

**EXHIBIT NO. ___(RG-29C)
DOCKET NO. UE-111048/UG-111049
2011 PSE GENERAL RATE CASE
WITNESS: ROGER GARRATT**

**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 (CONFIDENTIAL) TO THE
PREFILED REBUTTAL TESTIMONY
ROGER GARRATT
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**REDACTED
VERSION**

JANUARY 17, 2012

Reconciliation of PSE Responses to Public Counsel Data Requests		
Revenue Requirement DR No. 040 - GRC Rate Year	\$ 120,191	Reason
REC Revenue	\$ (9,173)	Remove effect-Not Included in GRC
Grossed-up Treasury Grant Amount	\$ (32,111)	Remove effect-Not Included In GRC
Effect On Power Costs -LSR versus Other Resouces	\$ 32,932	Power Costs Savings- LSR versus Aurora Market not Included In DR 055
Gross-Up Factor for Other Taxes	\$ (5,409)	Include the effect of other taxes
Difference: in Rate Base and ROR	\$ (9,532)	Difference in Rate Base, ROR
Difference: Depreciation	\$ (721)	Difference in Plant Balances and Depreciation Rate
Difference: O&M Expense	\$ 1,263	Various, including Calendar Year 2013 vs Rate Year
Other	\$ (9)	
Total Adjustments	\$ (22,759)	
Revenue Requirement DR No. 055 - Calendar Year 2013	\$ 97,433	

Attached as Attachment A to PSE's Response to Public Counsel's Data Request No. 279, please find a table demonstrating how each of the reconciling items were estimated.

Attached as Attachment B to PSE's Response to Public Counsel Data Request No. 279, please find an annotated copy of Attachment A.

Attachments A and B to PSE's Response to Public Counsel Data Request No. 279 are CONFIDENTIAL per Protective Order in WUTC Docket Nos. UE-111048 / UG-111049.

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket Nos. UE-111048 and UG-111049
Puget Sound Energy, Inc.'s
2011 General Rate Case**

PUBLIC COUNSEL DATA REQUEST NO. 279

“CONFIDENTIAL” Table of Contents

DR NO.	“CONFIDENTIAL” Material
279	Attachments A and B to PSE’s Response to Public Counsel Data Request No. 279 are CONFIDENTIAL per Protective Order in WUTC Docket Nos. UE-111048 / UG-111049.

ATTACHMENT A to PSE's Response to Public Counsel Data Request No. 279

Reconciliation of PSE Responses to Public Counsel Data Requests		
Revenue Requirement DR No. 040 - GRC Rate Year		Reason
REC Revenue	\$ (9,173)	Remove effect-Not Included in GRC
Grossed-up Treasury Grant Amount	\$ (32,111)	Remove effect-Not Included In GRC
Effect On Power Costs -LSR versus Other Resources	\$ 32,932	Power Costs Savings- LSR versus Aurora Market not Included In DR 055
Gross-Up Factor for Other Taxes	\$ (5,409)	Include the effect of other taxes
Difference: in Rate Base and ROR	\$ (9,532)	Difference in Rate Base,ROR
Difference: Depreciation	\$ (721)	Difference in Plant Balances and Depreciation Rate
Difference: O&M Expense	\$ 1,263	Various, including Calendar Year 2013 vs Rate Year
Other	\$ (9)	
Total Adjustments	\$ (22,759)	
Revenue Requirement DR No. 055 - Calendar Year 2013	\$ 97,433	

Details of Differences Shown Above:

	No.55	Source	No.40	Source
Rate Base ROR Difference				
Rate Base	\$ 678,147	Wkp-LSR REV Req -PSE Only Tab - Line 20*	\$ 781,536	PC DR 040 Attachment A-Line 1 (**)
ROR	6.89%	Wkp. LSR REV Req -PSE Only Tab - Line 21*	7.29%	PCDR 040 Attachment A-Line 2
Sub Total	\$ 46,724	Wkp-LSR REV Req -PSE Only Tab- Line 22*	\$ 56,974	PC DR 040 Attachment A-Line 4
Tax Effect	\$ 71,884	Wkp- LSR REV Req -PSE Only Line 24*	\$ 87,652	PC DR 040 Attachment A-Line 6
Add Prepaid Trans Return	\$ 6,237	Wkp- LSR REV Req -PSE Only Line 26*	0	(**Included in PC DR 040 Attachment A-Line 1)
Total Effect	\$ 78,121		\$ 87,652	\$ 9,532

