

**Exhibit No. KHB-2
Dockets UE-090704 and UG-090705
Witness: Kathryn H. Breda**

**BEFORE THE WASHINGTON STATE
UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

DOCKET UE-090704

DOCKET UG-090705

EXHIBIT TO TESTIMONY OF

KATHRYN H. BREDA

**STAFF OF
WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION**

Electric Results of Operations and Revenue Requirement

**November 17, 2009
Revised December 11, 2009
Revised January 13, 2010
Revised January 15, 2010
Revised February 2, 2010**

Puget Sound Energy - Electric
 Pro Forma Results of Operations
 For the Twelve Months Ended December 31, 2008

Line No.	Description	Actual Results of Operations (a)	Total Adjustments (b)	Adjusted Results of Operations (c)=(a)+(b)	Revenue Requirement Deficiency (d)	Achieved Results of Operations (e)
1	Operating Revenues:					
2	Sales to Customers	\$ 1,988,945,644	\$ 23,523,321	\$ 2,012,468,965	\$ 10,382,994	\$ 2,022,851,959
3	Sales from Resale-Firm	369,320	(20,041)	349,279	79,160	428,439
4	Sales to Other Utilities	173,342,971	(152,409,715)	20,933,256		20,933,256
5	Other Operating Revenues	55,432,486	(15,220,999)	40,211,487	220,879	40,432,366
6	Total Operating Revenues	\$ 2,218,090,420	\$ (144,127,434)	\$ 2,073,962,986	\$ 10,683,033	\$ 2,084,646,019
7	Operating Expenses:					
8	Power Costs:					
10	Fuel Stock	\$ 212,332,676	\$ 43,310,312	\$ 255,650,988	\$ -	\$ 255,650,988
11	Purchased and Interchanged	920,346,551	(258,716,655)	661,629,896		661,629,896
12	Wheeling	70,713,346	10,068,232	80,781,578		80,781,578
13	Residential Exchange	(40,663,861)	40,663,861			
14	Total Production Expenses	\$ 1,162,728,712	\$ (164,666,249)	\$ 998,062,463	\$ -	\$ 998,062,463
15	Other Power Supply Expenses	\$ 102,819,798	\$ (6,147,448)	\$ 96,672,350	\$ -	\$ 96,672,350
17	Transmission Expense	9,234,124	(69,502)	9,164,622		9,164,622
18	Distribution Expense	76,776,331	(708,152)	76,068,179		76,068,179
19	Customer Accounts Expense	43,145,324	(996,314)	42,149,011	38,694	42,187,705
20	Customer Service Expense	10,019,493	(7,808,069)	2,211,424		2,211,424
21	Conservation Amortization	53,980,110	(53,979,048)	1,062		1,062
22	Administrative & General Expense	89,418,696	4,317,815	93,736,511	21,366	93,757,877
23	Depreciation	173,307,040	1,580,524	174,887,564		174,887,564
24	Amortization	34,012,299	10,976,138	44,988,437		44,988,437
25	Amortization Property Gam/Loss	6,493,409	11,378,140	17,871,549		17,871,549
26	Other Operating Expense	(483,686)	5,032,466	4,548,780		4,548,780
27	FAS 133	7,537,999	-	7,537,999		7,537,999
28	Taxes Other than Income Taxes	188,816,368	(74,945,917)	113,870,451	412,258	114,282,709
29	Deferred Income Taxes	4,629,482	41,111,038	45,740,520	3,573,752	49,314,272
30	Total Operating Expenses	\$ 1,992,758,652	\$ (210,311,521)	\$ 1,782,447,131	\$ 4,046,070	\$ 1,786,493,201
31	Net Operating Income:	\$ 225,331,768	\$ 66,184,087	\$ 291,515,855	\$ 6,636,963	\$ 298,152,818
32						
33						
34						
35	Rate Base:					
36	Gross Utility Plant In Service	\$ 6,183,573,988	\$ 539,694,149	\$ 6,723,268,137	\$ -	\$ 6,723,268,137
37	Accum. Depreciation and Amortization	(2,533,770,195)	(230,644,094)	(2,764,414,289)		(2,764,414,289)
38	Deferred Debits	286,749,772	43,432,368	330,182,140		330,182,140
39	Deferred Taxes	(515,196,416)	(47,380,550)	(562,576,966)		(562,576,966)
40	Allowance for Working Capital	132,602,669	-	132,602,669	-	132,602,669
41	Other	(89,746,678)	-	(89,746,678)		(89,746,678)
42	Total Rate Base	\$ 3,464,213,140	\$ 305,101,873	\$ 3,769,315,014	\$ -	\$ 3,769,315,014
43						
44	Rate of Return		6.50%		7.73%	
						7.91%

Puget Sound Energy - Electric
 Pro Forma Results of Operations
 For the Twelve Months Ended December 31, 2008
 Adjustment Detail (Page 2)

Line No.	Description	Wild Horse Expansion Adj. 10.07 (h)	Mint Farm Adj. 10.08 (i)	Sumas Adj. 10.09 (j)	Whitehorn Adj. 10.10 (k)	Baker Hydro License Adj. 10.11 (l)	Pass-Through Rev & Exp Adj. 10.12 (m)	Bad Debts Adj. 10.13 (n)
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	Total Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (95,631,915)	\$ -
7								
8	Operating Expenses:							
9	Power Costs:							
10	Fuel Stock	\$ -	\$ 53,577,114	\$ -	\$ -	\$ -	\$ -	\$ -
11	Purchased and Interchanged							
12	Wheeling	23,006	5,278,114					
13	Residential Exchange						40,663,861	
14	Total Production Expenses	\$ 23,006	\$ 58,855,228	\$ -	\$ -	\$ -	\$ 40,663,861	\$ -
15								
16	Other Power Supply Expenses	\$ 1,242,216	\$ 4,934,400	\$ -	\$ -	\$ -	\$ -	\$ -
17	Transmission Expense							
18	Distribution Expense							
19	Customer Accounts Expense							(346,379)
20	Customer Service Expense							(7,837,447)
21	Conservation Amortization							(53,979,048)
22	Administrative & General Expense		370,180	57,036	27,837	657,936		(191,431)
23	Depreciation	3,795,860	2,671,536	857,130	804,698			
24	Amortization		4,566,401		2,282,922	658,354		
25	Amortization Property Gain/Loss							
26	Other Operating Expense							
27	FAS 133							
28	Taxes Other than Income Taxes							(72,956,529)
29	Income Taxes	(4,856,605)	(28,261,165)	(240,716)	82,415	(995,958)	(344,730)	549,960
30	Deferred Income Taxes	3,085,226	3,271,954	(79,243)	(1,172,825)	535,257		
31	Total Operating Expense	\$ 3,289,703	\$ 46,408,534	\$ 594,207	\$ 2,025,046	\$ 855,589	\$ (94,991,703)	\$ (1,021,353)
32								
33	Net Operating Income:	\$ (3,289,703)	\$ (46,408,534)	\$ (594,207)	\$ (2,025,046)	\$ (855,589)	\$ (640,213)	\$ 1,021,353
34								
35	Rate Base:							
36	Gross Utility Plant In Service	\$ 89,042,682	\$ 241,471,125	\$ 47,652,000	\$ 45,185,333	\$ 34,453,197	\$ -	\$ -
37	Accum. Depreciation and Amortization	\$ (3,395,185)	\$ (17,541,998)	\$ (39,465,819)	\$ (27,403,197)	\$ (1,606,579)	\$ -	\$ -
38	Deferred Debits							
39	Deferred Taxes	(20,592,067)	(6,349,681)	567,124	171,688	(1,062,408)		
40	Allowance for Working Capital							
41	Other							
42	Total Rate Base	\$ 65,055,430	\$ 217,579,446	\$ 8,753,305	\$ 17,953,824	\$ 31,784,211	\$ -	\$ -

Puget Sound Energy - Electric
 Pro Forma Results of Operations
 For the Twelve Months Ended December 31, 2008
 Adjustment Detail (Page 5)

