

EXHIBIT NO. ___(KJB-4C)
DOCKET NO. UE-13 ___
2013 PSE PCORC
WITNESS: KATHERINE J. BARNARD

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**WASHINGTON UTILITIES AND
TRANSPORTATION COMMISSION,**

Complainant,

v.

PUGET SOUND ENERGY, INC.,

Respondent.

Docket No. UE-13 ___

**THIRD EXHIBIT (NONCONFIDENTIAL) TO THE
PREFILED DIRECT TESTIMONY OF
KATHERINE J. BARNARD
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**REVISED
JUNE 7, 2013**

APRIL 25, 2013

PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2013
SUMMARY PAGES

	Test Year Actual 12 months ended September 30, 2012	4.01	4.02	4.03	4.04	4.05	4.06	4.07	4.08
		Adjustment 1	Adjustment 2	Adjustment 3	Adjustment 4	Adjustment 5	Adjustment 6	Adjustment 7	Adjustment 8
		POWER COST	MONTANA ENERGY TAX	LOWER SNAKE RIVER PROJECT	SNOQUALMIE LICENSE UPGRADE	SNOQUALMIE DEFERRAL	BAKER LICENSE UPGRADE	BAKER DEFERRAL	FERNDALE PLANT
Power Cost Rate									
Row									
3 Regulatory Assets (Variable)	\$ 316,142,370					\$ 8,038,920		\$ 2,621,084	
4 Transmission Rate Base (Fixed)	91,760,899								
5 Production Rate Base (Fixed)	1,744,881,761			228,877,317	249,610,673		132,658,867		73,498,988
	\$ 2,152,785,030	\$ -	\$ -	\$ 228,877,317	\$ 249,610,673	\$ 8,038,920	\$ 132,658,867	\$ 2,621,084	\$ 73,498,988
6									
7 Net of tax rate of return	6.71%								
8									
9									
10 Regulatory Asset Recovery	\$ 32,635,620	\$ -	\$ -	\$ -	\$ -	\$ 829,864	\$ -	\$ 270,577	\$ -
11 Fixed Asset Recovery Other	9,472,548	-	-	-	-	-	-	-	-
12 Fixed Asset Recovery-Prod Factored	180,125,486	-	-	23,627,181	25,767,502	-	13,694,477	-	7,587,357
13 501-Steam Fuel	70,102,791	20,258,010							
14 555-Purchased power	619,576,589	(219,784,012)							
15 557-Other Power Exp	13,306,753	(6,960,010)							
15a Payroll Overheads	6,688,140								
15b Property Insurance	2,037,869			-					
15c Montana Electric Energy Tax	819,440		918,003						
15d Payroll Taxes	2,035,145								
16 547-Fuel	151,230,975	(6,626,735)							
17 565-Wheeling	84,999,684	21,031,575							
18 Variable Transmission Income	(6,326,170)	(219,189)							
19 Production O&M	112,384,447	12,379,038							
20 447-Sales to Others	(102,454,344)	75,929,099							
21 Purch/Sales Non-Core Gas	24,051,167	(32,829,201)							
22 Transmission Exp - 500KV	973,202	(17,051)							
23 Depreciation/Amortization -Production	92,545,524		11,895,245	10,393,189		3,718,278			3,174,547
24 Depreciation-Transmission	4,136,830								
25 Amortization - Regulatory Assets	29,249,758				2,248,649			733,170	
26 Property Taxes-Production				-	-				-
27 Property Taxes-Transmission									
28 Hedging Line of Credit	851,558								
29 Subtotal & Baseline Rate	\$ 1,328,443,012	\$ (136,838,477)	\$ 918,003	\$ 35,522,426	\$ 36,160,691	\$ 3,078,513	\$ 17,412,754	\$ 1,003,747	\$ 10,761,904

PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2013
SUMMARY PAGES

	4.09	4.10	4.11	4.12	4.13	4.14	4.15	4.16	4.17	4.18	
	Adjustment 9	Adjustment 10	Adjustment 11	Adjustment 12	Adjustment 13	Adjustment 14	Adjustment 15	Adjustment 16	Adjustment 17	Adjustment 18	
	FERNDALE	REMOVE WILD	REMOVE	SALE OF ELECTRON	PROPERTY	PROPERTY	BONNEVILLE	WHITE RIVER	GOLDENDALE FC	CAPACITY PMTS	
	DEFERRAL	HORSE SOLAR	TENASKA	PROJECT	TAXES	INSURANCE	EXCHANGE	REGULATORY	MINT FARM,	UE-082013(FB EN)	
							POWER (BEP)	ASSET	WHE &LSR DEF	UE-100503(BNP PAR)	
Power Cost Rate											
Row											
3	Regulatory Assets (Variable)	\$ 14,983,968		\$ (1,213,374)	\$ 6,441,348		\$ (4,934,805)	\$ (1,968,603)	\$ (4,233,981)	\$ 1,259,169	
4	Transmission Rate Base (Fixed)										
5	Production Rate Base (Fixed)		(2,805,550)		(26,165,931)						
		\$ 14,983,968	\$ (2,805,550)	\$ (1,213,374)	\$ (19,724,583)	\$ -	\$ -	\$ (4,934,805)	\$ (1,968,603)	\$ (4,233,981)	\$ 1,259,169
6											
7	Net of tax rate of return										
8											
9											
10	Regulatory Asset Recovery	\$ 1,546,807	\$ -	\$ (125,258)	\$ 664,945	\$ -	\$ -	\$ (509,424)	\$ (203,220)	\$ (437,077)	\$ 129,985
11	Fixed Asset Recovery Other	-	-	-	-	-	-	-	-	-	-
12	Fixed Asset Recovery-Prod Factored	-	(289,619)	-	(2,701,129)	-	-	-	-	-	-
13	501-Steam Fuel										(0)
14	555-Purchased power										
15	557-Other Power Exp										
15a	Payroll Overheads										
15b	Property Insurance						(27,061)				
15c	Montana Electric Energy Tax										
15d	Payroll Taxes										
16	547-Fuel										
17	565-Wheeling										
18	Variable Transmission Income										
19	Production O&M										
20	447-Sales to Others										
21	Purch/Sales Non-Core Gas										
22	Transmission Exp - 500KV										
23	Depreciation/Amortization -Production		(203,597)		(5,002,008)						
24	Depreciation-Transmission										
25	Amortization - Regulatory Assets	4,191,320		(10,157,004)	1,801,776		-	(0)	1,822,226	(0)	
26	Property Taxes-Production					-					
27	Property Taxes-Transmission					-					
28	Hedging Line of Credit										
29	Subtotal & Baseline Rate	\$ 5,738,126	\$ (493,216)	\$ (10,282,262)	\$ (5,236,416)	\$ -	\$ (27,061)	\$ (509,424)	\$ (203,220)	\$ 1,385,149	\$ 129,985

PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2013
SUMMARY PAGES

	4.19	4.20	4.21	4.22	4.23	4.24		
	Adjustment 19	Adjustment 20	Adjustment 21	Adjustment 22	Adjustment 23	Adjustment 24		Adjusted
	CHELAN PUD	COLSTRIP 1&2	LSR PREPAID TRNS	HEDGING	PRODUCTION	TEMPERATURE	TOTAL	12 months ended
	CONTR INT PMT	FERC PART 12	CARRYING CHR	LINE OF	ADJUSTMENT	NORMALIZATION	ADJUSTMENT	September 30, 2012
	& SECURITY DPS	CONTRACT MM	ON LSR PREPD	CREDIT				
Power Cost Rate								
Row								
3	Regulatory Assets (Variable)	\$ (10,487,985)	\$ (1,206,047)	\$ (4,578,231)	\$ (5,621,534)		\$ (900,072)	\$ 315,242,298
4	Transmission Rate Base (Fixed)						-	91,760,899
5	Production Rate Base (Fixed)				(42,057,742)		613,616,622	2,358,498,384
		\$ (10,487,985)	\$ (1,206,047)	\$ (4,578,231)	\$ -	\$ (47,679,276)	\$ -	\$ 612,716,550
6								
7	Net of tax rate of return							6.71%
8								
9								
10	Regulatory Asset Recovery	\$ (1,082,683)	\$ (124,501)	\$ (472,614)	\$ -	\$ (580,315)	\$ (92,915)	\$ 32,542,704
11	Fixed Asset Recovery Other	-	-	-	-	-	-	9,472,548
12	Fixed Asset Recovery-Prod Factored	-	-	-	-	(4,341,653)	63,344,116	243,469,602
13	501-Steam Fuel						20,258,010	90,360,801
14	555-Purchased power						(219,784,012)	399,792,577
15	557-Other Power Exp						(6,960,010)	6,346,743
15a	Payroll Overheads				(152,832)		(152,832)	6,535,308
15b	Property Insurance				(35,229)		(62,291)	1,975,579
15c	Montana Electric Energy Tax				(30,440)		887,563	1,707,003
15d	Payroll Taxes						-	2,035,145
16	547-Fuel						(6,626,735)	144,604,240
17	565-Wheeling						21,031,575	106,031,259
18	Variable Transmission Income						(219,189)	(6,545,360)
19	Production O&M						-	124,763,485
20	447-Sales to Others						75,929,099	(26,525,245)
21	Purch/Sales Non-Core Gas						(32,829,201)	(8,778,033)
22	Transmission Exp - 500KV						(17,051)	956,152
23	Depreciation/Amortization -Production					(2,041,451)	21,934,203	114,479,727
24	Depreciation-Transmission						-	4,136,830
25	Amortization - Regulatory Assets	590,672	(1,275,845)	2,949,798	(563,347)		2,341,415	31,591,173
26	Property Taxes-Production						-	-
27	Property Taxes-Transmission						-	-
28	Hedging Line of Credit				(52,144)	(14,006)	(66,149)	785,409
29	Subtotal & Baseline Rate	\$ (492,011)	\$ (1,400,346)	\$ 2,477,184	\$ (52,144)	\$ (7,759,274)	\$ -	\$ (48,705,367)
								\$ 1,279,737,645

Adjustment 1

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
POWER COST ADJUSTMENT**

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED TEST YEAR	ADJUSTMENT
1 PRODUCTION EXPENSES:			
2 FUEL:			
3 501-STEAM FUEL	\$ 70,102,791	\$ 90,360,801	\$ 20,258,010
4 547-FUEL	151,230,975	144,604,240	(6,626,735)
5 PURCHASED AND INTERCHANGED:			
6 555-PURCHASED POWER	619,576,589	399,792,577	(219,784,012)
7 557 - OTHER POWER EXPENSE	13,306,753	6,346,743	(6,960,010)
8 WHEELING	84,999,684	106,031,259	21,031,575
9 PRODUCTION O&M	112,384,447	124,763,485	12,379,038
10 TRANS. EXP. INCL. 500KV O&M	973,202	956,152	(17,051)
11 SALES FOR RESALE	(102,454,344)	(26,525,245)	75,929,099
12 PURCHASES/SALES OF NON-CORE GAS	24,051,167	(8,778,033)	(32,829,201)
13 VARIABLE TRANSMISSION INCOME - COLSTRIP, 3RD AC	(6,326,170)	(6,545,360)	(219,189)
14 INCREASE (DECREASE) EXPENSE	<u>967,845,094</u>	<u>831,006,617</u>	<u>(136,838,477)</u>