	No.55	Source	No.40	Source
Depreciation				
Taxable	\$ 26,817	Wkp- LSR REV Req -PSE Only Line 30*	\$ 27,417	PC DR 040 Attachment A-Line 8
Non	\$ 7,310	Wkp- LSR REV Req -PSE Only Line 29*	\$ 7,431	PC DR 040 Attachment A-Line 9
Total Depreciation	\$ 34,127		\$ 34,848	\$ 721

	No.55	Source	No.40	Source
O&M Expense				
Power Cost	\$ 11,718		\$ 760	PC DR 040 Attachment A-Line 10
Wheeling			\$ 9,715	PC DR 040 Attachment A-Line 11
Prod O&M	\$ 11,089		\$ 10,662	PC DR 040 Attachment A-Line 12
Insurance	\$ 541		\$ 507	PC DR 040 Attachment A-Line 13
Property Tax	\$ 3,131		\$ 2,905	PC DR 040 Attachment A-Line 14
Carrying Costs(Adj 5.03)	\$ 26,478	Wkp- LSR REV Req -PSE Only Line 25*	\$ 25,215	PC DR 040 Attachment A-Line 15
				\$ (1,263)

* The source for all of these numbers is RG-WP (C) WindProforma_LSR-20100429_Rc Exhibit -Tab (C) Rev Req - PSE Only Year 2013

Total Revenue Requirement for Lower Snake River in the 2011 General Rate Case

Line No.	Description	Adjustment Number	Rate Year	Test Year (Note 1)
1	Ratebase	5.02, 5.03	\$ 798,291,893	\$ 781,535,746
2	Rate of Return-Proposed After-Tax		7.29%	7.29%
3				
4	Return on Ratebase		58,195,479	56,973,956
5			65%	65%
6	Lower Snake River Plant Recovery, pre-tax		89,531,506	87,652,240
7				
8	Taxable Depreciation Expense	5.02	28,005,153	27,417,325
9	Non-Taxable Depreciation Expense	5.02	7,590,195	7,430,877
10	Power Cost -Purchased Power (Wind Integration)	5.02	776,099	759,809
11	Power Cost - Wheeling	5.02	9,922,939	9,714,657
12	Production O&M	5.02	10,891,023	10,662,420
13	Property Insurance	5.02	517,501	506,638
14	Property Taxes	5.02	2,967,101	2,904,821
15	Amortization of Carrying Charges	5.03	680,129	665,853
16	Revenue Requirement - Lower Snake River		150,881,646	147,714,640
17	Reduction in Power Costs due to Lower Snake River generation	5.01	(33,638,326)	(32,932,257)
18	Subtotal		117,243,320	114,782,382
19	Grossup Factor		0.9549980	0.9549980
20	Net Revenue Requirement		\$ 122,768,131	\$ 120,191,228
21				
22	Note (1) Production Factor: (From Exhibit A-1)			0.97901

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

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1	<u>LOWER SNAKE RIVER RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 42,219	\$ 773,474,856	\$ 773,432,637
4	ACCUM DEPRECIATION	-	(17,848,252)	(17,848,252)
5	DEFERRED INCOME TAX LIABILITY	-	(67,873,620)	(67,873,620)
6				
7	NET LSR EXPANSION PLANT RATEBASE	<u>\$ 42,219</u>	<u>\$ 687,752,984</u>	<u>\$ 687,710,765</u>
8				
9	<u>LOWER SNAKE RIVER OPERATING EXPENSE</u>			
10	TAXABLE DEPRECIATION EXPENSE	\$ -	\$ 28,005,153	\$ 28,005,153
11	NON-TAXABLE DEPRECIATION EXPENSE		4,933,627	4,933,627
12	TOTAL DEPRECIATION EXPENSE	<u>\$ -</u>	<u>\$ 32,938,780</u>	<u>\$ 32,938,780</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		9,922,939	9,922,939
18	PRODUCTION O&M	-	10,891,023	10,891,023
19	PROPERTY INSURANCE	-	517,501	517,501
20	PROPERTY TAXES		2,967,101	2,967,101
21	TOTAL POWER COST AND PROD O&M	<u>-</u>	<u>25,074,663</u>	<u>25,074,663</u>
22				
23	INCREASE (DECREASE) EXPENSE	-	58,013,442	58,013,442
24				
25	INCREASE (DECREASE) FIT ON ALL EXPENSES EXCEPT LINE 11 @		35%	<u>(18,577,935)</u>
26	INCREASE (DECREASE) NOI			<u>\$ (39,435,507)</u>

