

CONFIDENTIAL per Protective Order in WUTC Docket Nos. UE-111048 / UG-111049

REDACTED VERSION

4 Revenue Requirement - RECs - Schedule 137

5

6 Return on Ratebase

7 Gross Estimated REC Deferral Balance (AMA)

8 Accumulated Amortization (AMA)

9 DFIT (AMA)

10 Total Ratebase (AMA)

11

12 Requested Return (Note 1)

13 Annualized Return on Ratebase

14

15 Return on Ratebase - grossed up for FIT

16

17 Amortization Benefit

18

19 REVENUE REQUIREMENT

20 Grossup Factor

21 Net Revenue Requirement

22

23

24

25

26 (Note 1) This return represents PSE's requested rate of return and will be updated to the authorized rate of return approved in the 2011 GRC (UE-111048 & UG-111049).

Revenue Requirement - Year 1
2012 Layer - 1st Year Estimate

(a)

Revenue Requirement - Year 2				
2012 Layer - 1st Year True-Up	2012 Layer - 2nd Year	Total 2012 Layer	2013 Layer - 1st Year Estimate	2012 Layer + 2013 Layer
(b)	(c)	(d) = (b) + (c)	(e)	(f) = (d) + (e)

			\$ (17,116,179)	
			2,872,466	
			2,885,299	
			(11,358,413)	
			7.17%	
			(814,398)	
			(1,252,920)	
			(5,705,393)	
			(6,958,313)	
			0.954998	
			\$ (7,286,207)	

Puget Sound Energy
REC Proceeds - 2012 Layer - 1st Year Estimate included in Year 1 rate filing
3 Years of Amortization taken between May, 2012 and ends Dec, 2015

3 year amortization period applied to May 2012 balance. Initial rate period is May 2012 through December 2012, then CY 2013 and 2014 thereafter. Initial rate period will have revenue requirement for 12 months (January through December 2012) passed back in 8 months (May through December 2012).

Annual Amort = \$-19,955,259 ÷ 3 years = \$6,651,753

Month/Period	Monthly Proceeds (a)	Balance (b)	AMA Gross Balance (c)	Monthly Amortization (d) = (b) ÷ 3 x ((m) / Σ(m))	Accumulated Amortization Σ - (d) = (e)	AMA Accum. Amortization (f)	AMA Net (g) = (c) + (f)	Monthly DFIT (h) = -(a) * 35% + ((d) * 35%)	Accumulated DFIT Σ - (h) = (i)	Accum DFIT AMA (j)	AMA net of Accum DFIT (k) = (g) + (j)	EOP Total Ratebase (l) = (b) + (e) + (i)	F11 Delivered Load (m)
Beginning		\$ (2,917,511)	(121,563)		-	-	\$ (121,563)	\$ -	\$ 1,021,129	42,547	\$ (79,016)	\$ (1,896,382)	
Jan-12 1													
Feb-12 2													
Mar-12 3													
Apr-12 4													
May-12 5													809,667
Jun-12 6													1,534,218
Jul-12 7													1,573,133
Aug-12 8													1,584,597
Sep-12 9													1,534,019
Oct-12 10													1,705,341
Nov-12 11													1,930,624
Dec-12 12													2,270,697
Jan-13 13													2,218,874
Feb-13 14													1,913,673
Mar-13 15													1,958,101
Apr-13 16													1,732,664
May-13 17													1,626,184
Jun-13 18													1,539,750
Jul-13 19													1,577,434
Aug-13 20													1,589,456
Sep-13 21													1,539,447
Oct-13 22													1,711,331
Nov-13 23													1,939,077
Dec-13 24													2,286,000
Jan-14 25													2,238,271
Feb-14 26													1,932,725
Mar-14 27													1,977,245
Apr-14 28													1,749,157
May-14 29													1,641,941
Jun-14 30													1,553,580
Jul-14 31													1,590,551
Aug-14 32													1,603,296
Sep-14 33													1,553,313
Oct-14 34													1,726,822
Nov-14 35													1,958,014
Dec-14 36													2,304,856
Jan-15 37													
Feb-15 38													
Mar-15 39													
Apr-15 40													
May-15 41													
Jun-15 42													
Jul-15 43													
Aug-15 44													
Sep-15 45													
Oct-15 46													
Nov-15 47													
Dec-15 48													

