSION (AMA)</u>			
2	TOTAL PREPAID DEPOSIT		\$ 99,800,000	\$ 99,800,000
3	ACCUM AMORT. CREDIT PYMT FR. BPA		(53,537)	(53,537)
4	NET LSR PREPAID TRANS. RATEBASE	\$ -	\$ 99,746,463	\$ 99,746,463
5				
6	<u>DEFERRED CARRYING CHARGES (AMA)</u>			
7	CARRYING CHARGES BALANCE		17,425,226	\$ 17,425,226
8	ACCUM AMORT. CARRYING CHARGES		(348,872)	\$ (348,872)
9	DEFERRED INCOME TAX		(5,976,724)	\$ (5,976,724)
10	NET LSR CARRYING CHARGES RATEBASE	\$ -	\$ 11,099,630	\$ 11,099,630
11				
12	<u>TOTAL RATEBASE</u>	\$ -	\$ 110,846,093	\$ 110,846,093
13				
14	<u>OPERATING EXPENSE</u>			
15	AMORTIZATION OF PRINCIPAL (565)	\$ -	420,203	\$ 420,203
16	AMORTIZATION OF CARRYING CHARGES (407.3)	-	697,745	\$ 697,745
17				
18	INCREASE (DECREASE) EXPENSE	-	1,117,947	1,117,947
19				
20	INCREASE (DECREASE) FIT @		35%	(391,282)
21	INCREASE (DECREASE) NOI			\$ (726,665)

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

LINE NO.	DESCRIPTION	<i>REVISED</i>	<i>REVISED</i> AMOUNT
1	PROFORMA KWH (COLSTRIP)	<i>4,859,077,669</i>	
2	TAX RATE	<u>0.00035</u>	
3			
4	PROFORMA ENERGY TAX		<i>1,700,677</i>
5	CHARGED TO EXPENSE		<i>1,542,094</i>
6	INCREASE (DECREASE) EXPENSE		<u><i>\$ 158,583</i></u>
7			
8	INCREASE (DECREASE) FIT @ 35%		<u><i>(55,504)</i></u>
9	INCREASE (DECREASE) NOI		<u><u><i>\$ (103,079)</i></u></u>

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**PUGET SOUND ENERGY-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>

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**PUGET SOUND ENERGY-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>

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**PUGET SOUND ENERGY-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

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

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED 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>-</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>-</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%	2,230,900
20	INCREASE (DECREASE) NOI			<u>30,284,100</u>
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. 13.05			
30				
31	(NOTE 3) AFPC STANDS FOR ALLOWANCE FOR FUNDS ON POWER CONTRACTS			

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**PUGET SOUND ENERGY-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)

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**PUGET SOUND ENERGY-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 GLENDALE 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 DEFERL - 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 GLENDALE 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