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

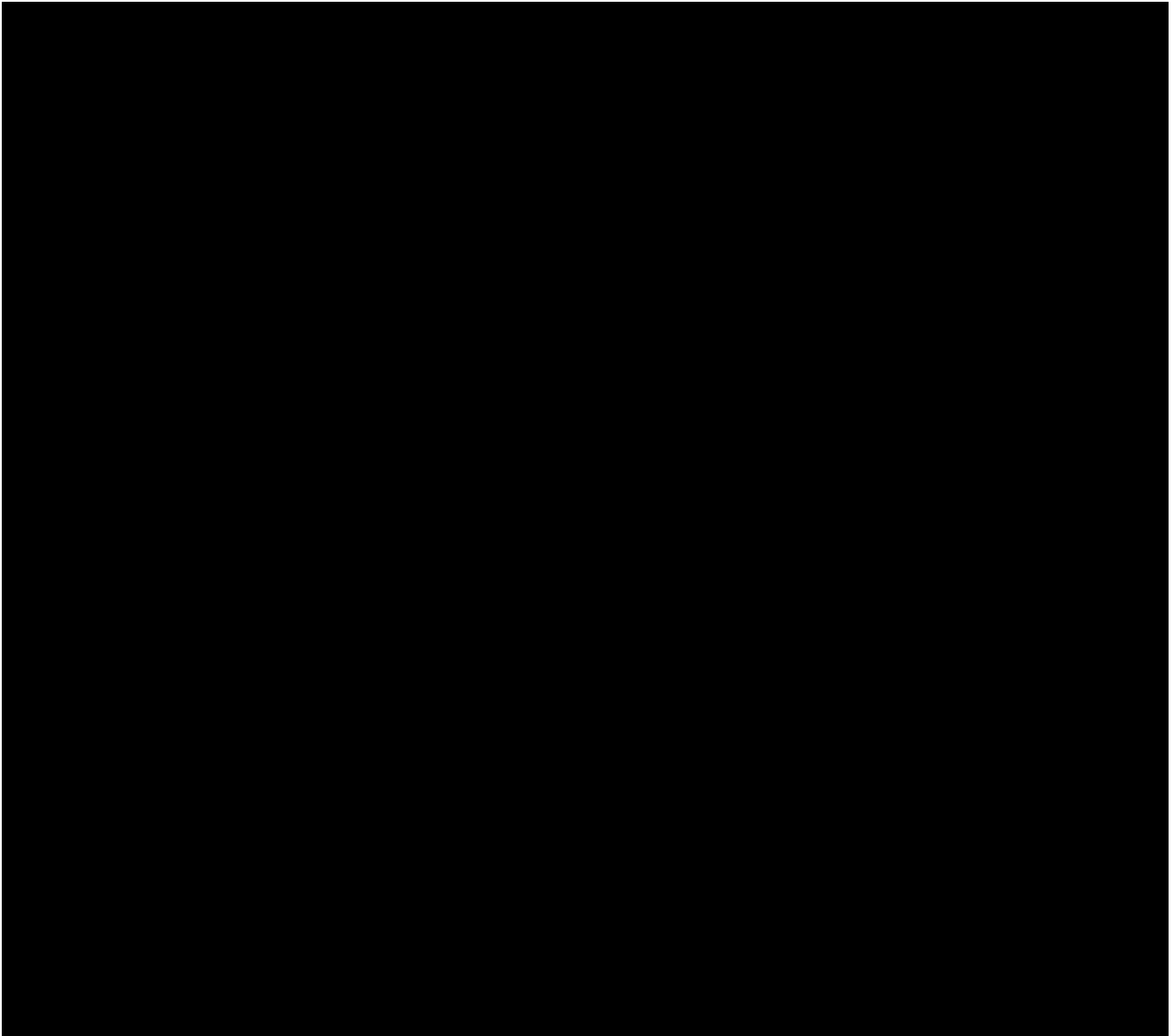
LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1	<u>PRINCIPAL PORTION OF LSR PREPAID TRANSMISSION (AMA)</u>			
2	TOTAL PREPAID DEPOSIT		\$ 99,707,854	\$ 99,707,854
3	ACCUM AMORT. CREDIT PYMT FR. BPA		-	-
4	NET LSR PREPAID TRANS. RATEBASE	\$ -	\$ 99,707,854	\$ 99,707,854
5				
6	<u>DEFERRED CARRYING CHARGES (AMA)</u>			
7	CARRYING CHARGES BALANCE		17,003,226	\$ 17,003,226
8	ACCUM AMORT. CARRYING CHARGES		(340,065)	\$ (340,065)
9	DEFERRED INCOME TAX		(5,832,107)	\$ (5,832,107)
10	NET LSR CARRYING CHARGES RATEBASE	\$ -	\$ 10,831,055	\$ 10,831,055
11				
12	<u>TOTAL RATEBASE</u>	\$ -	\$ 110,538,909	\$ 110,538,909
13				
14	<u>OPERATING EXPENSE</u>			
15	AMORTIZATION OF PRINCIPAL (565)	\$ -		\$ -
16	AMORTIZATION OF CARRYING CHARGES (407.3)	-	680,129	\$ 680,129
17				
18	INCREASE (DECREASE) EXPENSE	-	680,129	680,129
19				
20	INCREASE (DECREASE) FIT @		35%	(238,045)
21	INCREASE (DECREASE) NOI			\$ (442,084)

