

**EXHIBIT NO. ___(JHS-21)
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**

**THIRD 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
TEMPERATURE NORMALIZATION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE

NO. DESCRIPTION

<u>TEMPERATURE NORMALIZATION ADJUSTMENT:</u>					
		ACTUAL	TEMP ADJ	MWH	ADJ FOR LOSSES
		<u>GPI MWH</u>	<u>GPI MWH</u>	<u>CHANGE</u>	<u>6.80%</u>
4	Jan-10	2,154,814	2,282,983	128,169	119,453
5	Feb-10	1,895,526	1,986,793	91,267	85,061
6	Mar-10	2,022,382	2,041,217	18,835	17,554
7	Apr-10	1,844,814	1,833,221	(11,593)	(10,805)
8	May-10	1,764,805	1,748,090	(16,715)	(15,578)
9	Jun-10	1,618,462	1,630,730	12,267	11,433
10	Jul-10	1,688,022	1,697,904	9,882	9,210
11	Aug-10	1,703,415	1,695,906	(7,509)	(6,999)
12	Sep-10	1,637,493	1,642,184	4,691	4,372
13	Oct-10	1,814,110	1,830,543	16,433	15,316
14	Nov-10	2,122,228	2,059,041	(63,187)	(58,890)
15	Dec-10	2,328,203	2,397,719	69,516	64,789
16		<u>22,594,274</u>	<u>22,846,330</u>	<u>252,056</u>	<u>234,916</u>
17				KWH	
18	REVENUE ADJUSTMENT: SCHEDULE 7			133,624,643	\$ 13,759,867
19	SCHEDULE 24			34,368,345	2,990,016
20	SCHEDULE 25			34,964,494	2,241,783
21	SCHEDULE 26			15,451,095	951,927
22	SCHEDULE 29			(107,335)	(5,741)
23	SCHEDULE 31			9,574,376	570,154
24	SCHEDULE 43			3,801,197	212,913
25	SCHEDULE 40 - MED SEC VOLTAGE				
26	SCHEDULE 40 - LARGE SEC VOLTAGE			3,151,344	172,414
27	SCHEDULE 40 - PRIMARY VOLTAGE				
28	LIGHTING				
29	FIRM RESALE			88,248	3,093
30	INCREASE (DECREASE) SALES TO CUSTOMERS			<u>234,916,406</u>	\$ <u>20,896,426</u>
31					
32	UNCOLLECTIBLES @			0.004444	\$ 92,864
33	ANNUAL FILING FEE @			0.002000	41,793
31	INCREASE (DECREASE) EXPENSES				<u>134,657</u>
32					
33	STATE UTILITY TAX @			0.038558	\$ <u>805,724</u>
34	INCREASE (DECREASE) TAXES OTHER				<u>805,724</u>
35					
36	INCREASE (DECREASE) INCOME				\$ <u>19,956,045</u>
37					
38	INCREASE (DECREASE) FIT @			35%	<u>6,984,616</u>
39	INCREASE (DECREASE) NOI				<u><u>\$ 12,971,429.04</u></u>