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

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

LINE NO. DESCRIPTION	REVISED PROFORMA AND RESTATED	REVISED PRODUCTION 2.099%	REVISED FIT 35%
1 <u>O&M ON PRODUCTION PROPERTY</u>			
2 PRODUCTION WAGE ADJUSTMENTS AND INCENTIVE			
3 PURCHASED POWER	\$ 79,703	\$ (1,673)	\$ 586
4 OTHER POWER SUPPLY	243,956	(5,121)	1,792
5 TOTAL WAGE RELATED ADJUSTMENTS	<u>323,659</u>	<u>(6,794)</u>	<u>2,378</u>
6			
7 ADMIN & GENERAL EXPENSES			
8 PAYROLL OVERHEADS	5,009,924	(105,158)	36,805
9 PROPERTY INSURANCE	2,835,322	(59,513)	20,830
10 TOTAL ADMIN & GENERAL EXPENSES	<u>7,845,246</u>	<u>(164,672)</u>	<u>57,635</u>
11			
12 DEPRECIATION / AMORTIZATION:			
13 DEPRECIATION	95,508,719	(2,004,728)	819,311
14 AMORTIZATION (OTHER THAN REGULATORY ASSETS/LIAB)	11,264,042	(236,432)	80,107
15 TOTAL DEPRECIATION AND AMORTIZATION (FERC 403)	<u>106,772,761</u>	<u>(2,241,160)</u>	<u>899,418</u>
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	1,700,677	(35,697)	12,494
21 PAYROLL TAXES	2,022,346	(42,449)	14,857
22 TOTAL TAXES OTHER	<u>19,096,336</u>	<u>(400,832)</u>	<u>140,291</u>
23			
24 <u>LOWER SNAKE RIVER</u>			
25			
26 PURCHASED POWER	776,099	(16,290)	5,702
27 WHEELING	7,039,229	(147,753)	51,714
28 SALES FOR RESALE	-	-	-
29 PRODUCTION O&M	10,891,023	(228,603)	80,011
30 PROPERTY INSURANCE	522,423	(10,966)	3,838
31 PROPERTY TAX	2,932,856	(61,561)	21,546
32 TOTAL OPERATING EXPENSES LOWER SNAKE RIVER	<u>22,161,631</u>	<u>(465,173)</u>	<u>162,811</u>
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	-	-	-
38 HOPKINS RIDGE PREPAID TRANSMISSION (565)	-	-	-
39 GOLDENDALE FIXED COSTS DEFERRAL (407.3)	-	-	-
40 HOPKINS RIDGE MITIGATION CREDIT (555)	-	-	-
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)	-	-	-
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 CARRYING CHARGES ON LSR PREPAID TRANS DEPOSITS (407.3)	697,745	(14,646)	5,126
49 LOWER SNAKE RIVER PREPAID TRANSMISSION DEPOSIT (565)(NEW)	420,203	(8,820)	3,087
50 LOWER SNAKE RIVER DEFERRAL (407.3)(NEW)	5,803,404	(121,813)	42,635
51 CHELAN RESERVATION PREPAYMENT (555)	7,088,066	(148,778)	52,072
52 TOTAL AMORTIZATION OF REGULATORY ASSETS AND LIABILITIES	<u>\$ 23,008,943</u>	<u>\$ (482,958)</u>	<u>\$ 169,034</u>
53			
54			
55 INCREASE(DECREASE) EXPENSE		179,208,576	(3,761,588)
56 INCREASE(DECREASE) FIT			1,431,567
57 INCREASE(DECREASE) NOI			<u>\$ 2,330,021</u>