Puget Sound Energy, Inc.

LSR Costs for 2011 GRC Rate Year May12-Apr13

	<u>('000s)</u>	<u>Source</u>
Decrease AURORA power costs *	(\$33,638)	Power Cost workpaper Electronic File "DEM-WP(C) Power Cost Summary 2011GRC As Filed.xls", tab "Portfolio Average".
Fixed Transmission (PTP, ASI, ASII)		Power Cost workpaper Electronic File "DEM-WP(C) Lower Snake River Phase 1 Proforma As Filed.xls", tab "Proforma Summary per Power Cost".
Fixed Wind Integration Costs (VERBS)		
Variable Transmission (ASIV, ASV, ASVI)		
Day Ahead Wind Integration Costs		
Transmission Prepayment Interest Credit		
LSR Decrease to Power Costs	<u>(\$22,939)</u>	
LSR Increase to Production O&M:		
Land Royalty		Power Cost workpaper Electronic File "DEM-WP(C) Lower Snake River Phase 1 Proforma As Filed.xls", tab "Proforma Summary per Power Cost".
Wind Turbine Generator O&M		
PSE Balance of Plant O&M		
LSR Total Production O&M Costs	<u>10,891</u>	

REDACTED
VERSION



REDACTED
VERSION



REDACTED
VERSION

ATTACHMENT B to PSE's Response to Public Counsel Data Request No. 279

Reconciliation of PSE Responses to Public Counsel Data Requests		
Revenue Requirement DR No. 040 - GRC Rate Year		Reason
REC Revenue	\$ 120,191	Remove effect-Not Included in GRC
Grossed-up Treasury Grant Amount	(9,173)	Remove effect-Not Included In GRC
Effect On Power Costs -LSR versus Other Resources	(32,111)	Power Costs Savings- LSR versus Aurora Market not Included In DR 055
Gross-Up Factor for Other Taxes	32,932	Include the effect of other taxes
Difference: in Rate Base and ROR	(5,409)	Difference in Rate Base,ROR
Difference: Depreciation	(9,532)	Difference in Plant Balances and Depreciation Rate
Difference: O&M Expense	(721)	Various, including Calendar Year 2013 vs Rate Year
Other	1,263	
	(9)	
Total Adjustments	(22,759)	
Revenue Requirement DR No. 055 - Calendar Year 2013	\$ 97,433	