Puget Sound Energy
REC Proceeds - 2012 Layer - "Actuals"
3 Years of Amortization taken between July, 2012 and ends Dec, 2015

Still reached total expected contracted sales, with the only difference being the timing in which the actual sales proceeds were received and deferred. Therefore, still used \$6,651,753 of annual amortization, with the impacts of the receipt of proceeds and the shaping of the amortization being considered in the true-up.

Annual Amort = \$-19,955,259 ÷ 3 years = \$6,651,753

Month/Period	Monthly Proceeds (a)	Balance (b)	AMA Gross Balance (c)	Monthly Amortization (d) = (b) ÷ 3 x ((m) / Σ(m))	Accumulated Amortization Σ - (d) = (e)	AMA Accum. Amortization (f)	AMA Net (g) = (c) + (f)	Monthly DFIT (h) = (-a) * 35% + ((d) * 35%)	Accumulated DFIT Σ - (h) = (i)	Accum DFIT AMA (j)	AMA net of Accum DFIT (k) = (g) + (j)	EOP Total Ratebase (l) = (b) + (e) + (i)	F11 Delivered Load (m)
Beginning		\$ (2,917,511)	(121,563)		-	-	\$ (121,563)	\$ -	1,021,129	42,547	\$ (79,016)	\$ (1,896,382)	
Jan-12													
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May-12													809,667
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Jun-15													
Jul-15													
Aug-15													
Sep-15													
Oct-15													
Nov-15													
Dec-15													

Puget Sound Energy
 REC Proceeds - 2013 Layer - 1st Year Estimate included in Year 2 rate filing
 Amortization starts Jan, 2013 and ends Dec, 2016 (36 months)

