

BEFORE THE WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION

**Docket Nos. UG-110723
Puget Sound Energy, Inc.'s
Tariff filing for Pipeline Integrity Program**

WUTC STAFF DATA REQUEST NO. 011

WUTC STAFF DATA REQUEST NO. 011:

- A. Please list all regulatory mechanisms Puget Sound Energy, Inc. is currently authorized to use to track and defer expenses between general rate cases for subsequent reconciliation and/or potential recovery in rates. Examples include, but are not limited to the power cost adjustment mechanism and the purchased gas adjustment. For each such deferral or functionally similar account indicate:
1. The docket number approving the deferral;
 2. The purpose of the deferral; and
 3. The most recent account balance, including the date of such balance.
- B. Please list all regulatory mechanisms and procedures currently authorized and available to Puget Sound Energy, Inc. between general rate cases that serve to reduce regulatory lag and/or mitigate the Company's risk of cost under recovery between general rate cases. Examples include but are not limited to power cost only rate case. For each such mechanism and procedure indicate:
1. The docket number approving the mechanism and procedure; and
 2. A description of the conditions or limitations under which the mechanism or procedure is authorized, if any.

Response:

- A. Puget Sound Energy, Inc. ("PSE") does not maintain a comprehensive list of regulatory mechanisms in a manner that would allow a simple compilation of the information requested in WUTC Staff Data Request No. 011. Attached as Attachment A to PSE's Response to WUTC Staff Data Request No. 011, please find a list of regulatory mechanisms that PSE is currently authorized to use to track and defer expenses between general rate cases for subsequent reconciliation and/or potential recovery in rates. The list provided in Attachment A represents a good faith effort by PSE to compile such information in a two-day data request response time.
- B. PSE's Power Cost Only Rate Case ("PCORC") was approved in its 2001 General Rate Case under UE-011571.

Under RCW 80.80.060, PSE is allowed to defer costs of its long-term financial commitments associated with base load electric generation that are not included in current rates. RCW 80.80.060 does not provide how or when a company will be allowed to recover the deferred costs.

**ATTACHMENT A to PSE's Response to
WUTC Staff Data Request No. 011**

Puget Sound Energy
Attachment A to PSE's Response to WUTC Staff I Request No. 011 in Docket No. UG-110723

Account	Text for B/S P&L item	Account Description	09/30/11	Authorization of Regulatory Treatment
<u>Investment in BEP Contract</u>				
18230071	018230071 Electric - BPA Power Exch Investmt - Reg Asset	Electric - BPA Power Exchange Investment (1994) The WPPSS #3 investment in CWJP and Nuclear Fuel, along with related excess WUTC AFUDC over FERC AFUDC was transferred to this account in December 1986. This account is being amortized over a 30.5 year period commencing 1/87. In 1/90, the U-89-2688-T rate order required a portion of this investment to be amortized without a rate of return.	113,632,921.00	U-89-2688-T
18230081	018230081 Electric - BPA Power Exch Inv Amort - Reg Asset	Electric - BPA Power Exchange - Investment Amortization (2005) This account is used to record the amortization of the BPA Power Exchange Investment recorded in account 18230071, per Cause U-89-2688-T.	(93,354,947.99)	U-89-2688-T
<u>Purchased Gas Adjustment Receivable</u>				
19100012	019100012 Current Demand Def - Unrec Purch Gas Costs	PGA Current Demand Def. Represents PGA Mechanism unrecovered current Gas Demand costs (actual costs in excess of WUTC allowed recovery rates). Could be credit balance if actual is less than allowed rates.	6,370,851.02	WAC 480-090-233 and per Company Tariff and UG-111752
19100022	019100022 Curr Commodity Def - Unrec Purch Gas Costs	PGA Current Commodity Def. Represents PGA Mechanism unrecovered current Gas Commodity costs (actual costs in excess of WUTC allowed recovery rates). Could be credit balance if actual is less than allowed rates.	(17,325,207.45)	WAC 480-090-233 and per Company Tariff and UG-111752
19100132	019100132 Interest Curr Unrcvd Purch Gas Cost	PGA Interest Current Commodity Represents Interest (Income) or Expense on PGA Mechanism under or over-recovered current and prior Gas Demand costs. Interest is calculated monthly using the current FERC Interest rate in effect at month end.	129,084.48	WAC 480-090-233 and per Company Tariff and UG-111752
19100142	019100142 Interest Curr Demand-Unrcvd Purch Gas Cost	PGA Interest Current Demand Represents Interest (Income) or Expense on PGA Mechanism under or over-recovered current and prior Gas Commodity costs. Interest is calculated monthly using the current FERC Interest rate in effect at month end.	284,325.26	WAC 480-090-233 and per Company Tariff and UG-111752
19100152	019100152 PGA Amort - Demand -	PGA Amortization - Demand Represents PGA Mechanism balance to be amortized of prior under or over-recovered Gas Demand costs. Amortization of prior PGA period balances follows approval from the WUTC after review of prior period balances.	790,706.14	WAC 480-090-233 and per Company Tariff and UG-111752
19100162	019100162 PGA Amort - Commodity -	PGA Amortization - Commodity Represents PGA Mechanism balance to be amortized of prior under or over-recovered Gas Commodity costs. Amortization of prior PGA period balances follows approval from the WUTC after review of prior period balances.	(1,272,360.95)	WAC 480-090-233 and per Company Tariff and UG-111752