Details of Differences Shown Above:

Rate Base ROR Difference	No.55	Source	No.40	Source
Rate Base	678,147	Wkp-LSR REV Req -PSE Only Tab - Line 20*	781,536	PC DR 040 Attachment A-Line 1 (**)
ROR	6.89%	Wkp. LSR REV Req -PSE Only Tab - Line 21*	7.29%	PC DR 040 Attachment A-Line 2
Sub Total	46,724	Wkp-LSR REV Req -PSE Only Tab- Line 22*	56,974	PC DR 040 Attachment A-Line 4
Tax Effect	71,884	Wkp- LSR REV Req -PSE Only Line 24*	87,652	PC DR 040 Attachment A-Line 6
Add Prepaid Trans Return	6,237	Wkp- LSR REV Req -PSE Only Line 26*	0	(** Included in PC DR 040 Attachment A-Line 1)
Total Effect	78,121		87,652	

Depreciation	No.55	Source	No.40	Source
Taxable	26,817	Wkp- LSR REV Req -PSE Only Line 30*	27,417	PC DR 040 Attachment A-Line 8
Non	7,310	Wkp- LSR REV Req -PSE Only Line 29*	7,431	PC DR 040 Attachment A-Line 9
Total Depreciation	34,127		34,848	

O&M Expense	No.55	Source	No.40	Source
Power Cost	11,718		760	PC DR 040 Attachment A-Line 10
Wheeling			9,715	PC DR 040 Attachment A-Line 11
Prod O&M	11,089		10,662	PC DR 040 Attachment A-Line 12
Insurance	541		507	PC DR 040 Attachment A-Line 13
Property Tax	3,131		2,905	PC DR 040 Attachment A-Line 14
Carrying Costs(Adj 5.03)	26,478	Wkp- LSR REV Req -PSE Only Line 25*	666	PC DR 040 Attachment A-Line 15
			25,215	
			(1,263)	

* The source for all of these numbers is RG-WP (C) WindProforma_LSR-20100429_Rc Exhibit - Tab (C) Rev Req - PSE Only Year 2013

Total Revenue Requirement for Lower Snake River in the 2011 General Rate Case

Line No.	Description	Adjustment Number	Rate Year	Test Year (Note 1)
1	Ratebase	5.02, 5.03	\$ 798,291,893	\$ 781,535,746 (1)
2	Rate of Return-Proposed After-Tax		7.29%	7.29%
3				
4	Return on Ratebase		58,195,479	56,973,956
5			65%	65%
6	Lower Snake River Plant Recovery, pre-tax		89,531,506	87,652,240
7				
8	Taxable Depreciation Expense	5.02	28,005,153	27,417,325 (1)
9	Non-Taxable Depreciation Expense	5.02	7,590,195	7,430,877 (1)
10	Power Cost -Purchased Power (Wind Integration)	5.02	(5) 776,099	759,809 (1)
11	Power Cost - Wheeling	5.02	(5) 9,922,939	9,714,657 (1)
12	Production O&M	5.02	(5) 10,891,023	10,662,420 (1)
13	Property Insurance	5.02	(5) 517,501	506,638 (1)
14	Property Taxes	5.02	2,967,101	2,904,821 (1)
15	Amortization of Carrying Charges	5.03	680,129	665,853 (1)
16	Revenue Requirement - Lower Snake River		150,881,646	147,714,640
17	Reduction in Power Costs due to Lower Snake River generation	5.01	(5) (33,638,326)	(32,932,257) (1)
18	Subtotal		117,243,320	114,782,382 (a)
19	Grossup Factor		0.9549980	0.9549980
20	Net Revenue Requirement		\$ 122,768,131	\$ 120,191,228 (a)
21				
22	Note (1) Production Factor: (From Exhibit A-1)			0.97901