Line No.	Description	Incentive Pay Adj. 10.28 (ac)	Merger Savings Adj. 10.29 (ad)	Storm Damage Adj. 10.30 (ae)	Regulatory Assets and Liabilities Adj. 10.31 (af)	Depreciation Study Adj. 10.32 (ag)	Fredonia Power Plant Adj. 10.33 (ah)	Mint Farm Deferred Cost Adj. 10.34 (ai)
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 Expenses:							
9	Power Costs:							
10	Fuel Stock	\$ -	\$ -	\$ -	\$ 96,558	\$ -	\$ -	\$ -
11	Purchased and Interchanged	(70,727)			10,033,393			
12	Wheeling				(672,588)			
13	Residential Exchange							
14	Total Production Expenses	\$ (70,727)	\$ -	\$ -	\$ 9,457,362	\$ -	\$ -	\$ -
15								
16	Other Power Supply Expenses	(298,670)	\$ -	\$ -	(10,487,160)	\$ -	\$ -	\$ -
17	Transmission Expense	(247,924)		133,119				
18	Distribution Expense	(264,098)		(2,009,684)				
19	Customer Accounts Expense	(222,450)						
20	Customer Service Expense	(35,902)						
21	Conservation Amortization		(874,205)					
22	Administrative & General Expense							
23	Depreciation					(9,109,591)	1,617,141	
24	Amortization			11,378,140	3,468,462			3,657,256
25	Amortization Property Gain/Loss							
26	Other Operating Expense							
27	FAS 133							
28	Taxes Other than Income Taxes	(126,215)			2,220,955			
29	Income Taxes	612,758	305,972	(3,325,551)			(565,999)	
30	Deferred Income Taxes							
31	Total Operating Expense	\$ (1,137,979)	\$ (568,233)	\$ 6,176,024	\$ 4,659,619	\$ (9,109,591)	\$ 1,051,142	\$ 2,377,216
32								
33	Net Operating Income:	\$ 1,137,979	\$ 568,233	\$ (6,176,024)	\$ (4,659,619)	\$ 9,109,591	\$ (1,051,142)	\$ (2,377,216)
34								
35	Rate Base:							
36	Gross Utility Plant In Service	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 70,121,452	\$ 41,692,061
37	Accum. Depreciation and Amortization				(116,363,511)	4,554,795	(27,953,023)	(14,592,226)
38	Deferred Debits							
39	Deferred Taxes							
40	Allowance for Working Capital							
41	Other							
42	Total Rate Base	\$ -	\$ -	\$ -	\$ (116,363,511)	\$ 4,554,795	\$ 41,512,954	\$ 27,099,835

Puget Sound Energy - Electric
 Pro Forma Results of Operations
 For the Twelve Months Ended December 31, 2008

Line No.	Description	Adjustment Detail (Page 6)							Adjusted Results of Operations (ar=a+aq)
		Fleet Vehicles Adj. 10.35 (al)	Net Interest Paid to IRS Adj. 10.36 (am)	Production Adjustment Adj. 10.37 (an)	Wild Horse Deferred Costs Adj. 10.38 (ao)	Wild Horse Solar Adj. 10.39 (ap)	Total Adjustments (aq=b-ap)		
1	Operating Revenues:								
2	Sales to Customers	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,012,468,965	
3	Sales from Resale-Firm						(20,041)	349,279	
4	Sales to Other Utilities						(152,409,715)	20,933,256	
5	Other Operating Revenues						(15,220,999)	40,211,487	
6	Total Operating Revenues	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (144,127,434)	\$ 2,073,962,986	
7									
8	Operating Expenses:								
9	Power Costs:								
10	Fuel Stock	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 255,650,988	
11	Purchased and Interchanged						(258,716,655)	661,629,896	
12	Wheeling						10,068,232	80,781,578	
13	Residential Exchange						40,663,861	-	
14	Total Production Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (164,666,249)	\$ 998,062,463	
15									
16	Other Power Supply Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 96,672,350	
17	Transmission Expense						(69,502)	9,164,622	
18	Distribution Expense						(708,152)	76,068,179	
19	Customer Accounts Expense						(996,314)	42,149,011	
20	Customer Service Expense						(7,808,069)	2,211,424	
21	Conservation Amortization						(53,979,048)	1,062	
22	Administrative & General Expense	(2,761,859)				(3,218)	4,317,815	93,736,511	
23	Depreciation	804,616				(171,846)	1,580,524	174,887,564	
24	Amortization						10,976,138	44,988,437	
25	Amortization Property Gain/Loss						11,378,140	17,871,549	
26	Other Operating Expense				2,806,573		5,032,466	4,548,780	
27	FAS 133						-	7,537,999	
28	Taxes Other than Income Taxes					(12,782)	(74,945,917)	113,870,451	
29	Income Taxes	685,035			(982,300)	65,746	41,111,038	45,740,520	
30	Deferred Income Taxes						24,613,057	54,936,209	
31	Total Operating Expense	\$ (1,272,207)	\$ -	\$ -	\$ 1,824,273	\$ (122,100)	\$ (210,311,521)	\$ 1,782,447,131	
32									
33	Net Operating Income:	\$ 1,272,207	\$ -	\$ -	\$ (1,824,273)	\$ 122,100	\$ 66,184,087	\$ 291,515,855	
34									
35	Rate Base:								
36	Gross Utility Plant In Service	\$ 8,777,632	\$ -	\$ -	\$ -	\$ (4,307,805)	\$ 539,694,149	\$ 6,723,268,137	
37	Accum. Depreciation and Amortization	(603,462)				200,508	(230,644,094)	(2,764,414,289)	
38	Deferred Debits		(2,633,392)		4,373,699		43,432,368	330,182,140	
39	Deferred Taxes	(726,142)	(897,536)		(1,530,795)	443,609	(47,380,550)	(562,576,966)	
40	Allowance for Working Capital						-	132,602,669	
41	Other						-	(89,746,678)	
42	Total Rate Base	\$ 7,448,028	\$ (3,530,928)	\$ -	\$ 2,842,905	\$ (3,663,687)	\$ 305,101,873	\$ 3,769,315,014	

**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)	(78,672)
5	Feb-08	2,107,909	2,120,848	12,939	12,939
6	Mar-08	2,170,180	2,091,248	(78,932)	(78,932)
7	Apr-08	1,958,626	1,886,833	(71,793)	(71,793)
8	May-08	1,766,162	1,766,439	277	277
9	Jun-08	1,675,454	1,675,928	474	474
10	Jul-08	1,672,937	1,682,789	9,851	9,851
11	Aug-08	1,721,324	1,713,215	(8,110)	(8,110)
12	Sep-08	1,662,996	1,666,514	3,518	3,518
13	Oct-08	1,892,478	1,882,587	(9,891)	(9,891)
14	Nov-08	1,952,479	2,053,028	100,549	100,549
15	Dec-08	2,521,637	2,426,079	(95,558)	(95,558)
16		23,571,872	23,356,525	(215,347)	(215,348)
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>

**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	-
14	PROFORMA ADJUSTMENTS SALES TO CUSTOMERS	<u>(412,534)</u>
15		
16	TOTAL INCREASE (DECREASE) SALES TO CUSTOMERS	\$ 139,034,099
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	139,456,731
30		
31	UNCOLLECTIBLES @ 0.0036220 \$	505,112
32	ANNUAL FILING FEE @ 0.0020000	<u>278,913</u>
33	INCREASE (DECREASE) EXPENSES	784,026
34		
35	STATE UTILITY TAX @ 0.0385900 \$	5,381,635
36	REMOVE MUNICIPAL TAX EXPENSED	
37	INCREASE (DECREASE) TAXES OTHER	<u>5,381,635</u>
38		
39	INCREASE (DECREASE) INCOME	133,291,070
40		
41	INCREASE (DECREASE) FIT @ 35%	<u>46,651,875</u>
42	INCREASE (DECREASE) NOI	<u>\$ 86,639,195</u>

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

LINE NO.	DESCRIPTION	ACTUAL	PRO FORMA	INCREASE (DECREASE)
1	SALES FOR RESALE	\$ 173,342,971	\$ 20,933,256	\$ (152,409,715)
2				
3	<i>PURCHASES/SALES OF NON-CORE GAS</i>	15,804,883	<i>284,982</i>	<i>(15,519,902)</i>
4	WHEELING FOR OTHERS	11,562,467	10,386,710	(1,175,757)
5		<u>27,367,351</u>	<u>10,671,692</u>	<u>(16,695,659)</u>
6				
7	TOTAL OPERATING REVENUES	<u>200,710,322</u>	<u>31,604,947</u>	<u>(169,105,374)</u>
8				
9	<i>FUEL</i>	\$ 212,821,384	\$ 202,466,025	\$ (10,355,359)
10				
11	<i>PURCHASED AND INTERCHANGED</i>	888,547,931	<i>624,565,864</i>	<i>(263,982,067)</i>
12	HEDGING		305,917	305,917
13	RATE DISALLOWANCES FOR MARCH POINT 2 AND TENASKA	-	(5,105,510)	(5,105,510)
14	SUBTOTAL PURCHASED AND INTERCHANGED	\$ 888,547,931	\$ 619,766,271	\$ (268,781,659)
15	WHEELING	68,962,375	\$ 74,402,075	5,439,700
16				-
17	TOTAL PRODUCTION EXPENSES	\$ 1,170,331,690	\$ 896,634,371	\$ (273,697,318)
18	<i>HYDRO AND OTHER POWER</i>	92,332,638	<i>90,026,915</i>	<i>(2,305,723)</i>
19	TRANS. EXP. INCL. 500KV O&M	1,497,266	1,497,266	-
20				
21	TOTAL OPERATING EXPENSES	\$ 1,264,161,593	\$ 988,158,552	(276,003,042)
22				
23	INCREASE (DECREASE) OPERATING INCOME (LINE 7 - LINE 21)	<u>\$ (1,063,451,272)</u>	<u>\$ (956,553,605)</u>	<u>\$ 106,897,667</u>
24				
25	REDUCTION TO STATE UTILITY TAX SAVINGS FOR LINE 4	3.873%		(45,537)
26	INCREASE (DECREASE) INCOME			\$ 106,943,204
27	INCREASE (DECREASE) FIT @	35%		37,430,121
28	INCREASE (DECREASE) NOI			<u>\$ 69,513,083</u>