PURPA Regulatory Assets

Puget Sound Energy
Attachment A to PSE's Response to WUTC Staff L Request No. 011 in Docket No. UG-110723

Account	Text for B/S P&L Item	Account Description	09/30/11	Authorization of Regulatory Treatment
18230001	018230001 Tenaska Regulatory Asset	Tenaska Regulatory Asset (2005) This account includes the buyout cost and capitalized interest related to purchasing supply contracts on PURPA facilities. The deferred balance of each activity will be amortized over the life of the contract, per docket UE-971619.	10,157,004.00	UE-971619
Storm Damage Costs				
18210221	018210221 2008 Storm Excess Costs	2008 Storm Excess Costs Storm deferrals for 2008 that are in excess of qualifying storm costs of a defined threshold.	86,184.68	UE-040641
18210261	018210261 2010 Storm Excess Costs	2010 Storm Excess Costs - Storm deferrals for 2010 that are in excess of qualifying storm costs of a defined threshold.	13,961,256.71	UE-040641
18210231	018210231 12/13/2006 Storm - 10 yr Amort	2006 Storm - 10 year Amort - Catastrophic Storms - Electric - On October 8, 2008, the Washington Commission issued a general tariff rate order to PSE, per paragraph 58 of Order No. 12 in Docket UE-072300. The length of time to amortize the 12/13/2006 Storm Deferral (18210231) has been approved for amortization over 10 years. The remaining storms, account #18210191, 18210241, 18210251, have been approved for amortization over 4 years. The 12/04/03 Storm Deferral (18210191) must be fully amortized before the 2006 Storm Deferral can begin to amortize. The 2006 Storm Deferral (18210241) must in turn be fully amortized before the 2007 Storm Deferral (18210251) can begin to amortize.	56,378,671.00	UE-040641
18210241	018210241 2006 Storm - 4 yr Amort	2006 Storm - 4 year Amort - Catastrophic Storms - Electric - On October 8, 2008, the Washington Commission issued a general tariff rate order to PSE, per paragraph 58 of Order No. 12 in Docket UE-072300. The length of time to amortize the 12/13/2006 Storm Deferral (18210231) has been approved for amortization over 10 years. The remaining storms, account #18210191, 18210241, 18210251, have been approved for amortization over 4 years. The 12/04/03 Storm Deferral (18210191) must be fully amortized before the 2006 Storm Deferral can begin to amortize. The 2006 Storm Deferral (18210241) must in turn be fully amortized before the 2007 Storm Deferral (18210251) can begin to amortize.	5,168,566.36	UE-040641

Puget Sound Energy
Attachment A to PSE's Response to WUTC Staff L Request No. 011 in Docket No. UG-110723

Account	Text for B/S P&L Item	Account Description	09/30/11	Authorization of Regulatory Treatment
18210251	018210251 2007 Storm - 4 yr Amort	2007 Storm - 4 year Amort - Catastrophic Storms - Electric - On October 8, 2008, the Washington Commission issued a general tariff rate order to PSE, per paragraph 58 of Order No. 12 in Docket UE-072300. The length of time to amortize the 12/13/2006 Storm Deferral (18210231) has been approved for amortization over 10 years. The remaining storms, account #18210191, 18210241, 18210251, have been approved for amortization over 4 years. The 12/04/03 Storm Deferral (18210191) must be fully amortized before the 2006 Storm Deferral can begin to amortize. The 2006 Storm Deferral (18210241) must in turn be fully amortized before the 2007 Storm Deferral (18210251) can begin to amortize.	13,794,354.10	UE-040641
18210271	018210271 2008 Storm - 4 yr Amortization	2008 Storm - 4 Yr Amortization - Account Description - Catastrophic Storms - Electric per docket UE-090704, Table 4 of page 89 of order No. 11. The amount of time to amortize storms is over 4 years starting with 2006. The exception is 12/13/2006 storm deferral that has been approved for amortization over 10 years. The 12/04/03 Storm Deferral (18210191) must be fully amortized before the 2006 Storm Deferral can begin to amortize. The 2006 Storm Deferral (18210241) must in turn be fully amortized before the 2007 Storm Deferral (18210251) can begin to amortize. The 2007 Storm Deferral must be fully amortized before the 2008 Storm Deferral (18210271) can begin to amortized	1,998,778.99	UE-040641
Colstrip Common Property				
18230041	018230041 Electric - Colstrip Common FERC Adj - Reg Asset	Colstrip Common FERC Adjustment (1994) Costs totaling \$25.6 million (\$21.5 million on 12/31/98) transferred from Electric Plant in Service in 12/87, representing AFUDC on Colstrip Common Plant disallowed by FERC. This amount has been allowed by the WUTC and is being amortized monthly to order 40600012 Colstrip Common Amort Plant Acquisition Adj., using prevailing depreciation rates. The accumulated amortization is in account 18230051. U-89-2688	21,589,277.00	U-89-2688
18230051	018230051 Electric - Accum Amort Colstrip Common FERC Adj	Colstrip Common - Accumulated amort FERC Adj. Account used to record the accumulated amortization of the Colstrip Common FERC adjustment in account 18230041. Monthly amortization of \$48,000 is debited to 40600021 order 40600012 and credited to 18230051. U-89-2688	(14,267,996.64)	U-89-2688