(a) 120,191,228
 (a) 114,782,382
5,408,846 (1)

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

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1	<u>LOWER SNAKE RIVER RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 42,219	\$ 773,474,856	\$ 773,432,637
4	ACCUM DEPRECIATION	-	(17,848,252)	(17,848,252)
5	DEFERRED INCOME TAX LIABILITY	-	(67,873,620)	(67,873,620)
6				
7	NET LSR EXPANSION PLANT RATEBASE	<u>\$ 42,219</u>	<u>\$ 687,752,984</u>	<u>\$ 687,710,765</u>
8				
9	<u>LOWER SNAKE RIVER OPERATING EXPENSE</u>			
10	TAXABLE DEPRECIATION EXPENSE	\$ -	\$ 28,005,153	\$ 28,005,153
11	NON-TAXABLE DEPRECIATION EXPENSE		4,933,627	4,933,627
12	TOTAL DEPRECIATION EXPENSE	<u>\$ -</u>	<u>\$ 32,938,780</u>	<u>\$ 32,938,780</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		9,922,939	9,922,939
18	PRODUCTION O&M	-	10,891,023	10,891,023
19	PROPERTY INSURANCE	-	517,501	517,501
20	PROPERTY TAXES		2,967,101	2,967,101
21	TOTAL POWER COST AND PROD O&M	<u>-</u>	<u>25,074,663</u>	<u>25,074,663</u>
22				
23	INCREASE (DECREASE) EXPENSE	-	58,013,442	58,013,442
24				
25	INCREASE (DECREASE) FIT ON ALL EXPENSES EXCEPT LINE 11 @		35%	<u>(18,577,935)</u>
26	INCREASE (DECREASE) NOI			<u>\$ (39,435,507)</u>

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

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1	<u>PRINCIPAL PORTION OF LSR PREPAID TRANSMISSION (AMA)</u>			
2	TOTAL PREPAID DEPOSIT		\$ 99,707,854	\$ 99,707,854
3	ACCUM AMORT. CREDIT PYMT FR. BPA		-	-
4	NET LSR PREPAID TRANS. RATEBASE	\$ -	\$ 99,707,854	\$ 99,707,854
5				
6	<u>DEFERRED CARRYING CHARGES (AMA)</u>			
7	CARRYING CHARGES BALANCE		17,003,226	\$ 17,003,226
8	ACCUM AMORT. CARRYING CHARGES		(340,065)	\$ (340,065)
9	DEFERRED INCOME TAX		(5,832,107)	\$ (5,832,107)
10	NET LSR CARRYING CHARGES RATEBASE	\$ -	\$ 10,831,055	\$ 10,831,055
11				
12	<u>TOTAL RATEBASE</u>	\$ -	\$ 110,538,909	\$ 110,538,909
13				
14	<u>OPERATING EXPENSE</u>			
15	AMORTIZATION OF PRINCIPAL (565)	\$ -		\$ -
16	AMORTIZATION OF CARRYING CHARGES (407.3)	-	680,129	\$ 680,129
17				
18	INCREASE (DECREASE) EXPENSE	-	680,129	680,129
19				
20	INCREASE (DECREASE) FIT @		35%	(238,045)
21	INCREASE (DECREASE) NOI			\$ (442,084)

Puget Sound Energy, Inc.