**PUGET SOUND ENERGY
DETERMINATION OF NET POWER COSTS
TEST YEAR ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014**

Adjustment 1

		<i>RATE YEAR</i>					
Line	FERC	Description	12ME 8/31/2014	Amort of Reg Assets (Note 1)	Reclass Ben&Tax (Note 2)	Net Before Prod Factor	After Prod Factor of 0.98248 Adjustment-1
1		Fuel:	Total	(Note 1)	(Note 2)		
2	501	Steam Fuel	\$ 92,472,153	\$ (500,000)		\$ 91,972,153	\$ 90,360,801
3	547	Fuel	146,253,088	929,796		147,182,884	144,604,240
4			<u>238,725,241</u>	<u>429,796</u>	<u>-</u>	<u>239,155,037</u>	<u>234,965,040</u>
5		Purchased and Interchanged					
6	555	Purchased Power	417,536,534	(10,614,686)	-	406,921,848	399,792,577
7						-	-
8	557	Other Power Expense	7,833,383		(1,373,462)	6,459,921	6,346,743
9			<u>425,369,917</u>	<u>(10,614,686)</u>	<u>(1,373,462)</u>	<u>413,381,768</u>	<u>406,139,320</u>
10							
11	565	Wheeling	110,466,495	(2,544,442)		107,922,054	106,031,259
12							
13							
14							
15	447	Sales for Resale	(26,998,255)			(26,998,255)	(26,525,245)
16	456	Purchases/Sales Of Non-Core Gas	(8,934,567)			(8,934,567)	(8,778,033)
17			<u>(35,932,822)</u>	<u>-</u>	<u>-</u>	<u>(35,932,822)</u>	<u>(35,303,279)</u>
18							
19		Net Power Costs from DEM Exhibit	738,628,831	(12,729,332)	(1,373,462)	724,526,037	711,832,341
13	various	Production O&M	134,972,863	(634,721)	(7,349,822)	126,988,320	124,763,485
20	various	Trans. Exp. Incl. 500Kv O&M	973,202			973,202	956,152
21	456-17	Variable Transmission Income	(6,662,080)	-		(6,662,080)	(6,545,360)
22							
23		To Power Cost Adjustment	<u>\$ 867,912,816</u>	<u>\$ (13,364,052)</u>	<u>\$ (8,723,284)</u>	<u>\$ 845,825,480</u>	<u>\$ 831,006,617</u>

(Note 1) Amounts are included in Adjustments 15, 18, 19, 20 and 21.

(Note 2) Amounts are included in the test year and are adjusted in the Production Adjustment , Adjustment 23.

Adjustment 2

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
MONTANA ENERGY TAX**

LINE NO. DESCRIPTION	ADJUSTED RATE YEAR	ADJUSTMENT
1 PROFORMA KWH (COLSTRIP)	4,964,123,833	
2 TAX RATE	<u>0.00035</u>	
3		
4 PROFORMA ENERGY TAX		1,737,443
5 CHARGED TO EXPENSE		<u>819,440</u>
6 INCREASE (DECREASE) EXPENSE		<u><u>\$ 918,003</u></u>

Adjustment 3

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
LOWER SNAKE RIVER PROJECT**

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED TEST YEAR	ADJUSTMENT
1 <u>PLANT RATE BASE</u>			
2 PLANT BALANCE	\$ 429,594,822	\$ 689,560,142	\$ 259,965,320
3 ACCUM DEPRECIATION	(4,905,223)	(14,380,018)	(9,474,794)
4 DEFERRED INCOME TAX	(27,932,659)	(49,545,868)	(21,613,209)
5 NET LOWER SNAKE RIVER PLANT RATEBASE	<u>396,756,939</u>	<u>625,634,255</u>	<u>228,877,317</u>
6			
7 NET OF TAX RATE OF RETURN	6.71%		
8 FIXED ASSETS RECOVERY	<u>40,957,524</u>	<u>64,584,705</u>	<u>23,627,181</u>
9			
10 <u>LOWER SNAKE RIVER OPERATING EXPENSE</u>			
11 TAXABLE DEPRECIATION EXPENSE	14,382,540	24,572,610	10,190,070
12 NON-TAXABLE DEPRECIATION EXPENSE	2,373,346	4,078,521	1,705,175
13	<u>16,755,886</u>	<u>28,651,131</u>	<u>11,895,245</u>

Adjustment 4

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
SNOQUALMIE LICENSE UPGRADE**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED TEST YEAR	ADJUSTMENT
1	<u>PLANT RATE BASE</u>			
2	PLANT BALANCE	\$ -	\$ 301,060,534	\$ 301,060,534
3	ACCUM DEPRECIATION	-	(9,042,644)	(9,042,644)
4	DEFERRED INCOME TAX	-	(42,407,216)	(42,407,216)
5	NET SNOQUALMIE PLANT RATEBASE	-	249,610,673	249,610,673
6				
7	NET OF TAX RATE OF RETURN	6.71%		
8	FIXED ASSETS RECOVERY	-	25,767,502	25,767,502
9				
10	<u>SNOQUALMIE OPERATING EXPENSE</u>			
11	TAXABLE DEPRECIATION EXPENSE	-	8,153,420	8,153,420
12	NON-TAXABLE DEPRECIATION EXPENSE	-	1,455,850	1,455,850
13	REVENUE ADJUSTMENT FOR FLOW-THRU TAXES		783,919	783,919
14	INCREASE OPERATING EXPENSES	-	10,393,189	10,393,189