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Attachment A to PSE's Response to WUTC Staff | Request No. 011 in Docket No. UG-110723

Account	Text for B/S P&L Item	Account Description	09/30/11	Authorization of Regulatory Treatment
18230061	018230061 Electric - Colstrip Def Depr FERC Adj - Reg Asset	Colstrip Common FERC Deferred Depreciation (2005) The balance in this account represents deferred depreciation related to the Colstrip Common FERC Adjustment. This account began amortization of the \$11,567/month in February 1997 and will amortize the balance over 27.4 years. Account 40600021 depreciation expense is debited using order number 40600012 and 18230061 is credited. Docket No. U-89-2688	1,767,562.00	U-89-2688
Electric Environmental Costs				
18230311	018230311 Env Rem - UG Tank - Whidbey Is. (Future Cost Est.)	Env. Rem. UG Tank - Whidbey Is. (Future Cost Est.) (2006) Future cost estimate associated with removal and remediation of underground tanks. Regulatory asset authorized by WUTC in Docket No. UE-911476 for Electric and UG-920781 for Gas	15,000.00	Per Washington Commission order UE-911476
18230321	018230321 Env Rem - UG Tank - Tenino (Future Cost Est.)	Env. Rem. UG Tank - Tenino (Future Cost Est.) (2006) Future cost estimate associated with removal and remediation of underground tanks. Regulatory asset authorized by WUTC in Docket No. UE-911476 for Electric and UG-920781 for Gas	70,055.89	Per Washington Commission order UE-911476
18232221	018232221 Env Rem- Buckley- White River Ph II Future Est Cost	Env. Rem. Buckley Headwork's Remediation Costs (2005) Costs associated with the environmental remediation work at this site. The recovery will be requested in a future rate case, per docket UE-991796.	250,000.00	Per Washington Commission order UE-991796
18232251	018232251 Buckley Ph II Burn Pile & Wood Debris Env Rem Cost	Env. Rem. Buckley Ph II Burn Pile & Wood Debris Environmental Remediation Cost (2005) Defers the costs incurred in connection with the recently added component, White River "Buckley Headworks," to the Company's environmental Remediation program, per docket UE-99179. After December 2003 financial closing, please close Order 18232241 and balance sheet account 18232241 "Buckley White River Headworks Phase I - Wood Treatment Area Environmental Remediation Costs". The closing balance in account 18232241 at 12/31/03 will be amortized to expense over a 60 month period beginning January 1, 2004 and thus should accept no new charges.open a new Order Group 182 Order and new balance sheet account 1823???? "White River Headworks Phase II - Burn Pile and Wood Debris Environmental Remediation Costs"	2,026,198.67	Per Washington Commission order UE-991796
18232261	018232261 Env Rem -Lower Duwamish Waterway (Future cost Est)	Env Rem -Lower Duwamish Waterway (Future cost Est) (2009) Costs associated with the environmental remediation work at this site, per docket UE-021537. The recovery will be requested in a future rate case.	120,156.13	UE-021537

