

**EXHIBIT NO. \_\_\_(MJS-13)  
DOCKET NOS. UE-111048/UG-111049  
2011 PSE GENERAL RATE CASE  
WITNESS: MICHAEL J. STRANIK**

**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  
MICHAEL J. STRANIK  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**JANUARY 17, 2012**

**PUGET SOUND ENERGY-GAS  
TEMPERATURE NORMALIZATION  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	TEMPERATURE NORMALIZATION ADJUSTMENT:			
2		ACTUAL	TEMP ADJ	THERMS
3		<u>THERMS</u>	<u>THERMS</u>	<u>CHANGE</u>
4	Jan-10	128,745,037	151,950,258	23,205,221
5	Feb-10	107,438,064	123,124,539	15,686,475
6	Mar-10	111,751,311	115,718,871	3,967,560
7	Apr-10	92,608,601	89,726,214	(2,882,387)
8	May-10	74,871,802	67,935,817	(6,935,985)
9	Jun-10	56,233,149	52,834,021	(3,399,128)
10	Jul-10	45,903,282	44,771,928	(1,131,354)
11	Aug-10	44,931,621	43,877,935	(1,053,686)
12	Sep-10	49,140,650	49,056,667	(83,983)
13	Oct-10	77,063,217	79,839,487	2,776,270
14	Nov-10	121,261,601	111,333,789	(9,927,812)
15	Dec-10	146,682,208	159,387,099	12,704,891
16		<u>1,056,630,543</u>	<u>1,089,556,625</u>	<u>32,926,082</u>
17				
18	REVENUE ADJUSTMENT:			
19	Residential (23)			\$ 23,283,585
20	Commercial & industrial (31)			\$ 8,285,263
21	Large volume (41)			\$ 759,944
22	Transportation -Large volume (41T)			\$ 2,198
23	Interruptible (85)			\$ 253,251
24	Limited interruptible (86)			\$ 302,794
25	Non exclusive interruptible (87)			\$ 353,348
26	Transportation (87T)			\$ 12,177
27	Contracts (99,199,299)			<u>\$ 8,880</u>
28	INCREASE (DECREASE) SALES TO CUSTOMERS			\$ 33,261,442
29	OPERATING EXPENSES			
30	PURCHASED GAS COSTS			<u>\$ 21,569,842</u>
31				\$ 21,569,842
32				
33	UNCOLLECTIBLES @		0.003475	\$ 115,584
34	ANNUAL FILING FEE @		0.002000	<u>\$ 66,523</u>
35	INCREASE (DECREASE) EXPENSES			\$ 182,107
36				
37	STATE UTILITY TAX @		0.038386	<u>\$ 1,276,774</u>
38	INCREASE (DECREASE) TAXES OTHER			<u>\$ 1,276,774</u>
39				
40	INCREASE (DECREASE) INCOME			\$ 10,232,719
41				
42	INCREASE (DECREASE) FIT @		35%	<u>\$ 3,581,452</u>
43	INCREASE (DECREASE) NOI			<u><u>\$ 6,651,267</u></u>

*Note: Amounts presented in bold italic have changed since the June 13, 2011 original filing.*