After-Tax Rate of Return 7.17%
 Grossed up for FIT 11.03%

Annual Amort 2013 Layer = \$-17,116,179 + 3 years = \$5,705,393

Month/Period	Monthly Proceeds (a) (1)	Accrued Interest (a) (2)	Balance (b) = $\sum (a)(1) + \sum (a)(2)$	AMA Gross Balance (c)	Monthly Amortization (d) = $(b) \div 3 \times ((m) / \sum(m))$	Accumulated Amortization $\sum - (d) = (e)$	AMA Accum. Amortization (f)	AMA Net (g) = (c) + (f)	Monthly DFIT (h) = $-(a)(1) + (a)(2) * 35\% + (d) * 35\%$	Accumulated DFIT $\sum - (h) = (i)$	Accum DFIT AMA (j)	AMA net of Accum DFIT (k) = (g) + (j)	EOP Total Ratebase (l) = (b) + (e) + (i)	F11 Delivered Load (m)
Beginning			\$ -	-	-	-	-	\$ -	\$ -	-	-	\$ -	\$ -	-
Jan-12			-	-	-	-	-	-	-	-	-	-	-	-
Feb-12			-	-	-	-	-	-	-	-	-	-	-	-
Mar-12			-	-	-	-	-	-	-	-	-	-	-	-
Apr-12			-	-	-	-	-	-	-	-	-	-	-	-
May-12			-	-	-	-	-	-	-	-	-	-	-	-
Jun-12			-	-	-	-	-	-	-	-	-	-	-	-
Jul-12			-	-	-	-	-	-	-	-	-	-	-	-
Aug-12	(1,000,000)	(4,596)	(1,004,596)	(41,858)	-	-	-	(41,858)	351,609	351,609	14,650	(27,208)	(652,987)	-
Sep-12	(1,000,000)	(13,831)	(2,018,427)	(167,817)	-	-	-	(167,817)	354,841	706,449	58,736	(109,081)	(1,311,978)	-
Oct-12	(1,000,000)	(23,150)	(3,041,577)	(378,651)	-	-	-	(378,651)	358,103	1,064,552	132,528	(246,123)	(1,977,025)	-
Nov-12	(1,000,000)	(32,555)	(4,074,132)	(675,139)	-	-	-	(675,139)	361,394	1,425,946	236,299	(438,840)	(2,648,186)	-
Dec-12	(1,000,000)	(42,047)	(5,116,179)	(1,058,068)	-	-	-	(1,058,068)	364,716	1,790,663	370,324	(687,744)	(3,325,516)	-
Jan-13	(1,000,000)		(6,116,179)	(1,526,083)	(585,223)	585,223	24,384	(1,501,699)	145,172	1,935,834	525,595	(976,104)	(3,595,121)	2,218,874
Feb-13	(1,000,000)		(7,116,179)	(2,077,432)	(504,727)	1,089,951	94,183	(1,983,248)	173,345	2,109,180	694,137	(1,289,111)	(3,917,048)	1,913,673
Mar-13	(1,000,000)		(8,116,179)	(2,712,113)	(516,445)	1,606,396	206,531	(2,505,582)	169,244	2,278,424	876,954	(1,628,628)	(4,231,359)	1,958,101
Apr-13	(1,000,000)		(9,116,179)	(3,430,128)	(456,987)	2,063,383	359,438	(3,070,690)	190,055	2,468,479	1,074,741	(1,995,948)	(4,584,318)	1,732,664
May-13	(1,000,000)		(10,116,179)	(4,231,476)	(428,903)	2,492,285	549,258	(3,682,218)	199,884	2,668,363	1,288,776	(2,393,442)	(4,955,531)	1,626,184
Jun-13	(1,000,000)		(11,116,179)	(5,116,158)	(406,106)	2,898,391	773,869	(4,342,899)	207,863	2,876,226	1,519,801	(2,822,488)	(5,341,562)	1,539,750
Jul-13	(1,000,000)		(12,116,179)	(6,084,173)	(416,045)	3,314,436	1,032,737	(5,051,436)	204,384	3,080,610	1,768,002	(3,283,433)	(5,721,133)	1,577,434
Aug-13	(1,000,000)		(13,116,179)	(7,093,663)	(419,216)	3,733,652	1,326,408	(5,767,255)	203,275	3,283,885	2,018,539	(3,748,716)	(6,098,643)	1,589,456
Sep-13	(1,000,000)		(14,116,179)	(8,102,385)	(406,026)	4,139,678	1,654,463	(6,447,922)	207,891	3,491,775	2,256,773	(4,191,149)	(6,484,726)	1,539,447
Oct-13	(1,000,000)		(15,116,179)	(9,109,567)	(451,360)	4,591,038	2,018,243	(7,091,324)	192,024	3,683,799	2,481,963	(4,609,361)	(6,841,342)	1,711,331
Nov-13	(1,000,000)		(16,116,179)	(10,114,427)	(511,428)	5,102,465	2,422,139	(7,692,288)	171,000	3,854,800	2,692,301	(4,999,987)	(7,158,914)	1,939,077
Dec-13	(1,000,000)		(17,116,179)	(11,116,179)	(602,928)	5,705,393	2,872,466	(8,243,713)	138,975	3,993,775	2,885,299	(5,358,413)	(7,417,011)	2,286,000
Jan-14			(17,116,179)	(12,074,512)	(584,991)	6,290,384	3,347,906	(8,726,606)	(204,747)	3,789,028	3,054,312	(5,672,294)	(7,036,767)	2,238,271
Feb-14			(17,116,179)	(12,949,512)	(505,134)	6,795,518	3,823,353	(9,126,159)	(176,797)	3,612,231	3,194,156	(5,932,004)	(6,708,430)	1,932,725