Adjustment 5

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
SNOQUALMIE DEFERRAL**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>OPERATING EXPENSES</u>			
2	<u>PLANT 2 AND DIVERSION DAM</u>			
3	AMORT. OF DEFERRAL PLANT 2 AND DIVERSION DAM	\$ -	\$ 1,256,652	\$ 1,256,652
4	DEFERRAL OF PLANT 2 AND DIVERSION DAM	-	-	-
5	TOTAL AMORT. PLANT 2 AND DIVERSION DAM PROJECT	-	1,256,652	1,256,652
6				
7	<u>PLANT 1</u>			
8	AMORT. OF DEFERRAL PLANT 1 SNOQUALMIE	-	991,997	991,997
9	DEFERRAL OF PLANT 1 SNOQUALMIE	-	-	-
10	TOTAL AMORT. PLANT 1 SNOQUALMIE PROJECT	-	991,997	991,997
11				
12	INCREASE (DECREASE) OPERATING EXPENSES	-	2,248,649	2,248,649
13				
14				
15	<u>RATE BASE</u>			
16	<u>PLANT 2 AND DIVERSION DAM</u>			
17	PLANT 2 AND DIVERSION DAM AMA GROSS - DEF	\$ -	\$ 7,539,913	\$ 7,539,913
18	PLANT 2 AND DIVERSION DAM AMA ACCUM. AMORT.	-	(628,326)	(628,326)
19	PLANT 2 AND DIVERSION DAM AMA ACCUM. DEFERRED FIT	-	(2,419,055)	(2,419,055)
20	TOTAL PLANT 2 AND DIVERSION DAM PROJECT RATE BASE	-	4,492,532	4,492,532
21				
22	<u>PLANT 1</u>			
23	SNOQUALMIE PLANT 1 AMA GROSS - DEF	-	5,951,980	5,951,980
24	SNOQUALMIE PLANT 1 AMA ACCUM AMORTIZATION	-	(495,998)	(495,998)
25	SNOQUALMIE PLANT 1 AMA ACCUM. DEFERRED FIT	-	(1,909,594)	(1,909,594)
26	TOTAL SNOQUALMIE PLANT 1 RATE BASE	\$ -	\$ 3,546,388	\$ 3,546,388
27				
28	TOTAL SNOQUALMIE PROJECT RATE BASE	-	8,038,920	8,038,920

Adjustment 6

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
BAKER UNIT 4 POWERHOUSE AND FLOATING SURFACE COLLECTOR**

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1 <u>PLANT RATE BASE</u>			
2 PLANT BALANCE	\$ -	\$ 160,480,841	\$ 160,480,841
3 ACCUM DEPRECIATION	-	(3,548,023)	(3,548,023)
4 DEFERRED INCOME TAX	-	(24,273,951)	(24,273,951)
5 NET BAKER PLANT RATEBASE	-	132,658,867	132,658,867
6			
7 NET OF TAX RATE OF RETURN	6.71%		
8 FIXED ASSETS RECOVERY	-	13,694,477	13,694,477
9			
10 <u>BAKER OPERATING EXPENSE</u>			
11 TAXABLE DEPRECIATION EXPENSE	-	3,153,612	3,153,612
12 NON-TAXABLE DEPRECIATION EXPENSE	-	367,032	367,032
13 REVENUE ADJUSTMENT FOR FLOW-THRU TAXES		197,633	197,633
14 TOTAL DEPRECIATION EXPENSE	-	3,718,278	3,718,278

Adjustment 7

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
BAKER DEFERRAL**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>OPERATING EXPENSES</u>			
2	AMORTIZATION OF BAKER COST DEFERRAL		\$ 733,170	\$ 733,170
3	DEFERRAL OF BAKER COSTS			-
4	TOTAL AMORTIZATION BAKER PROJECT	-	733,170	733,170
5				
6				
7	<u>RATE BASE</u>			
8	BAKER PROJECT AMA GROSS - DEF		\$ 4,399,023	\$ 4,399,023
9	BAKER PROJECT AMA ACCUMULATED DEPRECIATION		(366,585)	(366,585)
10	BAKER PROJECT AMA ACCUMULATED DEFERRED FIT		(1,411,353)	(1,411,353)
11	TOTAL BAKER PROJECT RATE BASE	-	\$ 2,621,084	\$ 2,621,084

Adjustment 8

PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
FERNDALE PLANT

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1 <u>RATE BASE</u>			
2 UTILITY PLANT BALANCE	\$ -	\$ 134,878,099	\$ 134,878,099
3 ASSET RETIREMENT COST ("ARC")	-	1,482,548	1,482,548
4 ACCUM DEPRECIATION ON UTILITY PLANT AND ARC	-	(87,373,825)	(87,373,825)
5 ACQUISITION ADJUSTMENT	-	30,992,513	30,992,513
6 ACCUM AMORIZATION ACQUISITION ADJUSTMENT	-	(1,668,267)	(1,668,267)
7 DEFERRED INCOME TAX	-	(3,105,699)	(3,105,699)
8 ASSET RETIREMENT OBLIGATION ("ARO")	-	(1,706,381)	(1,706,381)
9 NET FERNDALE PLANT RATEBASE	-	73,498,988	73,498,988
10			
11 NET OF TAX RATE OF RETURN	6.71%		
12 FIXED ASSETS RECOVERY	-	7,587,357	7,587,357
13			
14 <u>FERNDALE OPERATING EXPENSE</u>			
15 DEPRECIATION EXPENSE	-	1,855,149	1,855,149
16 ACQUISITION ADJUSTMENT AMORTIZATION EXPENSE	-	1,144,339	1,144,339
17 ARC DEPRECIATION EXPENSE 403.1	-	57,756	57,756
18 ARO ACCRETION EXPENSE 411.1	-	117,302	117,302
19 TOTAL OPERATING EXPENSE	-	3,174,547	3,174,547