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

LINE NO.	DESCRIPTION	REVISED ADJUSTMENT
1	SALES TO CUSTOMERS:	
2	ADD GRC INCREASE DOCKET UG-090705	\$ 3,271,185
3	ADD GTIF INCREASE DOCKET UG-101644	\$ 17,985,993
4	RECLASS PENALTIES AND NEW CUSTOMER REVENUE TO	
5	OTHER OPERATING	\$ (1,206,883)
6	OCTOBER 2010 PURCHASED GAS	
7	ADJUSTMENT, DOCKET UG-101642 - REDUCE REVENUES FROM PGA	\$ (21,345,994)
8	TRUE UP CHANGE IN UNBILLED	\$ 10,634,442
9	MIGRATION ADJUSTMENT FOR SCHEDULES 41T AND 86T	\$ (1,035,101)
10	MIGRATION ADJUSTMENT FOR SCHEDULE 41	\$ (415,904)
11	MERGER RATE CREDIT SCHEDULE 132	\$ 3,430,013
12	<b>LARGE CUSTOMER LOSS</b>	<b>\$ (616,471)</b>
13	OTHER ADJUSTMENTS	\$ 16,858
14	RESTATING ADJUSTMENTS SALES TO CUSTOMERS	<u>\$ 10,718,138</u>
15		\$ 10,718,138
16	TOTAL INCREASE (DECREASE) SALES TO CUSTOMERS	
17		
18	OTHER OPERATING REVENUES	
19	RENTALS:	
20	2009 GRC INCREASE DOCKET UG-090705	\$ 51,275
21	ADD GTIF INCREASE DOCKET UG-101644	\$ 381,350
22	TRUE UP CHANGE IN UNBILLED	\$ 66,948
23	OTHER OPERATING REVENUES	
24	RECLASS PENALTIES AND NEW CUSTOMER REVENUE	
25	FROM SALES TO CUSTOMERS	\$ 1,206,883
26	REMOVE STORAGE RENTAL REVENUE	\$ (1,130,625)
27		\$ 575,830
28	TOTAL INCREASE (DECREASE) OTHER OPERATING REVENUE	
29		\$ 11,293,969
30	TOTAL INCREASE (DECREASE) REVENUES	
31		
32	OPERATING EXPENSES:	
33	PURCHASED GAS COSTS	
34	2009 GRC INCREASE DOCKET UG-090705	\$ -
35	RECLASS PENALTIES AND NEW CUSTOMER REVENUE TO	
36	OTHER OPERATING	\$ -
37	NOVEMBER 2010 PURCHASED GAS	
38	ADJUSTMENT, DOCKET UG-101642 REDUCE GAS COSTS FROM PGA	\$ (20,443,597)
39	TRUE UP CHANGE IN UNBILLED - GAS COSTS	\$ 6,264,490
40	MIGRATION ADJUSTMENT FOR SCHEDULES 41T AND 86T	\$ (991,036)
41	MIGRATION ADJUSTMENT FOR SCHEDULE 41	\$ (39,559)
42	<b>OTHER ADJUSTMENTS, LARGE CUSTOMER LOSS</b>	<b>\$ (11,822)</b>
43	TOTAL PURCHASE GAS COSTS	<u>\$ (15,221,524)</u>
44		
45	UNCOLLECTIBLES @	0.003475 \$ 39,247
46	ANNUAL FILING FEE @	0.002000 \$ 22,588
47	INCREASE (DECREASE) EXPENSES	\$ (15,159,690)
48		
49	STATE UTILITY TAX @	0.038386 \$ 433,530
50		\$ 433,530
51	INCREASE (DECREASE) TAXES OTHER	
52		\$ 26,020,128
53	INCREASE (DECREASE) INCOME	\$ 9,107,045
54	INCREASE (DECREASE) FIT @	35% <u>\$ 16,913,083</u>
55	INCREASE (DECREASE) NOI	

Note: Amounts presented in bold italic have changed since the June 13, 2011 original filing.

**PUGET SOUND ENERGY-GAS  
PASS THROUGH REVENUE AND EXPENSE  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010  
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ADJUSTMENT
1	<u>REMOVE REVENUES ASSOCIATED WITH RIDERS:</u>	
2	REMOVE LOW INCOME - SCHEDULE 129	\$ 3,488,171
3	REMOVE CONSERVATION - SCHEDULE 120	\$ 15,438,475
4	REMOVE REVENUE ASSOC WITH PGA AMORTIZATION - SCHEDULE 106	\$ (61,289,793)
5	REMOVE MUNICIPAL TAXES	\$ 43,761,997
6		
7	TOTAL (INCREASE) DECREASE REVENUES	<u>\$ 1,398,850</u>
8		
9	<u>ADJUST REVENUE SENSITIVE ITEMS FOR REMOVAL OF REVENUE:</u>	
10	BAD DEBTS	0.3475% \$ (4,861)
11	ANNUAL FILING FEE	0.2000% \$ (2,798)
12	STATE UTILITY TAX	3.8386% \$ (53,696)
13	TOTAL INCREASE (DECREASE) EXPENSE	<u>4.3861% \$ (61,355)</u>
14		
15	<u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>	
16	REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129	\$ (3,337,444)
17	REMOVE CONSERVATION AMORTIZATION - SCHEDULE 120	\$ (14,771,682)
18	REMOVE PGA DEFERRAL AMORTIZATION EXP - SCHEDULE 106	\$ 58,642,444
19	REMOVE MUNICIPAL TAXES	\$ (42,108,850)
20		
21	TOTAL INCREASE (DECREASE) EXPENSE	<u>\$ (1,575,532)</u>
22		
23	INCREASE (DECREASE) IN OPERATING INCOME BEFORE TAXES	\$ 238,037
24	INCREASE (DECREASE) FIT	\$ 83,313
25	INCREASE (DECREASE) NOI	<u>\$ 154,724</u>