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

**PUGET SOUND ENERGY-ELECTRIC
REVENUES AND EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	REVISED ADJUSTMENT	REVISED
1	SALES TO CUSTOMERS:		
2	RESTATING ADJUSTMENTS:		
3	ADD GRC INCREASE DOCKET UE-090704	\$ 6,061,237	
4	REMOVE PCA INCREASE	(4,974)	
5	REMOVE SCHEDULE 95A PRODUCTION TAX CREDITS	16,481,251	
6	RECLASS TRANSPORTATION IMBALANCE REVENUE TO OTHER OPERATING REVENUES	(1,936,015)	
7	REMOVE MERGER RATE CREDIT SCH 132	6,253,914	
8	REMOVE TENASKA REGULATORY ASSET TRACKER (SCH 133)	(35,143,487)	
9	MISCELLANEOUS RESTATING ADJUSTMENT	1,385,860	
10	RESTATING ADJUSTMENTS SALES TO CUSTOMERS	<u>(6,902,214)</u>	
11			
12			
13	PROFORMA ADJUSTMENTS:		
14	RECLASS OF CUSTOMERS BETWEEN TARIFFS	<u>(436,486)</u>	
15	PROFORMA ADJUSTMENTS SALES TO CUSTOMERS	<u>(436,486)</u>	
16			
17	TOTAL INCREASE (DECREASE) SALES TO CUSTOMERS		(7,338,700)
18			
19	SALES FOR RESALE - SMALL FIRM AND SPECIAL CONTRACT		
20	MISCELLANEOUS RESTATING ADJUSTMENT	(15,398)	
21	RECLASS SPECIAL CONTRACT REVENUE FROM OTHER OPERATING	<u>879,870</u>	
22			
23	TOTAL INCREASE (DECREASE) SALES FOR RESALE - SMALL FIRM		864,472
24			
25	OTHER OPERATING REVENUES:		
26	POLE ATTACHMENT REVENUES	(20,001)	
27	RECLASS TRANSPORTATION IMBALANCE REVENUE FROM SALES TO CUSTOMERS	1,936,015	
28	RECLASS SPECIAL CONTRACT REVENUE TO SALES TO CUSTOMERS	<u>(879,870)</u>	
29			
30	TOTAL INCREASE (DECREASE) OTHER OPERATING REVENUE		<u>1,036,143</u>
31			
32	TOTAL INCREASE (DECREASE) REVENUES		(5,438,084)
33			
34	OPERATING EXPENSES:		
35	REMOVE EXPENSE ASSOCIATED WITH FUTURE PTC LIABILITY		(7,273,471)
36			
37	UNCOLLECTIBLES @	0.004444 (24,167)	
38	ANNUAL FILING FEE @	0.002000 (10,876)	
39	INCREASE (DECREASE) EXPENSES		(35,043)
40			
41	STATE UTILITY TAX @	0.038558 (209,682)	
42	INCREASE (DECREASE) TAXES OTHER		<u>(209,682)</u>
43			
44	INCREASE (DECREASE) INCOME		2,080,112
45			
46	INCREASE (DECREASE) FIT @	35%	<u>728,039</u>
47	INCREASE (DECREASE) NOI		<u><u>\$ 1,352,073</u></u>

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**PUGET SOUND ENERGY-ELECTRIC
PASS-THROUGH REVENUES AND EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ADJUSTMENT
1	<u>REMOVE REVENUE ASSOCIATED WITH RIDERS:</u>	
2	REMOVE CONSERVATION RIDER - SCHEDULE 120	\$ 78,809,572
3	REMOVE MUNICIPAL TAXES - SCHEDULE 81	75,028,227
4	REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129	11,261,428
5	REMOVE RESIDENTIAL EXCHANGE - SCH 194	(78,576,305)
6	GREEN POWER - SCH 135/136 (TAGS ELIM IN PAGE 4.03)	3,243,190
7	GREEN POWER - SCH 135/136 ELIMINATE UNDER EXPENSED	394,979
8	REMOVE REC REVENUES - SCH 137	(10,990,696)
9	REMOVE OFFSET TO REDUCTION OF REC LIABILITY - SCH 137	10,504,775
10	REMOVE OFFSET TO REDUCTION OF REC LIABILITY - PTC OFFSETS	21,591,916
11	TOTAL (INCREASE) DECREASE IN REVENUES	<u>111,267,086</u>
12		
13	<u>DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:</u>	
14	BAD DEBTS	0.44440% (494,471)
15	ANNUAL FILING FEE	0.20000% (222,534)
16	STATE UTILITY TAX	3.85580% (4,290,236)
17	TOTAL	<u>(5,007,241)</u>
18		
19	<u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>	
20	REMOVE CONSERVATION RIDER - SCHEDULE 120	(75,334,320)
21	REMOVE MUNICIPAL TAXES - SCHEDULE 81	(72,142,816)
22	REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129	(10,768,146)
23	REMOVE RESIDENTIAL EXCHANGE - SCH 194	75,109,150
24	GREEN POWER - SCH 135/136 (TAGS ELIM IN PAGE 4.03)	(990,957)
25	GREEN POWER - SCH 135/136 BENEFITS PORTION OF ADMIN	(53,247)
26	GREEN POWER - SCH 135/136 TAXES PORTION OF ADMIN	(16,139)
27	REMOVE EXPENSE RECOGNIZED FOR FUTURE PTC LIABILITY	(21,591,916)
28	TOTAL INCREASE (DECREASE) EXPENSE	<u>(105,788,390)</u>
29		
30	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT	(471,454)
31	INCREASE (DECREASE) FIT	(165,009)
32	INCREASE (DECREASE) NOI	<u>\$ (306,445)</u>