This adjustment is updated to include an increase to the Grant PUD contract cost of \$3.5 million, provided on rebuttal by the Company, included Fuel and Purchased and Interchanged Line items, the rate year fixed Baker License Expense of \$1.8 million, included in the Hydro and Other line item and a correcting adjustment from a rounded amount to actual for the Purchases/Sales of Non-Core Gas line item.

**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%	<u>7,601,781</u>
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	<u>-</u>
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.	<u>-</u>
16	TOTAL CHARGED TO EXPENSE	\$ 34,952,634
17		
18	INCREASE(DECREASE) FIT	2,972,299
19	INCREASE(DECREASE) DEFERRED FIT	<u>16,336,276</u>
20	INCREASE(DECREASE) NOI	<u>\$ (19,308,574)</u>

This adjustment is updated to reflect the Public Counsel Tax adjustments accepted by the Company related to Section 162(m) limitations and the tax treatment of the reserve for injuries and damages. (MRM-4T Page 20-21)

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

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	\$ 3,769,315,014
2		
3	NET RATE BASE	\$ 3,769,315,014
4		
5	WEIGHTED COST OF DEBT	3.41%
6	PROFORMA INTEREST	\$ 128,533,642
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	(61,479)
17	CHARGED TO EXPENSE IN TEST YEAR	129,505,097
18		
19	INCREASE (DECREASE) INCOME	\$ 971,455
20		
21	INCREASE (DECREASE) FIT @	35% 340,009
22	INCREASE (DECREASE) NOI	\$ (340,009)

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

LINE NO.	DESCRIPTION	TEST YEAR	PRO FORMA	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>\$ 4,589,726</u>	<u>\$ 8,664,994</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	-	-	-
12	TOTAL OPERATING EXPENSES	<u>\$ 204,877</u>	<u>\$ 520,215</u>	<u>\$ 315,338</u>
13				
14	INCREASE (DECREASE) OPERATING EXPENSE			315,338
15				
16	INCOME TAX	(669,339)	(777,820)	(108,481)
17	DEFERRED INCOME TAX	597,633	595,745	(1,887)
18	INCREASE (DECREASE) NOI	<u>\$ (133,170)</u>	<u>\$ (338,140)</u>	<u>\$ (204,970)</u>
19				
20				
21				
22	TAX CALCULATION			
23	Operating Revenue	\$ (204,877)	\$ (520,215)	\$ (315,338)
24	Other Deductions			
25	Interest (AFUDC)			
26	Interest			
27	Schedule "M" additions			
28	Schedule "M" deductions	<u>\$ 1,707,522</u>	<u>\$ 1,702,129</u>	<u>\$ (5,393)</u>
29				
30	Income Before Tax	(1,912,398)	(2,222,344)	(309,946)
31	Adjustments to FIT			
32	Federal Income Tax	<u>\$ (669,339)</u>	<u>\$ (777,820)</u>	<u>\$ (108,481)</u>
33	Tax Rate	<u>0.35</u>	<u>0.35</u>	<u>0.35</u>

**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	PRO FORMA	ADJUSTMENT
1	<u>WILD HORSE EXPANSION RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 1,345,461	\$ 90,388,143	\$ 89,042,682
4	ACCUM DEPRECIATION	-	(3,395,185)	(3,395,185)
5	<i>DEFERRED INCOME TAX LIABILITY</i>	-	(20,592,067)	(20,592,067)
6	<u>NET WH EXPANSION PLANT RATEBASE</u>	<u>\$ 1,345,461</u>	<u>\$ 66,400,891</u>	<u>\$ 65,055,430</u>
7				
8	<u>WILD HORSE EXPANSION OPERATING EXPENSE</u>			
9	DEPRECIATION EXPENSE	\$ -	\$ 3,795,860	\$ 3,795,860
10				
11	<u>POWER COST & PRODUCTION O&M RELATED TO WILD HORSE EXPANSION</u>			
12	WHEELING	\$ -	\$ 23,006	\$ 23,006
13	PRODUCTION O&M	-	1,242,216	1,242,216
14	PROPERTY INSURANCE	-	-	-
15	PROPERTY TAXES	-	-	-
16	TOTAL POWER COST AND PROD O&M	-	1,265,222	1,265,222
17				
18	INCREASE (DECREASE) EXPENSE	-	5,061,082	5,061,082
19				
20	INCOME TAX	-	(4,856,605)	(4,856,605)
21	DEFERRED INCOME TAX	-	3,085,226	3,085,226
22	INCREASE (DECREASE) NOI		<u>\$ (3,289,703)</u>	<u>\$ (3,289,703)</u>
23				
24	TAX CALCULATION			
25				
26				
27	Operating Revenue	\$ -	\$ (5,061,082)	\$ (5,061,082)
28	Other Deductions			
29	Interest (AFUDC)			
30	Interest			
31	Schedule "M" additions			
32	Schedule "M" deductions	\$ -	\$ 8,814,931	\$ 8,814,931
33				
34	Income Before Tax	-	(13,876,013)	(13,876,013)
35	Adjustments to FIT			
36	Federal Income Tax	\$ -	\$ (4,856,605)	\$ (4,856,605)
37				
38				
39				
40	Tax Rate	0.35	0.35	0.35

This adjustment has been updated to include \$1.3 million of land already in the test year, and a decrease in accumulated depreciation and accumulated deferred income tax, recognizing an in-service date of November 9, 2009 instead of November 1, 2009.

**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	PRO FORMA	ADJUSTMENT
1	<u>MINT FARM RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 4,014,348	\$ 96,597,105	\$ 92,582,757
4	ACCUM DEPRECIATION	(201,277)	(9,468,685)	(9,267,408)
5	ACQUISITION ADJUSTMENT	6,287,526	155,175,893	148,888,367
6	ACCUMULATED AMORTIZATION ON ACQ ADJ	(15,410)	(8,290,000)	(8,274,590)
7	DEFERRED FIT	(24,401)	(6,374,082)	(6,349,681)
8	TOTAL ACQUISITION ADJUSTMENT RATEBASE	<u>\$ 10,060,786</u>	<u>\$ 227,640,232</u>	<u>\$ 217,579,446</u>
9				
10	<u>TOTAL RATEBASE</u>	<u>\$ 10,060,786</u>	<u>\$ 227,640,232</u>	<u>\$ 217,579,446</u>
11				
12	<u>MINT FARM OPERATING EXPENSE</u>			
13	DEPRECIATION EXPENSE	\$ -	\$ 2,671,536	\$ 2,671,536
14	AMORTIZATION EXPENSE	-	4,566,401	4,566,401
15	PROPERTY INSURANCE	-	370,180	370,180
16	PROPERTY TAXES	-	-	-
17	INCREASE (DECREASE) EXPENSE	<u>\$ -</u>	<u>\$ 7,608,117</u>	<u>\$ 7,608,117</u>
18				
19	<u>POWER COST ASSOCIATED WITH MINT FARM</u>			
20	NATURAL GAS FUEL	\$ -	\$ 53,577,114	\$ 53,577,114
21	WHEELING	-	5,278,114	5,278,114
22	INCREASE (DECREASE) POWER COST	<u>-</u>	<u>58,855,228</u>	<u>58,855,228</u>
23				
24	PRODUCTION O&M	<u>\$ -</u>	<u>\$ 4,934,400</u>	<u>\$ 4,934,400</u>
25				
26	INCREASE (DECREASE) EXPENSE	-	71,397,745	71,397,745
27				
28	INCOME TAX	-	(28,261,165)	(28,261,165)
29	DEFERRED INCOME TAX	-	3,271,954	3,271,954
30	INCREASE (DECREASE) NOI	<u>\$ -</u>	<u>\$ (46,408,534)</u>	<u>\$ (46,408,534)</u>
31				
32	TAX CALCULATION			
33				
34				
35	Operating Revenue	\$ -	\$ (71,397,745)	\$ (71,397,745)
36	Other Deductions			
37	Interest (AFUDC)			
38	Interest			
39	Schedule "M" additions			-
40	Schedule "M" deductions	<u>\$ -</u>	<u>\$ 9,348,439</u>	<u>\$ 9,348,439</u>
41				
42	Income Before Tax	-	(80,746,184)	(80,746,184)
43	Adjustments to FIT			
44	Federal Income Tax	<u>\$ -</u>	<u>\$ (28,261,165)</u>	<u>\$ (28,261,165)</u>
45				
46				
47				
48	Tax Rate	0.35	0.35	0.35