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

<b>LINE NO.</b>	<b>DESCRIPTION</b>	<b>AMOUNT</b>
1	TAXABLE INCOME (LOSS) (NOTE 1)	\$ (4,693,113)
2		
3	FEDERAL INCOME TAX	
4	CURRENT FIT @ 35%	\$ (1,642,590)
5	DEFERRED FIT - DEBIT	\$ 45,915,086
6	DEFERRED FIT - CREDIT	\$ (3,097,484)
7	DEFERRED FIT - INV TAX CREDIT, NET OF AMORTIZATION	\$ (204,565)
8	TOTAL RESTATED FIT	<u>\$ 40,970,448</u>
9		
10	FIT PER BOOKS:	
11	CURRENT FIT	\$ 15,204,117
12	DEFERRED FIT - DEBIT	\$ 59,583,058
13	DEFERRED FIT - CREDIT	\$ (62,446,264)
14	DEFERRED FIT - INV TAX CREDIT, NET OF AMORTIZATION	<u>\$ (204,565)</u>
15		
16	TOTAL CHARGED TO EXPENSE	\$ 12,136,346
17		
18	INCREASE(DECREASE) FIT	\$ (16,846,707)
19	INCREASE(DECREASE) DEFERRED FIT	\$ 45,680,808
20	INCREASE(DECREASE) ITC	\$ -
21	INCREASE(DECREASE) NOI	<u><u>\$ (28,834,101)</u></u>
22		
23	(NOTE 1)	
24	DOES NOT INCLUDE A DEDUCTION FOR INTEREST AS THE TAX EFFECT FOR	
25	TOTAL PROFORMA INTEREST IS CALCULATED IN ADJUSTMENT 14.05	

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

<b>LINE NO. DESCRIPTION</b>	<b>REVISED</b>	<b>REVISED AMOUNT</b>
1 RATE BASE	<u>\$ 1,657,792,777</u>	
2		
3 NET RATE BASE	<u>\$ 1,657,792,777</u>	
4		
5 WEIGHTED COST OF DEBT	<u>3.10%</u>	
6 PROFORMA INTEREST		<u>\$ 51,391,576</u>
7		
8 INCREASE (DECREASE) INCOME		<u>\$ (51,391,576)</u>
9		
10 INCREASE (DECREASE) FIT @	35%	<u>\$ (17,987,052)</u>
11 INCREASE (DECREASE) NOI		<u><u>\$ 17,987,052</u></u>

*Note: Amounts presented in bold italic have changed since the June 13, 2011 original filing.*

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

LINE NO. DESCRIPTION	ACTUAL	REVISED PROFORMA	REVISED ADJUSTMENT
1 <u>OPERATING REVENUES</u>			
2 LAID OFF EMPLOYEES:			
3     DISTRIBUTION	\$ 72,885	\$ -	\$ (72,885)
4     ADMIN & GENERAL	\$ 17,150	\$ -	\$ (17,150)
5 EXECUTIVE SALARY	\$ 253,236	<b>\$ 59,836</b>	<b>\$ (193,399)</b>
6 BENEFITS ON THE ABOVE WAGE ADJUSTMENTS	\$ 96,556	\$ -	\$ (96,556)
7 PAYROLL TAXES ON ON THE ABOVE WAGE ADJUSTMENTS	\$ 14,949	\$ 962	\$ (13,987)
8 REMOVE NON-BUSINESS OR NON-UTILITY RELATED EXPENSES	\$ 32,221	\$ 23,721	\$ (8,499)
9 INCREASE(DECREASE ) IN EXPENSE	<u>\$ 486,995</u>	<u>\$ 84,519</u>	<u>\$ (402,476)</u>
10			
11 INCREASE (DECREASE) FIT @ 35%		35.00%	<b>\$ 140,867</b>
12			
13 INCREASE (DECREASE) NOI			<u><b>\$ 261,609</b></u>