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

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME (LOSS) (NOTE 1)	\$ (187,810,292)
2		
3	FEDERAL INCOME TAX EXPENSE (BENEFIT) @ 35%	(65,733,602)
4	CURRENTLY PAYABLE	<u>(65,733,602)</u>
5		
6	DEFERRED FIT - DEBIT	125,546,463
7	DEFERRED FIT - CREDIT	(15,514,214)
8	ADDITIONAL DEFERRED CREDITS	<u>-</u>
9	TOTAL RESTATED FIT	44,298,647
10		
11	FIT PER BOOKS:	
12	CURRENTLY PAYABLE	\$ 16,263,334
13	DEFERRED FIT - DEBIT	205,470,964
14	DEFERRED FIT - CREDIT	(237,907,201)
15	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT.	
16	TOTAL CHARGED TO EXPENSE	<u>(16,172,903)</u>
17		
18	INCREASE(DECREASE) FIT	(81,996,936)
19	INCREASE(DECREASE) DEFERRED FIT	142,468,487
20	INCREASE(DECREASE) NOI	<u><u>\$ (60,471,551)</u></u>
21		
22		
23	(NOTE 1)	
24	DOES NOT INCLUDE A DEDUCTION FOR INTEREST AS THE TAX EFFECT FOR TOTAL	
25	PROFORMA INTEREST IS CALCULATED IN ADJUSTMENT 21.05	

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**PUGET SOUND ENERGY-ELECTRIC
TAX BENEFIT OF PRO FORMA INTEREST
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	REVISED	REVISED AMOUNT
1 RATE BASE	\$ 4,893,796,925	
2		
3 NET RATE BASE	\$ 4,893,796,925	
4		
5 WEIGHTED COST OF DEBT	3.10%	
6 PROFORMA INTEREST		\$ 151,707,705
7		
8 INCREASE (DECREASE) INCOME		\$ (151,707,705)
9		
10 INCREASE (DECREASE) FIT @	35%	(53,097,697)
11 INCREASE (DECREASE) NOI		\$ 53,097,697

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**PUGET SOUND ENERGY-ELECTRIC
MISCELLANEOUS OPERATING EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	ACTUAL	REVISED PROFORMA RESTATE	REVISED ADJUSTMENT
1 <u>OPERATING EXPENSES</u>			
2 REMOVE DEFERRAL OF MINT FARM COSTS	\$ (3,790,493)	\$ -	\$ 3,790,493
3 REMOVE DEFERRAL OF WILD HORSE EXPANSION COSTS	(1,569,757)	-	1,569,757
4 LAID OFF EMPLOYEES:			
5 OTHER PRODUCTION EXPENSES	77,825	-	(77,825)
6 DISTRIBUTION	112,534	-	(112,534)
7 ADMIN & GENERAL	34,160	-	(34,160)
8 EXECUTIVE SALARY	502,917	118,833	(384,085)
9 BENEFITS ON THE ABOVE WAGE ADJUSTMENTS	198,812	-	(198,812)
10 PAYROLL TAXES ON THE ABOVE WAGE ADJUSTMENTS	29,687	1,910	(27,777)
11 ADJUST FERC LAND USE FEES	(315,680)	340,291	655,971
12 RECLASS FERC 557	-	1,464,898	1,464,898
13 REMOVE NON-BUSINESS OR NON-UTILITY RELATED EXPENSES	63,989	47,110	(16,879)
14 INCREASE (DECREASE) IN EXPENSE	\$ (4,656,006)	\$ 1,973,041	\$ 6,629,048
15			
16 INCREASE(DECREASE) OPERATING EXPENSE			6,629,048
17 INCREASE(DECREASE) FIT @		35%	(2,320,167)
18			
19 INCREASE(DECREASE) NOI			\$ (4,308,881)