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Account	Text for B/S P&L Item	Account Description	09/30/11	Authorization of Regulatory Treatment
18232271	018232271 Env Rem - Duwamish River Site (former Georgetown)	Env. Rem. Duwamish River Site (2004) Costs associated with the environmental remediation work at this site, per docket UE-021537. The recovery will be requested in a future rate case.	79,843.87	UE-021537
18233061	018233061 Env Rem - Poulisbo Service Center	Env. Rem. Poulisbo Service Center - UG Tank Deferred environmental costs related to remediation of underground tank. Deferral based on Washington Commission order UE-911476	10,000.00	UE-911476
18233091	018233091 Tenino Service Center - UG Tank - Env Rem Cost	Env. Rem. Tenino Service Center - UG Tank (2006) Deferred environmental costs being recovered through insurance proceeds. Docket Nos. UE 911476 & UG 920781	179,944.11	UE-911476 & UG-920781
18233101	018233101 Env Rem - Bremerton UST Def Site	Env. Rem. Bremerton UST Def Site (2007) Deferred environmental costs related to remediation of underground tank. Deferral based on Washington Commission order UE-911476	-	UE-911476
18233131	018233131 Env Rem - Factoria UST Def Site	Env. Rem. Factoria UST Def Site (2007) Deferred environmental costs related to remediation of underground tank. Deferral based on Washington Commission order UE-911476	16.29	UE-911476
18608001	018608001 Env Rem - Lower Baker Power Plant Site	018608001 Env Rem - Lower Baker Power Plant Site This account is for deferred debits associated with environmental remediation tied to the site noted in the Account description. The WUTC authorizes PSE to defer the costs associated with electric environmental remediation in order to reduce rate fluctuations and prevent negative financial impacts.	289,871.98	Per Washington Commission order UE-070724
18608011	018608011 Env Rem - Lower Baker Power Plant Site-Fut Cost Est	018608011 Env Rem - Lower Baker Power Plant Site-Fut Cost Est This account is for deferred debits associated with environmental remediation tied to the site noted in the Account description for Future Cost Estimates. The WUTC authorizes PSE to defer the costs associated with electric environmental remediation in order to reduce rate fluctuations and prevent negative financial impacts.	410,128.02	Per Washington Commission order UE-070724
18608021	018608021 Env Rem - Snoqualmie Hydro Generation	018608021 Env Rem - Snoqualmie Hydro Generation This account is for deferred debits associated with environmental remediation tied to the site noted in the Account description. The WUTC authorizes PSE to defer the costs associated with electric environmental remediation in order to reduce rate fluctuations and prevent negative financial impacts.	1,868,233.68	Per Washington Commission order UE-072060

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Attachment A to PSE's Response to WUTC Staff D Request No. 011 in Docket No. UG-110723

Account	Text for B/S P&L Item	Account Description	09/30/11	Authorization of Regulatory Treatment
18608031	018608031 Env Rem - Snoqualmie Hydro Generatn-Future Cst Est	018608031 Env Rem - Snoqualmie Hydro Generatn-Future Cst Est This account is for deferred debits associated with environmental remediation tied to the site noted in the Account description for Future Cost Estimates. The WUTC authorizes PSE to defer the costs associated with electric environmental remediation in order to reduce rate fluctuations and prevent negative financial impacts.	881,766.32	Per Washington Commission order UE-072060
18608041	018608041 Env Rem - Bellingham Manufactured Gas Site	018608041 Env Rem - Bellingham Manufactured Gas Site This account is for deferred debits associated with environmental remediation tied to the site noted in the Account description. The WUTC authorizes PSE to defer the costs associated with electric environmental remediation in order to reduce rate fluctuations and prevent negative financial impacts.	1,076,815.86	Per Washington Commission order UE-081016
18608051	018608051 Env Rem - Bellingham Mfd Gas Site (Future Cost Est	018608051 Env Rem - Bellingham Mfd Gas Site (Future Cost Est This account is for deferred debits associated with environmental remediation tied to the site noted in the Account description for Future Cost Estimates. The WUTC authorizes PSE to defer the costs associated with electric environmental remediation in order to reduce rate fluctuations and prevent negative financial impacts.	423,184.14	Per Washington Commission order UE-081016
18608081	018608081 Env Rem - Electron Flume Site	018608081 Env Rem - Electron Flume Site This account is for deferred debits associated with environmental remediation tied to the site noted in the Account description. The WUTC authorizes PSE to defer the costs associated with electric environmental remediation in order to reduce rate fluctuations and prevent negative financial impacts.	607,164.15	Per Washington Commission order UE-070724
18608111	018608111 Env Rem - Electric Flume (Future Estimate)	018608111 Env Rem - Electric Flume (Future Estimate) This account is for deferred debits associated with environmental remediation tied to the site noted in the Account description. The WUTC authorizes PSE to defer the costs associated with electric environmental remediation in order to reduce rate fluctuations and prevent negative financial impacts.	192,835.85	Per Washington Commission order UE-070724
18608131	018608131 Env Rem - Crystal Mountain Future Cost Estimate	018608131 Env Rem - Crystal Mountain Future Cost Estimate	-	Per Washington Commission order UE-070725

Puget Sound Energy
Attachment A to PSE's Response to WUTC Staff D Request No. 011 in Docket No. UG-110723