*Note: Amounts presented in bold italic have changed since the June 13, 2011 original filing.*

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

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA RESTATE	ADJUSTMENT
1	<u>GENERAL PLANT DEPRECIATION EXPENSES</u>			
2	DEPRECIATION EXPENSE	\$ 6,052,438	\$ 5,460,132	\$ (592,306)
3	INCREASE (DECREASE) EXPENSE	<u>\$ 6,052,438</u>	<u>\$ 5,460,132</u>	<u>\$ (592,306)</u>
4				
5	INCREASE (DECREASE) EXPENSE			\$ (592,306)
6				
7	INCREASE (DECREASE) FIT @		35%	\$ 207,307
8				
9	INCREASE (DECREASE) NOI			<u>\$ 384,999</u>
10				
11				
12	<u>GENERAL PLANT RATEBASE</u>			
13	PLANT BALANCE			
14	ACCUMULATED DEPRECIATION	\$ -	\$ (173,949)	\$ (173,949)
15	ACCUMULATED DEFERRED FIT	\$ -	\$ 60,882	\$ 60,882
16	NET RATEBASE	<u>\$ -</u>	<u>\$ (113,067)</u>	<u>\$ (113,067)</u>

*Note: Amounts presented in bold italic have changed since the June 13, 2011 original filing.*





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

LINE NO.	DESCRIPTION	NET WRITEOFFS	GROSS REVENUES	OTHER OPERATING REVENUE	NET REVENUES	AMOUNT
1	12 MOS ENDED	DECEMBER	AUGUST	AUGUST	AUGUST	
2	2007	\$ 3,389,028	\$ 1,224,844,682	\$ 17,471,949	\$ 1,207,372,733	0.2807%
3	2008	\$ 3,664,592	\$ 1,193,302,341	\$ 17,237,406	\$ 1,176,064,935	0.3116%
4	2009	\$ 5,677,036	\$ 1,279,928,251	\$ 19,180,943	\$ 1,260,747,308	0.4503%
5	3-YR AVERAGE OF NET WRITE OFF RATE					<u>0.3475%</u>
6						
7	TEST PERIOD REVENUES		\$ 1,011,530,516	\$ 14,712,939	\$ 996,817,577	
8						
9	PROFORMA BAD DEBT RATE				0.3475%	
10	PROFORMA BAD DEBTS				<u>\$ 3,463,941</u>	
11						
12	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR				<u>\$ 5,886,142</u>	
13	INCREASE (DECREASE) EXPENSE					\$ (2,422,201)
14						
15	INCREASE (DECREASE) FIT				35%	\$ 847,770
16	INCREASE (DECREASE) NOI					<u><u>\$ 1,574,431</u></u>

*Note: Amounts presented in bold italic have changed since the June 13, 2011 original filing.*