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

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	ADJUSTMENT TO RATE BASE			
2	ACCUMULATED DEPRECIATION - ELECTRIC	\$ -	\$ (359,644)	\$ (359,644)
3	ACCUMULATED DEFERRED FIT	-	125,875	125,875
4	TOTAL ADJUSTMENT TO RATE BASE	<u>\$ -</u>	<u>\$ (233,769)</u>	<u>\$ (233,769)</u>
5				
6	ADJUSTMENT TO OPERATING EXPENSES			
7	DEPRECIATION EXPENSE	<u>\$ 10,971,543</u>	<u>\$ 9,912,385</u>	<u>\$ (1,059,158)</u>
8				
9	INCREASE (DECREASE) EXPENSE			(1,059,158)
10				
11	INCREASE(DECREASE) FIT @		35%	<u>370,705</u>
12				
13	INCREASE (DECREASE) NOI			<u>\$ 688,453</u>

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**PUGET SOUND ENERGY-ELECTRIC
NORMALIZE INJURIES AND DAMAGES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	RESTATE	ADJUSTMENT
1	INJURIES & DAMAGES ACCRUALS	\$ 195,771	\$ 1,109,328	\$ 913,557
2	INJURIES & DAMAGES PAYMENTS IN EXCESS OF ACCRUALS	615,331	818,110	202,779
3	INCREASE/(DECREASE) IN EXPENSE	<u>811,102</u>	<u>1,927,438</u>	1,116,336
4				
5	INCREASE/(DECREASE) IN OPERATING EXPENSE (LINE 3)			1,116,336
6	INCREASE (DECREASE) FIT @		35%	<u>(390,718)</u>
7				
8	INCREASE (DECREASE) NOI			<u><u>\$ (725,618)</u></u>

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PUGET SOUND ENERGY-ELECTRIC
BAD DEBTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE

LINE NO.	YEAR	NET WRITEOFF'S	GROSS REVENUES	SALES FOR RESALE OTHER	OTHER OPERATING REVENUES	SALES FOR RESALE FIRM	NET REVENUES	PERCENT WRITE-OFF'S TO REVENUE
1	12 MOS ENDED	DECEMBER	AUGUST	AUGUST	AUGUST	AUGUST	AUGUST	
2	2007	\$ 6,924,812	\$ 1,922,618,327	\$ 111,070,231	\$ 43,200,762	\$ 373,024	\$ 1,767,974,310	0.3917%
3	2008	\$ 8,122,860	\$ 2,132,433,310	\$ 95,513,282	\$ 59,332,118	\$ 374,652	\$ 1,977,213,258	0.4108%
4	2009	\$ 10,727,813	\$ 2,093,755,523	\$ 64,642,019	\$ 7,215,398	\$ 360,829	\$ 2,021,537,277	0.5307%
5	3-YR AVERAGE OF NET WRITE OFF RATE							0.4444%
6								
7	TEST PERIOD REVENUES		\$ 2,274,653,391	\$ 201,262,557	\$ 30,706,333	\$ 350,182	\$ 2,042,334,319	
8								
9	PROFORMA BAD DEBT RATE						0.4444%	
10	PROFORMA BAD DEBTS						\$ 9,076,134	
11								
12	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR						11,596,412	
13	INCREASE (DECREASE) EXPENSE						\$ (2,520,278)	
14								
15	INCREASE (DECREASE) FIT						35%	882,097
16	INCREASE (DECREASE) NOI						\$	<u>1,638,181</u>

