

**ATTACHMENT A to PSE's Response to
Bench Request No. 03**

**PUGET SOUND ENERGY-ELECTRIC
RESULTS OF OPERATIONS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS	REVENUE REQUIREMENT DEFICIENCY	AFTER RATE INCREASE	
1	OPERATING REVENUES					
2	SALES TO CUSTOMERS	\$ 1,988,945,644	\$ 13,474,759	\$ 2,002,420,403	\$ 112,664,532	\$ 2,115,084,935
3	SALES FROM RESALE-FIRM	369,320	(20,041)	349,279	58,791	408,070
4	SALES TO OTHER UTILITIES	173,342,971	(144,350,245)	28,992,726		28,992,726
5	OTHER OPERATING REVENUES	55,432,486	(15,092,512)	40,339,974	164,044	40,504,018
6	TOTAL OPERATING REVENUES	2,218,090,420	(145,988,038)	2,072,102,382	112,887,367	2,184,989,749
7						
8	OPERATING REVENUE DEDUCTIONS:					
9						
10	POWER COSTS:					
11	FUEL	\$ 212,332,676	\$ 88,048,148	\$ 300,380,824	\$ -	\$ 300,380,824
12	PURCHASED AND INTERCHANGED	920,346,551	(258,974,551)	661,372,000		661,372,000
13	WHEELING	70,713,346	11,040,842	81,754,188		81,754,188
14	RESIDENTIAL EXCHANGE	(40,663,861)	40,663,861	-		-
15	TOTAL PRODUCTION EXPENSES	1,162,728,712	(119,221,699)	1,043,507,012	-	1,043,507,012
16						
17	OTHER POWER SUPPLY EXPENSES	\$ 102,819,798	\$ (2,432,843)	\$ 100,386,955	\$ -	\$ 100,386,955
18	TRANSMISSION EXPENSE	9,234,124	17,703	9,251,827		9,251,827
19	DISTRIBUTION EXPENSE	76,776,331	(595,635)	76,180,696		76,180,696
20	CUSTOMER ACCTS EXPENSES	43,145,324	(978,995)	42,166,329	408,878	42,575,207
21	CUSTOMER SERVICE EXPENSES	10,019,493	(7,776,773)	2,242,720		2,242,720
22	CONSERVATION AMORTIZATION	53,980,110	(53,979,048)	1,062		1,062
23	ADMIN & GENERAL EXPENSE	89,418,696	5,546,903	94,965,599	225,775	95,191,374
24	DEPRECIATION	173,307,040	2,523,778	175,830,819		175,830,819
25	AMORTIZATION	34,012,299	9,968,680	43,980,979		43,980,979
26	AMORTIZ OF PROPERTY GAIN/LOSS	6,493,409	11,396,136	17,889,546		17,889,546
27	OTHER OPERATING EXPENSES	(483,686)	11,835,031	11,351,345		11,351,345
28	FAS 133	7,537,999	(7,537,999)	-		-
29	TAXES OTHER THAN INCOME TAXES	188,816,368	(70,069,515)	118,746,853	4,356,323	123,103,176
30	INCOME TAXES	4,629,482	27,665,197	32,294,679	37,763,759	70,058,438
31	DEFERRED INCOME TAXES	30,323,152	18,974,575	49,297,727		49,297,727
32	TOTAL OPERATING REV. DEDUCT.	\$ 1,992,758,652	\$ (174,664,504)	\$ 1,818,094,148	\$ 42,754,736	\$ 1,860,848,884
33						
34	NET OPERATING INCOME	225,331,768	28,676,465	254,008,234	70,132,631	324,140,865
35						
36	RATE BASE	3,464,213,140	349,208,798	3,813,421,939	-	3,813,421,939
37						
38	RATE OF RETURN	6.50%		6.66%		8.50%
39						
40	RATE BASE:					
41	GROSS UTILITY PLANT IN SERVICE	\$ 6,183,573,988	\$ 589,019,571	\$ 6,772,593,558		
42	ACCUM DEPR AND AMORT	(2,533,770,195)	(129,441,732)	(2,663,211,926)		
43	DEFERRED DEBITS	286,749,772	(52,655,258)	234,094,515		
44	DEFERRED TAXES	(515,196,416)	(57,713,784)	(572,910,200)		
45	ALLOWANCE FOR WORKING CAPITAL	132,602,669	-	132,602,669		
46	OTHER	(89,746,678)	-	(89,746,678)		
47	TOTAL RATE BASE	\$ 3,464,213,140	\$ 349,208,798	\$ 3,813,421,939		

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
Adjustment Detail (Page 1)

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TEMPERATURE NORMALIZATION 10.01	REVENUES & EXPENSES 10.02	POWER COSTS 10.03	FEDERAL INCOME TAX 10.04	TAX BENEFIT OF PRO FORMA INTEREST 10.05	HOPKINS RIDGE INFILL 10.06
1	OPERATING REVENUES						
2	\$ 1,988,945,644	\$ (19,690,654)	\$ 128,985,537	\$ -	\$ -	\$ -	
3	369,320	(4,359)	(15,682)				
4	173,342,971			(144,350,245)			
5	55,432,486		438,314	(16,567,172)			
6	<u>\$ 2,218,090,420</u>	<u>\$ (19,695,013)</u>	<u>\$ 129,408,169</u>	<u>\$ (160,917,416)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
7							
8	OPERATING REVENUE DEDUCTIONS:						
9							
10	POWER COSTS:						
11	\$ 212,332,676	\$ -	\$ -	\$ 27,179,627	\$ -	\$ -	
12	920,346,551			(269,622,219)			
13	70,713,346			5,024,651			
14	(40,663,861)			-			
15	<u>\$ 1,162,728,712</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (237,417,941)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
16							
17	\$ 102,819,798	\$ -	\$ -	\$ (1,799,720)	\$ -	\$ -	
18	9,234,124			18,026			
19	76,776,331						
20	43,145,324	(71,335)	468,716				
21	10,019,493						
22	53,980,110						
23	89,418,696	(39,390)	258,816				4,359
24	173,307,040						310,979
25	34,012,299						
26	6,493,409						
27	(483,686)						
28	7,537,999						
29	188,816,368	(760,031)	4,993,861	(40,694)			(27,122)
30	4,629,482	(6,588,490)	43,290,371	27,413,019	2,972,299	1,014,821	(100,876)
31	30,323,152				16,336,275		
32	<u>\$ 1,992,758,652</u>	<u>\$ (7,459,246)</u>	<u>\$ 49,011,765</u>	<u>\$ (211,827,309)</u>	<u>\$ 19,308,574</u>	<u>\$ 1,014,821</u>	<u>\$ 187,340</u>
33							
34	NET OPERATING INCOME		80,396,404	50,909,893	(19,308,574)	(1,014,821)	(187,340)
35							
36	RATE BASE						4,075,268
37							
38	RATE OF RETURN	6.50%					
39							
40	RATE BASE:						
41	\$ 6,183,573,988	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,298,533
42	(2,533,770,195)						(1,066,623)
43	286,749,772						
44	(515,196,416)						(2,156,642)
45	132,602,669						
46	(89,746,678)						
47	<u>\$ 3,464,213,140</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,075,268</u>

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PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
Adjustment Detail (Page 2)

LINE NO.	WILD HORSE EXPANSION 10.07	MINT FARM 10.08	SUMAS 10.09	WHITEHORN 10.10	BAKER HYDRO RELICENSING 10.11	PASS-THROUGH REVS. & EXPS. 10.12	BAD DEBTS 10.13	
1	OPERATING REVENUES							
2	SALES TO CUSTOMERS						\$ (95,820,124)	-
3	SALES FROM RESALE-FIRM							
4	SALES TO OTHER UTILITIES							
5	OTHER OPERATING REVENUES						188,209	
6	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (95,631,915)	-	
7								
8	OPERATING REVENUE DEDUCTIONS:							
9								
10	POWER COSTS:							
11		\$ 60,053,640					\$ -	
12	PURCHASED AND INTERCHANGED							
13	1,318,262	5,278,114						
14	RESIDENTIAL EXCHANGE						40,663,861	
15	\$ 1,318,262	\$ 65,331,754	\$ -	\$ -	\$ -	\$ 40,663,861	-	
16								
17	\$ 1,951,841	\$ 5,215,033					-	
18	TRANSMISSION EXPENSE							-
19	DISTRIBUTION EXPENSE							-
20	CUSTOMER ACCTS EXPENSES						(346,379)	(1,571,313)
21	CUSTOMER SERVICE EXPENSES						(7,837,447)	
22	CONSERVATION AMORTIZATION						(53,979,048)	
23		370,180	65,871	27,837	878,359	(191,431)		
24	4,140,102	2,673,926	857,129	804,698				
25	AMORTIZATION						658,356	
26	AMORTIZ OF PROPERTY GAIN/LOSS							
27	OTHER OPERATING EXPENSES							
28	FAS 133							
29	172,936	820,244		6,429		(72,956,529)		
30	(2,654,099)	(27,663,356)	(323,050)	(1,093,354)	(537,850)	(344,730)	549,960	
31	DEFERRED INCOME TAXES							
32	\$ 4,929,041	\$ 51,374,804	\$ 599,950	\$ 2,030,514	\$ 998,866	\$ (94,991,703)	\$ (1,021,353)	
33								
34	(4,929,041)	(51,374,804)	(599,950)	(2,030,514)	(998,866)	(640,213)	1,021,353	
35								
36	70,953,078	219,699,522	8,753,305	17,998,728	31,784,220			
37								
38	RATE OF RETURN							
39								
40	RATE BASE:							
41	\$ 97,085,741	\$ 243,626,498	\$ 47,652,000	\$ 45,185,333	\$ 34,453,197		-	
42	(3,706,242)	(17,592,764)	(39,465,819)	(27,389,011)	(1,606,578)			
43	DEFERRED DEBITS							
44	(22,426,421)	(6,334,211)	567,124	202,407	(1,062,400)			
45	ALLOWANCE FOR WORKING CAPITAL							
46	OTHER							
47	\$ 70,953,078	\$ 219,699,522	\$ 8,753,305	\$ 17,998,728	\$ 31,784,220		-	

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PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
Adjustment Detail (Page 3)

LINE NO.		MISCELLANEOUS OPERATING EXPENSE 10.14	PROPERTY TAXES 10.15	EXCISE TAX & FILING FEE 10.16	D&O INSURANCE 10.17	MONTANA ELECTRIC ENERGY TAX 10.18	INTEREST ON CUST DEPOSITS 10.19	SFAS 133 10.20
1	OPERATING REVENUES							
2	SALES TO CUSTOMERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	SALES FROM RESALE-FIRM							
4	SALES TO OTHER UTILITIES							
5	OTHER OPERATING REVENUES	848,137						
6	TOTAL OPERATING REVENUES	\$ 848,137	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7								
8	OPERATING REVENUE DEDUCTIONS:							
9								
10	POWER COSTS:							
11	FUEL	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12	PURCHASED AND INTERCHANGED							
13	WHEELING							
14	RESIDENTIAL EXCHANGE							
15	TOTAL PRODUCTION EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16								
17	OTHER POWER SUPPLY EXPENSES		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
18	TRANSMISSION EXPENSE	(663,485)						
19	DISTRIBUTION EXPENSE	874,539						
20	CUSTOMER ACCTS EXPENSES						61,479	
21	CUSTOMER SERVICE EXPENSES							
22	CONSERVATION AMORTIZATION							
23	ADMIN & GENERAL EXPENSE	916,422		0	(316,020)			
24	DEPRECIATION							
25	AMORTIZATION							
26	AMORTIZ OF PROPERTY GAIN/LOSS							
27	OTHER OPERATING EXPENSES	(1,811,618)						
28	FAS 133							\$ (7,537,999)
29	TAXES OTHER THAN INCOME TAXES		(2,139,835)	(406,301)		(78,432)		
30	INCOME TAXES	536,298	748,942	142,205	110,607	27,451		
31	DEFERRED INCOME TAXES							2,638,300
32	TOTAL OPERATING REV. DEDUCT.	\$ (147,845)	\$ (1,390,893)	\$ (264,096)	\$ (205,413)	\$ (50,981)	\$ 61,479	\$ (4,899,699)
33								
34	NET OPERATING INCOME	995,982	1,390,893	264,096	205,413	50,981	(61,479)	4,899,699
35								
36	RATE BASE							
37								
38	RATE OF RETURN							
39								
40	RATE BASE:							
41	GROSS UTILITY PLANT IN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	ACCUM DEPR AND AMORT							
43	DEFERRED DEBITS							
44	DEFERRED TAXES							
45	ALLOWANCE FOR WORKING CAPITAL							
46	OTHER							
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
Adjustment Detail (Page 4)

