

**EXHIBIT NO. ___(WRG-3)
DOCKET NOS. UE-111048/UG-111049
2011 PSE GENERAL RATE CASE
WITNESS: WAYNE R. GOULD**

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

**Docket No. UE-111048
Docket No. UG-111049**

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED REBUTTAL TESTIMONY OF
WAYNE R. GOULD
ON BEHALF OF PUGET SOUND ENERGY, INC.**

JANUARY 17, 2012

| Ln. | Core O&M | Contract Major Maintenance | Non-Contract Major Maintenance | Other O&M | | | Total Production O&M |
|-----|---|----------------------------|--------------------------------|------------------------|--------------|----------------|----------------------|
| | | | | Discretionary Benefits | JP Storage | Other | |
| 1 | <u>PSE Proposal</u> | | | | | | |
| 2 | \$ 123,811,739 | \$ 1,132,622 | \$ 8,159,198 | \$ 770,484 | 1,130,625.00 | 2,601,706.88 | \$ 137,606,374 |
| 3 | PSE Adjustments (*) | | | | | | |
| 4 | (2,626,645) | | | | | | (2,626,645) |
| 5 | Normalization of Non-Contract MM | | | | | | |
| 6 | | | | | (303,825) | | (303,825) |
| 7 | \$ 121,185,094 | \$ 1,132,622 | \$ 8,159,198 | \$ 770,484 | \$ 826,800 | \$ 2,601,707 | \$ 134,675,904 |
| 8 | | | | | | | |
| 9 | <u>ICNU Proposal</u> | | | | | | |
| 10 | \$ 123,811,739 | \$ 1,132,622 | \$ 8,159,198 | \$ 770,484 | \$ 1,130,625 | \$ 2,601,707 | 137,606,374 |
| 11 | ICNU Adjustments (*) | | | | | | |
| | Four year normalization of all production O&M for Frederickson, Fredonia, Sumas, Mint Farm & Undistributed O&M expense. | | | | | | |
| 12 | \$ (1,359,627) | \$ (562,127) | \$ (5,179,962) | | | \$ (1,265,488) | \$ (8,367,204) |
| 13 | \$ 122,452,112 | \$ 570,494 | \$ 2,979,237 | \$ 770,484 | \$ 1,130,625 | \$ 1,336,219 | \$ 129,239,171 |
| 14 | Correction for errors & omissions in adjustment calculation (see WRG-05) | | | | | | |
| 14 | \$ (1,087,016) | | \$ 2,628,194 | | | | 1,541,178 |
| 15 | \$ 121,365,096 | \$ 570,494 | \$ 5,607,431 | \$ 770,484 | \$ 1,130,625 | \$ 1,336,219 | \$ 130,780,349 |
| 16 | | | | | | | |
| 17 | | | | | | | |
| 18 | <u>Staff Proposal</u> | | | | | | |
| 19 | \$ 123,811,739 | \$ 1,132,622 | \$ 8,159,198 | \$ 770,484 | \$ 1,130,625 | \$ 2,601,707 | \$ 137,606,374 |
| 20 | Staff Adjustments (*) | | | | | | |
| 21 | | | (3,540,000) | | | | (3,540,000) |
| 22 | | | | (770,484) | | 80,860 | (689,624) |
| 23 | | | | | (303,825) | | (303,825) |
| 24 | | (1,062,522) | | | | | (1,062,522) |
| 25 | \$ 123,811,739 | \$ 70,100 | \$ 4,619,198 | \$ - | \$ 826,800 | \$ 2,682,567 | \$ 132,010,403 |
| 26 | correction to average calculation (see WRG-07) | | | | | | |
| 26 | | | 534,983 | | | | 534,983 |
| 27 | \$ 123,811,739 | \$ 70,100 | \$ 5,154,181 | \$ - | \$ 826,800 | \$ 2,682,567 | \$ 132,545,387 |

(*) Other adjustments to production O&M such as production adjustment and wage and incentive increases are not presented.