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

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	<u>OPERATING EXPENSES</u>			
2	PURCHASED POWER	\$ 261,243	\$ 228,708	\$ (32,535)
3	OTHER POWER SUPPLY	1,299,242	1,147,368	(151,874)
4	TRANSMISSION	210,121	184,355	(25,766)
5	DISTRIBUTION	1,505,513	1,332,437	(173,076)
6	CUSTOMER ACCTS	893,833	791,674	(102,159)
7	CUSTOMER SERVICE	79,167	69,618	(9,549)
8	SALES	7,752	6,788	(964)
9	ADMIN. & GENERAL	1,532,695	1,343,053	(189,642)
10	TOTAL INCENTIVE/MERIT PAY	<u>\$ 5,789,566</u>	<u>\$ 5,104,001</u>	<u>\$ (685,565)</u>
11				
12	PAYROLL TAXES ASSOC WITH MERIT PAY	475,543	419,232	(56,311)
13	INCREASE(DECREASE) EXPENSE	<u>6,265,109</u>	<u>5,523,233</u>	<u>(741,876)</u>
14				
15	INCREASE (DECREASE) OPERATING EXPENSE			\$ (741,876)
16				
17	INCREASE (DECREASE) FIT @		35%	259,656
18	INCREASE (DECREASE) NOI			<u>\$ 482,220</u>

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

LINE NO.	DESCRIPTION	WASHINGTON	MONTANA	OREGON	TOTAL
1	RESTATED PROPERTY TAX	\$ 28,650,318	\$ 8,976,872	\$ 619,081	\$ 38,246,271
2	CHARGED TO EXPENSE IN TY	23,853,529	8,578,000	645,632	33,077,161
3	INCREASE(DECREASE) EXPENSE	\$ 4,796,789	\$ 398,872	\$ (26,551)	\$ 5,169,110
4					
5	INCREASE(DECREASE) FIT @			35%	(1,809,189)
6					
7	INCREASE(DECREASE) NOI			\$	(3,359,921)

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**PUGET SOUND ENERGY-ELECTRIC
EXCISE TAX & FILING FEE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	AMOUNT
1 RESTATED EXCISE TAXES	\$ 79,150,521
2 CHARGED TO EXPENSE FOR TEST YEAR	78,841,323
3 INCREASE (DECREASE) EXCISE TAX	<u>\$ 309,198</u>
4	
5 RESTATED WUTC FILING FEE	\$ 4,157,945
6 CHARGED TO EXPENSE FOR TEST YEAR	4,157,945
7 INCREASE(DECREASE) WUTC FILING FEE	<u>\$ -</u>
8	
9 INCREASE(DECREASE) EXPENSE	\$ 309,198
10	
11 INCREASE(DECREASE) FIT @	35% <u>(108,219)</u>
12 INCREASE(DECREASE) NOI	<u><u>\$ (200,979)</u></u>

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**PUGET SOUND ENERGY-ELECTRIC
DIRECTORS & OFFICERS INSURANCE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE CASE**

LINE NO. DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1 D & O INS. CHG EXPENSE	\$ 322,484	\$ 270,816	\$ (51,667)
2			
3 INCREASE (DECREASE) IN EXPENSE	<hr/> 322,484	<hr/> 270,816	<hr/> (51,667)
4			
5 INCREASE (DECREASE) FIT @		35%	18,084
6			
7 INCREASE (DECREASE) NOI			<hr/> <hr/> \$ 33,584

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**PUGET SOUND ENERGY-ELECTRIC
INTEREST ON CUSTOMER DEPOSITS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	INTEREST EXPENSE AT MOST CURRENT INTEREST RATE	\$ 47,149
2		
3	INCREASE (DECREASE) NOI	<u>\$ (47,149)</u>