LINE NO.		RATE CASE EXPENSES 10.21	DEFERRED G/L ON PROPERTY SALES 10.22	PROPERTY & LIABILITY INS 10.23	PENSION PLAN 10.24	WAGE INCREASE 10.25	INVESTMENT PLAN 10.26	EMPLOYEE INSURANCE 10.27
1	OPERATING REVENUES							
2	SALES TO CUSTOMERS	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
3	SALES FROM RESALE-FIRM							
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 WHEELING					180,029		
14	RESIDENTIAL EXCHANGE							
15	TOTAL PRODUCTION EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ 180,029	\$ -	\$ -
16								
17	OTHER POWER SUPPLY EXPENSES	\$ -	\$ -	\$ -	\$ -	\$ 901,046	\$ -	\$ -
18	TRANSMISSION EXPENSE					777,967		
19	DISTRIBUTION EXPENSE					803,608		
20	CUSTOMER ACCTS EXPENSES					702,286		
21	CUSTOMER SERVICE EXPENSES					96,576		
22	CONSERVATION AMORTIZATION							
23	ADMIN & GENERAL EXPENSE	(585,171)		1,197,966	4,218,275	1,085,774	221,110	1,439,961
24	DEPRECIATION							
25	AMORTIZATION							
26	AMORTIZ OF PROPERTY GAIN/LOSS							
27	OTHER OPERATING EXPENSES		380,255					
28	FAS 133							
29	TAXES OTHER THAN INCOME TAXES					288,141		
30	INCOME TAXES	\$ 204,810	(133,089)	(419,288)	(1,476,396)	(1,692,399)	(77,388)	(503,986)
31	DEFERRED INCOME TAXES							
32	TOTAL OPERATING REV. DEDUCT.	\$ (380,361)	\$ 247,166	\$ 778,678	\$ 2,741,878	\$ 3,143,028	\$ 143,722	\$ 935,975
33								
34	NET OPERATING INCOME	380,361	(247,166)	(778,678)	(2,741,878)	(3,143,028)	(143,722)	(935,975)
35								
36	RATE BASE							
37								
38	RATE OF RETURN							
39								
40	RATE BASE:							
41	GROSS UTILITY PLANT IN SERVICE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
42	ACCUM DEPR AND AMORT							
43	DEFERRED DEBITS							
44	DEFERRED TAXES							
45	ALLOWANCE FOR WORKING CAPITAL							
46	OTHER							
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

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PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
Adjustment Detail (Page 5)

LINE NO.		INCENTIVE PAY 10.28	MERGER SAVINGS 10.29	STORM DAMAGE 10.30	REG ASSETS & LIABILITIES 10.31	DEPRECIATION STUDY 10.32	FREDONIA POWER PLANT 10.33	AMORT MINT FARM DEFERRED COST 10.34
1	OPERATING REVENUES							
2	SALES TO CUSTOMERS			\$ -	\$ -			
3	SALES FROM RESALE-FIRM							
4	SALES TO OTHER UTILITIES							
5	OTHER OPERATING REVENUES							
6	TOTAL OPERATING REVENUES	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7								
8	OPERATING REVENUE DEDUCTIONS:							
9								
10	POWER COSTS:							
11	FUEL			\$ -	\$ 96,558			
12	PURCHASED AND INTERCHANGED	(70,727)			10,033,393			
13	WHEELING				(672,588)			
14	RESIDENTIAL EXCHANGE							
15	TOTAL PRODUCTION EXPENSES	\$ (70,727)	\$ -	\$ -	\$ 9,457,362	\$ -	\$ -	\$ -
16								
17	OTHER POWER SUPPLY EXPENSES	\$ (298,670)		\$ -	\$ (8,519,604)			
18	TRANSMISSION EXPENSE	(247,924)		133,119				
19	DISTRIBUTION EXPENSE	(264,098)		(2,009,684)				
20	CUSTOMER ACCTS EXPENSES	(222,450)						
21	CUSTOMER SERVICE EXPENSES	(35,902)						
22	CONSERVATION AMORTIZATION							
23	ADMIN & GENERAL EXPENSE	(484,751)	(874,205)				29,233	
24	DEPRECIATION					(9,109,591)	1,617,141	
25	AMORTIZATION				(0)	(0)		
26	AMORTIZ OF PROPERTY GAIN/LOSS			11,378,140				
27	OTHER OPERATING EXPENSES				3,468,462			6,622,046
28	FAS 133							
29	TAXES OTHER THAN INCOME TAXES	(126,215)					(19,306)	
30	INCOME TAXES	612,758	305,972	(3,325,551)	1,532,311	-	(569,474)	(2,317,716)
31	DEFERRED INCOME TAXES							
32	TOTAL OPERATING REV. DEDUCT.	\$ (1,137,979)	\$ (568,233)	\$ 6,176,024	\$ 5,938,530	\$ (9,109,591)	\$ 1,057,594	\$ 4,304,330
33								
34	NET OPERATING INCOME	1,137,979	568,233	(6,176,024)	(5,938,530)	9,109,591	(1,057,594)	(4,304,330)
35								
36	RATE BASE		-		(110,617,943)	4,554,795	41,512,955	36,061,385
37								
38	RATE OF RETURN							
39								
40	RATE BASE:							
41	GROSS UTILITY PLANT IN SERVICE		\$ -			\$ 70,121,452		
42	ACCUM DEPR AND AMORT					4,554,795	(27,953,023)	
43	DEFERRED DEBITS				(110,617,943)			55,479,062
44	DEFERRED TAXES				-	-	(655,475)	(19,417,676)
45	ALLOWANCE FOR WORKING CAPITAL							
46	OTHER							
47	TOTAL RATE BASE	\$ -	\$ -	\$ -	\$ (110,617,943)	\$ 4,554,795	\$ 41,512,955	\$ 36,061,385

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PUGET SOUND ENERGY-ELECTRIC
STATEMENT OF OPERATING INCOME AND ADJUSTMENTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
Adjustment Detail (Page 6)

LINE NO.	FLEET VEHICLES 10.35	NET INTEREST PAID TO IRS 10.36	PRODUCTION ADJUSTMENT 10.37	WILD HORSE EXPANSION DEFERRAL 10.38	NEW WILD HORSE SOLAR 10.39	TOTAL ADJUSTMENTS	ADJUSTED RESULTS OF OPERATIONS
1	OPERATING REVENUES						
2			\$ -			\$ 13,474,759	\$ 2,002,420,403
3						(20,041)	349,279
4						(144,350,245)	28,992,726
5						(15,092,512)	40,339,974
6			\$ -			\$ (145,988,038)	\$ 2,072,102,382
7							
8	OPERATING REVENUE DEDUCTIONS:						
9							
10	POWER COSTS:						
11			718,324			\$ 88,048,148	\$ 300,380,824
12			504,973			(258,974,551)	661,372,000
13			92,404			11,040,842	81,754,188
14						40,663,861	-
15			\$ 1,315,702			\$ (119,221,699)	\$ 1,043,507,012
16							
17			\$ 117,231			\$ (2,432,843)	\$ 100,386,955
18						17,703	9,251,827
19						(595,635)	76,180,696
20						(978,995)	42,166,329
21						(7,776,773)	2,242,720
22						(53,979,048)	1,062
23	(2,761,859)		88,784		(3,218)	5,546,903	94,965,599
24	804,616		596,623		(171,846)	2,523,778	175,830,819
25						9,968,680	43,980,979
26		2,263,966	134,429			11,396,136	17,889,546
27			17,996			11,835,031	11,351,345
28			156,837	3,019,049		(7,537,999)	-
29			216,121			(12,782)	118,746,853
30	685,035	(792,388)	(877,259)	(1,056,667)	65,746	27,665,197	32,294,679
31						18,974,575	49,297,727
32	\$ (1,272,207)	\$ 1,471,578	\$ 1,766,465	\$ 1,962,382	\$ (122,100)	\$ (174,664,504)	\$ 1,818,094,148
33							
34			1,272,207	(1,471,578)	(1,766,465)	(1,962,382)	122,100
35						28,676,465	254,008,234
36	7,448,028	(1,323,561)	19,017,567	2,955,137	(3,663,687)	349,208,798	3,813,421,939
37							
38	RATE OF RETURN						
39							
40	RATE BASE:						
41	\$ 8,777,632		\$ 33,076,690	6,050,298	\$ (4,307,805)	\$ 589,019,571	\$ 6,772,593,558
42	(603,462)		(13,309,579)	(1,503,933)	200,508	(129,441,732)	(2,663,211,926)
43		762,557	1,721,067			(52,655,258)	234,094,515
44	(726,142)	(2,086,118)	(2,470,611)	(1,591,228)	443,609	(57,713,784)	(572,910,200)
45						-	132,602,669
46						-	(89,746,678)
47	\$ 7,448,028	\$ (1,323,561)	\$ 19,017,567	\$ 2,955,137	\$ (3,663,687)	\$ 349,208,798	\$ 3,813,421,939