This adjustment was corrected to include an additional \$10,000 in Plant Investment.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.09 SUMAS
FOR THE TWELVE MONTH 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	\$ 643,626	\$ 1,500,756	857,130
9	PROPERTY INSURANCE	65,335	122,371	57,036
10	PROPERTY TAXES	-	-	-
11	TOTAL OPERATING EXPENSES	<u>\$ 708,961</u>	<u>\$ 1,623,127</u>	<u>\$ 914,166</u>
12				
13	INCREASE (DECREASE) OPERATING EXPENSE	708,961	1,623,127	914,166
14				
15	INCOME TAX	(337,840)	(578,556)	(240,716)
16	DEFERRED INCOME TAX	89,704	10,461	(79,243)
17	INCREASE (DECREASE) NOI	<u>\$ (460,825)</u>	<u>\$ (1,055,032)</u>	<u>\$ (594,207)</u>
18				
19	TAX CALCULATION			
20	Per Company			
21				
22	Operating Revenue	\$ (708,961)	\$ (1,623,127)	\$ (914,166)
23	Other Deductions			
24	Interest (AFUDC)			
25	Interest			
26	Schedule "M" additions			-
27	Schedule "M" deductions	256,297	29,889	<u>\$ (226,408)</u>
28				
29	Income Before Tax	(965,258)	(1,653,016)	(687,758)
30	Adjustments to FIT			
31	Federal Income Tax	<u>\$ (337,840)</u>	<u>\$ (578,556)</u>	<u>\$ (240,716)</u>
32				
33				
34				
35	Tax Rate	0.35	0.35	0.35

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

LINE NO.	DESCRIPTION	TEST YEAR	PRO FORMA	ADJUSTMENT
1	<u>RATEBASE</u>			
2	UTILITY PLANT BALANCE	\$ -	\$ 28,235,000	\$ 28,235,000
3	ACCUMULATED DEPRECIATION	-	(23,607,400)	(23,607,400)
4	ACQUISITION ADJUSTMENT	-	16,950,333	\$ 16,950,333
5	ACCUMULATED AMORTIZATION ON ACQ ADJ	-	(3,795,797)	(3,795,797)
6	DEFERRED FIT	(1,153,839)	(982,151)	171,688
7	<u>TOTAL RATEBASE</u>	<u>\$ (1,153,839)</u>	<u>\$ 16,799,985</u>	<u>\$ 17,953,824</u>
8				
9	<u>OPERATING EXPENSES</u>			
10	LEASE PAYMENTS			
11	DEPRECIATION EXPENSE	\$ -	\$ 804,698	\$ 804,698
12	AMORTIZATION EXPENSE	-	2,282,922	2,282,922
13	PROPERTY INSURANCE	41,405	69,242	27,837
14	PROPERTY TAXES	-	-	-
15	<u>TOTAL O&M</u>	<u>\$ 41,405</u>	<u>\$ 3,156,861</u>	<u>\$ 3,115,456</u>
16				
17	INCREASE (DECREASE) EXPENSE	41,405	3,156,861	3,115,456
18				
19	INCOME TAX	35% (670,066)	(587,651)	82,415
20	DEFERRED INCOME TAX	655,574	(517,251)	(1,172,825)
21	<u>INCREASE (DECREASE) NOI</u>	<u>\$ (26,913)</u>	<u>\$ (2,051,959)</u>	<u>\$ (2,025,046)</u>
22				
23	TAX CALCULATION			
24	Per Company			
25				
26	Operating Revenue	\$ (41,405)	\$ (3,156,861)	\$ (3,115,456)
27	Other Deductions			
28	Interest (AFUDC)			
29	Interest			
30	Schedule "M" additions			-
31	<u>Schedule "M" deductions</u>	<u>\$ 1,873,070</u>	<u>\$ (1,477,859)</u>	<u>\$ (3,350,928)</u>
32				
33	Income Before Tax	(1,914,475)	(1,679,002)	235,472
34	Adjustments to FIT			
35	<u>Federal Income Tax</u>	<u>\$ (670,066)</u>	<u>\$ (587,651)</u>	<u>\$ 82,415</u>
36				
37	Tax Rate	0.35	0.35	0.35

**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	BAKER HYDRO RELICENSING OPERATING EXPENSE			
2	AMORTIZATION EXPENSE	\$ 125,846	\$ 784,200	\$ 658,354
3	AMORTIZATION OF PREPAYMENT FOR			
4	FEDERAL LAND USE	230,670	888,606	\$ 657,936
5	TOTAL OPERATING EXPENSES	<u>356,516</u>	<u>1,672,806</u>	<u>1,316,290</u>
6				
7	INCREASE (DECREASE) EXPENSE	<u>356,516</u>	<u>1,672,806</u>	<u>1,316,290</u>
8				
9	<i>INCOME TAX</i>	<i>(232,536)</i>	<i>(1,228,494)</i>	<i>\$ (995,958)</i>
10	<i>DEFERRED INCOME TAX</i>	<i>107,755</i>	<i>643,012</i>	<i>\$ 535,257</i>
11	<i>INCREASE (DECREASE) NOI</i>	<u><i>\$ (231,735)</i></u>	<u><i>\$ (1,087,324)</i></u>	<u><i>\$ (855,589)</i></u>
12				
13	BAKER HYDRO RELICENSING RATEBASE			
14	PLANT BALANCE	\$ 4,867,210	\$ 39,320,407	\$ 34,453,197
15	ACCUM AMORTIZATION	<i>(6,745)</i>	<i>(1,613,324)</i>	<i>\$ (1,606,579)</i>
16	<i>Accumulated Deferred Income Tax</i>	<i>(10,242)</i>	<i>(1,072,650)</i>	<i>\$ (1,062,408)</i>
17				
18	<i>NET BAKER HYDRO RELIC RATEBASE</i>	<u><i>\$ 4,850,222</i></u>	<u><i>\$ 36,634,433</i></u>	<u><i>\$ 31,784,211</i></u>
19				
20	TAX CALCULATION			
21	Per Company			
22				
23	Operating Revenue	\$ (356,516)	\$ (1,672,806)	\$ (1,316,290)
24	Other Deductions			
25	Interest (AFUDC)			
26	Interest			
27	Schedule "M" additions			
28	<i>Schedule "M" deductions</i>	<u><i>307,872</i></u>	<u><i>1,837,176</i></u>	<u><i>1,529,304</i></u>
29				
30	<i>Income Before Tax</i>	<u><i>(664,388)</i></u>	<u><i>(3,509,982)</i></u>	<u><i>(2,845,594)</i></u>
31	<i>Adjustments to FIT</i>			
32	<i>Federal Income Tax</i>	<u><i>\$ (232,536)</i></u>	<u><i>\$ (1,228,494)</i></u>	<u><i>\$ (995,958)</i></u>
33	Tax Rate	0.35	0.35	0.35

This adjustment is updated for a correction of \$167 in accumulated amortization reflecting an April 2010 start date and to follow the Company's IRS calculation for accumulated deferred income tax reflecting a reduction of \$118 thousand.