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

LINE NO.	DESCRIPTION	AMOUNT	
1	EXPENSES TO BE NORMALIZED:		
2			
3	2007 AND 2009 GRC EXPENSES TO BE NORMALIZED	\$ 982,000	
4			
5	ANNUAL NORMALIZATION (LINE 3 ÷ 2 YEARS)	491,000	
6	LESS TEST YEAR EXPENSE	641,575	
7	INCREASE (DECREASE) EXPENSE	(150,575)	\$ (150,575)
8			
9	2005 AND 2007 PCORC EXPENSES TO BE NORMALIZED	\$ 329,000	
10			
11	ANNUAL NORMALIZATION (LINE 9 ÷ 4 YEARS)	82,250	
12	LESS TEST YEAR EXPENSE	-	
13	INCREASE (DECREASE) EXPENSE	\$ 82,250	82,250
14			
15			
16	TOTAL INCREASE (DECREASE) EXPENSE		(68,325)
17			
18	INCREASE(DECREASE) FIT @	35%	23,914
19	INCREASE(DECREASE) NOI		\$ 44,411

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**PUGET SOUND ENERGY-ELECTRIC
DEFERRED GAINS/LOSSES ON PROPERTY SALES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	AMOUNT
1 DEFERRED GAINS RECORDED FOR UE-090704, et al. at 4/30/2012	\$ (1,822,806)
2 DEFERRED LOSSES RECORDED FOR UE-090704, et al. at 4/30/2012	107,709
3 TOTAL DEFERRED NET GAINS FOR UE-090704, et al. at 4/30/2012	<u>\$ (1,715,097)</u>
4	
5 DEFERRED GAINS PENDING APPROVAL SINCE UE-090704	(76,217)
6 DEFERRED LOSSES PENDING APPROVAL SINCE UE-090704	290,236
7 NET DEFERRED LOSSES PENDING APPROVAL	<u>214,019</u>
8	
9 NET GAIN (LINE 3 + LINE 7)	(1,501,078)
10	
11 ANNUAL AMORTIZATION (LINE 9 ÷ 36 MONHS) x 12 MONTHS	(500,359)
12	
13 AMORTIZATION OF DEFERRED NET GAIN FOR TEST YEAR	(2,082,384)
14	
15 INCREASE (DECREASE) EXPENSE	<u>\$ 1,582,025</u>
16	
17 INCREASE (DECREASE) FIT @ 35%	<u>(553,709)</u>
18	
19 INCREASE (DECREASE) NOI	<u><u>\$ (1,028,316)</u></u>

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**PUGET SOUND ENERGY-ELECTRIC
PROPERTY & LIABILITY INSURANCE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1	PROPERTY INSURANCE EXPENSE	\$ 2,661,295	\$ 2,817,401	\$ 156,106
2	LIABILITY INSURANCE EXPENSE	1,594,752	1,630,150	35,398
3	INCREASE(DECREASE) EXPENSE	<u>\$ 4,256,047</u>	<u>\$ 4,447,551</u>	<u>\$ 191,504</u>
4				
5	INCREASE (DECREASE) OPERATING EXPENSE			191,504
6				
7	INCREASE (DECREASE) FIT @	35%		(67,026)
8	INCREASE (DECREASE) NOI			<u><u>\$ (124,477)</u></u>

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

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

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ 3,279,192	\$ 5,594,713	\$ 2,315,521
2	SERP PLAN	469,392	-	(469,392)
3	INCREASE(DECREASE) EXPENSE	<u>\$ 3,748,584</u>	<u>\$ 5,594,713</u>	<u>\$ 1,846,129</u>
4				
5	INCREASE (DECREASE) FIT @	35%		(646,145)
6	INCREASE (DECREASE) NOI			<u><u>\$ (1,199,984)</u></u>