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.01 TEMPERATURE NORMALIZATION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION				
1	<u>TEMPERATURE NORMALIZATION ADJUSTMENT:</u>				
2		ACTUAL	TEMP ADJ	MWH	ADJ FOR LOSSES
3		<u>GPI MWH</u>	<u>GPI MWH</u>	<u>CHANGE</u>	<u>6.70%</u>
4	Jan-08	2,469,690	2,391,018	(78,672)	(73,401)
5	Feb-08	2,107,909	2,120,848	12,939	12,072
6	Mar-08	2,170,180	2,091,248	(78,932)	(73,644)
7	Apr-08	1,958,626	1,886,833	(71,793)	(66,983)
8	May-08	1,766,162	1,766,439	277	258
9	Jun-08	1,675,454	1,675,928	474	442
10	Jul-08	1,672,937	1,682,789	9,851	9,191
11	Aug-08	1,721,324	1,713,215	(8,110)	(7,566)
12	Sep-08	1,662,996	1,666,514	3,518	3,282
13	Oct-08	1,892,478	1,882,587	(9,891)	(9,228)
14	Nov-08	1,952,479	2,053,028	100,549	93,812
15	Dec-08	2,521,637	2,426,079	(95,558)	(89,156)
16		<u>23,571,872</u>	<u>23,356,525</u>	<u>(215,347)</u>	<u>(200,921)</u>
17					
18	REVENUE ADJUSTMENT:	Schedule 7		(176,605)	(18,021,127)
19		Schedule 24		(7,529)	(657,045)
20		Schedule 25		(7,940)	(504,896)
21		Schedule 26		(3,774)	(230,199)
22		Schedule 29		68	3,652
23		Schedule 31		(928)	(54,654)
24		Schedule 43		(3,472)	(192,341)
25		Schedule 40 - Med Sec Voltage		9	501
26		Schedule 40 - Large Sec Voltage		(419)	(23,339)
27		Schedule 40 - Primary Voltage		(207)	(11,206)
28		Firm Resale		(124)	(4,359)
29	INCREASE (DECREASE) SALES TO CUSTOMERS				\$ (19,695,013)
30					
31	UNCOLLECTIBLES @			0.0036220	\$ (71,335)
32	ANNUAL FILING FEE @			0.0020000	(39,390)
31	INCREASE (DECREASE) EXPENSES				(110,725)
32					
33	STATE UTILITY TAX @			0.0385900	\$ (760,031)
34	INCREASE (DECREASE) TAXES OTHER				(760,031)
35					
36	INCREASE (DECREASE) INCOME				(18,824,257)
37					
38	INCREASE (DECREASE) FIT @			35%	(6,588,490)
39	INCREASE (DECREASE) NOI				<u>\$ (12,235,767)</u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.02 REVENUES AND EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ADJUSTMENT
1	SALES TO CUSTOMERS:	
2	RESTATING ADJUSTMENTS:	
3	ADD GRC INCREASE DOCKET 072300	\$ 162,849,052
4	REMOVE PCA INCREASE	(54,276,915)
5	REMOVE SCHEDULE 95A PRODUCTION TAX CREDITS	29,870,589
6	OATT REVENUE	(95,488)
7	MISCELLANEOUS RESTATING ADJUSTMENT	1,099,396
8	RESTATING ADJUSTMENTS SALES TO CUSTOMERS	<u>139,446,633</u>
9		
10	PROFORMA ADJUSTMENTS:	
11		
12	MISCELLANEOUS ADJUSTMENTS	(412,534)
13	CONSERVATION	(10,048,562)
14	PROFORMA ADJUSTMENTS SALES TO CUSTOMERS	<u>(10,461,096)</u>
15		
16	TOTAL INCREASE (DECREASE) SALES TO CUSTOMERS	\$ 128,985,537
17		
18	SALES FOR RESALE - SMALL FIRM AND SPECIAL CONTRACT	
19	MISCELLANEOUS RESTATING ADJUSTMENT	<u>(15,682)</u>
20		
21	TOTAL INCREASE (DECREASE) SALES FOR RESALE - SMALL FIRM	(15,682)
22		
23	OTHER OPERATING REVENUES	
24	POLE ATTACHMENT REVENUES	438,314
25		
26		
27	TOTAL INCREASE (DECREASE) OTHER OPERATING REVENUE	<u>438,314</u>
28		
29	TOTAL INCREASE (DECREASE) REVENUES	129,408,169
30		
31	UNCOLLECTIBLES @	0.0036220 \$ 468,716
32	ANNUAL FILING FEE @	0.0020000 <u>258,816</u>
33	INCREASE (DECREASE) EXPENSES	727,533
34		
35	STATE UTILITY TAX @	0.0385900 \$ 4,993,861
36	REMOVE MUNICIPAL TAX EXPENSED	
37	INCREASE (DECREASE) TAXES OTHER	<u>4,993,861</u>
38		
39	INCREASE (DECREASE) INCOME	123,686,775
40		
41	INCREASE (DECREASE) FIT @	35% <u>43,290,371</u>
42	INCREASE (DECREASE) NOI	<u><u>\$ 80,396,404</u></u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.03 POWER COSTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	ACTUAL	PROFORMA	INCREASE (DECREASE)
1 SALES FOR RESALE	\$ 173,342,971	\$ 28,992,726	\$ (144,350,245)
2			
3 PURCHASES/SALES OF NON-CORE GAS	15,804,883	288,413	(15,516,471)
4 WHEELING FOR OTHERS	11,562,467	10,511,766	(1,050,701)
5	27,367,351	10,800,179	(16,567,172)
6			
7 TOTAL OPERATING REVENUES	200,710,322	39,792,905	(160,917,416)
8			
9 FUEL	\$ 212,821,383	\$ 240,001,010	\$ 27,179,627
10			
11 PURCHASED AND INTERCHANGED	888,547,931	623,942,925	(264,605,006)
12 HEDGING		309,601	309,601
13 RATE DISALLOWANCES FOR MARCH POINT 2 AND TENAS	-	(5,326,814)	(5,326,814)
14 SUBTOTAL PURCHASED AND INTERCHANGED	\$ 888,547,931	\$ 618,925,712	\$ (269,622,219)
15 WHEELING	68,962,375	73,987,025	5,024,651
16			-
17 TOTAL PRODUCTION EXPENSES	\$ 1,170,331,689	\$ 932,913,748	\$ (237,417,941)
18 HYDRO AND OTHER POWER	92,332,638	90,532,918	(1,799,720)
19 TRANS. EXP. INCL. 500KV O&M	1,497,266	1,515,292	18,026
20			
21 TOTAL OPERATING EXPENSES	\$ 1,264,161,593	\$ 1,024,961,958	\$ (239,199,635)
22			
23 INCREASE (DECREASE) OPERATING INCOME (LINE 7 - LINE	\$ (1,063,451,271)	\$ (985,169,053)	\$ 78,282,219
24			
25 REDUCTION TO STATE UTILITY TAX SAVINGS FOR LINE 4	3.873%		(40,694)
26 INCREASE (DECREASE) INCOME			\$ 78,322,912
27 INCREASE (DECREASE) FIT @	35%		27,413,019
28 INCREASE (DECREASE) NOI			\$ 50,909,893

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

PUGET SOUND ENERGY
GENERAL RATE CASE
DETERMINATION OF NET POWER COSTS FOR GRC ADJUSTMENT 10.03 (A)
TEST YEAR ENDED DECEMBER 31, 2008
RATE YEAR ENDED MARCH 31, 2011

Line	FERC	Description	Rate Year 12ME 2/28/2011	Less Mint Farm	Less Wild Horse Expansion	Less Colstrip Settlement	Less Amort of Reg Assets	Remove Ben&Tax	Hedging	Net Before Prod Factor	After Prod Factor of 1.01204
1		Fuel:									
2	501	Steam Fuel	\$ 82,165,621					\$ -		\$ 82,165,621	\$ 83,154,895
3	547	Fuel	214,641,644	(60,053,640)			392,150	-		154,980,154	156,846,115
4			296,807,265	(60,053,640)			392,150	-		237,145,775	240,001,010
5		Purchased and Interchanged:									
6	555	Purchased Power	651,787,955				(41,832,013)	-		609,955,942	617,299,811
6a	555	Tenaska Buyout Disallowance	(2,270,481)							(2,270,481)	(2,297,818)
6a	555	Tenaska Prudence Disallowance	(1,861,528)							(1,861,528)	(1,883,941)
6a	555	March Point 2 Prudence Disallowance	(1,131,433)							(1,131,433)	(1,145,055)
7	557	Other Power Expense	7,730,798					(1,166,716)		6,564,082	6,643,114
8		Hedging	-						305,917	305,917	309,601
9			654,255,311	-	-		(41,832,013)	(1,166,716)	305,917	611,562,499	618,925,712
10											
11	565	Wheeling	80,781,578	(5,278,114)	(1,318,262)		(1,078,383)	-		73,106,819	73,987,025
12										-	
13	various	Hydro and Other Power	112,196,810	(5,215,033)	(1,951,841)	(10,487,160)		(5,086,907)		89,455,870	90,532,918
14											
15	various	Trans. Exp. Incl. 500Kv O&M	1,497,265							1,497,265	1,515,292
16	447	Sales for Resale	(28,647,807)							(28,647,807)	(28,992,726)
17	456	Purchases/Sales Of Non-Core Gas	(284,982)							(284,982)	(288,413)
18			(27,435,523)	-	-	-	-	-		(27,435,523)	(27,765,847)
19											
20		Net Power Costs	1,116,605,440	(70,546,787)	(3,270,102)	(10,487,160)	(42,518,246)	(6,253,622)	305,917	983,835,440	995,680,819
21	various	Variable Transmission Income	(10,386,710)							(10,386,710)	(10,511,766)
22											
23		Power Costs Page 4.03 Line 22	\$ 1,106,218,730	\$ (70,546,787)	\$ (3,270,102)	\$ (10,487,160)	\$ (42,518,246)	\$ (6,253,622)	\$ 305,917	\$ 973,448,730	\$ 985,169,053
24											
25											
26											
27											
28		Power Costs Provided by Power Cost Analysis Dept.								\$ 1,116,605,440	\$ 1,130,049,369
29		Benefits and Taxes								(6,253,622)	(6,328,916)
30		Variable Transmission Income								(10,386,710)	(10,511,766)
31		Amortization of Regulatory Assets								(126,822,295)	(128,349,235)
32		Hedging								305,917	309,601
33		Power Costs Page 4.03 Line 22								\$ 973,448,730	\$ 985,169,053
34											
35		Power Costs Page 4.03 Line 22								\$ 973,448,730	\$ 985,169,053
36		Add Amortization of Regulatory Assets								42,518,246	43,030,165
37		Mint Farm								70,546,787	71,396,170
38		Wild Horse								3,270,102	3,309,474
39		Add Other Costs to 557								10,759,770	10,889,318
40		Purchased Power								109,302	110,618
41		Other Power Supply								602,376	609,629
42		Less Transmission Income not related to 3 allowed transmission lines								4,913,866	4,973,029
43		Lines 34 - 41 and Power Cost Portion of Line 23a of Exhibit A-1								\$ 1,106,169,179	\$ 1,119,487,456
44											

Reconciliation of Total power Costs

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.04 FEDERAL INCOME TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME (LOSS)	\$ 21,719,373
2		
3	FEDERAL INCOME TAX EXPENSE (BENEFIT) @ 35%	7,601,781
4	CURRENTLY PAYABLE	\$ 7,601,781
5		
6	DEFERRED FIT - DEBIT	\$ 81,055,294
7	DEFERRED FIT - CREDIT	(34,395,866)
8	ADDITIONAL DEFERRED CREDITS	-
9	TOTAL RESTATED FIT	\$ 54,261,208
10		
11	FIT PER BOOKS:	
12	CURRENTLY PAYABLE	\$ 4,629,482
13	DEFERRED FIT - DEBIT	95,224,301
14	DEFERRED FIT - CREDIT	(64,901,149)
15	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT.	-
16	TOTAL CHARGED TO EXPENSE	\$ 34,952,634
17		
18	INCREASE(DECREASE) FIT	2,972,299
19	INCREASE(DECREASE) DEFERRED FIT	16,336,275
20	INCREASE(DECREASE) NOI	\$ (19,308,574)