Mar-14			(17,116,179)	(13,741,179)	(516,770)	7,312,287	4,298,830	(9,442,349)	(180,869)	3,431,362	3,304,822	(6,137,527)	(6,372,530)	1,977,245
Apr-14			(17,116,179)	(14,449,512)	(457,157)	7,769,444	4,774,328	(9,675,184)	(160,005)	3,271,357	3,386,314	(6,288,870)	(6,075,378)	1,749,157
May-14			(17,116,179)	(15,074,512)	(429,135)	8,198,579	5,249,843	(9,824,669)	(150,197)	3,121,160	3,438,634	(6,386,035)	(5,796,440)	1,641,941
Jun-14			(17,116,179)	(15,616,179)	(406,041)	8,604,620	5,725,365	(9,890,814)	(142,114)	2,979,046	3,461,785	(6,429,029)	(5,532,513)	1,553,580
Jul-14			(17,116,179)	(16,074,512)	(415,704)	9,020,324	6,200,870	(9,873,643)	(145,496)	2,833,549	3,455,775	(6,417,868)	(5,262,306)	1,590,551
Aug-14			(17,116,179)	(16,449,512)	(419,035)	9,439,359	6,676,353	(9,773,159)	(146,662)	2,686,887	3,420,606	(6,352,554)	(4,989,933)	1,603,296
Sep-14			(17,116,179)	(16,741,179)	(405,971)	9,845,330	7,151,826	(9,589,353)	(142,090)	2,544,797	3,356,273	(6,233,079)	(4,726,052)	1,553,313
Oct-14			(17,116,179)	(16,949,512)	(451,319)	10,296,649	7,627,296	(9,322,217)	(157,962)	2,386,835	3,262,776	(6,059,441)	(4,432,694)	1,726,822
Nov-14			(17,116,179)	(17,074,512)	(511,743)	10,808,393	8,102,776	(8,971,736)	(179,110)	2,207,725	3,140,108	(5,831,628)	(4,100,061)	1,958,014
Dec-14			(17,116,179)	(17,116,179)	(602,393)	11,410,786	8,578,248	(8,537,931)	(210,838)	1,996,888	2,988,276	(5,549,655)	(3,708,505)	2,304,856
Jan-15			(17,116,179)	(17,116,179)	(585,600)	11,996,386	9,053,723	(8,062,456)	(204,960)	1,791,928	2,821,860	(5,240,596)	(3,327,865)	2,254,924
Feb-15			(17,116,179)	(17,116,179)	(506,082)	12,502,469	9,529,263	(7,586,916)	(177,129)	1,614,799	2,655,421	(4,931,496)	(2,998,911)	1,948,729
Mar-15			(17,116,179)	(17,116,179)	(517,402)	13,019,870	10,004,868	(7,111,311)	(181,091)	1,433,709	2,488,959	(4,622,352)	(2,662,600)	1,992,316
Apr-15			(17,116,179)	(17,116,179)	(457,487)	13,477,357	10,480,514	(6,635,665)	(160,121)	1,273,588	2,322,483	(4,313,182)	(2,365,234)	1,761,608
May-15			(17,116,179)	(17,116,179)	(429,413)	13,906,770	10,956,185	(6,159,994)	(150,294)	1,123,294	2,155,998	(4,003,996)	(2,086,115)	1,653,505
Jun-15			(17,116,179)	(17,116,179)	(405,839)	14,312,609	11,431,859	(5,684,320)	(142,044)	981,250	1,989,512	(3,694,808)	(1,822,320)	1,562,731
Jul-15			(17,116,179)	(17,116,179)	(415,117)	14,727,726	11,907,500	(5,208,679)	(145,291)	835,959	1,823,038	(3,385,641)	(1,552,494)	1,598,457
Aug-15			(17,116,179)	(17,116,179)	(418,579)	15,146,305	12,383,098	(4,733,081)	(146,503)	689,456	1,656,579	(3,076,502)	(1,280,417)	1,611,789
Sep-15			(17,116,179)	(17,116,179)	(405,718)	15,552,024	12,858,667	(4,257,512)	(142,001)	547,455	1,490,130	(2,767,383)	(1,016,700)	1,562,266
Oct-15			(17,116,179)	(17,116,179)	(450,977)	16,003,000	13,334,210	(3,781,969)	(157,842)	389,613	1,323,690	(2,458,279)	(723,566)	1,736,539
Nov-15			(17,116,179)	(17,116,179)	(511,509)	16,514,509	13,809,730	(3,306,449)	(179,028)	210,585	1,157,258	(2,149,192)	(391,085)	1,969,626
Dec-15			(17,116,179)	(17,116,179)	(601,670)	17,116,179	14,285,209	(2,830,970)	(210,584)	0	990,840	(1,840,130)	-	2,316,800
Jan-16			(17,116,179)	(17,116,179)	-	17,116,179	14,736,259	(2,379,920)	-	0	832,973	(1,546,948)	-	-
Feb-16			(17,116,179)	(17,116,179)	-	17,116,179	15,141,821	(1,974,358)	-	0	691,026	(1,283,332)	-	-
Mar-16			(17,116,179)	(17,116,179)	-	17,116,179	15,504,739	(1,611,440)	-	0	564,005	(1,047,436)	-	-
Apr-16			(17,116,179)	(17,116,179)	-	17,116,179	15,827,036	(1,289,143)	-	0	451,201	(837,943)	-	-