Account	Text for B/S P&L Item	Account Description	09/30/11	Authorization of Regulatory Treatment
18608141	Env Rem - Talbot Hill Substation and Switchyard	Env Rem - Talbot Hill Substation and Switchyard (2009) This account is for deferred debits associated with environmental remediation tied to the site noted in the Account description. The WUTC authorizes PSE to defer the costs associated with electric environmental remediation in order to reduce rate fluctuations and prevent negative financial impacts.	224,879.76	Per Washington Commission order UE-070724
18608151	Env Rem - Talbot Hill Subs & Switchyard-Fut Cost Est	Env Rem - Talbot Hill Subs & Switchyard-Fut Cost Est (2009) This account is for deferred debits associated with environmental remediation tied to the site noted in the Account description. The WUTC authorizes PSE to defer the costs associated with electric environmental remediation in order to reduce rate fluctuations and prevent negative financial impacts.	125,120.24	Per Washington Commission order UE-070724
18608161	Env Rem - Everett Asarco Site - Fut Cost Est	Env Rem - Everett Asarco Site - Fut Cost Est On April 14, 2011 ASARCO LLC filed a remediation claim on a previously PSE owned smelter. PSE is researching the allegation.	133,387.58	Per Washington Commission order UE-070724
18608171	Env Rem - Everett Asarco Site	Env Rem - Everett Asarco Site On April 14, 2011 ASARCO LLC filed a remediation claim on a previously PSE owned smelter. PSE is researching the allegation.	41,612.42	Per Washington Commission order UE-070724
18608181	Env Rem - Sammamish Substation-Fut Cost Est	Env Rem - Sammamish Substation-Fut Cost Est On April 14, 2011 ASARCO LLC filed a remediation claim on a previously PSE owned smelter. PSE is researching the allegation.	126,902.04	Per Washington Commission order UE-070724
18608191	Env Rem - Sammamish Substation	Env Rem - Sammamish Substation- On April 14, 2011 ASARCO LLC filed a remediation claim on a previously PSE owned smelter. PSE is researching the allegation.	306,097.96	Per Washington Commission order UE-070724
18608201	Env Rem- Pt Robinson Cbl Station (Future Cost Est)	Env Rem- Pt Robinson Cbl Station (Future Cost Est) (UE-070724) - PSE is responding to contamination that has been discovered in the beach beneath the Pt. Robinson cable station. This contamination originates from leaks from the oil filled submarine cable feeding Vashon Island.	68,873.09	Per Washington Commission order UE-070724
18608211	Env Rem - Pt. Robinson cable station	Env Rem - Pt. Robinson cable station (UE-070724) - PSE is responding to contamination that has been discovered in the beach beneath the Pt. Robinson cable station. This contamination originates from leaks from the oil filled submarine cable feeding Vashon Island.	106,126.91	Per Washington Commission order UE-070724
22840031	ACDrued Env Rem - Olympia UST	Operating Provision on Environmental	(129,471.05)	

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Attachment A to PSE's Response to WUTC Staff D Request No. 011 in Docket No. UG-110723

Account	Text for B/S P&L Item	Account Description	09/30/11	Authorization of Regulatory Treatment
22840081	Accrued Env Rem - Puyallup Garage	Operating Provision on Environmental	(453,028.42)	
22840131	Accrued Env. Remediation - Crystal Mountain	Operating Provision on Environmental	(500,000.00)	
22841001	Accrued Env. Remediation - Crystal Mountain	Operating Provision on Environmental	(4,542,513.91)	
Gas Environmental Costs				
18236022	018236022 Env Rem - UG Tank - Estimated Future Costs	Env. Rem. UG Tank - Estimated Future Costs Estimated remediation cost for gas environmental site. Deferral based on Washington Commission order UG-920781	121,009.55	Per Washington Commission order UG-920781
18237112	018237112 Env Rem - Swarr Station	Env. Rem. Swarr Station (2005) Costs associated with clean-up of soil from anti-freeze, lead and natural gas odorant on Benson Dr. South in Renton. Docket No. UG 920781	278,990.45	Per Washington Commission order UG-920781
18237122	018237122 Env Rem - South Seattle GS	Env. Rem. South Seattle GS For soil contamination cleanup that was in excess of state cleanup standards. Docket No. UG 920781	169,602.13	Per Washington Commission order UG-920781
18237132	018237132 Env Rem - North Tacoma GS	Env. Rem. North Tacoma GS For soil contamination cleanup that was in excess of state cleanup standards. Docket No. UG 920782	133,750.43	Per Washington Commission order UG-920782
18237142	018237142 Env Rem - North Seattle GS	Env. Rem. North Seattle GS For soil contamination cleanup that was in excess of state cleanup standards. Docket No. UG 920783	53,995.63	Per Washington Commission order UG-920783
18237152	018237152 Env Rem - Covington GS	Env. Rem. Covington GS For soil contamination cleanup that was in excess of state cleanup standards. Docket No. UG 920784	67,987.45	Per Washington Commission order UG-920784
18600082	018600082 Env Rem - Lake Union Legal Costs	Env. Rem. Lake Union Legal Cost (2005) Costs associated with clean-up former gas site plant in conjunction with City of Seattle. Docket No. UG 920781	665,123.59	Per Washington Commission order UG-920781
18608022	018608022 Env Rem - Estimated Future Costs Misc Gas Sites	Env. Rem. Estimated Future Costs Miscellaneous Gas Sites (2005) Accruals are debited to this account and as payments are made, this account is credited. Docket No. UG 920781	39,014,373.64	Per Washington Commission order UG-920781
18608062	018608062 Env Rem - Gas Historical Actual Ins Recoveries	Env. Rem. Gas Historical Insurance Recoveries (2005) This account tracks the insurance amounts received for gas environmental remediation. Docket No. UG 920781	(64,529,744.49)	Per Washington Commission order UG-920781
18608112	018608112 Env Rem - Tacoma Tide Flats Remediation Costs	Env. Rem. Tacoma Tide Flats Remed Costs (2005) Costs related to this project are accrued monthly. Formerly a manufactured gas plant site, current clean up under way. Under terms of the UG-920781 accounting order, the amortization will be requested in a future rate case.	38,116,732.65	Per Washington Commission order UG-920781