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

LINE NO.	DESCRIPTION	<i>REVISED</i> PROFORMA AND RESTATED	<i>REVISED</i> PRODUCTION 2.099%	<i>REVISED</i> FIT 35%
58				
59	<u>PRODUCTION PROPERTY RATE BASE:</u>			
60	DEPRECIABLE PRODUCTION PROPERTY (INCL LSR AND WH SOLAR	\$ 3,302,665,765	\$ (69,322,954)	
61	PRODUCTION PROPERTY ACCUM DEPR. (INCL LSR AND WH SOLAR	<i>(1,195,666,811)</i>	<i>25,097,046</i>	
62	NON-DEPRECIABLE PRODUCTION PROPERTY	77,287,156	(1,622,257)	
63	PRODUCTION PROPERTY ACCUM AMORT.	(4,080,190)	85,643	
64	COLSTRIP COMMON FERC ADJUSTMENT	4,947,628	(103,851)	
65	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	1,458,712	(30,618)	
66	ACQUISITION ADJUSTMENTS	250,524,822	(5,258,516)	
67	ACCUMULATED AMORTIZATION ON ACQUISITION ADJ	(54,306,612)	1,139,896	
68	NET PRODUCTION PROPERTY	<u>2,382,830,471</u>	<u>(50,015,611)</u>	
69				
70	LIBR. DEPREC. POST 1980 (AMA)	<i>(325,637,884)</i>	<i>6,835,139</i>	
71	NOL DEFERRED TAX ASSET ATTRIBUTABLE TO PRODUCTION	<i>6,328,940</i>	<i>(132,844)</i>	
72	SUBTOTAL	<u><i>(319,308,944)</i></u>	<u><i>6,702,295</i></u>	
73				
74	TOTAL PRODUCTION PROPERTY RATE BASE	<u>\$ 2,063,521,527</u>	<u>\$ (43,313,316)</u>	<u>\$ 2,020,208,211</u>
75				
76	<u>REGULATORY ASSETS RATE BASE:</u>			
77	BEP	\$ 11,214,773	\$ (235,398)	
78	WHITE RIVER PLANT COSTS	34,565,277	(725,525)	
79	WHITE RIVER RELICENSING & CWIP	24,941,807	(523,529)	
80	PROCEEDS FROM THE SALE OF WHITE RIVER ASSETS TO CWA	(29,911,730)	627,847	
81	DFIT WHITE RIVER REG ASSETS	(10,331,528)	216,859	
82	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)	(1,529,462)	32,103	
83	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)	(2,096,742)	44,011	
84	MINT FARM DEFERRAL UE-090704	23,180,901	(486,567)	
85	COLSTRIP 1&2 (WECO) COAL CONTRACT PREPAYMENT	3,981,481	(83,571)	
86	FERC PART 12 NON-CONSTRUCTION STUDY COSTS UE-070074	1,193,198	(25,045)	
87	LOWER SNAKE RIVER PREPAID TRANSMISSION DEPOSITS	<i>99,746,463</i>	<i>(2,093,678)</i>	
88	LOWER SNAKE RIVER DEFERRAL (<i>NEW</i>)	<i>13,105,765</i>	<i>(275,090)</i>	
89	CARRYING CHARGES ON LSR PREPAID TRANSM DEPOSITS	<i>11,099,630</i>	<i>(232,981)</i>	
90	CHELAN RESERVATION PAYMENT	117,130,302	(2,458,565)	
91	CHELAN SECURITY DEPOSIT	18,500,000	(388,315)	
92	MAJOR MAINTENANCE (SUMMARIZED)	1,627,205	(34,155)	
93	TOTAL REGULATORY ASSETS AND LIABILITIES RATE BASI	<u><i>316,417,341</i></u>	<u><i>(6,641,599)</i></u>	<u><i>309,775,742</i></u>
94				
95	TOTAL ADJUSTMENT TO RATEBASE (LINE 73 + LINE 89)		<u><i>\$ (49,954,915)</i></u>	

(NEW)
**PUGET SOUND ENERGY-ELECTRIC
AMORTIZATION OF LOWER SNAKE RIVER
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	TEST YEAR	NEW RATE YEAR	NEW ADJUSTMENT
1 OPERATING EXPENSE FIXED COSTS			
2 AMORTIZATION OF FIXED COST DEFERRAL	\$ -	\$ 5,803,404	\$ 5,803,404
3 DEFERRAL OF LOWER SNAKE RIVER FIXED COSTS	-	-	-
4 TOTAL AMORTIZATION LSR PROJECT	-	5,803,404	5,803,404
5			
6 INCREASE (DECREASE) OPERATING EXPENSES			5,803,404
7			
8 INCREASE (DECREASE) FIT	35%		(2,031,191)
9			
10 INCREASE (DECREASE) NOI			<u>\$ (3,772,213)</u>
11			
12 RATE BASE			
13 LSR PROJECT AMA GROSS - DEF	\$ -	\$ 23,064,418	\$ 23,064,418
14 LSR PROJECT AMA ACCUMULATED AMORTIZATION	-	(2,901,702)	(2,901,702)
15 LSR PROJECT AMA ACCUMULATED DEFERRED FIT	-	(7,056,951)	(7,056,951)
16 TOTAL LOWER SNAKE RIVER PROJECT RATE BASE	<u>\$ -</u>	<u>\$ 13,105,765</u>	<u>\$ 13,105,765</u>

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