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.05 TAX BENEFIT OF PRO FORMA INTEREST
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	\$ 3,813,421,939
2		
3	NET RATE BASE	<u>\$ 3,813,421,939</u>
4		
5	WEIGHTED COST OF DEBT	3.32%
6	PROFORMA INTEREST	<u>\$ 126,605,608</u>
7		
8		
9	<u>INTEREST EXPENSE ITEMS PER BOOKS:</u>	
10	INTEREST ON LONG TERM DEBT	\$ 118,050,837
11	AMORTIZATION OF DEBT DISCOUNT	
12	AND EXPENSE, NET OF PREMIUMS	2,191,065
13	INTEREST ON DEBT TO ASSOCIATED	
14	ASSOCIATED COMPANIES	526,222
15	OTHER INTEREST EXPENSE	8,798,452
16	LESS: INTEREST ON CUSTOMER DEPOSITS	<u>(61,479)</u>
17	CHARGED TO EXPENSE IN TEST YEAR	<u>129,505,097</u>
18		
19	INCREASE (DECREASE) INCOME	<u>\$ 2,899,489</u>
20		
21	INCREASE (DECREASE) FIT @	35% <u>1,014,821</u>
22	INCREASE (DECREASE) NOI	<u><u>\$ (1,014,821)</u></u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.06 HOPKINS RIDGE INFILL PROJECT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1 <u>HOPKINS RIDGE INFILL RATEBASE (AMA)</u>			
2 <u>UTILITY PLANT RATEBASE</u>			
3 PLANT BALANCE	\$ 4,756,205	\$ 12,054,738	\$ 7,298,533
4 ACCUM DEPRECIATION	(43,454)	(1,110,077)	(1,066,623)
5 DEFERRED INCOME TAX LIABILITY	(123,025)	(2,279,667)	(2,156,642)
6 NET HOPKINS RIDGE INFILL PLANT RATEBASE	<u>\$ 4,589,725</u>	<u>\$ 8,664,993</u>	<u>\$ 4,075,268</u>
7			
8 <u>HOPKINS RIDGE INFILL OPERATING EXPENSE</u>			
9 DEPRECIATION EXPENSE	\$ 200,142	\$ 511,121	\$ 310,979
10 PROPERTY INSURANCE	4,735	9,094	4,359
11 PROPERTY TAXES	88,507	61,385	(27,122)
12 TOTAL OPERATING EXPENSES	<u>\$ 293,383</u>	<u>\$ 581,599</u>	<u>\$ 288,216</u>
13			
14 INCREASE (DECREASE) OPERATING EXPENSE			288,216
15			
16 INCREASE (DECREASE) FIT @		35%	(100,876)
17 INCREASE (DECREASE) NOI			<u>\$ (187,340)</u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.07 WILD HORSE WIND EXPANSION PROJECT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1	<u>WILD HORSE EXPANSION RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 1,345,461	\$ 98,431,202	\$ 97,085,741
4	ACCUM DEPRECIATION	-	(3,706,242)	(3,706,242)
5	DEFERRED INCOME TAX LIABILITY	-	(22,426,421)	(22,426,421)
6	NET WH EXPANSION PLANT RATEBASE	<u>\$ 1,345,461</u>	<u>\$ 72,298,539</u>	<u>\$ 70,953,078</u>
7				
8	<u>WILD HORSE EXPANSION OPERATING EXPENSE</u>			
9	DEPRECIATION EXPENSE	\$ -	\$ 4,140,102	\$ 4,140,102
10				
11	<u>POWER COST & PRODUCTION O&M RELATED TO WILD HORSE EXPANSION</u>			
12	WHEELING		\$ 1,318,262	\$ 1,318,262
13	PRODUCTION O&M	-	1,951,841	1,951,841
14	PROPERTY INSURANCE	-	0	0
15	PROPERTY TAXES	129,313	302,249	172,936
16	TOTAL POWER COST AND PROD O&M	<u>129,313</u>	<u>3,572,351</u>	<u>3,443,038</u>
17				
18	INCREASE (DECREASE) EXPENSE	129,313	7,712,453	7,583,140
19				
20	INCREASE (DECREASE) FIT @		35%	(2,654,099)
21	INCREASE (DECREASE) NOI			<u>\$ (4,929,041)</u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.08 MINT FARM PROJECT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1	<u>MINT FARM RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 4,014,348	\$ 96,609,757	\$ 92,595,409
4	ACCUM DEPRECIATION	(201,277)	(9,469,797)	(9,268,520)
5	ACQUISITION ADJUSTMENT	\$ 6,287,526	\$ 157,318,614	\$ 151,031,088
6	ACCUMULATED AMORTIZATION ON ACQ	(15,410)	(8,339,654)	(8,324,244)
7	DEFERRED FIT	(24,401)	<i>\$ (6,358,612)</i>	<i>\$ (6,334,211)</i>
8	TOTAL ACQUISITION ADJUSTMENT RATEBASE	<i>\$ 10,060,786</i>	<i>\$ 229,760,309</i>	<i>\$ 219,699,522</i>
9				
10	<u>TOTAL RATEBASE</u>	<i>\$ 10,060,786</i>	<i>\$ 229,760,309</i>	<i>\$ 219,699,522</i>
11				
12	<u>MINT FARM OPERATING EXPENSE</u>			
13	DEPRECIATION EXPENSE	\$ -	\$ 2,673,926	\$ 2,673,926
14	AMORTIZATION EXPENSE	-	4,627,024	4,627,024
15	PROPERTY INSURANCE	-	370,180	370,180
16	PROPERTY TAXES	-	820,244	820,244
17	INCREASE (DECREASE) EXPENSE	-	8,491,374	8,491,374
18				
19	<u>POWER COST ASSOCIATED WITH MINT FARM</u>			
20	NATURAL GAS FUEL		60,053,640	\$ 60,053,640
21	WHEELING		5,278,114	5,278,114
22	INCREASE (DECREASE) POWER COST	-	65,331,754	65,331,754
23				
24	PRODUCTION O&M	-	5,215,033	\$ 5,215,033
25				
26	INCREASE (DECREASE) EXPENSE	-	79,038,160	79,038,160
27				
28	INCREASE (DECREASE) FIT @ 35%	-	(27,663,356)	(27,663,356)
29	INCREASE (DECREASE) NOI	<i>\$ -</i>	<i>\$ (51,374,804)</i>	<i>\$ (51,374,804)</i>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.09 SUMAS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1 <u>SUMAS RATEBASE</u>			
2 PLANT BALANCE	\$ 39,393,000	\$ 87,045,000	\$ 47,652,000
3 ACCUM DEPRECIATION	(27,628,000)	(67,093,819)	(39,465,819)
4 DEFERRED INCOME TAX	(390,511)	176,613	567,124
5 NET SUMAS PLANT RATEBASE	<u>\$ 11,374,489</u>	<u>\$ 20,127,794</u>	<u>\$ 8,753,305</u>
6			
7 <u>SUMAS OPERATING EXPENSE</u>			
8 DEPRECIATION EXPENSE	643,627	<i>1,500,756</i>	<i>857,129</i>
9 PROPERTY INSURANCE	65,335	122,371	57,036
10 PROPERTY TAXES	140,740	149,575	8,835
11 TOTAL OPERATING EXPENSES	<u>\$ 849,702</u>	<u>\$ 1,772,702</u>	<u>\$ 923,000</u>
12			
13 INCREASE (DECREASE) OPERATING EXPENSE			<i>923,000</i>
14			
15 INCREASE (DECREASE) FIT @		35%	<i>(323,050)</i>
16 INCREASE (DECREASE) NOI			<u>\$ <i>(599,950)</i></u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.10 WHITEHORN
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1 <u>WHITEHORN RATEBASE</u>			
2 PLANT BALANCE	\$ -	\$ 28,235,000	\$ 28,235,000
3 ACCUMULATED DEPRECIATION	-	(23,591,727)	(23,591,727)
4 ACQUISITION ADJUSTMENT		\$ 16,950,333	\$ 16,950,333
5 ACCUMULATED AMORTIZATION ON ACQ ADJ		(3,797,285)	(3,797,285)
6 DEFERRED FIT	\$ (1,154,165)	\$ (951,758)	202,407
7 TOTAL RATEBASE	<u>\$ (1,154,165)</u>	<u>\$ 16,844,563</u>	<u>\$ 17,998,728</u>
8			
9 <u>WHITEHORN OPERATING EXPENSE</u>			
10 LEASE PAYMENT		----- (NOTE 1) -----	
11 DEPRECIATION EXPENSE	-	804,698	804,698
12 AMORTIZATION EXPENSE	-	2,284,905	2,284,905
13 PROPERTY INSURANCE	41,405	69,242	27,837
14 PROPERTY TAXES	71,597	78,026	6,429
15 TOTAL OPERATING EXPENSES	<u>\$ 113,002</u>	<u>\$ 3,236,870</u>	<u>\$ 3,123,868</u>
16			
17 INCREASE (DECREASE) EXPENSE			3,123,868
18			
19 INCREASE (DECREASE) FIT @		35%	(1,093,354)
20 INCREASE (DECREASE) NOI			<u>\$ (2,030,514)</u>
21			
22 (NOTE 1) DEPRECIATION AND ACCRETION OF THE CAPITAL LEASE WAS RECORDED IN FERC 550 DURING THE			
23 TEST YEAR. THIS EXPENSE IS REMOVED FROM THE REVENUE REQUIREMENT IN ADJUSTMENT NO. 4.03.			

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.11 BAKER HYDRO RELICENSING COSTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>BAKER HYDRO RELICENSING OPERATING EXPENSE</u>			
2	AMORTIZATION EXPENSE	125,847	784,203	658,356
3	AMORTIZATION OF PREPAYMENT FOR			
4	FEDERAL LAND USE	230,670	1,109,030	878,359
5	TOTAL OPERATING EXPENSES	<u>\$ 356,517</u>	<u>\$ 1,893,232</u>	<u>\$ 1,536,716</u>
6				
7	INCREASE (DECREASE) EXPENSE			1,536,716
8				
9	INCREASE (DECREASE) FIT @		35%	(537,850)
10	INCREASE (DECREASE) NOI			<u>\$ (998,866)</u>
11				
12	<u>BAKER HYDRO RELICENSING RATEBASE</u>			
13	PLANT BALANCE	\$ 4,867,210	\$ 39,320,407	\$ 34,453,197
14	ACCUM AMORTIZATION	(6,745)	(1,613,323)	(1,606,578)
15	DEFERRED FIT	<i>(10,242)</i>	<i>(1,072,642)</i>	<i>(1,062,400)</i>
16	NET BAKER HYDRO RELIC RATEBASE	<u>\$ 4,850,222</u>	<u>\$ 36,634,442</u>	<u>\$ 31,784,220</u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.12 PASS-THROUGH REVENUES AND EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ADJUSTMENT
1	<u>REMOVE REVENUE ASSOCIATED WITH RIDERS:</u>	
2	REMOVE CONSERVATION RIDER - SCHEDULE 120	56,528,843
3	REMOVE MUNICIPAL TAXES - SCHEDULE 81	71,715,879
4	REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129	7,416,313
5	REMOVE RESIDENTIAL EXCHANGE - SCH 194	(42,536,503)
6	GREEN POWER - SCH 135/136 (TAGS ELIM IN PAGE 4.03)	2,695,592
7	GREEN POWER - SCH 135/136 ELIMINATE UNDER EXPENSED	(188,209)
8	TOTAL (INCREASE) DECREASE IN REVENUES	<u>95,631,915</u>
9		
10	<u>DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:</u>	
11	BAD DEBTS	0.36220% (346,379)
12	ANNUAL FILING FEE	0.20000% (191,264)
13	STATE UTILITY TAX	3.85900% (3,690,436)
14	TOTAL	<u>(4,228,078)</u>
15		
16	<u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>	
17	REMOVE CONSERVATION RIDER - SCHEDULE 120	(53,979,048)
18	REMOVE MUNICIPAL TAXES - SCHEDULE 81	(69,266,041)
19	REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129	(7,082,152)
20	REMOVE RESIDENTIAL EXCHANGE - SCH 194	40,663,861
21	GREEN POWER - SCH 135/136 (TAGS ELIM IN PAGE 4.03)	(755,295)
22	GREEN POWER - SCH 135/136 BENEFITS PORTION OF ADMIN	(167)
23	GREEN POWER - SCH 135/136 TAXES PORTION OF ADMIN	(52)
24	TOTAL INCREASE (DECREASE) EXPENSE	<u>(90,418,895)</u>
25		
26	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT	(984,942)
27	INCREASE (DECREASE) FIT	(344,730)
28	INCREASE (DECREASE) NOI	<u>(640,213)</u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.13 BAD DEBTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	YEAR	NET WRITEOFF'S	GROSS REVENUES	SALES FOR RESALE OTHER	SALES FOR RESALE FIRM	NET REVENUES	PERCENT WRITEOFF'S TO REVENUE
1	12 MOS ENDED						
2	2004	\$ 5,022,599	\$ 1,406,581,058	\$ 58,008,246	\$ 361,860	\$ 1,348,210,952	0.3725%
3	2005	\$ 5,360,802	\$ 1,529,132,527	\$ 87,141,570	\$ 350,697	\$ 1,441,640,260	0.3719%
4	2007	\$ 6,199,334	\$ 1,922,618,327	\$ 111,070,231	\$ 373,024	\$ 1,811,175,072	0.3423%
5	3-Yr Average of Net Write Off Rate						<u>0.3622%</u>
6							
7	Test Period Revenues		\$ 2,218,090,420	\$ 173,342,971	\$ 369,320	\$ 2,044,378,130	
8							
9	PROFORMA BAD DEBT RATE					0.3622%	
10	PROFORMA BAD DEBTS					<u>\$ 7,404,738</u>	
11							
12	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR					8,976,051	
13	INCREASE (DECREASE) EXPENSE						\$ (1,571,313)
14							
15	INCREASE (DECREASE) FIT					35%	549,960
16	INCREASE (DECREASE) NOI					<u>\$</u>	<u>1,021,353</u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.14 MISCELLANEOUS OPERATING EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	ACTUAL	PROFORMA RESTATED	ADJUSTMENT
1 OPERATING REVENUES			
2 OTHER OPERATING REVENUES			
3 AMORTIZATION OF SUMMIT BUYOUT PURCHASE OPTION	169,628	1,017,765	848,137
4 INCREASE (DECREASE) IN REVENUE	169,628	1,017,765	848,137
5			
6			
7 OPERATING EXPENSES			
8 AMORT OF DEFERRED TAXES OF INDIRECT OVERHEADS			
9 REGULATORY ASSET (WUTC DOC # UE-051527)	2,048,627		(2,048,627)
10 AMORT OF INTEREST ASSOCIATED WITH DEFERRAL OF UNRECOVERED			
11 RESIDENTIAL EXCHANGE BENEFITS CREDITED TO CUSTOMERS (WUTC			
12 DOC # UE-071024)	247,904	484,913	237,009
13 COST OF WIRE ZONE VEGETATION MANAGEMENT PROGRAM WIRE ZC	2,987,000	2,300,000	(687,000)
14 INCREASE IN SERVICE CONTRACT BASELINE CHARGES TSM	783,839	807,354	23,515
15 INCREASE IN SERVICE CONTRACT BASELINE CHARGES DST	27,737,607	28,612,146	874,539
16 COMPANY STORE - NET PURCH/SALES OF MERCHANDISE IN A&G	(2,376)		2,376
17 SUMMIT BUILDING CONTRACTUAL RENT 4th FLOOR-NEW	193,718	506,302	312,584
18 SUMMIT BUILDING CONTRACTUAL RENT INCREASES	1,622,420	2,252,355	629,936
19 AIRPORT AND HOTEL PARKING	13,138		(13,138)
20 ATHELETIC EVENTS CHARGED ABOVE THE LINE	13,505		(13,505)
21 ADVERTISING EXPENSES RELATED TO MERGER	1,831	-	(1,831)
21 INCREASE (DECREASE) IN EXPENSE	\$ 35,647,213	\$ 34,963,070	\$ (684,143)
22			
23 INCREASE(DECREASE) OPERATING EXPENSE			(1,532,280)
24 INCREASE(DECREASE) FIT @		35%	536,298
25			
26 INCREASE(DECREASE) NOI			\$ 995,982

