

**PUGET SOUND ENERGY-ELECTRIC
POWER COSTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	REVISED		
		ACTUAL	PROFORMA	INCREASE (DECREASE)
1	SALES FOR RESALE	\$ 201,262,557	\$ 3,465,163	\$ (197,797,394)
2				
3	PURCHASES/SALES OF NON-CORE GAS	(36,748,461)	-	36,748,461
4	WHEELING FOR OTHERS	10,703,023	13,723,963	3,020,940
5		(26,045,439)	13,723,963	39,769,401
6				
7	TOTAL OPERATING REVENUES	175,217,118	17,189,126	(158,027,992)
8				
9	FUEL	\$ 269,007,822	\$ 158,070,329	\$ (110,937,493)
10				
11	PURCHASED AND INTERCHANGED	792,862,060	524,378,372	(268,483,688)
12	HEDGING	-	1,420,907	1,420,907
13				
14	SUBTOTAL PURCHASED AND INTERCHANGED	\$ 792,862,060	\$ 525,799,279	\$ (267,062,781)
15	WHEELING	76,487,811	84,786,557	8,298,746
16				-
17	TOTAL PRODUCTION EXPENSES	\$ 1,138,357,693	\$ 768,656,166	\$ (369,701,527)
18	HYDRO AND OTHER POWER	101,194,084	106,861,783	5,667,699
19	TRANS. EXP. INCL. 500KV O&M	1,419,635	1,389,837	(29,798)
20				
21	TOTAL OPERATING EXPENSES	\$ 1,240,971,412	\$ 876,907,786	\$ (364,063,626)
22				
23	INCREASE (DECREASE) OPERATING INCOME (LINE 7 - LINE 21)	\$ (1,065,754,294)	\$ (859,718,660)	\$ 206,035,634
24				
25	STATE UTILITY TAX SAVINGS FOR LINE 4	3.873%		(117,001)
26	INCREASE (DECREASE) INCOME			\$ 205,918,633
27	INCREASE (DECREASE) FIT @	35%		72,071,522
28	INCREASE (DECREASE) NOI			\$ 133,847,111

Note: Amounts presented in bold italic type have changed since the June 13 original filing.

**PUGET SOUND ENERGY
 GENERAL RATE CASE
 DETERMINATION OF NET POWER COSTS FOR GRC ADJUSTMENT JHS 13.01
 TEST YEAR ENDED DECEMBER 31, 2010
 RATE YEAR ENDED APRIL 30, 2013**

Line	FERC	Description	REVISED					REVISED			REVISED	
			Per ICNU RY PC Rate Year 12ME 4/30/2013	Reclass Jackson Prarie Move from O&M to Fuel	Remove amounts shown on other adjustments			Add / Remove amounts not in / in Exh DEM-XX		Subtotal	Per JHS-5.01 After Prod Factor of 0.97901	
	a	b	c	c.1	d	e	f	g	h	i	j	k
1		Fuel:										
2	501	Steam Fuel	\$ 91,315,165					(555,556)	\$ -		\$ 90,759,610	\$ 88,854,566
3	547	Fuel	68,639,331	1,130,625				929,796	-		70,699,752	69,215,764
4			159,954,496	1,130,625	-			374,240	-	-	161,459,361	158,070,329
5		Purchased and Interchanged:										
6	555	Purchased Power	541,203,900		(776,099)			(7,088,066)	(3,526,620)	-	529,813,115	518,692,338
7												
8	557	Other Power Expense	7,177,147						(1,369,204)		5,807,943	5,686,034
9		Hedging	-							1,451,372	1,451,372	1,420,907
10			548,381,046	-	(776,099)	-	(7,088,066)	(3,526,620)	(1,369,204)	1,451,372	537,072,430	525,799,279
11												
12	565	Wheeling	96,527,322		(9,922,939)	-		-	-		86,604,383	84,786,557
13												
14	various	Hydro and Other Power	129,239,172	(1,130,625)	(10,891,023)			(1,215,107)	(6,849,513)		109,152,903	106,861,783
15												
16	various	Trans. Exp. Incl. 500Kv O&M	1,419,635								1,419,635	1,389,837
17	447	Sales for Resale	(3,539,457)								(3,539,457)	(3,465,163)
18	456	Purchases/Sales Of Non-Core Gas	-								-	-
19			(2,119,822)	-	-	-	-	-	-	-	(2,119,822)	(2,075,327)
20												
21		Net Power Costs (column c per DEM Exhibit)	931,982,214	-	(21,590,061)	-	(7,088,066)	(4,367,487)	(8,218,717)	1,451,372	892,169,255	873,442,623
22	various	Variable Transmission Income	(14,018,205)								(14,018,205)	(13,723,963)
23												
24		Col k = amount of adjustment on JHS 13.01 Line 2	\$ 917,964,010	\$ -	\$ (21,590,061)	\$ -	\$ (7,088,066)	\$ (4,367,487)	\$ (8,218,717)	\$ 1,451,372	\$ 878,151,051	\$ 859,718,660