**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>

**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	DECEMBER				AUGUST	
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						0.3622%
6							
7	Test Period Revenues		\$ 2,218,090,420	\$ 173,342,971	\$ 369,320	\$ 2,044,378,130	
8							
9	PRO FORMA BAD DEBT RATE					0.3622%	
10	PRO FORMA BAD DEBTS					\$ 7,404,738	
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						\$ 1,021,353

**PUGET SOUND ENERGY
ADJUSTMENT 10.14 MISCELLANEOUS EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE CASE**

LINE

NO. DESCRIPTION	Test Year	Company Adjustment	Staff Adjustment	Staff Proposed
1 OPERATING REVENUES				
2 Other Operating Revenues				
3 Amortization of Summit Buyout Purchase Option	169,628	1,017,765	1,017,765	848,138
4 Increase (Decrease) in Revenue	169,628	1,017,765	1,017,765	848,138
5				
6				
7 OPERATING EXPENSES				
8 Amort of Deferred Taxes of Indirect Overheads				
9 Regulatory Asset (WUTC DOC # UE-051527)	2,048,627	-	0	(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	484,913	237,009
13 Cost of Planned Transmission Vegetation Management Wire Zone.	2,987,000	2,300,000	2,300,000	(687,000)
14 Increase in Service Contract O&M Baseline Charges, Transmission	783,838	807,353	807,353	23,515
15 Increase in Service Contract O&M Baseline Charges, Distribution	27,737,607	28,612,146	28,612,146	874,539
16 Company Store- Net Purchase/Sales of Merchandise in A&G	(2,376)	-	0	2,376
17 Summit Building Contractual Rent 4th Floor-New	193,718	506,302	506,302	312,584
18 Summit Building Contractual Rent Increases	1,622,420	2,252,355	2,252,355	629,936
19 Airport Parking	13,138	-	0	(13,138)
20 Athletic Events - Charged Above the Line	13,505	-	0	(13,505)
21 <i>Advertising expenses related to the Merger</i>		1,831	-	(1,831)
22 <i>Increase(Decrease) in Expense</i>	35,645,381	\$ 34,964,901	34,963,069	(684,143)
23				
24 <i>Total Increase(Decrease) in Income</i>				(1,532,280)
25 <i>Increase(Decrease) FIT @ 35%</i>		35%		536,298
26				
27 <i>Increase(Decrease) NOI</i>				995,982

This adjustment adopts the Company's rebuttal presentation.

**PUGET SOUND ENERGY
ADJUSTMENT 10.15 PROPERTY TAX
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE CASE**

DESCRIPTION	WASHINGTON	MONTANA	OREGON	TOTAL
1 RESTATED PROPERTY TAX	\$ 23,637,291	\$ 10,772,393	\$ 682,879	\$ 35,092,563
2 <i>CHARGED TO EXPENSE IN TY</i>	\$ 22,610,386	\$ 10,434,323	\$ 687,927	\$ 33,732,636
3 <i>INCREASE(DECREASE) OPERATING EXPENSE</i>	\$ 1,026,905	\$ 338,070	\$ (5,048)	\$ 1,359,927
4				
5 <i>TOTAL INCREASE(DECREASE) OPERATING EXPENSE (LINE 3)</i>				\$ 1,359,927
6 <i>INCREASE(DECREASE) FIT @</i>			35%	<u>(475,974)</u>
7 <i>INCREASE(DECREASE) NOI</i>				<u>\$ (883,953)</u>

This adjustment reflects the actual 2008 Property Tax payment made in 2009.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.26 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	<u>77,534,151</u>
3	INCREASE (DECREASE) EXCISE TAX	\$ (406,301)
4		
5	RESTATED WUTC FILING FEE	\$ 4,067,207
6	CHARGED TO EXPENSE FOR TEST YEAR	<u>4,067,207</u>
7	INCREASE(DECREASE) WUTC FILING FEE	\$ 0
8		
9	INCREASE(DECREASE) EXPENSE	(406,301)
10		
11	INCREASE(DECREASE) FIT @	35% <u>142,205</u>
12	INCREASE(DECREASE) NOI	<u>\$ 264,096</u>

**PUGET SOUND ENERGY
ADJUSTMENT 10.17 DIRECTOR AND OFFICER INSURANCE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE CASE**

<u>Line No.</u>			<u>Company</u>	<u>Staff</u>
1				
2				
3				
4	Electric 10.17			
5				
6	Test Period D&O Insurance Expense	59.05%	624,952 ¹	624,952
7	Restated D&O Insurance Expense		<u>308,935 ²</u>	<u>154,467 ³</u>
8	Adjustment		(316,017)	(470,485)
9				
10	Income Taxes	35%	<u>110,606</u>	<u>164,670</u>
11				
12	Impact on Net Operating Income		<u>(205,411)</u>	<u>(305,815)</u>
13				
14	Revenue Requirement Impact	0.621262	<u>(330,636)</u>	<u>(492,248)</u>

¹ Exhibit No. JHS-10, Page 10.17

² Exhibit No. AMCL-2

³ Id.

**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)	<u>5,133,198,193</u>
2	TAX RATE	<u>0.00035</u>
3		
4	RESTATED ENERGY TAX	<u>1,796,619</u>
5	CHARGED TO EXPENSE	<u>1,878,891</u>
6	INCREASE (DECREASE) EXPENSE	<u>\$ (82,272)</u>
7		
8	INCREASE (DECREASE) FIT @ 35%	<u>28,795</u>
9	INCREASE (DECREASE) NOI	<u><u>\$ 53,477</u></u>

This adjustment is updated to reflect Colstrip KWH per Exhibit No. JT-1CT.

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.19 INTEREST ON CUSTOMER DEPOSITS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
2009 GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	AMOUNT
1	INTEREST EXPENSE FOR THE RESTATED TEST YEAR	\$ 61,479
2		
3	INCREASE (DECREASE) NOI	<u>\$ (61,479)</u>
4		
5	INCREASE ELECTRIC NET RATE BASE	<u>\$ -</u>
6		

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

LINE NO.		ACTUAL	RESTATE	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>

**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	<u>\$ 1,139,000</u>
4		
5	ANNUAL NORMALIZATION (LINE 3 / 2 YEARS)	569,500
6	LESS TEST YEAR EXPENSE: GRC DIRECT CHARGES TO FERC 928	<u>1,317,497</u>
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	<u>1,674</u>
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% <u>204,810</u>
19	INCREASE(DECREASE) NOI	<u>\$ 380,361</u>
20		

**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	<i>DEFERRED GAIN RECORDED SINCE UE-072300, et al. at 03/31/2010</i>	\$ (6,018,504)
2	<i>DEFERRED LOSS RECORDED SINCE UE-072300, et al. at 03/31/2010</i>	359,182
3	<i>TOTAL DEFERRED NET (GAIN) LOSS TO AMORTIZE</i>	<u>\$ (5,659,321)</u>
4		
5	<i>AMORTIZATION OF DEFERRED NET (GAIN) LOSS FOR RATE YEAR (Line 3/3years)</i>	(1,886,440)
6		
7	AMORTIZATION OF DEFERRED NET (GAIN) LOSS FOR TEST YEAR	<u>(2,266,696)</u>
8		
9	<i>INCREASE (DECREASE) EXPENSE (Line 5 - Line 7)</i>	\$ 380,255
10		
11	<i>INCREASE (DECREASE) FIT @ 35%</i>	<u>(133,089)</u>
12		
13	<i>INCREASE (DECREASE) NOI</i>	<u><u>\$ (247,166)</u></u>

This adjustment has been updated to include additional sales provided by the Company on rebuttal.

**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	\$ 2,521,391	\$ 3,719,356	\$ 1,197,965
4				
5	INCREASE (DECREASE) OPERATING EXPENSE			1,197,965
6				
7	INCREASE (DECREASE) FIT @	35%		(419,288)
8	INCREASE (DECREASE) NOI			<u>\$ (778,678)</u>

**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	\$ 1,614,306	\$ 5,832,581	\$ 4,218,275
4				
5	INCREASE(DECREASE) OPERATING EXPENSE			4,218,275
6				
7	INCREASE (DECREASE) FIT @	35%		(1,476,396)
8	INCREASE (DECREASE) NOI			<u>\$ (2,741,878)</u>

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.25 WAGE INCREASE
FOR THE TWELVE MONTHS ENDED DECEMBER 30, 2008
2009 GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1	WAGES:			
2	PURCHASED POWER	\$ 3,120,093	\$ 3,222,432	\$ 102,339
3	OTHER POWER SUPPLY	13,571,238	14,338,727	767,489
4	TRANSMISSION	11,343,900	12,052,688	708,788
5	DISTRIBUTION	11,993,826	12,684,917	691,091
6	CUSTOMER ACCTS	10,174,505	10,823,077	648,572
7	CUSTOMER SERVICE	1,279,692	1,334,171	54,479
8	SALES	329,849	340,650	10,801
9	ADMIN. & GENERAL	20,978,180	21,628,250	650,070
10	TOTAL WAGE INCREASE	72,791,283	76,424,912	3,633,629
11				
12	PAYROLL TAXES	\$ 6,333,220	\$ 6,573,407	240,187
13	TOTAL WAGES & TAXES	\$ 79,124,503	\$ 82,998,319	\$ 3,873,816
14				
15	INCREASE (DECREASE) OPERATING EXPENSE			\$ 3,873,816
16	INCREASE (DECREASE) FIT @ 35%			(1,355,836)
17	INCREASE (DECREASE) NOI			<u>\$ (2,517,980)</u>

This adjustment is updated to include the January 1, 2010 IBEW contractual wage increase.