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

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA RESTATED	ADJUSTMENT
1	INCENTIVE/MERIT PAY			
2	PRODUCTION MANUF. GAS	\$ 8,773	\$ 7,783	\$ (989)
3	OTHER GAS SUPPLY	\$ 29,147	\$ 25,383	\$ (3,765)
4	STORAGE, LNG T&G	\$ 40,467	\$ 35,422	\$ (5,045)
5	TRANSMISSION	\$ 6,226	\$ 5,503	\$ (723)
6	DISTRIBUTION	\$ 1,457,656	\$ 1,282,582	\$ (175,074)
7	CUSTOMER ACCTS	\$ 588,043	\$ 515,442	\$ (72,601)
8	CUSTOMER SERVICE	\$ 54,899	\$ 47,767	\$ (7,133)
9	SALES	\$ 9,339	\$ 8,031	\$ (1,307)
10	ADMIN. & GENERAL	\$ 635,301	\$ 550,889	\$ (84,412)
11	TOTAL INCENTIVE PAY	<u>\$ 2,829,850</u>	<u>\$ 2,478,802</u>	<u>\$ (351,048)</u>
12				
13	PAYROLL TAXES ASSOC WITH MERIT PAY	\$ 228,677	\$ 200,309	\$ (28,368)
14	INCREASE(DECREASE) EXPENSE	<u>\$ 3,058,527</u>	<u>\$ 2,679,111</u>	<u>\$ (379,416)</u>
15				
16	INCREASE (DECREASE) OPERATING EXPENSE			\$ (379,416)
17				
18	INCREASE(DECREASE) FIT @		35%	\$ 132,795
19	INCREASE(DECREASE) NOI			<u>\$ 246,621</u>

*Note: Amounts presented in bold italic have changed since the June 13, 2011 original filing.*

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

<b>LINE NO. DESCRIPTION</b>	<b>AMOUNT</b>
1 RESTATED PROPERTY TAX	\$ 16,941,715
2 CHARGED TO EXPENSE IN TY	\$ 14,375,106
3 INCREASE(DECREASE) EXPENSE	<u>\$ 2,566,609</u>
4	
5 INCREASE(DECREASE) FIT @ 35%	<u>\$ (898,313)</u>
6 INCREASE(DECREASE) NOI	<u><u>\$ (1,668,296)</u></u>

*Note: Amounts presented in bold italic have changed since the June 13, 2011 original filing.*

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

			<b>AMOUNT</b>
1	RESTATED EXCISE TAXES	\$	38,731,992
2	CHARGED TO EXPENSE FOR TEST YEAR	\$	38,656,213
3	INCREASE (DECREASE) EXCISE TAX	\$	<u>75,779</u>
4			
5	RESTATED WUTC FILING FEE	\$	2,040,814
6	CHARGED TO EXPENSE FOR TEST YEAR	\$	2,040,814
7	INCREASE(DECREASE) WUTC FILING FEE	\$	<u>(0)</u>
8			
9	INCREASE(DECREASE) EXPENSE	\$	75,779
10			
11	INCREASE(DECREASE) FIT @	35% \$	(26,523)
12	INCREASE(DECREASE) NOI	\$	<u><u>(49,256)</u></u>

*Note: Amounts presented in bold italic have changed since the June 13, 2011 original filing.*

**PUGET SOUND ENERGY-GAS  
D&O INSURANCE  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010  
GENERAL RATE INCREASE**

<b>LINE</b>				
<b>NO.</b>	<b>DESCRIPTION</b>	<b>TEST YEAR</b>	<b>RESTATED</b>	<b>ADJUSTMENT</b>
1	D & O INS. EXPENSE	\$ 224,470	\$ 188,506	\$ (35,964)
2				
3	INCREASE (DECREASE) D&O EXPENSE			\$ (35,964)
4				
5	INCREASE (DECREASE) OPERATING EXPENSE			(35,964)
6				
7	INCREASE (DECREASE) FIT @		35%	12,587
8	INCREASE (DECREASE) NOI			<u>\$ 23,376</u>

*Note: Amounts presented in bold italic have changed since the June 13, 2011 original filing.*

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

<b>LINE NO. DESCRIPTION</b>	<b>ADJUSTMENT</b>
1 INTEREST EXPENSE AT MOST CURRENT INTEREST RATE	\$ 21,705
2	
3 INCREASE (DECREASE) NOI	\$ (21,705)

**PUGET SOUND ENERGY-GAS  
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	ESTIMATED 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	\$ 271,425	
7			
8	INCREASE (DECREASE) EXPENSE	\$ 219,575	\$ 219,575
9			
10			
11	TOTAL INCREASE (DECREASE) EXPENSE		\$ 219,575
12			
13	INCREASE(DECREASE) FIT @	35%	\$ (76,851)
14	INCREASE(DECREASE) NOI		\$ (142,724)

*Note: Amounts presented in bold italic have changed since the June 13, 2011 original filing.*