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Account	Text for B/S P&L item	Account Description	09/30/11	Authorization of Regulatory Treatment
18608142	18608142 Env Rem - Tacoma Tide Flats Legal Costs	Env. Rem. Tacoma Tide Flats Legal Costs (2004) Legal costs associated with Tacoma Tide Flats. This is a former gas-manufacturing site. Under terms of UG-920781 accounting order, the amortization will be requested in a future rate case.	9,351,936.58	Per Washington Commission order UG-920781
18608152	18608152 Env Rem - Tac Tide Flats Historical Internal Costs	Env. Rem. Tacoma Tide Flats Historical Internal Costs (1998) No 1999-2003 activity.	209,796.52	Per Washington Commission order UG-920781
18608212	18608212 Env Rem - Everett Remediation Costs	Env. Rem. Everett Remediation (2005) Groundwater monitoring still continuing estimated project estimate is \$3.25 million. Formerly a gas manufacturing plant site. Under terms of UG-920781 accounting order, the amortization will be requested in a future rate case.	1,402,460.34	Per Washington Commission order UG-920781
18608242	18608242 Env Rem - Everett Legal Costs	Env. Rem. Everett Legal Costs (2004) Tracks legal costs associated with Everett remediation, currently as of 1/00 is at \$7,600. Formerly a gas manufacturing site.	8,717.50	Per Washington Commission order UG-920781
18608312	18608312 Env Rem - Chehalis Remediation Costs	Env. Rem. Chehalis Remediation (2005) A gas-manufacturing site at Chehalis is estimated to be approximately \$2.0 million. Currently as of 1/00 the balance in this account is \$1.8 million. Per UG-920781, the amortization will be requested in a future rate case.	3,796,751.83	Per Washington Commission order UG-920781
18608412	18608412 Env Rem - Gas Works Remediation Costs	Env. Rem. Gas Works Remediation (2005) A clean up action plan is under review from the Washington Department of Ecology. The total project estimate is \$3.2-\$5.0 million. This former gas manufacturing site amortization of costs will be requested in a future rate case per UG-920781.	2,651,381.74	Per Washington Commission order UG-920781
18608442	18608442 Env Rem - Gas Works Legal Costs	Env. Rem. Legal Costs Gas Works (2005) Tracks legal costs associated with Gas Works remediation. Formerly a gas manufacturing site.	856,121.11	Per Washington Commission order UG-920781
18608452	18608452 Env Rem - Gas Works Historical Internal Costs	Env. Rem. Gas Works Historical Internal Costs (1998) Balance as of 12/98 was \$366 with no activity in 1999-2005.	366.95	Per Washington Commission order UG-920781
18608542	18608542 Env Rem - WSDOT Fed/State Legal Costs	Env. Rem. WSDOT Fed and State Legal Costs (2004) Balance as of 12/98 was \$405,000 with no activity in 1999-2003.	-	Per Washington Commission order UG-920781
18608612	18608612 Env Rem - WSDOT Upland Remediation Costs	Env. Rem. WSDOT Upland Remed Costs (2005) A former gas manufacturing plant site. Amortization will be requested in a future rate case per the UG-920781 accounting order.	774,426.80	Per Washington Commission order UG-920781
18608642	18608642 Env Rem - WSDOT Upland Legal Costs	Env. Rem. WSDOT Federal State Legal Costs (2004) Legal costs balance as of 12/00 of \$9,153.	15,888.20	Per Washington Commission order UG-920781