**PUGET SOUND ENERGY-GAS
ADJUSTMENT 10.26 INVESTMENT PLAN
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
2009 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	3.28%	<u>140,506</u>
4	TOTAL COMPANY CONTRIBUTION FOR MANAGEMENT		4,424,213
5			
6	NON-UNION (EXECUTIVES)		
7	INVESTMENT PLAN APPLICABLE TO IBEW	\$	114,889
8	RATE YEAR IBEW WAGE INCREASE	0.00%	<u>0</u>
9	TOTAL COMPANY CONTRIBUTION FOR IBEW		114,889
10			
11	IBEW		
12	INVESTMENT PLAN APPLICABLE TO IBEW	\$	1,108,036
13	RATE YEAR IBEW WAGE INCREASE	7.21%	<u>79,889</u>
14	TOTAL COMPANY CONTRIBUTION FOR IBEW		1,187,926
15			
16	UA		
17	INVESTMENT PLAN APPLICABLE TO UA	\$	849,857
18	RATE YEAR UA WAGE INCREASE	5.32%	<u>45,212</u>
19	TOTAL COMPANY CONTRIBUTION FOR UA		<u>895,070</u>
20			
21	TOTAL		
22	TOTAL PROFORMA COSTS (LN 4 + LN 9 + LN 14 + LN 19)		6,622,097
23	PRO FORMA COSTS APPLICABLE TO OPERATIONS	59.40%	3,933,525
24	CHARGED TO EXPENSE FOR YEAR ENDED 12/31/08		<u>3,775,755</u>
25	INCREASE (DECREASE) EXPENSE		157,771
26			
27	INCREASE (DECREASE) FIT @	35.00%	<u>(55,220)</u>
28	INCREASE (DECREASE) NOI		<u><u>\$ (102,551)</u></u>

This adjustment is updated to include the effects of the January 1, 2010 IBEW contractual wage increase.

**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	\$ 10,156,410
3	UNION EMPLOYEES	9,050,475
4	PRO FORMA INSURANCE COSTS	19,206,885
5		
6	APPLICABLE TO OPERATIONS @ 59.40%	11,408,890
7	CHARGED TO EXPENSE 12 MONTH ENDING DECEMBER 2008	<u>10,217,330</u>
8	INCREASE(DECREASE) OPERATING EXPENSE	1,191,560
9		
10	INCREASE(DECREASE) FIT @ 35%	(417,046)
11		
12	INCREASE(DECREASE) NOI	<u><u>\$ (774,514)</u></u>

**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	\$ 6,800,356	\$ 5,175,834	\$ (1,624,522)
11				
12	PAYROLL TAXES ASSOC WITH MERIT PAY	528,346	402,131	(126,215)
13	INCREASE(DECREASE) EXPENSE	7,328,702	5,577,965	(1,750,737)
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>

**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) EXPENSE	874,205	-	(874,205)
5				
6	INCREASE(DECREASE) INCOME			(874,205)
7				
8	INCREASE (DECREASE) FIT @		35%	305,972
9	INCREASE (DECREASE) NOI			
10				\$ 568,233
11				
12				

**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	Transmission	Distribution	Total
2	ACTUAL O&M:			
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	1,262,725	47,231,604	48,494,329
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)	77,335	9,881,618	9,958,953
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 STOR	17,706,790		
23	2007 STORM DAMAGE	13,794,354		
24	2008 STORM DAMAGE	1,998,779		
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	68,317,669		
31	TOTAL	68,317,669		
32	ANNUAL AMORTIZATION (LINE 31, 103 (# OF MONTHS REMAINING) X	7,959,340		
33	TOTAL RATE YEAR AMORTIZATION		16,334,321	
34	LESS CATASTROPHIC STORM AMORT AS (12/31/08)		4,956,181	
35				
36	INCREASE (DECREASE) OPERATING EXPENSE (LINE 26+LINE 32 - LINE	7,959,340		11,378,140
37				
38	TOTAL INCREASE (DECREASE) OPERATING EXPENSE (LINE 16 + LINE 36)			9,501,575
39				
40	INCREASE (DECREASE) FIT @ 35% (LINE 38 X 35%)			(3,325,551)
41				
42	INCREASE (DECREASE) NOI			\$ (6,176,024)

**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 DFIT</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	-	(27,074,057)	(27,074,057)
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 Account 186	-	2,083,590	2,083,590
13	WESTCOAST PIPELINE CAPACITY - UE-082013	(713,271)	(2,060,421)	(1,347,150)
14	OVER RECOVERY OF MAJOR MAINTENANCE			-
15	TOTAL REGULATORY ASSETS	<u>\$ 207,151,187</u>	<u>\$ 90,787,676</u>	<u>\$ (116,363,511)</u>
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	-
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		(10,487,160)
29	WESTCOAST PIPELINE CAPACITY - UE-082013	-	(392,150)	(392,150)
30	AMORTIZATION OF OVER-RECOVERY OF MAJOR MAINTENANCE			-
31	TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>22,266,437</u>	<u>15,920,852</u>	<u>(6,345,586)</u>
32				
33	TENASKA FLOW THRU	23,470,000	32,254,250	8,784,250
34				
35	TOTAL REGULATORY AMORT (LINE 29 + LINE 31)			<u>2,438,664</u>
36				
37	INCREASE (DECREASE) FIT ON LINE 29		35%	<u>2,220,955</u>
38				
39	INCREASE (DECREASE) NOI (LINE 33 + LINE 35)			<u>\$ (4,659,619)</u>

This adjustment reflects a change in proceeds from the sale of White River Assets to include the federal income tax impact as presented by Public Counsel in re-filed Exhibit No. JRD-2 per BR#1 Revised 1/18/10, Page 40 of 56.

**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 STMNT 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>

**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	PRO FORMA	ADJUSTMENT
1	<u>RATEBASE</u>			
2	UTILITY PLANT BALANCE	\$ -	\$ 70,121,452	\$ 70,121,452
3	ACCUMULATED DEPRECIATION	-	(27,953,023)	(27,953,023)
4	DEFERRED FIT	(5,482,292)	(6,137,767)	(655,475)
5	<u>TOTAL RATEBASE</u>	<u>\$ (5,482,292)</u>	<u>\$ 36,030,662</u>	<u>\$ 41,512,954</u>
6				
7				
8	<u>OPERATING EXPENSES</u>			
9	LEASE PAYMENT		\$ 1,617,141	\$ -
10	DEPRECIATION EXPENSE		1,617,141	1,617,141
11	PROPERTY INSURANCE			-
12	PROPERTY TAXES			-
13	INCREASE (DECREASE) EXPENSE	\$ -	\$ 1,617,141	\$ 1,617,141
14				
15	INCREASE (DECREASE) EXPENSE	-	1,617,141	1,617,141
16				
17	INCREASE (DECREASE) FIT @	35%	(565,999)	(565,999)
18	INCREASE (DECREASE) NOI	\$ -	\$ (1,051,142)	\$ (1,051,142)

Staff has adopted PSE's rebuttal calculation of the purchase of the Fredonia Power Plant. The sale took place January 13, 2010. Staff is satisfied that the presentation by PSE in their rebuttal filing reasonably reflects the rate base and depreciation expense without any material discrepancy. Staff has excluded Property Insurance and Property Taxes since they are already included in Adjustments 10.23 and 10.15, respectively.

**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	PRO FORMA	ADJUSTMENT
1				
2	AMORTIZATION OF FIXED COST DEFERRAL	\$ -	\$ 2,880,319	\$ 2,880,319
3	DEFERRAL OF MINT FARM FIXED COSTS	\$ (776,937)	\$ -	776,937
4	AMORTIZATION OF FIXED COST DEFERRAL	(776,937)	2,880,319	3,657,256
5				
6	INCREASE (DECREASE) OPERATING EXPENSES			3,657,256
7				
8	INCREASE(DECREASE) FIT @		35%	(1,280,040)
9				
10	INCREASE(DECREASE) NOI			\$ (2,377,216)
11				
12	RATE BASE			
13	MINT FARM AMA GROSS - DEF & INT.	\$ 110,252	\$ 43,240,301	\$ 43,130,049
14	MINT FARM AMA ACCUMULATED AMORTIZATION	-	(1,437,988)	(1,437,988)
15	MINT FARM AMA ACCUMULATED DEFERRED FIT	(38,583)	(14,630,809)	(14,592,226)
16	TOTAL MINT FARM RATE BASE	71,668	27,171,503	27,099,835

This adjustment is updated based on Exhibit No. JHS 33, PSE response to Staff DR 264 (b), which includes a 15-year amortization period and excludes carrying costs. Staff has further modified this adjustment to include actual data through November 2009 and actual deferred variable costs, as shown in Exhibit No. JHS-27C, Account 18600361. All estimated input data included in this adjustment is subject to true-up.