Adjustment 9

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
FERNDALE DEFERRAL**

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1 <u>OPERATING EXPENSES</u>			
2 AMORTIZATION OF FERNALE COST DEFERRAL	\$ -	\$ 4,191,320	\$ 4,191,320
3	-	-	-
4 TOTAL AMORTIZATION FERNDALE PROJECT	-	4,191,320	4,191,320
5			
6			
7 <u>RATE BASE</u>			
8 FERNDALE DEFERRAL AMA GROSS - DEF	\$ -	\$ 25,147,918	\$ 25,147,918
9 FERNDALE DEFERRAL AMA ACCUMULATED DEPRECIATIO	-	(2,095,660)	(2,095,660)
10 FERNDALE DEFERRAL AMA ACCUMULATED DEFERRED FI	-	(8,068,290)	(8,068,290)
11 TOTAL FERNDALE RATE BASE	\$ -	\$ 14,983,968	\$ 14,983,968

Adjustment 10

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
REMOVE WILD HORSE SOLAR**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>WILD HORSE RATE BASE</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 4,530,703		\$ (4,530,703)
4	ACCUMULATED DEPRECIATION	(825,947)		825,947
5	DEFERRED TAX	(899,206)		899,206
6	TOTAL UTILITY PLANT RATEBASE	<u>2,805,550</u>	-	<u>(2,805,550)</u>
7				
8	NET OF TAX RATE OF RETURN	6.71%		
9	FIXED ASSET RECOVERY	<u>\$ 289,619</u>	<u>\$ -</u>	<u>\$ (289,619)</u>
10				
11	<u>WILD HORSE O&M</u>			
12	DEPRECIATION EXPENSE ON UTILITY PLANT	203,597		(203,597)
13	PROPERTY INSURANCE			-
14	PROPERTY TAXES			-
15	TOTAL O&M	<u>203,597</u>	-	<u>(203,597)</u>
16				
17	GRAND TOTAL OF OPERATING EXPENSES	<u>\$ 493,216</u>	<u>\$ -</u>	<u>\$ (493,216)</u>

Adjustment 11

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
REMOVE TENASKA**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	RATEBASE			
2	REGULATORY ASSET	\$ 1,269,605		\$ (1,269,605)
3	DEFERRED FIT	(56,231)		56,231
4				
5	NET RATEBASE	1,213,374	-	(1,213,374)
6				
7				
8	AMORTIZATION EXPENSE			
9	AMORTIZATION EXPENSE	10,157,004		(10,157,004)
10	TOTAL AMORTIZATION	10,157,004	-	(10,157,004)

Adjustment 12

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
SALE OF ELECTRON HYDROELECTRIC PROJECT**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>ELECTRON HYDRO OPERATING EXPENSE</u>			
2	DEPRECIATION EXPENSE	\$ 5,002,008		\$ (5,002,008)
3	AMORTIZATION EXPENSE		1,801,776	1,801,776
4	TOTAL EXPENSE	<u>5,002,008</u>	<u>1,801,776</u>	<u>(3,200,232)</u>
5				
6	<u>ELECTRON UTILITY PLANT RATEBASE</u>			
7	GROSS PLANT	\$ 69,590,833		\$ (69,590,833)
8	ACCUMULATED DEPRECIATION / AMORTIZATION	(38,298,583)		38,298,583
9	DFIT	(5,126,319)		5,126,319
10	NET PLANT COSTS	<u>26,165,931</u>	<u>-</u>	<u>(26,165,931)</u>
11				
12	<u>ELECTRON REGULATORY ASSET RATEBASE</u>			
13	UNRECOVERED PLANT	\$ -	\$ 12,457,523	\$ 12,457,523
14	ACCUMULATED AMORTIZATION	-	(2,547,757)	(2,547,757)
15	DFIT	-	(3,468,418)	(3,468,418)
16	NET REGULATORY ASSET	<u>-</u>	<u>6,441,348</u>	<u>6,441,348</u>

Adjustment 13

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
PROPERTY TAXES**

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1 PROPERTY TAXES-PRODUCTION	\$ -	\$ -	-
2 PROPERTY TAXES-TRANSMISSION	-	-	-
3 INCREASE (DECREASE) EXPENSES	\$ -	\$ -	-

Adjustment 14

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
PROPERTY INSURANCE**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	PROPERTY INSURANCE EXPENSE	\$ 2,037,869	\$ 2,010,808	\$ (27,061)
2	INCREASE(DECREASE) EXPENSE	\$ 2,037,869	\$ 2,010,808	\$ (27,061)

Adjustment 15

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
BONNEVILLE EXCHANGE POWER (BEP)**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
2	BEP	\$ 12,551,648	\$ 7,616,843	\$ (4,934,805)
3	TOTAL REGULATORY ASSETS	<u>\$ 12,551,648</u>	<u>\$ 7,616,843</u>	<u>\$ (4,934,805)</u>
4	<u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
5	BEP	3,526,620	3,526,620	-
6	TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>\$ 3,526,620</u>	<u>\$ 3,526,620</u>	<u>\$ -</u>

