

**EXHIBIT NO. ___(WRG-5)
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**

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

JANUARY 17, 2012

line	ICNU's Proposed Prod'n O&M Adj:	2007	2008	2009	2010	Total	Average	Note	ave - test yr	ICNU, Proposed Adjustment
1	Frederickson	2,049,064	1,301,487	1,251,281	6,909,823	11,511,654	2,877,914		(4,031,909)	(4,031,909)
2	Fredonia	2,755,551	1,131,846	2,347,130	3,557,458	9,791,984	2,447,996	(a)	(1,109,462)	(1,131,100)
3	Sumas	0	1,566,788	4,001,854	5,436,912	11,005,554	4,719,383	(b)	(717,529)	(717,529)
4	Mint Farm	0	31,475	5,527,761	7,970,116	13,529,351	6,748,938		(1,221,178)	(1,221,178)
5	Undistributed	1,211,840	2,749,042	4,483,564	4,502,132	12,946,579	3,236,645		(1,265,488)	(1,265,488)
6	Total	<u>6,016,455</u>	<u>6,780,637</u>	<u>17,611,590</u>	<u>28,376,440</u>	<u>28,376,440</u>	<u>18,980,010</u>		<u>(9,396,430)</u>	<u>(8,367,204)</u>

PSE Recalculation of Mr. Schoenbeck's Adjustment

		2007	2008	2009	2010	Total	Average		ave - test yr
11	Whitehorn	2,392,601	7,484,704	1,540,769	1,083,894	12,501,969	3,125,492	(c)	2,041,598
12	Encogen	3,913,443	3,628,208	5,905,591	4,188,153	17,635,395	4,408,849	(c)	220,695
13	Goldendale	4,270,374	6,822,241	6,981,769	6,563,400	24,637,784	6,159,446	(c)	(403,954)
14	Frederickson	2,049,064	1,301,487	1,251,281	6,909,823	11,511,654	2,877,914		(4,031,909)
15	Fredonia	2,755,551	1,131,846	2,347,130	3,557,458	9,791,984	2,447,996	(a)	(1,131,100)
16	Sumas	0	1,566,788	4,001,854	5,436,912	11,005,554	4,402,222	(d)	(1,034,690)
17	Mint Farm	0	31,475	5,527,761	7,970,116	13,529,351	6,748,938	(e)	(1,221,178)
18	Total Plants	<u>15,381,033</u>	<u>21,966,748</u>	<u>27,556,155</u>	<u>35,709,756</u>	<u>100,613,691</u>	<u>30,170,856</u>		<u>(5,560,538)</u>

22	Adjustment proposed by Schoenbeck; four year average of Gas Turbine O&M expense	(8,367,204)
23	back out adjustment for Undistributed Production O&M (see testimony)	<u>1,265,488</u>
24	Schoenbeck adjustment Gas Fired Generation O&M excluding "other" Production O&M expense	<u>(7,101,716)</u>
25	Add: Whitehorn - omitted from Schoenbeck calculation	2,041,598
26	Add: Encogen - omitted from Schoenbeck calculation	220,695
27	Add: Goldendale- omitted from Schoenbeck calculation	(403,954)
28	Adjust: Sumas average to reflect 2.5 years ownership (purchased July 2008).	<u>(317,161)</u>
29	Recalculation of ICNU Reduction to Rate Year O&M to Rate Year O&M to Rate Year O&M Production O&M:	<u>(5,560,538)</u>

Note: Mr. Schoenbeck is proposing averaging both core and major maintenance expense. PSE does not agree with this methodology.

Notes:

- (a) - Average O&M less rent expense - 2010 O&M including rent expense.
- (b) -Mr. Schoenbeck used a two year average (2009 &2010) $\$9,438,766/2 = \$4,719,383$. $\$4,719,383 - \$5,436,912 = (\$717,529)$. Plant was purchased July 200
- (c) -Omitted from ICNU calculation
- (d) -Sumas purchased July 2008, PSE ownership at test year 30 months $\$11,005,554 /2.5 = \$4,402,222$.
- (e) -Mint Farm purchased in December 2008. This month was not representative of normal operation s and was excluded from calculation.