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

LINE NO.	DESCRIPTION	ACTUAL	PRO FORMA	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				

**PUGET SOUND ENERGY-ELECTRIC
ADJUSTMENT 10.36 NET INTEREST PAID TO IRS ON SSCM
FOR TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>DEFERRED SSCM NET INTEREST PAID TO IRS</u>			
2	GROSS DEFERRED BALANCE	\$ 2,633,392	\$ -	\$ (2,633,392)
3	ACCUM AMORTIZATION		-	-
4	DEFERRED FEDERAL INCOME TAX	897,536	-	(897,536)
5	NET DEFERRED INTEREST ADDITION TO RATEBASE	<u>\$ 3,530,928</u>	<u>\$ -</u>	<u>\$ (3,530,928)</u>
6				
7	<u>AMORTIZATION OF DEFERRED SSCM NET INTEREST PAID TO IRS</u>			
8	AMORTIZATION EXPENSE		-	-
9	TOTAL OPERATING EXPENSES	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
10				
11	INCREASE (DECREASE) EXPENSE			\$ -
12				
13	INCREASE (DECREASE) FIT @		35%	-
14	INCREASE (DECREASE) NOI			<u><u>\$ -</u></u>

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

LINE NO.	DESCRIPTION	PRO FORMA AND RESTATED	PRODUCTION	FIT 35%
1	<u>Q&M ON PRODUCTION PROPERTY</u>			
2	PRODUCTION WAGE INCREASE AND INCENTIVE:			
3	PURCHASED POWER			
4	OTHER POWER SUPPLY			
5	TOTAL PRODUCTION WAGE INCREASE			
6				
7	ADMIN & GENERAL EXPENSES			
8	PAYROLL OVERHEADS			
9	PROPERTY INSURANCE			
10	TOTAL ADMIN & GENERAL EXPENSES			
11				
12	DEPRECIATION / AMORTIZATION:			
13	DEPRECIATION			
14	AMORTIZATION (OTHER THAN REGULATORY ASSETS/LIAB)			
15	TOTAL DEPRECIATION AND AMORTIZATION (FERC 403)			
16				
17	TAXES OTHER-PRODUCTION PROPERTY:			
18	PROPERTY TAXES - WASHINGTON			
19	PROPERTY TAXES - MONTANA			
20	ELECTRIC ENERGY TAX			
21	PAYROLL TAXES			
22	TOTAL TAXES OTHER			
23				
24	<u>WILD HORSE EXPANSION AND MINT FARM</u>			
25	FUEL			
26	PURCHASED POWER			
27	WHEELING			
28	SALES FOR RESALE			
29	PRODUCTION O&M			
30	TOTAL NEW PLANT			
31				
32	<u>Q&M ON REGULATORY ASSETS:</u>			
33	CABOT BUYOUT			
34	TENASKA (AMORT OF AFPC PORTION)			
35	BEP			
36	WHITE RIVER PLANT COSTS			
37	WHITE RIVER RELICENSING & CWIP			
38	CANWEST			
39	HOPKINS RIDGE PREPAID TRANSMISSION			
40	GOLDENDALE FIXED COSTS DEFERRAL			
41	HOPKINS RIDGE MITIGATION CREDIT			
42	COLSTRIP SETTLEMENT - UE-080900			
43	WESTCOAST PIPELINE CAPACITY - UE-082013			
44	MINT FARM DEFERRAL			
45	OVER-RECOVERY MAJOR MAINTENANCE			
46	TOTAL AMORTIZATION OF REG ASSETS/LIABS			
47				
48	TENASKA FLOW THRU			
49	TOTAL REGULATORY AMORT (LINE 46 + LINE 48)			
50				
51				
52	INCREASE(DECREASE) EXPENSE			
53	INCREASE(DECREASE) FIT			
54	INCREASE(DECREASE) NOI			
55				
56	<u>PRODUCTION PROPERTY RATE BASE:</u>			
57	DEPRECIABLE PRODUCTION PROPERTY			
58	LESS PRODUCTION PROPERTY ACCUM DEPR.			
59	NON-DEPRECIABLE PRODUCTION PROPERTY (Baker, Whitehorn)			
60	LESS PRODUCTION PROPERTY ACCUM AMORT. (Baker, Whitehorn)			
61	COLSTRIP COMMON FERC ADJUSTMENT			
62	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.			
63	ENCOGEN AND OTHER ACQUISITION ADJUSTMENTS			
64	ACCUMULATED AMORTIZATION ON ACQUISITION ADJ			
65	NET PRODUCTION PROPERTY			
66	DEDUCT:			
67	LIBR. DEPREC. POST 1980 (AMA)			
68	OTHER DEF. TAXES (AMA)			
69	SUBTOTAL			
70				
71	ADJUSTMENT TO PRODUCTION RATE BASE			
72				
73	<u>REGULATORY ASSETS RATE BASE:</u>			
74	CABOT			
75	TENASKA			
76	BEP			
77	WHITE RIVER PLANT COSTS			
78	WHITE RIVER RELICENSING & CWIP			
79	PROCEEDS FROM THE SALE OF WHITE RIVER			
80	CANWEST			
81	HOPKINS RIDGE PREPAID TRANSMISSION			
82	GOLDENDALE FIXED COSTS DEFERRAL			
83	HOPKINS RIDGE MITIGATION CREDIT			
84	COLSTRIP SETTLEMENT - UE-080900			
85	WESTCOAST PIPELINE CAPACITY - UE-082013			
86	MINT FARM DEFERRAL			
87	OVER RECOVERY MAINTENANCE			
88				
89	ADJUSTMENT TO REGULATORY ASSETS RATE BASE			
90				
91	TOTAL ADJUSTMENT TO RATEBASE (LINE 73 + LINE 91)			

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

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1	OPERATING EXPENSE FIXED COSTS			
2	<i>AMORTIZATION OF FIXED COST DEFERRAL</i>	\$ -	\$ 2,806,573	\$ 2,806,573
3	<i>DEFERRAL OF WH EXPANSION FIXED COSTS</i>	-	-	-
4	<i>TOTAL AMORTIZATION WILD HORSE EXPANSION</i>	-	2,915,800	2,806,573
5				
6	<i>INCREASE (DECREASE) OPERATING EXPENSES</i>			2,806,573
7				
8	<i>INCREASE (DECREASE) FIT</i>	35%		(982,300)
9				
10	<i>INCREASE (DECREASE) NOI</i>			\$ (1,824,273)
11				
12	RATE BASE			
13	<i>WILD HORSE EXPANSION AMA GROSS - DEF</i>	\$ -	\$ 5,624,839	\$ 5,831,599
14	<i>WILD HORSE EXPANSION AMA ACCUMULATED AMORTIZATION</i>	-	(1,397,927)	(1,457,900)
15	<i>WILD HORSE EXPANSION AMA ACCUMULATED DEFERRED FIT</i>	-	(1,479,419)	(1,530,795)
16	<i>TOTAL WILD HORSE EXPANSION RATE BASE</i>	\$ -	\$ 2,842,905	\$ 2,842,905

This adjustment is updated based on Exhibit No. JHS-34, PSE's Response to Staff DR 265-b, which is equivalent to PSE's rebuttal filing of this adjustment recalculated to exclude carrying costs and include deferred variable costs, net of market price offset. This adjustment includes actual data through December 2009. All estimated input data included in this adjustment is subject to true-up.

**PUGET SOUND ENERGY
ADJUSTMENT 10.39 WILD HORSE SOLAR REMOVAL
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	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	NET WH SOLAR PLANT RATEBASE	<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	TOTAL POWER COST AND PROD O&M	<u>16,000</u>	-	<u>(16,000)</u>
16				
17	INCREASE (DECREASE) EXPENSE	187,846	-	(187,846)
18				
19	INCREASE (DECREASE) FIT @		35%	<u>65,746</u>
20	INCREASE (DECREASE) NOI			<u>\$ 122,100</u>
21				
22				

This adjustment reflects the Company's calculation of the removal of Wild Horse Solar Plant as presented to the Commission during the hearing for this case. The Company did not request a prudence determination and is, therefore, proposing to remove the plant and related expense. Staff is accepting this adjustment as a reasonable representation of the associated costs. This plant in-service date is October 2007.