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.15 PROPERTY TAXES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	WASHINGTON	MONTANA	OREGON	TOTAL
1 RESTATED PROPERTY TAX	\$ 20,260,654	\$ 10,179,342	\$ 672,895	\$ 31,112,891
2 CHARGED TO EXPENSE IN TY	22,130,476	10,434,323	687,927	33,252,726
3 INCREASE(DECREASE) EXPENSE	\$ (1,869,822)	\$ (254,981)	\$ (15,032)	\$ (2,139,835)
4				
5 INCREASE(DECREASE) FIT @			35%	748,942
6				
7 INCREASE(DECREASE) NOI				<u>\$ 1,390,893</u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.16 EXCISE TAX & FILING FEE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	AMOUNT
1 RESTATED EXCISE TAXES	\$ 77,127,850
2 CHARGED TO EXPENSE FOR TEST YEAR	77,534,151
3 INCREASE (DECREASE) EXCISE TAX	<u>\$ (406,301)</u>
4	
5 RESTATED WUTC FILING FEE	\$ 4,067,207
6 CHARGED TO EXPENSE FOR TEST YEAR	4,067,207
7 INCREASE(DECREASE) WUTC FILING FEE	<u>\$ 0</u>
8	
9 INCREASE(DECREASE) EXPENSE	(406,301)
10	
11 INCREASE(DECREASE) FIT @	35% <u>142,205</u>
12 INCREASE(DECREASE) NOI	<u><u>\$ 264,096</u></u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.17 D&O INSURANCE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	D & O INS. CHG EXPENSE	\$ 624,952	\$ 308,932	\$ (316,020)
2				
3	INCREASE (DECREASE) D&O EXPENSE	\$ 624,952	\$ 308,932	\$ (316,020)
4				
5	INCREASE (DECREASE) EXPENSE			(316,020)
6				
7	INCREASE (DECREASE) FIT @		35%	110,607
8	INCREASE (DECREASE) NOI			<u>\$ 205,413</u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.18 MONTANA ELECTRIC ENERGY TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	RESTATED KWH (COLSTRIP)	5,144,169,391
2	TAX RATE	<u>0.00035</u>
3		
4	RESTATED ENERGY TAX	1,800,459
5	CHARGED TO EXPENSE	<u>1,878,891</u>
6	INCREASE (DECREASE) EXPENSE	\$ (78,432)
7		
8	INCREASE (DECREASE) FIT @ 35%	<u>27,451</u>
9	INCREASE (DECREASE) NOI	<u><u>\$ 50,981</u></u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.19 INTEREST ON CUSTOMER DEPOSITS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	AMOUNT
1	INTEREST EXPENSE FOR TEST YEAR	\$ 61,479
2		
3	INCREASE (DECREASE) NOI	<u>\$ (61,479)</u>

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.20 SFAS 133
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.		ACTUAL	RESTATED	ADJUSTMENT
1	FAS 133 OPERATING EXPENSE	\$ 7,537,999	\$ -	\$ (7,537,999)
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ 7,537,999	\$ -	\$ (7,537,999)
4				
5	INCREASE(DECREASE) OPERATING INCOME			7,537,999
6				
7	INCREASE (DECREASE) DEFERRED FIT @	35%		2,638,300
8				
9	INCREASE (DECREASE) NOI			<u>\$ 4,899,699</u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.21 RATE CASE EXPENSES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION		AMOUNT
1	EXPENSES TO BE NORMALIZED:		
2			
3	ESTIMATED 2006 and 2007 GRC EXPENSES TO BE NORMALIZED	\$ 1,139,000	
4			
5	ANNUAL NORMALIZATION (LINE 3 / 2 YEARS)	569,500	
6	LESS TEST YEAR EXPENSE: GRC DIRECT CHARGES TO FERC 928	1,317,497	
7	INCREASE (DECREASE) EXPENSE	<u>\$ (747,997)</u>	(747,997)
8			
9	ESTIMATED 2005 and 2007 PCORC EXPENSES TO BE NORMALIZED	<u>\$ 329,000</u>	
10			
11	ANNUAL NORMALIZATION (LINE 9 / 2)	164,500	
12	LESS TEST YEAR EXPENSE: PCORC DIRECT CHARGES TO O& M	1,674	
13	INCREASE (DECREASE) EXPENSE	<u>\$ 162,826</u>	162,826
14			
15			
16	TOTAL INCREASE (DECREASE) EXPENSE		\$ (585,171)
17			
18	INCREASE(DECREASE) FIT @	35%	204,810
19	INCREASE(DECREASE) NOI		<u>\$ 380,361</u>
20			
21			
22			
23			
24			
25			
26			
27			
28			
29			
30			
31			
32			
33			
34			

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.22 DEFERRED GAINS/LOSSES ON PROPERTY SALES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	AMOUNT
1 DEFERRED GAIN RECORDED SINCE UE-072300, <i>et al.</i> at 03/31/2010	\$ (6,018,504)
2 DEFERRED LOSS RECORDED SINCE UE-072300, <i>et al.</i> at 03/31/2010	359,182
3 TOTAL DEFERRED NET (GAIN) LOSS TO AMORTIZE	<u>\$ (5,659,321)</u>
4	
5 AMORTIZATION OF DEFERRED NET (GAIN) LOSS FOR RATE YEAR (Line 3/3years)	(1,886,440)
6	
7 AMORTIZATION OF DEFERRED NET (GAIN) LOSS FOR TEST YEAR	<u>(2,266,696)</u>
8	
9 INCREASE (DECREASE) EXPENSE (Line 5 - Line 7)	\$ 380,255
10	
11 INCREASE (DECREASE) FIT @ 35%	<u>(133,089)</u>
12	
13 INCREASE (DECREASE) NOI	<u><u>\$ (247,166)</u></u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.23 PROPERTY & LIABILITY INSURANCE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1	PROPERTY INSURANCE EXPENSE	\$ 1,421,247	\$ 2,407,746	\$ 986,499
2	LIABILITY INSURANCE EXPENSE	1,100,143	1,311,610	211,467
3	INCREASE(DECREASE) EXPENSE	<u>\$ 2,521,391</u>	<u>\$ 3,719,356</u>	<u>\$ 1,197,966</u>
4				
5	INCREASE (DECREASE) OPERATING EXPENSE			1,197,966
6				
7	INCREASE (DECREASE) FIT @	35%		(419,288)
8	INCREASE (DECREASE) NOI			<u><u>\$ (778,678)</u></u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.24 PENSION PLAN
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1	QUALIFIED RETIREMENT FUND	\$ (157,074)	\$ 3,693,495	\$ 3,850,569
2	SERP PLAN	1,771,381	2,139,086	367,705
3	INCREASE(DECREASE) EXPENSE	<u>\$ 1,614,306</u>	<u>\$ 5,832,581</u>	<u>\$ 4,218,275</u>
4				
5	INCREASE(DECREASE) OPERATING EXPENSE			4,218,275
6				
7	INCREASE (DECREASE) FIT @	35%		<u>(1,476,396)</u>
8	INCREASE (DECREASE) NOI			<u><u>\$ (2,741,878)</u></u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.25 WAGE INCREASE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1	WAGES:			
2	PURCHASED POWER	\$ 3,120,093	\$ 3,300,122	\$ 180,029
3	OTHER POWER SUPPLY	13,571,238	14,472,284	901,046
4	TRANSMISSION	11,343,900	12,121,867	777,967
5	DISTRIBUTION	11,993,826	12,797,434	803,608
6	CUSTOMER ACCTS	10,174,505	10,876,791	702,286
7	CUSTOMER SERVICE	1,279,692	1,357,268	77,576
8	SALES	329,849	348,849	19,000
9	ADMIN. & GENERAL	20,978,180	22,063,954	1,085,774
10	TOTAL WAGE INCREASE	<u>72,791,283</u>	<u>77,338,569</u>	4,547,286
11				
12	PAYROLL TAXES	6,333,220	6,621,361	288,141
13	TOTAL WAGES & TAXES	<u>79,124,503</u>	<u>83,959,930</u>	4,835,427
14				
15	INCREASE (DECREASE) OPERATING EXPENSE			\$ 4,835,427
16	INCREASE (DECREASE) FIT @ 35%			(1,692,399)
17	INCREASE (DECREASE) NOI			<u>\$ (3,143,028)</u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.26 INVESTMENT PLAN
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	NON-UNION (EXCLUDING EXECUTIVES)	
2	INVESTMENT PLAN APPLICABLE TO MANAGEMENT	\$4,283,707
3	RATE YEAR MANAGEMENT WAGE INCREASE	5.77% 247,170
4	TOTAL COMPANY CONTRIBUTION FOR MANAGEMENT	4,530,877
5		
6	NON-UNION (EXECUTIVES)	
7	INVESTMENT PLAN APPLICABLE TO MANAGEMENT	114,889
8	RATE YEAR MANAGEMENT WAGE INCREASE	0.00% 0
9	TOTAL COMPANY CONTRIBUTION FOR MANAGEMENT	114,889
10		
11	IBEW	
12	INVESTMENT PLAN APPLICABLE TO IBEW	1,108,036
13	RATE YEAR IBEW WAGE INCREASE	7.21% 79,877
14	TOTAL COMPANY CONTRIBUTION FOR IBEW	1,187,914
15		
16	UA	
17	INVESTMENT PLAN APPLICABLE TO UA	849,857
18	RATE YEAR UA WAGE INCREASE	5.32% 45,191
19	TOTAL COMPANY CONTRIBUTION FOR UA	895,048
20		
21	TOTAL	
22	TOTAL PROFORMA COSTS (LN 4 + LN 9 + LN 14 + LN 19)	6,728,728
23	PRO FORMA COSTS APPLICABLE TO OPERATIONS	59.40% 3,996,864
24	CHARGED TO EXPENSE FOR YEAR ENDED 12/31/08	3,775,755
25	INCREASE (DECREASE) EXPENSE	221,110
26		
27	INCREASE (DECREASE) FIT @	35% (77,388)
28	INCREASE (DECREASE) NOI	(\$143,722)