Note: Amounts presented in bold italic type have changed since the June 13 original filing.

**PUGET SOUND ENERGY-ELECTRIC
MISCELLANEOUS OPERATING EXPENSE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	REVISED ACTUAL	REVISED PROFORMA RESTATED	ADJUSTMENT
1 <u>OPERATING EXPENSES</u>			
2 REMOVE DEFERRAL OF MINT FARM COSTS	\$ (3,790,493)	\$ -	\$ 3,790,493
3 REMOVE DEFERRAL OF WILD HORSE EXPANSION COSTS	(1,569,757)	0	1,569,757
4 LAID OFF EMPLOYEES:			
5 OTHER PRODUCTION EXPENSES	77,825	0	(77,825)
6 DISTRIBUTION	112,534	0	(112,534)
7 ADMIN & GENERAL	34,160	0	(34,160)
8 EXECUTIVE SALARY	502,917	122,640	(380,277)
9 BENEFITS ON THE ABOVE WAGE ADJUSTMENTS	198,812	0	(198,812)
10 PAYROLL TAXES ON THE ABOVE WAGE ADJUSTMENTS	29,687	1,910	(27,777)
11 ADJUST FERC LAND USE FEES	(315,680)	340,291	655,971
12 <i>RECLASS FERC 557</i>	<i>0</i>	<i>566,946</i>	<i>566,946</i>
13 REMOVE NON-BUSINESS OR NON-UTILITY RELATED EXPENSES	63,989	47,110	(16,879)
14 INCREASE (DECREASE) IN EXPENSE	<i>\$ (4,656,006)</i>	<i>\$ 1,078,896</i>	<i>\$ 5,734,902</i>
15			
16 INCREASE(DECREASE) OPERATING EXPENSE			<i>5,734,902</i>
17 INCREASE(DECREASE) FIT @		35%	<i>(2,007,216)</i>
18			
19 INCREASE(DECREASE) NOI			<i>\$ (3,727,686)</i>

Note: Amounts presented in bold italic type have changed since the June 13 original filing.

Docket Number UE-111048 Attachment to Response to BR 4
ICNU Response to Bench Req. No. 4 Page 4 of 4
Summary Comparison of ICNU and PSE Adjustments