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

	<b>AMOUNT</b>
1 DEFERRED GAIN RECORDED SINCE UG-090705, et al. at 04/30/2012	\$ (185,547)
2 DEFERRED LOSS RECORDED SINCE UG-090705, et al. at 04/30/2012	\$ 49,436
3 TOTAL DEFERRED NET GAIN TO AMORTIZE	\$ (136,111)
4	
5 ANNUAL AMORTIZATION (LINE 3 ÷ 36 MONTHS) x 12	\$ (45,370)
6	
7 AMORTIZATION OF DEFERRED NET GAIN FOR TEST YEAR	\$ (187,824)
8	
9 INCREASE (DECREASE) EXPENSE	\$ 142,453
10	
11 INCREASE (DECREASE) FIT @ 35%	\$ (49,859)
12	
13 INCREASE (DECREASE) NOI	\$ (92,595)

*Note: Amounts presented in bold italic have changed since the June 13, 2011 original filing.*

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

<b>LINE</b>					
<b>NO.</b>	<b>DESCRIPTION</b>	<b>ACTUAL</b>	<b>RESTATED</b>	<b>ADJUSTMENT</b>	
1	PROPERTY INSURANCE EXPENSE	\$ 617,989	\$ 684,759	\$ 66,770	
2	LIABILITY INSURANCE EXPENSE	\$ 1,094,951	\$ 973,178	\$ (121,773)	
3	INCREASE(DECREASE) EXPENSE	\$ 1,712,940	\$ 1,657,937	\$ (55,003)	
4					
5					
6	INCREASE (DECREASE) FIT @	35%		\$ 19,251	
7	INCREASE (DECREASE) NOI			\$ 35,752	

*Note: Amounts presented in bold italic have changed since the June 13, 2011 original filing.*

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

<b>LINE</b>					
<b>NO.</b>	<b>DESCRIPTION</b>	<b>ACTUAL</b>	<b>RESTATED</b>	<b>ADJUSTMENT</b>	
1	QUALIFIED RETIREMENT FUND	\$ 1,592,583	\$ 2,717,147	\$ 1,124,564	
2	SERP PLAN	\$ 227,966	\$ -	\$ (227,966)	
3					
4	INCREASE(DECREASE) EXPENSE	\$ 1,820,550	\$ 2,717,147	\$ 896,597	
5					
6					
7	INCREASE (DECREASE) FIT @	35%		\$ (313,809)	
8	INCREASE (DECREASE) NOI			\$ (582,788)	

*Note: Amounts presented in bold italic have changed since the June 13, 2011 original filing.*

**PUGET SOUND ENERGY-GAS  
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	PRODUCTION MANUF. GAS	\$ 136,391	\$ <b><i>139,942</i></b>	\$ 3,551
3	OTHER GAS SUPPLY	\$ 446,961	\$ <b><i>459,248</i></b>	\$ 12,287
4	STORAGE, LNG T&G	\$ 620,564	\$ <b><i>636,635</i></b>	\$ 16,071
5	TRANSMISSION	\$ 95,791	\$ <b><i>98,098</i></b>	\$ 2,307
6	DISTRIBUTION	\$ 22,381,164	\$ <b><i>22,930,708</i></b>	\$ 549,544
7	CUSTOMER ACCTS	\$ 9,031,036	\$ <b><i>9,247,000</i></b>	\$ 215,964
8	CUSTOMER SERVICE	\$ 843,006	\$ <b><i>866,204</i></b>	\$ 23,198
9	SALES	\$ 142,425	\$ <b><i>146,650</i></b>	\$ 4,225
10	ADMIN. & GENERAL	\$ 9,752,577	\$ <b><i>10,036,913</i></b>	\$ 284,336
11	TOTAL WAGE INCREASE	<u>\$ 43,449,915</u>	<u>\$ <b><i>44,561,398</i></b></u>	<u>\$ 1,111,483</u>
12				
13	PAYROLL TAXES	\$ 3,533,372	\$ <b><i>3,605,616</i></b>	\$ 72,244
14	TOTAL WAGES & TAXES	<u>\$ 46,983,287</u>	<u>\$ <b><i>48,167,014</i></b></u>	<u>\$ 1,183,727</u>
15				
16	INCREASE (DECREASE) OPERATING EXPENSE			\$ 1,183,727
17	INCREASE (DECREASE) FIT @ 35%			\$ (414,304)
18	INCREASE (DECREASE) NOI			<u><u>\$ (769,423)</u></u>

Note: Amounts presented in bold italic have changed since the June 13, 2011 original filing.