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.27 EMPLOYEE INSURANCE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	<u>BENEFIT CONTRIBUTION:</u>	
2	SALARIED EMPLOYEES	\$ 10,408,039
3	UNION EMPLOYEES	9,217,029
4	PRO FORMA INSURANCE COSTS	<u>19,625,069</u>
5		
6	APPLICABLE TO OPERATIONS @ 59.40%	11,657,291
7	CHARGED TO EXPENSE DURING TEST YEAR	<u>10,217,330</u>
8	INCREASE(DECREASE) EXPENSE	1,439,961
9		
10	INCREASE(DECREASE) FIT @ 35%	<u>(503,986)</u>
11		
12	INCREASE(DECREASE) NOI	<u>\$ (935,975)</u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.28 INCENTIVE PAY
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA RESTATED	ADJUSTMENT
1	<u>OPERATING EXPENSES (RESTATED)</u>			
2	PURCHASED POWER	\$ 291,735	\$ 221,008	\$ (70,727)
3	OTHER POWER SUPPLY	1,267,586	968,916	(298,670)
4	TRANSMISSION	1,059,495	811,571	(247,924)
5	DISTRIBUTION	1,120,699	856,601	(264,098)
6	CUSTOMER ACCTS	950,690	728,240	(222,450)
7	CUSTOMER SERVICE	119,686	91,095	(28,591)
8	SALES	30,602	23,291	(7,311)
9	ADMIN. & GENERAL	1,959,863	1,475,112	(484,751)
10	TOTAL INCENTIVE/MERIT PAY	<u>\$ 6,800,356</u>	<u>\$ 5,175,834</u>	<u>\$ (1,624,522)</u>
11				
12	PAYROLL TAXES ASSOC WITH MERIT PAY	528,346	402,131	(126,215)
13	INCREASE(DECREASE) EXPENSE	<u>7,328,702</u>	<u>5,577,965</u>	<u>(1,750,737)</u>
14				
15	INCREASE (DECREASE) OPERATING EXPENSE			(1,750,737)
16				
17	INCREASE (DECREASE) FIT @		35%	612,758
18	INCREASE (DECREASE) NOI			<u>\$ 1,137,979</u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.29 MERGER SAVINGS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1				
2	OPEERATING EXPENSES			
3	MERGER SAVINGS	\$ 874,205	-	(874,205)
4	INCREASE(DECREASE) EXPEN	874,205	-	(874,205)
5				
6	INCREASE(DECREASE) INCOME			(874,205)
7				
8	INCREASE (DECREASE) FIT @		35%	305,972
9	INCREASE (DECREASE) NOI			568,233
10			\$	<u>568,233</u>
11				
12				

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.30 STORM DAMAGE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT		
1	NORMAL STORMS			
2	ACTUAL O&M:	Transmission	Distribution	Total
3	TWELVE MONTHS ENDED 12/31/03	\$ 247,140	\$ 5,658,040	\$ 5,905,180
4	TWELVE MONTHS ENDED 12/31/04	(11,319)	9,133,971	9,122,653
5	TWELVE MONTHS ENDED 12/31/05	122,468	3,449,456	3,571,923
6	TWELVE MONTHS ENDED 12/31/06	450,748	10,435,721	10,886,469
7	TWELVE MONTHS ENDED 12/31/07	376,353	8,672,798	9,049,151
8	TWELVE MONTHS ENDED 12/31/08	77,335	9,881,618	9,958,953
9	TOTAL NORMAL STORMS	<u>1,262,725</u>	<u>47,231,604</u>	<u>48,494,329</u>
10				
11	SIX-YEAR AVERAGE STORM EXPENSE FOR RATE YEAR	210,454	7,871,934	8,082,388
12				
13	CHARGED TO EXPENSE FOR TEST YEAR ENDED 12/31/08:			
14	STORM DAMAGE EXPENSE (LINE 8)	<u>77,335</u>	<u>9,881,618</u>	<u>9,958,953</u>
15				
16	INCREASE (DECREASE) OPERATING EXPENSE	133,119	(2,009,684)	(1,876,565)
17				
18				
19	CATASTROPHIC STORMS			
20	DEFERRED BALANCES FOR 4 YEAR AMORTIZATION AT			
21	START OF RATE YEAR (4/1/10):			
22	2006 STORM DAMAGE (EXCL 12/13/06 WIND STORM)	17,706,790		
23	2007 STORM DAMAGE	13,794,354		
24	2008 STORM DAMAGE	<u>1,998,779</u>		
25	TOTAL	33,499,923		
26	ANNUAL AMORTIZATION (LINE 25 ÷ 4 YEARS)	8,374,981		
27				
28	DEFERRED BALANCES FOR 10 YEAR AMORTIZATION AT			
29	START OF RATE YEAR (4/1/10):			
30	12/13/06 WIND STORM	<u>68,317,669</u>		
31	TOTAL	68,317,669		
32	ANNUAL AMORTIZATION (LINE 31 ÷ 103 (# OF MONTHS REMAINING) X 12)	<u>7,959,340</u>		
33	TOTAL RATE YEAR AMORTIZATION		16,334,321	
34	LESS CATASTROPHIC STORM AMORT AS (12/31/08)		<u>4,956,181</u>	
35				
36	INCREASE (DECREASE) OPERATING EXPENSE (LINE 26+LINE 32 - LINE 34)	7,959,340		<u>11,378,140</u>
37				
38	TOTAL INCREASE (DECREASE) OPERATING EXPENSE (LINE 16 + LINE 36)			9,501,575
39				
40	INCREASE (DECREASE) FIT @ 35% (LINE 38 X 35%)			<u>(3,325,551)</u>
41				
42	INCREASE (DECREASE) NOI			<u>\$ (6,176,024)</u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.31 REGULATORY ASSETS AND LIABILITIES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
2009 GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1 <u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFI</u>			
2 CABOT BUYOUT	\$ 360,425	\$ -	\$ (360,425)
3 TENASKA	118,166,087	47,565,333	(70,600,754)
4 BEP	21,714,195	16,211,898	(5,502,297)
5 WHITE RIVER PLANT COSTS	35,059,015	30,893,115	(4,165,899)
6 WHITE RIVER RELICENSING & CWIP	19,828,326	19,459,947	(368,379)
7 PROCEED FROM THE SALE OF WHITE RIVER	-	(25,000,000)	(25,000,000)
8 CANWEST	(319,932)	-	319,932
9 HOPKINS RIDGE PREPAID TRANSMISSION	6,017,545	938,032	(5,079,513)
10 GOLDENDALE FIXED COSTS DEFERRAL	7,814,472	2,930,761	(4,883,711)
11 HOPKINS RIDGE MITIGATION CREDIT	(775,674)	(160,522)	615,152
12 COLSTRIP SETTLEMENT - UE-080900	-	5,755,101	5,755,101
13 WESTCOAST PIPELINE CAPACITY - UE-082013	(713,271)	(2,060,421)	(1,347,150)
14 OVER RECOVERY OF MAJOR MAINTENANCE		0	0
15 TOTAL REGULATORY ASSETS	\$ 207,151,187	\$ 96,533,244	\$ (110,617,943)
16			
17			
18 <u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
19 CABOT BUYOUT	\$ 1,410,033	\$ -	\$ (1,410,033)
20 TENASKA (AMORT OF AFPC PORTION)	4,802,000	6,051,143	1,249,143
21 BEP	3,526,620	3,526,620	-
22 WHITE RIVER PLANT COSTS	1,494,702	1,494,702	(0)
23 WHITE RIVER RELICENSING & CWIP		-	-
24 CANWEST	(1,898,741)	-	1,898,741
25 HOPKINS RIDGE PREPAID TRANSMISSION	1,992,888	1,925,091	(67,797)
26 GOLDENDALE FIXED COSTS DEFERRAL	693,692	4,162,154	3,468,462
27 HOPKINS RIDGE MITIGATION CREDIT	(241,917)	(846,708)	(604,792)
28 COLSTRIP SETTLEMENT - UE-080900	10,487,160	1,967,556	(8,519,604)
29 WESTCOAST PIPELINE CAPACITY - UE-082013	-	(392,150)	(392,150)
30 AMORTIZATION OF OVER-RECOVERY OF MAJOR MAINTENANCE		0	0
31 TOTAL AMORTIZATION OF REG ASSETS/LIABS	22,266,438	17,888,407	(4,378,031)
32			
33 TENASKA FLOW THRU	23,470,000	32,254,250	8,784,250
34			
35 TOTAL REGULATORY AMORT (LINE 29 + LINE 31)			4,406,219
36			
37 INCREASE (DECREASE) FIT ON LINE 29		35%	1,532,311
38			
39 INCREASE (DECREASE) NOI (LINE 33 + LINE 35)			\$ (5,938,530)