Puget Sound Energy
 REC Proceeds - 2013 Layer - 1st Year Estimate included in Year 2 rate filing
 Amortization starts Jan, 2013 and ends Dec, 2016 (36 months)

After-Tax Rate of Return 7.17%
 Grossed up for FIT 11.03%

Annual Amort 2013 Layer = \$-17,116,179 ÷ 3 years = \$5,705,393

Month/Period	Monthly Proceeds (a) (1)	Accrued Interest (a) (2)	Balance (b) = $\sum (a)(1) + \sum (a)(2)$	AMA Gross Balance (c)	Monthly Amortization (d) = (b) ÷ 3 x ((m) / $\sum(m)$)	Accumulated Amortization $\sum - (d) = (e)$	AMA Accum. Amortization (f)	AMA Net (g) = (c) + (f)	Monthly DFIT (h) = $(-(a)(1) + (a)(2)) * 35\% + ((d) * 35\%)$	Accumulated DFIT $\sum - (h) = (i)$	Accum DFIT AMA (j)	AMA net of Accum DFIT (k) = (g) + (j)	EOP Total Ratebase (l) = (b) + (e) + (i)	F11 Delivered Load (m)
May-16			(17,116,179)	(17,116,179)		17,116,179	16,112,379	(1,003,800)	-	0	351,331	(652,470)	-	
Jun-16			(17,116,179)	(17,116,179)		17,116,179	16,362,919	(753,260)	-	0	263,641	(489,618)	-	
Jul-16			(17,116,179)	(17,116,179)		17,116,179	16,579,254	(536,925)	-	0	187,924	(349,001)	-	
Aug-16			(17,116,179)	(17,116,179)		17,116,179	16,760,851	(355,328)	-	0	124,365	(230,963)	-	
Sep-16			(17,116,179)	(17,116,179)		17,116,179	16,908,102	(208,077)	-	0	72,827	(135,250)	-	
Oct-16			(17,116,179)	(17,116,179)		17,116,179	17,019,657	(96,522)	-	0	33,783	(62,739)	-	
Nov-16			(17,116,179)	(17,116,179)		17,116,179	17,091,109	(25,070)	-	0	8,775	(16,295)	-	
Dec-16			(17,116,179)	(17,116,179)		17,116,179	17,116,179	-	-	0	0	0	-	