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

LINE NO. DESCRIPTION		<i>REVISED</i>	<i>REVISED AMOUNT</i>
1	NON-UNION (EXCLUDING EXECUTIVES)		
2	INVESTMENT PLAN APPLICABLE TO MANAGEMENT	\$2,621,976	
3	RATE YEAR MANAGEMENT WAGE INCREASE	2.97% \$77,873	
4	TOTAL COMPANY CONTRIBUTION FOR MANAGEMENT		\$2,699,849
5			
6	NON-UNION ( EXECUTIVES)		
7	INVESTMENT PLAN APPLICABLE TO IBEW	\$64,458	
8	RATE YEAR IBEW WAGE INCREASE	0.00% \$0	
9	TOTAL COMPANY CONTRIBUTION FOR IBEW		\$64,458
10			
11	IBEW		
12	INVESTMENT PLAN APPLICABLE TO IBEW	\$684,365	
13	RATE YEAR IBEW WAGE INCREASE	2.19% <b><i>\$15,014</i></b>	
14	TOTAL COMPANY CONTRIBUTION FOR IBEW		<b><i>\$699,379</i></b>
15			
16	UA		
17	INVESTMENT PLAN APPLICABLE TO UA	\$454,648	
18	RATE YEAR UA WAGE INCREASE	2.26% <b><i>\$10,286</i></b>	
19	TOTAL COMPANY CONTRIBUTION FOR UA		<b><i>\$464,935</i></b>
20			
21	TOTAL		
22	TOTAL PROFORMA COSTS (LN 4 + LN 9 + LN 14 + LN 19)		<b><i>\$3,928,621</i></b>
23	PRO FORMA COSTS APPLICABLE TO OPERATIONS	60.56%	<b><i>\$2,379,173</i></b>
24	CHARGED TO EXPENSE FOR YEAR ENDED 12/31/2010		\$2,316,691
25	INCREASE (DECREASE) EXPENSE		<b><i>\$62,481</i></b>
26			
27	INCREASE (DECREASE) FIT @	35%	<b><i>(\$21,868)</i></b>
28	INCREASE (DECREASE) NOI		<b><i>(\$40,613)</i></b>

Note: Amounts presented in bold italic have changed since the June 13, 2011 original filing.

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

<b>LINE NO. DESCRIPTION</b>	<b>REVISED AMOUNT</b>
1 <u>BENEFIT CONTRIBUTION:</u>	
2 SALARIED EMPLOYEES	\$ <b><i>6,138,648</i></b>
3 UNION EMPLOYEES	<b><i>\$4,713,746</i></b>
4 RESTATED INSURANCE COSTS	<u><b><i>\$10,852,395</i></b></u>
5	
6 APPLICABLE TO OPERATIONS @ 60.56%	<b><i>\$6,572,210</i></b>
7 CHARGED TO EXPENSE DURING TEST YEAR	<u><b><i>\$6,563,785</i></b></u>
8 INCREASE(DECREASE) EXPENSE	<b><i>\$8,425</i></b>
9	
10 INCREASE(DECREASE) FIT @ 35%	\$ <b><i>(2,949)</i></b>
11	
12 INCREASE(DECREASE) NOI	<u><u><b><i>\$(5,476)</i></b></u></u>

*Note: Amounts presented in bold italic have changed since the June 13, 2011 original filing.*

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

<b>LINE NO.</b>	<b>DESCRIPTION</b>	<b>TEST YEAR</b>	<b>RESTATED</b>	<b>ADJUSTMENT</b>
1	<i>ALLOWANCE FOR WORKING CAPITAL</i>	\$ 78,846,955	\$ 78,334,207	\$ (512,748)

*Note: Amounts presented in bold italic have changed since the June 13, 2011 original filing.*