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Account	Text for B/S P&L item	Account Description	09/30/11	Authorization of Regulatory Treatment
18608712	018608712 Env Rem - WSDOT Thea Foss Remediation Costs	Env. Rem. WSDOT Thea Foss Remed Costs (2005) The City of Tacoma Thea Foss Waterway issues are in arbitration. The total project is estimated at \$1.5-\$3.5 million. This is a former gas manufacturing plant.	4,034,755.78	Per Washington Commission order UG- 920781
18608742	018608742 Env Rem - WSDOT Thea Foss Legal Costs	Env. Rem. WSDOT Thea Foss Legal Costs (2005) This is a former gas- manufacturing site.	4,499,203.59	Per Washington Commission order UG- 920781
18608752	018608752 Env Rem - Verbeek Properties Environmental Costs	Env Rem. Verbeek Properties Environmental Costs (2009) A Complaint was filed within the Superior Court of King County alleging that PSE and/or the City of Seattle transported contaminated soil from the Gas Works MGP site to the plaintiffs property in the early 1970's.	906,650.23	Per Washington Commission order UG- 920781
18608762	018608762 Env Rem - Verbeek Properties Environmental Costs	Env Rem. Verbeek Properties Legal Costs (2009) A Complaint was filed within the Superior Court of King County alleging that PSE and/or the City of Seattle transported contaminated soil from the Gas Works MGP site to the plaintiffs property in the early 1970's.	9,760.00	Per Washington Commission order UG- 920781
18608812	018608812 Env Rem - Tulalip Remediation Costs	Env. Rem. Tulalip Remediation Costs (1998) Balance in this account as of 12/98 was \$995, no activity 1999-2005. This is a former gas-manufacturing site.	-	Per Washington Commission order UG- 920781
18608942	018608942 Env Rem - Omnibus Insur Lit Legal Cost	Env. Rem. Omnibus Insurance Litig Legal Costs (2005) Balance in this account as of 11/00 is \$1.3 million. This legal case sought insurance claims for gas sites except Tacoma Tide Flats.	-	Per Washington Commission order UG- 920781
18609212	018609212 Env Rem - Mercer Street Remediation Costs	Env. Rem. Mercer Street (1998) Balance as of 11/00 is \$66,000 no activity through 2005. This is a former gas-manufacturing site. Amortization will be requested in a future rate case, per docket UG-920781.	-	Per Washington Commission order UG- 920781
18609312	018609312 Env Rem - Lake Union Remediation Costs	Env. Rem. Quendall Terminal (2005) This is a former gas-manufacturing site with estimated future costs of \$1.0 million.	11,695,078.14	Per Washington Commission order UG- 920781
18609522	018609522 Env Rem - Quendall Terminal Legal Costs	Env. Rem. Quendall Terminal Legal Costs (2005) Gas Remediation legal costs	59,043.75	Per Washington Commission order UG- 920781
18609532	018609532 Env Rem - Bay Station (Elliot Ave) MGP	Env Rem - Bay Station (Elliot Ave) MGP (2006) Cost deferral relating to environmental remediation	229,409.41	Per Washington Commission order UG- 920781
18609542	018609542 Env Rem - Olympia (Columbia Street) MGP	Env Rem - Olympia (Columbia Street) MGP (2006) Cost deferral relating to environmental remediation	504,925.13	Per Washington Commission order UG- 920781
18609552	018609552 Env Rem - Bay Station (Elliot Ave) MGP Legal Costs	Env Rem - Bay Station (Elliot Ave) MGP (2006) Legal Cost deferral relating to environmental remediation	29,544.00	Per Washington Commission order UG- 920781

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18609562	018609562 Env Rem-Olympia (Columbia Street) MGP Legal Costs	Env Rem - Olympia (Columbia Street) MGP (2006) Legal Cost deferral relating to environmental remediation	-	Per Washington Commission order UG-920781
18230691	018230691 White River Salvage	White River Salvage (2005) Gain recognized from sale of water pipeline. Docket No. UG 040640 et al, page 92,	(474,402.14)	Per Washington Commission order UE-032043, UE-031725, UE-090399
18230971	018230971 White River Land Sale Costs	Conveyance Costs-CWA Reimbursements (2007) - Costs associated with WHR Real Estate.	2,732,878.12	Per Washington Commission order UE-032043, UE-031725, UE-090399
18236021	018236021 White River Relicensing UE-040641	White River Relicensing UE-040641 (2006) The Deferred Asset Accounts will be structured to clearly preserve their identity as of September 2004. To that end accounts are set up to identify the 1) former Utility Plant cost in 101 and associated Accumulated Depreciation, 2) the costs associated with PSE's attempt to obtain a FERC license for the White River project, 3) the costs associated with obtaining the water rights to maximize the salvage value of the project, 4) the costs associated with additional safety and regulatory costs. The cost incurred subsequent to September 2004 will be accumulated in a separate accounts similar to the above structure. These costs will be reviewed monthly with the responsible project management to determine if they meet the direct cost test of the commission staff.	15,256,064.07	Per Washington Commission order UE-032043, UE-031725, UE-090399
18236031	018236031 White River Safety & Regulatory UE-040641	White River Safety & Regulatory UE-040641 (2006) The Deferred Asset Accounts will be structured to clearly preserve their identity as of September 2004. To that end accounts are set up to identify the 1) former Utility Plant cost in 101 and associated Accumulated Depreciation, 2) the costs associated with PSE's attempt to obtain a FERC license for the White River project, 3) the costs associated with obtaining the water rights to maximize the salvage value of the project, 4) the costs associated with additional safety and regulatory costs. The cost incurred subsequent to September 2004 will be accumulated in a separate accounts similar to the above structure. These costs will be reviewed monthly with the responsible project management to determine if they meet the direct cost test of the commission staff. Our understanding is that Paul Wetherbee is the appropriate project manager to review these costs.	2,873,005.76	Per Washington Commission order UE-032043, UE-031725, UE-090399