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.32 DEPRECIATION STUDY
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
1	<u>ADJUSTMENT TO OPERATING EXPENSES</u>			
2	<u>DEPRECIATION EXPENSE</u>			
3	403 DEPRECIATION EXPENSE	\$ 163,345,135	\$ 151,549,221	\$ (11,795,914)
4	403 ELEC PORTION OF COMMON	5,390,885	8,077,208	2,686,323
5	403 DEPR. EXP. ON ASSETS NOT INCLUDED IN STUDY	4,462,322	4,462,322	-
6	SUBTOTAL DEPRECIATION EXPENSE 403	<u>\$ 173,198,341</u>	<u>\$ 164,088,750</u>	<u>\$ (9,109,591)</u>
7				
8	403.1 DEPR. EXP- FAS 143 (RECOVERED IN RATES)	102,031	108,699	6,668
9	403.1 DEPR. EXP - FAS 143 (NOT RECOVERED IN RATES)	6,668	-	(6,668)
10	SUBTOTAL DEPRECIATION EXPENSE 403.1	<u>\$ 108,699</u>	<u>\$ 108,699</u>	<u>\$ (0)</u>
11				
12	TOTAL DEPRECIATION EXPENSE	<u>173,307,040</u>	<u>164,197,450</u>	<u>(9,109,591)</u>
13				
14	<u>AMORTIZATION EXPENSE</u>			
15	4111 ACCRETION EXP. - FAS 143 (RECOVERED IN RATES)	832,086	968,936	136,850
16	4111 ACCRETION EXP. - FAS 143 (NOT RECOVERED IN RATES)	136,850	-	(136,850)
17	SUBTOTAL ACCRETION EXPENSE 411.1	<u>968,936</u>	<u>968,936</u>	<u>(0)</u>
18				
19	FLEET DEPR. EXP. ON INC STMT NOT RECORDED IN 403	-	-	-
20				
21	INCREASE(DECREASE) EXPENSE			\$ (9,109,591)
22				
23	INCREASE (DECREASE) FIT @		35%	
24	INCREASE(DECREASE) NOI			<u>\$ 9,109,591</u>
25				
26				
27	<u>ADJUSTMENT TO RATE BASE</u>			
28	ADJUST ACCUM. DEPR. FOR ADDITIONAL DEPRECIATION EXPENSE (50% OF LINE 21)			4,554,795
29				-
30	ADJUSTMENT TO RATE BASE			<u>\$ 4,554,795</u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.33 FREDONIA POWER PLANT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1				
2	<u>PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ -	\$ 70,121,452	\$ 70,121,452
4	ACCUM DEPRECIATION	-	(27,953,023)	(27,953,023)
5	DEFERRED INCOME TAX	(5,482,293)	(6,137,767)	(655,475)
6	TOTAL RATEBASE	<u>(5,482,293)</u>	<u>36,030,662</u>	<u>41,512,955</u>
7				
8	<u>FREDONIA OPERATING EXPENSE</u>			
9	LEASE PAYMENTS		----- (NOTE 1) -----	
10	DEPRECIATION EXPENSE	-	1,617,141	1,617,141
11	PROPERTY INSURANCE	38,324	67,557	29,233
12	PROPERTY TAXES	179,053	159,747	(19,306)
13	INCREASE (DECREASE) EXPENSE	<u>217,376</u>	<u>1,844,444</u>	<u>1,627,068</u>
14				
15	INCREASE (DECREASE) EXPENSE			1,627,068
16				
17	INCREASE (DECREASE) FIT @		35%	<u>(569,474)</u>
18				
19	INCREASE (DECREASE) NOI			<u><u>\$ (1,057,594)</u></u>
20				
21				
22				
23	(NOTE 1) DEPRECIATION AND ACCRETION OF THE CAPITAL LEASE WAS			
24	RECORDED IN FERC 550 DURING THE TEST YEAR. THIS EXPENSE IS REMOVED			
25	FROM THE REVENUE REQUIREMENT IN ADJUSTMENT NO. 4.03.			

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.34 AMORTIZATION OF MINT FARM DEFERRED COSTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1				
2	AMORTIZATION OF FIXED COST DEFERRAL	\$ -	\$ 5,845,109	\$ 5,845,109
3	DEFERRAL OF MINT FARM FIXED COSTS	(776,937)	-	776,937
4	AMORTIZATION OF FIXED COST DEFERRAL	(776,937)	5,845,109	6,622,046
5				
6	INCREASE (DECREASE) OPERATING EXPENSES			6,622,046
7				
8	INCREASE(DECREASE) FIT @		35%	(2,317,716)
9				
10	INCREASE(DECREASE) NOI			\$ (4,304,330)
11				
12	RATE BASE			
13	MINT FARM AMA GROSS - DEF & INT.	\$ 110,252	\$ 58,506,764	\$ 58,396,513
14	MINT FARM AMA ACCUMULATED AMORTIZATION	-	(2,917,451)	(2,917,451)
15	MINT FARM AMA ACCUMULATED DEFERRED FIT	(38,583)	(19,456,260)	(19,417,676)
16	TOTAL MINT FARM RATE BASE	71,668	36,133,054	36,061,385

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.35 FLEET VEHICLES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1	<u>FLEET OPERATING EXPENSES</u>			
2	LEASE PAYMENT	\$ 2,761,859	\$ -	\$ (2,761,859)
3	DEPRECIATION EXPENSE	-	\$ 804,616	804,616
4	INCREASE (DECREASE) EXPENSE	\$ 2,761,859	\$ 804,616	\$ (1,957,242)
5				
6	INCREASE (DECREASE) EXPENSE	2,761,859	804,616	(1,957,242)
7				
8		35%		
9	INCREASE (DECREASE) FIT @	(966,651)	(281,616)	685,035
10	INCREASE (DECREASE) NOI	\$ (1,795,208)	\$ (523,000)	\$ 1,272,207
11				
12	<u>RATEBASE</u>			
13	FLEET BALANCE	\$ -	\$ 8,777,632	\$ 8,777,632
14	ACCUMULATED DEPRECIATION	-	(603,462)	(603,462)
15	DEFERRED FIT	-	(726,142)	(726,142)
16	<u>NET FLEET RATEBASE</u>	\$ -	\$ 7,448,028	\$ 7,448,028
17				

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.36 NET INTEREST DUE TO IRS FOR SIMPLIFIED SERVICE COST METHOD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1	<u>AMORTIZATION OF DEFERRED SSCM NET</u>			
2	<u>INTEREST PAID TO IRS</u>			
3	AMORTIZATION EXPENSE		2,263,966	2,263,966
4	TOTAL OPERATING EXPENSES	\$ -	\$ 2,263,966	\$ 2,263,966
5				
6	INCREASE (DECREASE) EXPENSE			\$ 2,263,966
7				
8	INCREASE (DECREASE) FIT @		35%	(792,388)
9	INCREASE (DECREASE) NOI			<u>\$ (1,471,578)</u>
10				
11	RATEBASE			
12	<u>DEFERRED SSCM NET INTEREST PAID TO IRS</u>			
13	GROSS DEFERRED BALANCE	\$ 2,633,392	\$ 4,527,932	\$ 1,894,540
14	ACCUM AMORTIZATION		(1,131,983)	(1,131,983)
15	DEFERRED FEDERAL INCOME TAX	897,536	(1,188,582)	(2,086,118)
16	NET DEFERRED INTEREST ADDITION TO RATEBASE	<u>\$ 3,530,928</u>	<u>\$ 2,207,367</u>	<u>\$ (1,323,561)</u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.38 AMORTIZATION OF WILD HORSE EXPANSION
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1	<i>OPERATING EXPENSE FIXED COSTS</i>			
2	<i>AMORTIZATION OF FIXED COST DEFERRAL</i>	\$ -	\$ 3,019,049	\$ 3,019,049
3	<i>DEFERRAL OF WH EXPANSION FIXED COSTS</i>	\$ -	\$ -	\$ -
4	<i>TOTAL AMORTIZATION WILD HORSE EXPANSION</i>	-	3,019,049	3,019,049
5				
6	<i>INCREASE (DECREASE) OPERATING EXPENSES</i>			3,019,049
7				
8	<i>INCREASE (DECREASE) FIT</i>	35%		(1,056,667)
9				
10	<i>INCREASE (DECREASE) NOI</i>			(1,962,382)
11				
12	<i>RATE BASE</i>			
13	<i>WILD HORSE EXPANSION AMA GROSS - DEF</i>	-	6,050,298	\$ 6,050,298
14	<i>WILD HORSE EXPANSION AMA ACCUMULATED AMORTIZATION</i>	-	(\$1,503,933)	\$ (1,503,933)
15	<i>WILD HORSE EXPANSION AMA ACCUMULATED DEFERRED FIT</i>	-	(\$1,591,228)	\$ (1,591,228)
16	<i>TOTAL WILD HORSE EXPANSION RATE BASE</i>	\$ -	2,955,137	2,955,137

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.37 PRODUCTION ADJUSTMENT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION -1.204%	FIT 35%
1 <u>O&M ON PRODUCTION PROPERTY</u>			
2 PRODUCTION WAGE INCREASE AND INCENTIVE:			
3 PURCHASED POWER	\$ 109,302	\$ 1,316	\$ (461)
4 OTHER POWER SUPPLY	602,376	7,253	(2,538)
5 TOTAL PRODUCTION WAGE INCREASE	<u>711,678</u>	<u>8,569</u>	<u>(2,999)</u>
6			
7 ADMIN & GENERAL EXPENSES			
8 PAYROLL OVERHEADS	3,751,116	45,163	(15,807)
9 PROPERTY INSURANCE	<i>3,622,992</i>	<i>43,621</i>	<i>(15,267)</i>
10 TOTAL ADMIN & GENERAL EXPENSES	<u><i>7,374,109</i></u>	<u><i>88,784</i></u>	<u><i>(31,074)</i></u>
11			
12 DEPRECIATION / AMORTIZATION:			
13 DEPRECIATION	<i>49,553,432</i>	<i>596,623</i>	<i>(298,212)</i>
14 AMORTIZATION (OTHER THAN REGULATORY ASSETS/LIAB)	11,165,209	134,429	(45,533)
15 TOTAL DEPRECIATION AND AMORTIZATION (FERC 403)	<u><i>60,718,640</i></u>	<u><i>731,052</i></u>	<u><i>(343,746)</i></u>
16			
17 TAXES OTHER-PRODUCTION PROPERTY:			
18 PROPERTY TAXES - WASHINGTON	<i>6,828,958</i>	<i>82,221</i>	<i>(28,777)</i>
19 PROPERTY TAXES - MONTANA	7,735,645	93,137	(32,598)
20 ELECTRIC ENERGY TAX	1,800,459	21,678	(7,587)
21 PAYROLL TAXES	1,585,202	19,086	(6,680)
22 TOTAL TAXES OTHER	<u><i>17,950,264</i></u>	<u><i>216,121</i></u>	<u><i>(75,642)</i></u>
23			
24 <u>WILD HORSE EXPANSION AND MINT FARM</u>			
25 FUEL	60,053,640	723,046	(253,066)
26 PURCHASED POWER	-	-	-
27 WHEELING	6,596,376	79,420	(27,797)
28 SALES FOR RESALE	-	-	-
29 PRODUCTION O&M	7,166,874	86,289	(30,201)
30 TOTAL NEW PLANT	<u>73,816,889</u>	<u>888,755</u>	<u>(311,064)</u>
31			
32 <u>O&M ON REGULATORY ASSETS:</u>			
33 CABOT BUYOUT	\$ -	\$ -	-
34 TENASKA (AMORT OF AFPC PORTION)	6,051,143	72,856	(25,500)
35 BEP	3,526,620	42,461	(14,861)
36 WHITE RIVER PLANT COSTS	1,494,702	17,996	(6,299)
37 WHITE RIVER RELICENSING & CWIP	0	-	-
38 CANWEST	0	-	-
39 HOPKINS RIDGE PREPAID TRANSMISSION	1,925,091	23,178	(8,112)
40 GOLDENDALE FIXED COSTS DEFERRAL	4,162,154	50,112	(17,539)
41 HOPKINS RIDGE MITIGATION CREDIT	(846,708)	(10,194)	3,568
42 COLSTRIP SETTLEMENT - UE-080900	1,967,556	23,689	(8,291)
43 WESTCOAST PIPELINE CAPACITY - UE-082013	(392,150)	(4,721)	1,653
44 MINT FARM DEFERRAL	5,845,109	70,375	(24,631)
45 OVER-RECOVERY MAJOR MAINTENANCE	0	-	-
46 <i>WILD HORSE EXPANSION DEFERRAL</i>	<i>3,019,049</i>	<i>36,349</i>	<i>(12,722)</i>
47 TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>26,752,566</u>	<u>322,101</u>	<u>(112,734)</u>
48			
49 TENASKA FLOW THRU	32,254,250	388,341	-
50 TOTAL REGULATORY AMORT (LINE 46 + LINE 48)	<u>59,006,816</u>	<u>710,442</u>	<u>(112,734)</u>
51			
52			
53 INCREASE(DECREASE) EXPENSE		<i>219,578,396</i>	<i>2,643,724</i>
54 INCREASE(DECREASE) FIT			<i>(877,259)</i>
55 INCREASE(DECREASE) NOI			<u><i>\$(1,766,465)</i></u>