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

LINE NO.	DESCRIPTION		
1	RATE BASE	\$	3,769,315,014
2	RATE OF RETURN		7.91%
3			
4	OPERATING INCOME REQUIREMENT		298,152,818
5			
6	PRO FORMA OPERATING INCOME		291,515,855
7	OPERATING INCOME DEFICIENCY		6,636,962
8			
9	CONVERSION FACTOR		0.6212620
10	REVENUE REQUIREMENT DEFICIENCY		10,683,033
11	LARGE FIRM WHOLESAL		220,879
12	SALES FROM RESALE-FIRM		79,160
13	REVENUE REQUIREMENT DEFICIENCY	\$	10,382,994

**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	<i>LONG TERM DEBT</i>	51.05%	6.48%	3.31%
3	PREFERRED	0.00%	0.00%	0.00%
4	EQUITY	45.00%	10.00%	4.50%
5	TOTAL	100.00%		7.91%
6				
7	AFTER TAX SHORT TERM DEBT ((LINE 1)* 65%)	3.95%	1.61%	0.07%
8	<i>AFTER TAX LONG TERM DEBT ((LINE 2)* 65%)</i>	51.05%	4.21%	2.15%
9	PREFERRED	0.00%	0.00%	0.00%
10	EQUITY	45.00%	10.00%	4.50%
11	TOTAL AFTER TAX COST OF CAPITAL	100.00%		6.72%

**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% <u>0.038590</u>
4		
5	SUM OF TAXES OTHER	0.044212
6		
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX (1 - LINE)	0.955788
8	FEDERAL INCOME TAX (LINE 7 * 35%)	35% 0.334526
9	CONVERSION FACTOR INCL FEDERAL INCOME TAX (LINE 7 - LINE 8)	<u>0.621262</u>

Adj. No. (a)	Description (b)	Staff			Company Rebuttal			Difference		
		NOI (f)	Rate Base (g)	Rev Req (h)	NOI (c)	Rate Base (d)	Rev Req (e)	NOI (i)	Rate Base (j)	Rev Req (k)
	Actual Results of Operations	225,331,768	3,464,213,140	78,368,693	225,331,768	3,464,213,140	111,267,628	0	0	(32,898,934)
10.01	Temperature Normalization	(12,235,767)	-	19,695,019	(12,235,767)	-	19,695,019	-	-	-
10.02	Revenues & Expenses	86,639,195	-	(139,456,776)	80,396,404	-	(129,408,211)	6,242,791	-	(10,048,565)
10.03	Power Costs	69,513,083	-	(111,890,125)	50,909,893	-	(81,945,931)	18,603,190	-	(29,944,194)
10.04	Federal Income Tax	(19,308,574)	-	31,079,600	(19,308,574)	-	31,079,599	(0)	-	0
10.05	Tax Benefits of Pro Forma Interest	(340,009)	-	547,288	(971,811)	-	1,564,253	631,802	-	(1,016,965)
10.06	Hopkins Ridge Infill	(204,970)	4,075,268	848,794	(187,340)	4,075,268	859,119	(17,630)	0	(10,324)
10.07	Wild Horse Expansion	(3,289,703)	65,055,430	13,578,148	(4,929,041)	70,953,078	17,641,595	1,639,338	(5,897,648)	(4,063,447)
10.08	Mint Farm	(46,408,534)	217,579,446	102,402,961	(51,374,804)	220,525,801	112,866,226	4,966,270	(2,946,355)	(10,463,265)
10.09	Sumas	(594,207)	8,753,305	2,070,935	(599,546)	7,903,054	2,046,328	5,339	850,251	24,608
10.10	Whitehorn	(2,025,046)	17,953,824	5,545,476	(2,030,514)	17,998,728	5,730,925	5,468	(44,904)	(185,449)
10.11	Baker Hydro Relicence	(855,589)	31,784,211	5,423,992	(998,866)	31,806,607	5,959,527	143,277	(22,396)	(535,535)
10.12	Pass-Through Revenue & Expense	(640,213)	-	1,030,503	(640,213)	-	1,030,504	0	-	(1)
10.13	Bad Debt	1,021,353	-	(1,643,997)	1,021,353	-	(1,643,997)	-	-	(1)
10.14	Miscellaneous Operating Expense	995,952	-	(1,603,160)	995,952	-	(1,603,159)	0	-	(1)
10.15	Property Tax	(883,983)	-	1,422,834	1,390,893	-	(2,238,819)	(2,274,846)	-	3,661,653
10.16	Excise Tax & Filing Fee	264,096	-	(425,096)	264,096	-	(425,096)	(0)	-	0
10.17	D&O Insurance	305,815	-	(492,248)	205,413	-	(330,638)	100,402	-	(161,610)
10.18	Montana Electric Energy Tax	53,477	-	(86,077)	50,981	-	(82,060)	2,496	-	(4,017)
10.19	Interest on Customer Deposits	(61,479)	-	98,958	(61,479)	-	98,958	(0)	-	(0)
10.20	SFAS 133	4,899,699	-	(7,886,688)	4,899,699	-	(7,886,687)	(0)	-	(0)
10.21	Rate Case Expense	380,361	-	(612,240)	380,361	-	(612,239)	0	-	(0)
10.22	Deferred G/L on Property Sales	(247,166)	-	397,845	(247,166)	-	397,845	0	-	(0)
10.23	Property & Liability Insurance	(778,678)	-	1,253,380	(778,678)	-	1,253,381	0	-	(0)
10.24	Pension Plan	(2,741,878)	-	4,413,401	(2,741,878)	-	4,413,400	0	-	(0)
10.25	Wage Increase	(2,517,980)	-	4,053,009	(3,143,028)	-	5,059,102	625,048	-	(1,006,093)
10.26	Investment Plan	(102,551)	-	165,069	(143,722)	-	231,339	41,171	-	(66,270)
10.27	Employee Insurance	(774,514)	-	1,246,679	(935,975)	-	1,506,571	161,461	-	(259,892)
10.28	Incentive Pay	1,137,979	-	(1,831,722)	1,137,979	-	(1,831,722)	-	-	-
10.29	Merger Savings	568,233	-	(914,644)	568,233	-	(914,643)	0	-	(0)
10.30	Storm Damage	(6,176,024)	-	9,941,094	(6,176,024)	-	9,941,094	(0)	-	(0)
10.31	Regulatory Assets & Liabilities	(4,659,619)	(116,363,511)	(7,315,327)	(5,938,530)	(110,617,943)	(5,575,740)	1,278,911	(5,745,568)	(1,739,587)
10.32	Depreciation Study	9,109,591	4,554,795	(14,083,118)	9,109,591	4,554,795	(14,039,863)	(0)	0	(43,255)
10.33	Fredonia Power Plant	(1,051,142)	41,512,954	6,977,437	(1,057,594)	41,512,955	7,382,063	6,452	(1)	(404,626)
10.34	Mint Farm Deferred Cost	(2,377,216)	27,099,835	7,276,822	(4,304,330)	36,061,385	11,862,222	1,927,114	(8,961,550)	(4,585,400)
10.35	Fleet Vehicles	1,272,207	7,448,028	(1,099,485)	1,272,207	7,448,028	(1,028,752)	0	0	(70,733)
10.36	Net Interest Paid to IRS	-	(3,530,928)	(449,563)	(1,471,578)	(1,323,561)	2,187,604	1,471,578	(2,207,367)	(2,637,167)
10.37	Production Adjustment	-	-	-	(1,767,930)	19,056,862	5,453,035	1,767,930	(19,056,862)	(5,453,035)
10.38	Wild Horse Deferred Cost	-	2,842,905	3,298,361	(1,962,382)	2,955,137	3,563,020	138,109	(112,232)	(264,659)
11.38	Wild Horse Solar Removal	(1,824,273)	-	(663,002)	(1,824,273)	-	-	122,100	(3,663,687)	(663,002)
	Total Adjustment	66,184,087	305,101,873	(67,685,661)	28,596,315	352,910,194	2,255,170	37,587,772	(47,808,321)	(69,940,831)
	Adjusted Results of Operations	291,515,855	3,769,315,014	10,683,033	253,928,083	3,817,123,334	113,522,798	37,587,772	(47,808,320)	(102,839,765)