Adjustment 16

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
WHITE RIVER REGULATORY ASSET**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
2	WHITE RIVER PLANT COSTS	\$ 35,416,439	\$ 32,252,094	\$ (3,164,345)
3	WHITE RIVER RELICENSING & CWIP	25,485,829	25,621,603	135,774
4	PROCEED FROM THE SALE OF WHITE RIVER	(30,211,681)	(30,211,681)	-
5	DFIT - WHITE RIVER REG ASSET	(10,741,661)	(9,681,693)	1,059,968
6	TOTAL REGULATORY ASSETS	<u>\$ 19,948,927</u>	<u>\$ 17,980,324</u>	<u>\$ (1,968,603)</u>
7				
8	<u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
9	WHITE RIVER PLANT COSTS	\$ 1,494,702	\$ 1,494,702	\$ (0)
10	TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>\$ 1,494,702</u>	<u>\$ 1,494,702</u>	<u>\$ (0)</u>

Adjustment 17

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
PLANT DEFERRALS**

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
2	GOLDENDALE FIXED COSTS DEFERRAL	\$ 9,335	\$ -	\$ (9,335)
3	MINT FARM DEFFRED - UE-090704	24,270,628	20,363,786	(3,906,842)
4	WILD HORSE EXPANSION DEFFRED - UE-090704	40,660	-	(40,660)
5	LOWER SNAKE RIVER PLANT DEFERRAL	6,126,670	5,849,525	(277,145)
6	TOTAL REGULATORY ASSETS	<u>\$ 30,447,292</u>	<u>\$ 26,213,311</u>	<u>\$ (4,233,981)</u>
7				
8	<u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
9	GOLDENDALE FIXED COSTS DEFERRAL	\$ 346,851	\$ -	\$ (346,851)
10	MINT FARM DEFFRED - UE-090704	2,885,052	2,885,052	-
11	WILD HORSE EXPANSION DEFFRED - UE-090704	582,051	-	(582,051)
12	LOWER SNAKE RIVER PLANT DEFERRAL	1,748,506	4,499,635	2,751,129
13	TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>\$ 5,562,460</u>	<u>\$ 7,384,687</u>	<u>\$ 1,822,226</u>

Adjustment 18

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
WESTCOAST PIPELINE CAPACITY PAYMENTS**

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
2	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)	\$ (1,678,228)	\$ (1,147,096)	\$ 531,132
3	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)	(2,300,593)	(1,572,557)	728,037
4	TOTAL REGULATORY ASSETS	\$ (3,978,821)	\$ (2,719,653)	\$ 1,259,169
5				
6				
7	<u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
8	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)	\$ (392,170)	\$ (392,170)	\$ 0
9	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)	(537,626)	(537,626)	(0)
10	TOTAL AMORTIZATION OF REG ASSETS/LIABS	(929,796)	(929,796)	(0)

Adjustment 19

PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
CHELAN PUD CONTRACT PAYMENTS

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1 <u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
2 CHELAN PUD CONTRACT INITIATION	\$ 120,683,675	\$ 107,883,190	\$ (12,800,485)
3 CHELAN - ROCK ISLAND SECURITY DEPOSIT	16,187,500	18,500,000	2,312,500
4 TOTAL REGULATORY ASSETS	\$ 136,871,175	\$ 126,383,190	(10,487,985)
5			
6			
7 <u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
8 CHELAN PUD CONTRACT INITIATION	\$ 6,497,393	\$ 7,088,066	\$ 590,672
9 TOTAL AMORTIZATION OF REG ASSETS/LIABS	\$ 6,497,393	\$ 7,088,066	\$ 590,672

Adjustment 20

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
OTHER MISCELLANEOUS REGULATORY ASSETS**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
2	COLSTRIP 1&2 (WEC _o) PREPAYMENT	\$ 4,150,656	\$ 2,833,333	\$ (1,317,322)
3	FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074	786,635	\$ 643,382	(143,253)
4	CONTRACT MAJOR MAINTENANCE:	-	\$ -	-
5	SUMAS NOVEMBER 2010 HOT GAS PATH INSPECTION	200,983	\$ -	(200,983)
6	GOLDENDALE HOT GAS PATH	963,013	\$ -	(963,013)
7	FREDDY 1 JULY 2009 HOT GAS PATH INSPECTION	4,419	\$ -	(4,419)
8	GOLENDALE MAY 2009 COMBUSTION INSPECTION	30,780	\$ -	(30,780)
9	MINT FARM JUNE 2010 COMBUSTION INSPECTION	133,079	\$ -	(133,079)
10	MINT FARM APRIL 2013 HOT GAS PATH INSPECTION	-	\$ 1,586,802	1,586,802
11	TOTAL REGULATORY ASSETS	\$ 6,269,564	\$ 5,063,517	\$ (1,206,047)
12				
13	<u>AMORTIZATION OF REGULATORY ASSET</u>			
14	COLSTRIP 1&2 (WEC _o) PREPAYMENT	\$ 958,333	\$ 500,000	\$ (458,333)
15	FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074	180,951	241,268	60,317
16	CONTRACT MAJOR MAINTENANCE:	-	-	-
17	SUMAS NOVEMBER 2010 HOT GAS PATH INSPECTION	396,857	-	(396,857)
18	GOLDENDALE HOT GAS PATH	476,329	-	(476,329)
19	FREDDY 1 JULY 2009 HOT GAS PATH INSPECTION	35,351	-	(35,351)
20	GOLENDALE MAY 2009 COMBUSTION INSPECTION	147,742	-	(147,742)
21	MINT FARM JUNE 2010 COMBUSTION INSPECTION	456,270	-	(456,270)
22	MINT FARM APRIL 2013 HOT GAS PATH INSPECTION	-	634,721	634,721
23	TOTAL AMORTIZATION OF REG ASSETS/LIABS	\$ 2,651,834	\$ 1,375,989	\$ (1,275,845)