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.37 PRODUCTION ADJUSTMENT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION -1.204%	FIT 35%
56			
57	<u>PRODUCTION PROPERTY RATE BASE:</u>		
58	\$ 2,472,174,440	\$ 29,764,980	
59	<i>(1,096,986,652)</i>	<i>(13,207,719)</i>	
60	94,327,207	1,135,700	
61	(8,460,108)	(101,860)	
62	5,656,965	68,110	
63	1,667,334	20,075	
64	189,055,996	2,276,234	
65	(8,324,244)	(100,224)	
66	<i>1,649,110,938</i>	<i>19,855,296</i>	
67	DEDUCT:		
68	<i>(201,920,878)</i>	<i>(2,431,127)</i>	
69	(3,279,416)	(39,484)	
70	<i>(205,200,294)</i>	<i>(2,470,611)</i>	
71		-	
72	<i>\$ 1,443,910,644</i>	<i>\$ 17,384,685</i>	<i>\$ 1,461,295,329</i>
73			
74	<u>REGULATORY ASSETS RATE BASE:</u>		
75		-	
76	47,565,333	572,687	
77	16,211,898	195,191	
78	30,893,115	371,953	
79	19,459,947	234,298	
80	(25,000,000)	(301,000)	
81		-	
82	938,032	11,294	
83	2,930,761	35,286	
84	(160,522)	(1,933)	
85	5,755,101	69,291	
86	(2,060,421)	(24,807)	
87	36,133,054	435,042	
88	0	0	
89	<i>2,955,137</i>	<i>35,580</i>	
90			
91	<i>\$ 135,621,435</i>	<i>\$ 1,632,882</i>	<i>\$ 137,254,317</i>
92			
93		<i>\$ 19,017,567</i>	

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.39 WILD HORSE SOLAR
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE
(NEW ADJUSTMENT)**

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	ADJUSTMENT
1	<u>WILD HORSE SOLAR RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 4,307,805		\$ (4,307,805)
4	ACCUM DEPRECIATION	(200,508)		200,508
5	DEFERRED INCOME TAX LIABILITY	(443,609)		443,609
6	<u>NET WH SOLAR PLANT RATEBASE</u>	<u>\$ 3,663,687</u>	<u>\$ -</u>	<u>\$ (3,663,687)</u>
7				
8	<u>SOLAR OPERATING EXPENSE</u>			
9	DEPRECIATION EXPENSE	\$ 171,846		\$ (171,846)
10				
11	<u>POWER COST & PRODUCTION O&M RELATED TO WILD HORSE SOLAR</u>			
12	PRODUCTION O&M	-		-
13	PROPERTY INSURANCE	3,218		(3,218)
14	PROPERTY TAXES	12,782		(12,782)
15	<u>TOTAL POWER COST AND PROD O&M</u>	<u>16,000</u>	<u>-</u>	<u>(16,000)</u>
16				
17	INCREASE (DECREASE) EXPENSE	187,846	-	(187,846)
18				
19	INCREASE (DECREASE) FIT @		35%	65,746
20	INCREASE (DECREASE) NOI			\$ 122,100

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
GENERAL RATE INCREASE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION		
1	RATE BASE	\$ 3,813,421,939
2	RATE OF RETURN	8.50%
3		
4	OPERATING INCOME REQUIREMENT	324,140,865
5		
6	PRO FORMA OPERATING INCOME	254,008,234
7	OPERATING INCOME DEFICIENCY	70,132,631
8		
9	CONVERSION FACTOR	0.6212620
10	REVENUE REQUIREMENT DEFICIENCY	112,887,367
11	LARGE FIRM WHOLESale	164,044
12	SALES FROM RESALE-FIRM	58,791
13	REVENUE REQUIREMENT DEFICIENCY	\$ 112,664,532
14		
15	<i>Note - the allocation to wholesale was not recalculated for the revisions made between the</i>	
16	<i>12/17/2009 Rebuttal and PSE's Response to Bench Request No. 03.</i>	

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
PRO FORMA COST OF CAPITAL
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	PRO FORMA CAPITAL %	COST %	COST OF CAPITAL
1 SHORT TERM DEBT	3.95%	2.47%	0.10%
2 LONG TERM DEBT	48.05%	6.70%	3.22%
3 PREFERRED	0.00%	0.00%	0.00%
4 EQUITY	48.00%	10.80%	5.18%
5 TOTAL	100.00%		8.50%
6			
7 AFTER TAX SHORT TERM DEBT ((LINE 1)* 65%)	3.95%	1.61%	0.07%
8 AFTER TAX LONG TERM DEBT ((LINE 2)* 65%)	48.05%	4.36%	2.09%
9 PREFERRED	0.00%	0.00%	0.00%
10 EQUITY	48.00%	10.80%	5.18%
11 TOTAL AFTER TAX COST OF CAPITAL	100.00%		7.34%

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

**PUGET SOUND ENERGY-ELECTRIC
CONVERSION FACTOR
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	RATE
1 BAD DEBTS	0.003622
2 ANNUAL FILING FEE	0.002000
3 STATE UTILITY TAX (3.873% - (LINE 1 * 3.873%))	3.873% 0.038590
4	
5 SUM OF TAXES OTHER	0.044212
6	
7 CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX (1 - LINE 5)	0.955788
8 FEDERAL INCOME TAX (LINE 7 * 35%)	35% 0.334526
9 CONVERSION FACTOR INCL FEDERAL INCOME TAX (LINE 7 - LINE 8)	0.621262

Note: Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.

Adj. No. (a)	Description (b)	Status (c)	Company			Staff (Note 1)			Difference		
			NOI (d)	Rate Base (e)	Rev Req (f)	NOI (g)	Rate Base (h)	Rev Req (i)	NOI (j)	Rate Base (k)	Rev Req (l)
	Actual Results of Operations	U	225,331,768	3,464,213,140	111,267,627	225,331,768	3,464,213,140	78,368,693	-	0	(32,898,934)
10.01	Temperature Normalization	U	(12,235,767)	-	19,695,019	(12,235,767)	-	19,695,019	-	-	-
10.02	Revenues & Expenses	C	80,396,404	-	(129,408,212)	86,639,195	-	(139,456,776)	6,242,791	-	(10,048,564)
10.03	Power Costs	C	50,909,893	-	(81,945,931)	72,441,346	-	(116,603,536)	21,531,453	-	(34,657,605)
10.04	Federal Income Tax	C	(19,308,574)	-	31,079,599	(20,234,048)	-	32,569,267	(925,474)	-	1,489,667
10.05	Tax Benefits of Pro Forma Interes	U	(1,014,821)	-	1,633,483	(561,556)	-	903,896	453,265	-	(729,588)
10.06	Hopkins Ridge Infill	C	(187,340)	4,075,268	859,119	(204,970)	4,075,268	848,794	(17,630)	0	(10,324)
10.07	Wild Horse Expansion	C	(4,929,041)	70,953,078	17,641,596	(3,289,703)	65,055,430	13,578,148	1,639,338	(5,897,648)	(4,063,447)
10.08	Mint Farm	C	(51,374,804)	219,699,522	112,753,176	(46,408,534)	217,579,446	102,402,961	4,966,270	(2,120,076)	(10,350,215)
10.09	Sumas	C	(599,950)	8,753,305	2,163,308	(594,207)	8,753,305	2,070,935	5,743	0	(92,373)
10.10	Whitehorn	C	(2,030,514)	17,998,728	5,730,925	(2,025,045)	17,953,824	5,545,474	5,469	(44,904)	(185,451)
10.11	Baker Hydro Relicense	C	(998,866)	31,784,220	5,956,463	(855,589)	31,784,211	5,423,992	143,277	(9)	(532,471)
10.12	Pass-Through Revenue & Expens	U	(640,213)	-	1,030,503	(640,213)	-	1,030,503	-	-	-
10.13	Bad Debt	U	1,021,353	-	(1,643,997)	1,021,353	-	(1,643,997)	-	-	-
10.14	Miscellaneous Operating Expense	C	995,982	-	(1,603,159)	1,578,526	-	(2,540,838)	582,545	-	(937,680)
10.15	Property Tax	C	1,390,893	-	(2,238,818)	-	-	-	(1,390,893)	-	2,238,818
10.16	Excise Tax & Filing Fee	U	264,096	-	(425,096)	264,096	-	(425,096)	-	-	-
10.17	D&O Insurance	C	205,413	-	(330,638)	305,815	-	(492,248)	100,402	-	(161,610)
10.18	Montana Electric Energy Tax	U	50,981	-	(82,060)	51,020	-	(82,123)	40	-	(64)
10.19	Interest on Customer Deposits	U	(61,479)	-	98,958	(61,479)	-	98,958	-	-	-
10.20	SFAS 133	U	4,899,699	-	(7,886,688)	4,899,699	-	(7,886,688)	-	-	-
10.21	Rate Case Expense	U	380,361	-	(612,240)	380,361	-	(612,240)	-	-	-
10.22	Deferred G/L on Property Sales	U	(247,166)	-	397,845	(497,986)	-	801,572	(250,820)	-	403,727
10.23	Property & Liability Insurance	U	(778,678)	-	1,253,381	(778,678)	-	1,253,380	0	-	(0)
10.24	Pension Plan	U	(2,741,878)	-	4,413,401	(2,741,878)	-	4,413,401	-	-	-
10.25	Wage Increase	C	(3,143,028)	-	5,059,102	(1,794,374)	-	2,888,273	1,348,653	-	(2,170,829)
10.26	Investment Plan	C	(143,722)	-	231,338	(89,203)	-	143,583	54,519	-	(87,755)
10.27	Employee Insurance	C	(935,975)	-	1,506,571	(774,514)	-	1,246,679	161,461	-	(259,892)
10.28	Incentive Pay	U	1,137,979	-	(1,831,722)	1,137,979	-	(1,831,722)	-	-	-
10.29	Merger Savings	U	568,233	-	(914,643)	568,233	-	(914,643)	-	-	-
10.30	Storm Damage	U	(6,176,024)	-	9,941,094	(6,176,024)	-	9,941,094	-	-	-
10.31	Regulatory Assets & Liabilities	C	(5,938,530)	(110,617,943)	(5,575,739)	(4,659,619)	(105,539,454)	(5,937,192)	1,278,911	5,078,489	(361,452)
10.32	Depreciation Study	U	9,109,591	4,554,795	(14,039,863)	9,109,591	4,554,795	(14,083,118)	-	-	(43,256)
10.33	Fredonia Power Plant	C	(1,057,594)	41,512,955	7,382,063	(3,441,784)	-	5,539,988	(2,384,190)	(41,512,955)	(1,842,075)
10.34	Mint Farm Deferred Cost	C	(4,304,330)	36,061,385	11,862,222	(2,962,521)	35,562,260	9,296,393	1,341,809	(499,125)	(2,565,829)
10.35	Fleet Vehicles	U	1,272,207	7,448,028	(1,028,753)	1,272,207	7,448,028	(1,099,485)	-	-	(70,732)
10.36	Net Interest Paid to IRS	C	(1,471,578)	(1,323,561)	2,187,604	-	(3,530,928)	(449,563)	1,471,578	(2,207,367)	(2,637,167)
10.37	Production Adjustment	C	(1,766,465)	19,017,567	5,445,300	-	-	-	1,766,465	(19,017,567)	(5,445,300)
10.38	Wild Horse Deferred Cost	C	(1,962,382)	2,955,137	3,563,020	(1,895,270)	2,842,905	3,412,640	67,112	(112,233)	(150,380)
10.39	Wild Horse Solar	U	122,100	(3,663,687)	(697,795)	-	-	-	(122,100)	3,663,687	697,795
	Total Adjustment		28,676,465	349,208,798	1,619,739	66,746,461	286,539,090	(70,954,314)	38,069,995	(62,669,708)	(72,574,053)
	Adjusted Results of Operations		254,008,234	3,813,421,938	112,887,367	292,078,229	3,750,752,230	7,414,380	38,069,995	(62,669,708)	(105,472,987)

(Note 1) - Amounts are from KHB-02 as revised January 15, 2010. Staff Revenue Requirement from Commission Staff's Response to Bench Request No. 003 was not available at the time PSE's response was filed.

Amounts presented in bold italic type have changed since PSE's December 17, 2009 Rebuttal filing.