Generation			Hopkins/Wild Horse	Klondike III	Total
Generation Month	Delivery Month	Revenue Month	Generation Month	Generation Month	Generation Month
Sep-11	Nov-11	Jan-12			
Oct-11	Dec-11	Feb-12			
Nov-11	Jan-12	Mar-12			
Dec-11	Feb-12	Apr-12			
Jan-12	Mar-12	May-12			
Feb-12	Apr-12	Jun-12			
Mar-12	May-12	Jul-12			

(1)

Gross Commitments / Sales			\$\$\$ Proceeds	\$\$\$ Proceeds	\$\$\$ Proceeds	Fees: WREGIS certificate	Net Proceeds	DFIT	Net Proceeds Incl DFIT
Generation Month	Delivery Month	Revenue Month							
Sep-11	Nov-11	Jan-12							
Oct-11	Dec-11	Feb-12							
Nov-11	Jan-12	Mar-12							
Dec-11	Feb-12	Apr-12							
Jan-12	Mar-12	May-12							
Feb-12	Apr-12	Jun-12							
Mar-12	May-12	Jul-12							

(1) At this point there are no additional RECs committed/sold to third-parties. The REC transaction with SCE which terminated in December 2011 is appropriately excluded here.

Summary of Proceeds for Initial Filing (May-Dec 2012 "Layer 2012"):

	Net Proceeds	DFIT	Net Proceeds Incl DFIT
Balance at 12.31.12	(2,917,511)	1,021,129	(1,896,382)
Jan 2012 Est. Proceeds			
Feb 2012 Est. Proceeds			
Mar 2012 Est. Proceeds			
Apr 2012 Est. Proceeds			
May 2012 Est. Proceeds			
Total First Layer Estimate	(2,917,511)	1,021,129	(1,896,382)

Second Layer Estimates Hypothetical Two Year Contract; Proceeds through Dec 2013 included in "Layer 2013"

Aug-12	(1,000,000)	350,000	(650,000)
Sep-12	(1,000,000)	350,000	(650,000)
Oct-12	(1,000,000)	350,000	(650,000)
Nov-12	(1,000,000)	350,000	(650,000)
Dec-12	(1,000,000)	350,000	(650,000)
Jan-13	(1,000,000)	350,000	(650,000)
Feb-13	(1,000,000)	350,000	(650,000)
Mar-13	(1,000,000)	350,000	(650,000)
Apr-13	(1,000,000)	350,000	(650,000)
May-13	(1,000,000)	350,000	(650,000)
Jun-13	(1,000,000)	350,000	(650,000)
Jul-13	(1,000,000)	350,000	(650,000)
Aug-13	(1,000,000)	350,000	(650,000)
Sep-13	(1,000,000)	350,000	(650,000)
Oct-13	(1,000,000)	350,000	(650,000)
Nov-13	(1,000,000)	350,000	(650,000)
Dec-13	(1,000,000)	350,000	(650,000)
Jan-14	(1,000,000)	350,000	(650,000)
Feb-14	(1,000,000)	350,000	(650,000)
Mar-14	(1,000,000)	350,000	(650,000)
Apr-14	(1,000,000)	350,000	(650,000)
May-14	(1,000,000)	350,000	(650,000)
Jun-14	(1,000,000)	350,000	(650,000)
Jul-14	(1,000,000)	350,000	(650,000)
Total Second Layer Estimate	(24,000,000)	8,400,000	(15,600,000)

(Note 1)

(Note 1) Total RECs forecasted in the 2013 Layer are \$17,000,000. If REC proceeds received through December 2013 do not yet total \$17,000,000, proceeds received in 2014 will be applied to the 2013 layer until that layer totals the projected \$17,000,000. Conversely, if the \$17 million is received prior to December 2013, they will receive interest through December 2013 and be included in the calculation of the 2014 layer.