Adjustment 21

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
LSR PREPAID TRANSM PRINCIPAL AND DEFERRED CARRYING CHARGES**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>AMA OF REG ASSET/LIAB NET OF ACCUM AMORT AND DFIT</u>			
2	LOWER SNAKE RIVER PREPAID TRANSM PRINCIPAL	\$ 99,800,000	\$ 97,852,274	\$ (1,947,726)
3	CARRYING CHARGES ON LSR PREPAID TRANSM	13,019,212	10,388,707	(2,630,505)
4	TOTAL REGULATORY ASSETS	<u>\$ 112,819,212</u>	<u>\$ 108,240,981</u>	<u>\$ (4,578,231)</u>
5				
6	<u>AMORTIZATION OF REGULATORY ASSET</u>			
7	LOWER SNAKE RIVER PREPAID TRANSM PRINCIPAL	\$ -	\$ 2,544,442	\$ 2,544,442
8	CARRYING CHARGES ON LSR PREPAID TRANSM	289,540	694,897	405,356
9	TOTAL REGULATORY AMORT	<u>\$ 289,540</u>	<u>\$ 3,239,339</u>	<u>\$ 2,949,798</u>

Adjustment 22

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
HEDGING LINE OF CREDIT**

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1 HEDGING LINE OF CREDIT	\$ 851,558	\$ 799,414	\$ (52,144)
2 INCREASE(DECREASE) EXPENSE	\$ 851,558	\$ 799,414	\$ (52,144)

Adjustment 23

PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
PRODUCTION ADJUSTMENT

LINE NO.	DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION FACTOR 1.752%	NET AMOUNT
1	<u>O&M ON PRODUCTION PROPERTY</u>			
2	O&M INCLUDED IN 557:			
3	WORKER'S COMPENSATION	\$ 8,723,284	\$ (152,832)	\$ 8,570,452
4	PROPERTY INSURANCE	2,010,808	(35,229)	1,975,579
5				
6	TOTAL O&M ON PRODUCTION PROPERTY	10,734,092	(188,061)	10,546,031
7				
8				
9				
10	HEDGING LINE OF CREDIT	799,414	(14,006)	785,409
11				
12	<u>DEPRECIATION / AMORTIZATION:</u>			
13	DEPRECIATION	104,220,701	(1,825,947)	102,394,754
14	AMORTIZATION (OTHER THAN REGULATORY ASSETS/LIAB)	12,300,477	(215,504)	12,084,973
15		116,521,178	(2,041,451)	114,479,727
16	<u>TAXES OTHER-PRODUCTION PROPERTY:</u>			
17	PROPERTY TAXES - PRODUCTION		-	-
18	ELECTRIC ENERGY TAX	1,737,443	(30,440)	1,707,003
19	TOTAL TAXES OTHER	1,737,443	(30,440)	1,707,003
20				
21	TOTAL PRODUCTION ADJUSTMENT ON PRODUCTION PROPERTY	\$ 129,792,128	\$ (2,273,958)	\$ 127,518,170
22				
23	<u>EXPENSE ON REGULATORY ASSETS:</u>			
24	ADJ. NO. 9 - FERNDALE DEFERRAL	4,191,320	(73,432)	4,117,888
25	ADJ. NO. 5 - SNOQUALMIE DEFERRAL	2,248,649	(39,396)	2,209,252
26	ADJ. NO. 7 - BAKER DEFERRAL	733,170	(12,845)	720,325
27	ADJ. NO. 12 - ELECTRON UNRECOVERED COSTS	1,801,776	(31,567)	1,770,209
28	<u>ADJ - POWER COST & PROD O&M RELATED</u>			
29	NO. 15 - BEP	3,526,620	(61,786)	3,464,834
30	NO. 18 - WESTCOAST PIPE CAP - UE-082013 (FB ENERGY)	(392,170)	6,871	(385,299)
31	NO. 18 - WESTCOAST PIPE CAP - UE-100503 (BNP PARIBUS)	(537,626)	9,419	(528,207)
32	NO. 19 - CHELAN	7,088,066	(124,183)	6,963,883
33	NO. 20 - COLSTRIP 1&2 (WEC) PREPAYMENT	500,000	(8,760)	491,240
34	NO. 21 - LOWER SNAKE RIVER PREPAID TRANSM PRINCIPAL	2,544,442	(44,579)	2,499,863
35	NO. 20 - MINT FARM APRIL 2013 HOT GAS PATH INSPECTION	634,721	(11,120)	623,600
36	<u>ADJ - ALL OTHER</u>			-
37	NO. 16 - WHITE RIVER PLANT COSTS	1,494,702	(26,187)	1,468,515
38	NO. 17 - MINT FARM DEFFRED - UE-090704	2,885,052	(50,546)	2,834,506
39	NO. 17 - LOWER SNAKE RIVER PLANT DEFERRAL	4,499,635	(78,834)	4,420,801
40	NO. 20 - FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074	241,268	(4,227)	237,041
41	NO. 21 - CARRYING CHARGES ON LSR PREPAID TRANSM	694,897	(12,175)	682,722
42				
43	TOTAL PRODUCTION ADJUSTMENT TO REGULATORY ASSET/LIABILITY EXPENSES	\$ 32,154,520	\$ (563,347)	\$ 31,591,173
44				
45	TOTAL PRODUCTION ADJUSTMENT TO EXPENSES		(2,837,305)	
46				
47	<u>PRODUCTION RATE BASE:</u>			
48	DEPRECIABLE PRODUCTION PROPERTY	3,795,780,216	(66,502,069)	3,729,278,147
49	PRODUCTION PROPERTY ACCUM DEPR.	(1,316,803,762)	23,070,402	(1,293,733,360)
50	NON-DEPRECIABLE PRODUCTION PROPERTY	77,802,363	(1,363,097)	76,439,266
51	PRODUCTION PROPERTY ACCUM AMORT.	(5,230,652)	91,641	(5,139,011)
52	COLSTRIP COMMON FERC ADJUSTMENT	4,326,958	(75,808)	4,251,150
53	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	1,276,167	(22,358)	1,253,809
54	ACQUISITION ADJUSTMENT	281,526,234	(4,932,340)	276,593,894
55	ACCUMULATED AMORTIZATION ON ACQUISTION ADJ	(72,694,902)	1,273,615	(71,421,287)
56	NET PRODUCTION PROPERTY	2,765,982,621	(48,460,014)	2,717,522,607
57				
58	<u>DEDUCT:</u>			