		ICNU Adjustments			PSE	ICNU-PSE
Adj. No. (a)	Description (b)	NOI (c)	Rate Base (d)	Rev Req (e)	Rev Req (f)	Rev Req (e) - (f)
ACTUAL RESULTS OF OPERATIONS		\$ 117,427,311	\$ 4,100,870,913	\$ 367,082,379	\$ 367,082,379	\$ -
13.01	POWER COSTS	\$ 133,847,111	\$ -	\$ (215,621,952)	\$ (161,149,667)	\$ (54,472,286)
13.02	LOWER SNAKE RIVER	\$ (39,435,507)	\$ 687,710,765	\$ 156,811,777	\$ 156,811,777	\$ -
13.03	LSR PPD TRANSM DEP	\$ (442,084)	\$ 110,538,909	\$ 15,705,962	\$ 15,705,962	\$ -
13.04	MT ELECTRIC ENERGY TAX	\$ (100,185)	\$ -	\$ 161,394	\$ 161,394	\$ -
13.05	WILD HORSE SOLAR	\$ 179,073	\$ (3,370,636)	\$ (745,680)	\$ (745,680)	\$ -
13.06	ASC 815 (PREV. SFAS 133)	\$ 108,519,513	\$ -	\$ (174,820,278)	\$ (174,820,278)	\$ -
13.07	STORM DAMAGE	\$ 1,349,514	\$ -	\$ (2,174,010)	\$ (2,174,010)	\$ -
13.08	REMOVE TENASKA	\$ 30,284,100	\$ (56,496,129)	\$ (56,449,667)	\$ (56,449,667)	\$ -
13.09	CHELAN PAYMENTS	\$ (4,607,243)	\$ 135,630,302	\$ 25,819,315	\$ 25,819,315	\$ -
13.10	REG ASSETS & LIABILITIES	\$ 3,683,316	\$ (19,546,418)	\$ (8,584,991)	\$ (8,584,991)	\$ -
13.11	PRODUCTION ADJUSTMENT	\$ 2,294,360	\$ (50,346,992)	\$ (10,525,311)	\$ (10,525,311)	\$ -
14.01	TEMPERATURE NORMALIZATION	\$ 12,971,429	\$ -	\$ (20,896,416)	\$ (20,896,416)	\$ -
14.02	REVENUES & EXPENSES	\$ 1,490,395	\$ -	\$ (2,400,962)	\$ (2,400,962)	\$ -
14.03	PASS-THROUGH REVS. & EXPS.	\$ (306,445)	\$ -	\$ 493,670	\$ 493,670	\$ -
14.04	FEDERAL INCOME TAX	\$ (60,471,551)	\$ -	\$ 97,417,073	\$ 97,417,073	\$ -
14.05	TAX BENEFIT OF PRO FORMA INT	\$ 55,619,944	\$ -	\$ (89,601,343)	\$ (89,601,343)	\$ -
14.06	OPERATING EXPENSES	\$ (3,727,686)	\$ -	\$ 6,005,143	\$ 6,945,409	\$ (940,266)
14.07	GENERAL PLANT DEPRECIATION	\$ 688,453	\$ (233,769)	\$ (1,140,777)	\$ (1,140,777)	\$ -
14.08	NORMALIZE INJ & DMGS	\$ (725,618)	\$ -	\$ 1,168,939	\$ 1,168,939	\$ -
14.09	BAD DEBTS	\$ 1,638,181	\$ -	\$ (2,639,039)	\$ (2,639,039)	\$ -
14.10	INCENTIVE PAY	\$ 482,220	\$ -	\$ (776,835)	\$ (776,835)	\$ -
14.11	PROPERTY TAXES	\$ (3,359,921)	\$ -	\$ 5,412,689	\$ 5,412,689	\$ -
14.12	EXCISE TAX & FILING FEE	\$ (200,979)	\$ -	\$ 323,769	\$ 323,769	\$ -
14.13	D&O INSURANCE	\$ 33,584	\$ -	\$ (54,102)	\$ (54,102)	\$ -
14.14	INTEREST ON CUST DEPOSITS	\$ (47,149)	\$ -	\$ 75,955	\$ 75,955	\$ -
14.15	RATE CASE EXPENSES	\$ 44,411	\$ -	\$ (71,545)	\$ (71,545)	\$ -
14.16	DEF. G/L ON PROPERTY SALES	\$ (1,028,316)	\$ -	\$ 1,656,573	\$ 1,656,573	\$ -
14.17	PROPERTY & LIABILITY INS	\$ (124,477)	\$ -	\$ 200,528	\$ 200,528	\$ -
14.18	PENSION PLAN	\$ (1,199,984)	\$ -	\$ 1,933,123	\$ 1,933,123	\$ -
14.19	WAGE INCREASE	\$ (2,138,614)	\$ -	\$ 3,445,215	\$ 3,445,215	\$ -
14.20	INVESTMENT PLAN	\$ (107,798)	\$ -	\$ 173,659	\$ 173,659	\$ -
14.21	EMPLOYEE INSURANCE	\$ (81,749)	\$ -	\$ 131,694	\$ 131,694	\$ -

Total Adjustments	\$ 235,020,296	\$ 803,886,033	\$ (269,566,430)	\$ (214,153,878)	\$ (55,412,552)
Adjusted Results of Operations	\$ 352,447,607	\$ 4,904,756,945	\$ 97,515,948	\$ 152,928,501	

Cost of Capital (Company Proposal)	8.42%
Conversion Factor	0.620749