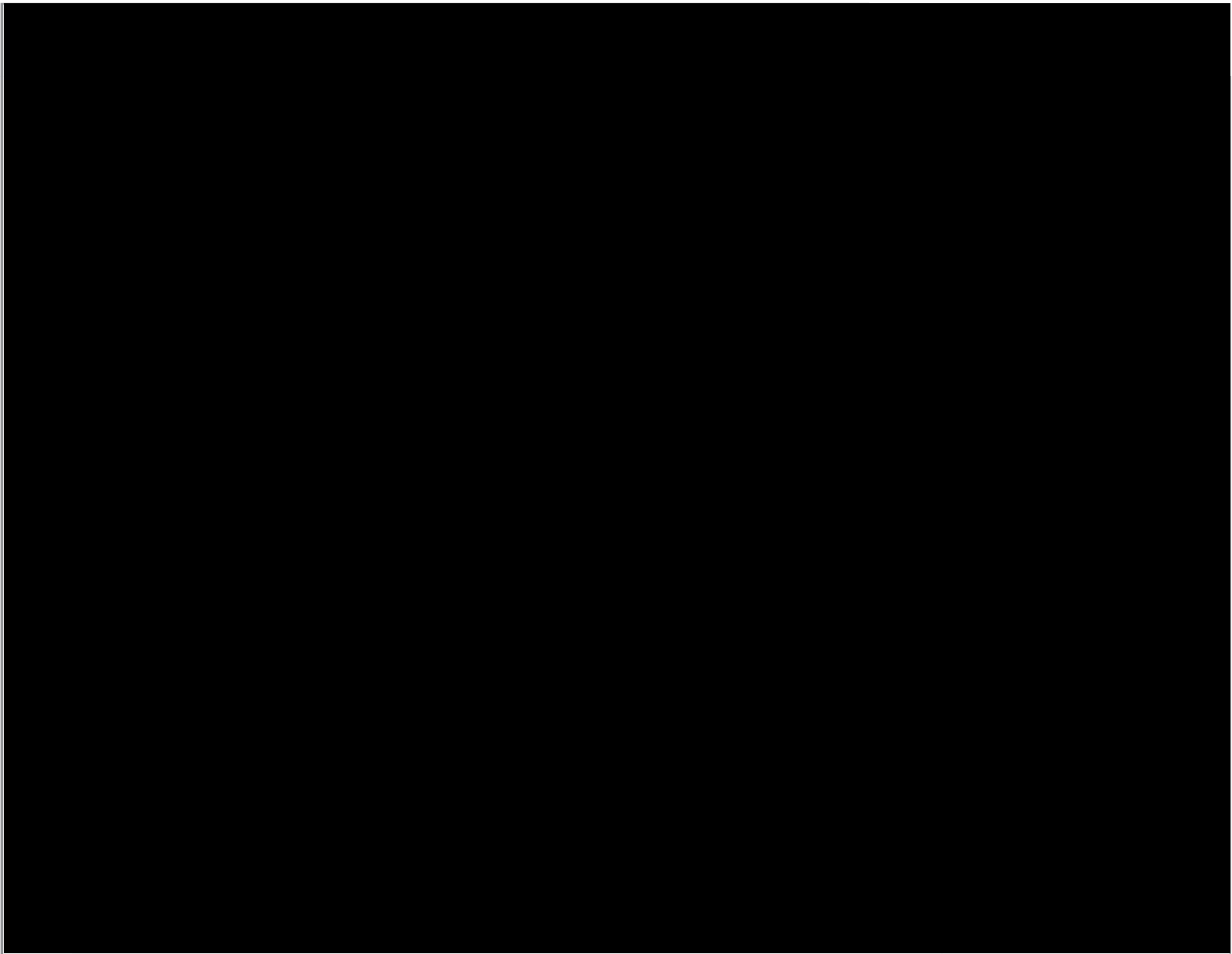
LSR Costs for 2011 GRC Rate Year May12-Apr13

('000s)	Source
Decrease AURORA power costs *	Power Cost workpaper Electronic File "DEM-WP(C) Power Cost Summary 2011GRC As Filed.xls", tab "Portfolio Average".
(\$33,638)	Power Cost workpaper Electronic File "DEM-WP(C) Lower Snake River Phase 1 Proforma As Filed.xls", tab "Proforma Summary per Power Cost". 6198 5433 1229 (2917) 9923 (2)
Fixed Transmission (PTP, ASI, ASII)	[REDACTED]
Fixed Wind Integration Costs (VERBS)	[REDACTED]
Variable Transmission (ASIV, ASV, ASVI)	[REDACTED]
Day Ahead Wind Integration Costs	[REDACTED]
Transmission Prepayment Interest Credit	[REDACTED]
LSR Decrease to Power Costs	[REDACTED]
LSR Increase to Production O&M:	[REDACTED]
Land Royalty	[REDACTED]
Wind Turbine Generator O&M	[REDACTED]
PSE Balance of Plant O&M	[REDACTED]
LSR Total Production O&M Costs	[REDACTED]