Adjustment 23

PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
PRODUCTION ADJUSTMENT

LINE NO.	DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION FACTOR 1.752%	NET AMOUNT
59	LIBR. DEPREC. POST 1980 (AMA)	(404,934,420)	7,094,451	(397,839,969)
60	NOL DEFERRED TAX ASSET ATTRIBUTABLE TO PRODUCTION	39,507,925	(692,179)	38,815,746
61	ADJUSTMENT TO RATE BASE	(365,426,495)	6,402,272	(359,024,223)
62				
63	TOTAL PRODUCTION ADJUSTMENT TO PRODUCTION RATE BASE	\$ 2,400,556,126	\$ (42,057,742)	\$ 2,358,498,384
64				
65	<u>REGULATORY ASSETS RATE BASE:</u>			
66	BEP	7,616,843	(133,447)	7,483,396
67	WHITE RIVER PLANT COSTS	32,252,094	(565,057)	31,687,038
68	WHITE RIVER RELICENSING & CWIP	25,621,603	(448,890)	25,172,712
69	PROCEEDS FROM THE SALE OF WHITE RIVER	(30,211,681)	529,309	(29,682,372)
70	DFIT - WHITE RIVER REG ASSET	(9,681,693)	169,623	(9,512,069)
71	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)	(1,147,096)	20,097	(1,126,999)
72	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)	(1,572,557)	27,551	(1,545,005)
73	MINT FARM DEFFRED - UE-090704	20,363,786	(356,774)	20,007,012
74	CHELAN PUD CONTRACT INITIATION	107,883,190	(1,890,113)	105,993,077
75	CHELAN - ROCK ISLAND SECURITY DEPOSIT	18,500,000	(324,120)	18,175,880
76	COLSTRIP 1&2 (WEC _o) PREPAYMENT	2,833,333	(49,640)	2,783,693
77	FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074	643,382	(11,272)	632,110
78	MINT FARM APRIL 2013 HOT GAS PATH INSPECTION	1,586,802	(27,801)	1,559,001
79	LOWER SNAKE RIVER PREPAID TRANSM PRINCIPAL	97,852,274	(1,714,372)	96,137,902
80	CARRYING CHARGES ON LSR PREPAID TRANSM	10,388,707	(182,010)	10,206,696
81	LOWER SNAKE RIVER PLANT DEFERRAL	5,849,525	(102,484)	5,747,042
82	FERNDALDE DEFERRAL	14,983,968	(262,519)	14,721,449
83	SNOQUALMIE DEFERRAL	8,038,920	(140,842)	7,898,078
84	BAKER DEFERRAL	2,621,084	(45,921)	2,575,163
85	ELECTRON UNRECOVERED PLANT COSTS	6,441,348	(112,852)	6,328,496
86	TOTAL PRODUCTION ADJUSTMENT TO REGULATORY ASSETS RATE BASE	\$ 320,863,832	\$ (5,621,534)	\$ 315,242,298
87				
88	TOTAL PRODUCTION ADJUSTMENT TO RATE BASE		\$ (47,679,276)	

Adjustment 24

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
TEMPERATURE NORMALIZATION**

LINE NO.	DESCRIPTION	ACTUAL GPI MWH	TEMP ADJ GPI MWH	MWH CHANGE	ADJ FOR LOSSES 6.90%
1	Oct-11	1,787,546	1,779,700	(7,846)	(7,304)
2	Nov-11	2,101,522	2,065,752	(35,770)	(33,302)
3	Dec-11	2,356,931	2,337,381	(19,551)	(18,202)
4	Jan-12	2,292,567	2,250,955	(41,611)	(38,740)
5	Feb-12	2,038,936	2,050,693	11,757	10,946
6	Mar-12	2,120,952	2,069,642	(51,310)	(47,769)
7	Apr-12	1,748,782	1,763,298	14,515	13,514
8	May-12	1,693,850	1,692,346	(1,504)	(1,400)
9	Jun-12	1,583,503	1,594,319	10,816	10,070
10	Jul-12	1,625,813	1,642,567	16,754	15,598
11	Aug-12	1,704,899	1,687,369	(17,531)	(16,321)
12	Sep-12	1,588,781	1,588,077	(703)	(655)
13	Total	22,644,082	22,522,100	(121,982)	(113,565)

Adjustment 25

**PUGET SOUND ENERGY
POWER COST ONLY RATE CASE
TWELVE MONTHS ENDED SEPTEMBER 30, 2012
RATE YEAR ENDED OCTOBER 31, 2014
CONVERSION FACTOR**

LINE NO.	DESCRIPTION		RATE
1	BAD DEBTS		0.004444
2	ANNUAL FILING FEE		0.002000
3	STATE UTILITY TAX ((1 - LINE 1) * 3.8734%)	3.8734%	<u>0.038562</u>
4			
5	SUM OF TAXES OTHER		0.045006
6			
7	CONVERSION FACTOR (1 - LINE 5)		0.954994