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

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

LINE NO.	DESCRIPTION	TEST YEAR	<i>REVISED</i> RATE YEAR	<i>REVISED</i> ADJUSTMENT
1	WAGES:			
2	PURCHASED POWER	\$ 3,782,810	<i>\$ 3,895,048</i>	<i>\$ 112,238</i>
3	OTHER POWER SUPPLY	18,813,086	<i>19,286,741</i>	<i>473,655</i>
4	TRANSMISSION	3,042,579	<i>3,128,925</i>	<i>86,346</i>
5	DISTRIBUTION	21,799,940	<i>22,323,872</i>	<i>523,932</i>
6	CUSTOMER ACCTS	12,942,747	<i>13,248,616</i>	<i>305,869</i>
7	CUSTOMER SERVICE	1,146,347	<i>1,177,753</i>	<i>31,406</i>
8	SALES	112,249	<i>115,580</i>	<i>3,331</i>
9	ADMIN. & GENERAL	22,193,516	<i>22,842,123</i>	<i>648,607</i>
10	TOTAL WAGE INCREASE	<u>83,833,274</u>	<u><i>86,018,658</i></u>	<u><i>2,185,384</i></u>
11				
12	PAYROLL TAXES	7,347,779	<i>7,489,825</i>	<i>142,046</i>
13	TOTAL WAGES & TAXES	<u>91,181,053</u>	<u><i>93,508,483</i></u>	<u><i>2,327,430</i></u>
14				
15	INCREASE (DECREASE) OPERATING EXPENSE			<i>2,327,430</i>
16	INCREASE (DECREASE) FIT @ 35%			<i>(814,601)</i>
17	INCREASE (DECREASE) NOI			<u><u><i>\$ (1,512,830)</i></u></u>

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

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

LINE NO. DESCRIPTION	<i>REVISED</i>	<i>REVISED</i>	<i>REVISED</i> AMOUNT
1 NON-UNION (EXCLUDING EXECUTIVES)			
2 INVESTMENT PLAN APPLICABLE TO MANAGEMENT		5,398,753	
3 RATE YEAR MANAGEMENT WAGE INCREASE	2.97%	<u>160,343</u>	
4 TOTAL COMPANY CONTRIBUTION FOR MANAGEMENT			\$ 5,559,096
5			
6 NON-UNION (EXECUTIVES)			
7 INVESTMENT PLAN APPLICABLE TO MANAGEMENT		132,722	
8 RATE YEAR MANAGEMENT WAGE INCREASE	0.00%	<u>0</u>	
9 TOTAL COMPANY CONTRIBUTION FOR MANAGEMENT			132,722
10			
11 IBEW			
12 INVESTMENT PLAN APPLICABLE TO IBEW		1,409,136	
13 RATE YEAR IBEW WAGE INCREASE	2.19%	<u>30,914</u>	
14 TOTAL COMPANY CONTRIBUTION FOR IBEW			1,440,049
15			
16 UA			
17 INVESTMENT PLAN APPLICABLE TO UA		936,139	
18 RATE YEAR UA WAGE INCREASE	2.26%	<u>21,180</u>	
19 TOTAL COMPANY CONTRIBUTION FOR UA			957,319
20			
21 TOTAL			
22 TOTAL PROFORMA COSTS (LN 4 + LN 9 + LN 14 + LN 19)			\$ 8,089,186
23 PRO FORMA COSTS APPLICABLE TO OPERATIONS	60.56%		4,898,811
24 CHARGED TO EXPENSE FOR YEAR ENDED 12/31/10			<u>4,770,159</u>
25 INCREASE (DECREASE) EXPENSE			128,652
26			
27 INCREASE (DECREASE) FIT @	35%		(45,028)
28 INCREASE (DECREASE) NOI			<u>\$ (83,624)</u>

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

LINE NO.	DESCRIPTION		REVISED AMOUNT
1	<u>BENEFIT CONTRIBUTION:</u>		
2	SALARIED EMPLOYEES	\$	<i>12,639,720</i>
3	UNION EMPLOYEES		<i>9,705,790</i>
4	PRO FORMA INSURANCE COSTS		<u><i>22,345,509</i></u>
5			
6	APPLICABLE TO OPERATIONS @	60.56%	<i>13,532,440</i>
7	CHARGED TO EXPENSE DURING TEST YEAR		13,515,093
8	INCREASE(DECREASE) EXPENSE		<u><i>17,347</i></u>
9			
10	INCREASE(DECREASE) FIT @	35%	<u><i>(6,071)</i></u>
11			
12	INCREASE(DECREASE) NOI	\$	<u><u><i>(11,276)</i></u></u>

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

(NEW)
PUGET SOUND ENERGY-ELECTRIC
WORKING CAPITAL
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	ALLOWANCE FOR WORKING CAPITAL	\$ 204,952,588	\$ 203,573,760	\$ (1,378,828)

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