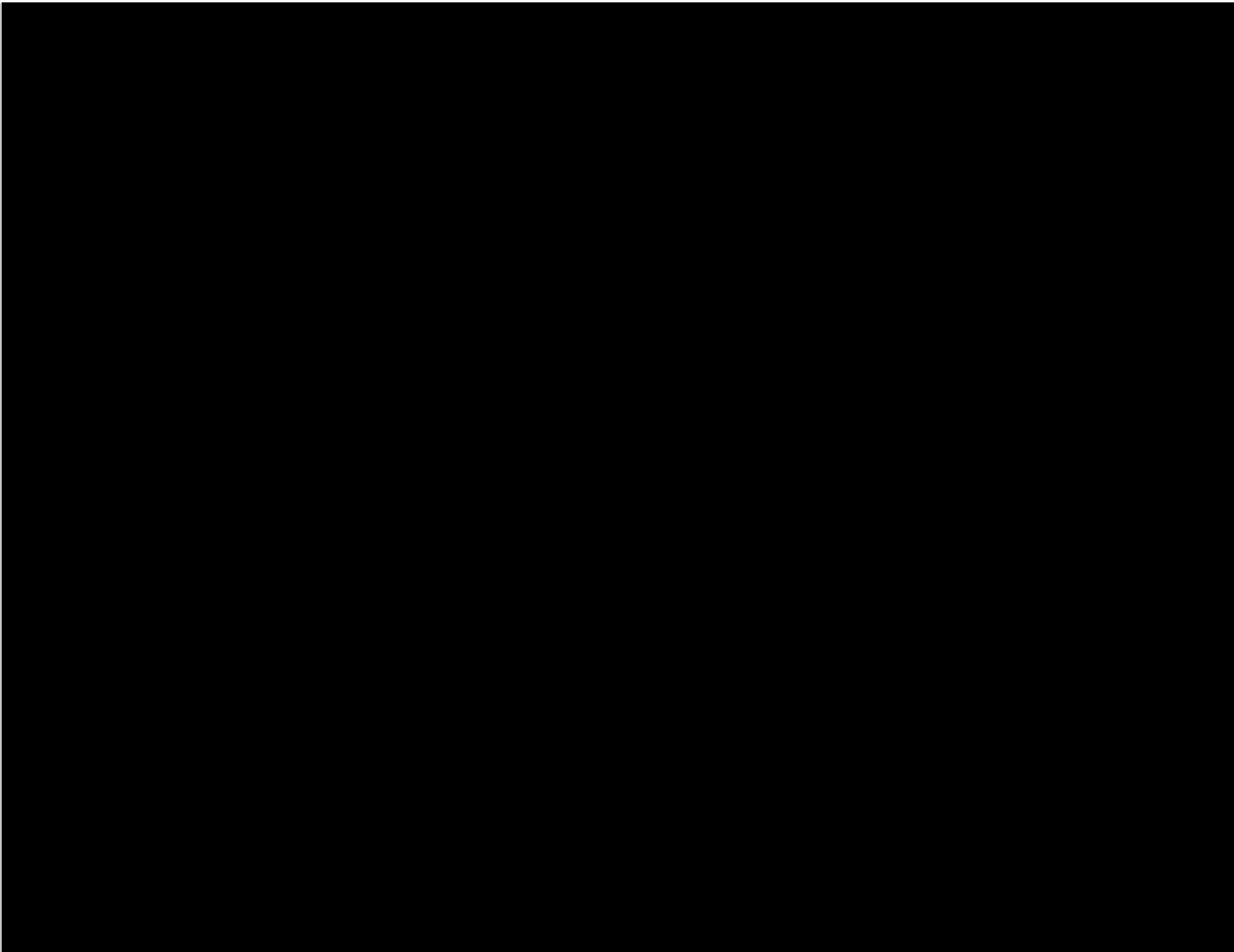
CONFIDENTIAL per Protective Order in WUTC Docket Nos. UE-111048 / UG-111049

REDACTED
VERSION

6



REDACTED
VERSION



REDACTED
VERSION