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Account	Text for B/S P&L item	Account Description	09/30/11	Authorization of Regulatory Treatment
18236041	018236041 White River Rights UE-040641	<p>White River Water Rights UE-040641 (2006) The Deferred Asset Accounts will be structured to clearly preserve their identity as of September 2004. To that end accounts are set up to identify the 1) former Utility Plant cost in 101 and associated Accumulated Depreciation, 2) the costs associated with PSE's attempt to obtain a FERC license for the White River project, 3) the costs associated with obtaining the water rights to maximize the salvage value of the project, 4) the costs associated with additional safety and regulatory costs.</p> <p>The cost incurred subsequent to September 2004 will be accumulated in a separate accounts similar to the above structure. These costs will be reviewed monthly with the responsible project management to determine if they meet the direct cost test of the commission staff.</p>	(228,709.77)	Per Washington Commission order UE-032043, UE-031725, UE-090399
18236051	018236051 White River Relicensing - Post UE-040641	<p>White River Water Rights UE-040641 (2006) The Deferred Asset Accounts will be structured to clearly preserve their identity as of September 2004. To that end accounts are set up to identify the 1) former Utility Plant cost in 101 and associated Accumulated Depreciation, 2) the costs associated with PSE's attempt to obtain a FERC license for the White River project, 3) the costs associated with obtaining the water rights to maximize the salvage value of the project, 4) the costs associated with additional safety and regulatory costs.</p> <p>The cost incurred subsequent to September 2004 will be accumulated in a separate accounts similar to the above structure. These costs will be reviewed monthly with the responsible project management to determine if they meet the direct cost test of the commission staff. Our understanding is that Paul Weatherbee is the appropriate project manager to review these costs.</p>	107,024.51	Per Washington Commission order UE-032043, UE-031725, UE-090399
18236061	018236061 White River Safety & Regulatory - Post UE-040641	<p>White River Safety & Regulatory - Post UE-040641 (2006) The Deferred Asset Accounts will be structured to clearly preserve their identity as of September 2004. To that end accounts are set up to identify the 1) former Utility Plant cost in 101 and associated Accumulated Depreciation, 2) the costs associated with PSE's attempt to obtain a FERC license for the White River project, 3) the costs associated with obtaining the water rights to maximize the salvage value of the project, 4) the costs associated with additional safety and regulatory costs.</p> <p>The cost incurred subsequent to September 2004 will be accumulated in a separate accounts similar to the above structure. These costs will be reviewed monthly with the responsible project management to determine if they meet the direct cost test of the commission staff.</p>	885,539.93	Per Washington Commission order UE-032043, UE-031725, UE-090399

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Account	Text for B/S P&L Item	Account Description	09/30/11	Authorization of Regulatory Treatment
18236071	018236071 White River Water Rights - Post UE-040641	<p>White River Water Rights - Post UE-040641 (2006) The Deferred Asset Accounts will be structured to clearly preserve their identity as of September 2004. To that end accounts are set up to identify the 1) former Utility Plant cost in 101 and associated Accumulated Depreciation, 2) the costs associated with PSE's attempt to obtain a FERC license for the White River project, 3) the costs associated with obtaining the water rights to maximize the salvage value of the project, 4) the costs associated with additional safety and regulatory costs.</p> <p><u>The cost incurred subsequent to September 2004 will be accumulated in a separate accounts similar to the above structure.</u> These costs will be reviewed monthly with the responsible project management to determine if they meet the direct cost test of the commission staff. Our understanding is that Paul Wetherbee is the appropriate project manager to review these costs</p>	671,052.84	Per Washington Commission order UE-032043, UE-031725, UE-090399
18236091	018236091 WHR Land Sales Cost (Not CWA)	<p>WHR Land Sales Cost (Not CWA) White River Land Sales Cost - Not Cascade Water Alliance (2009) - This is a settlement account for Non-Cascade Water Alliance activity related to the sale of White River. Dockets UG-040640, UE-040641, UE-031471, UE-032043.</p>	(108,721.44)	Per Washington Commission order UE-032043, UE-031725, UE-090399
18236101	018236101 WHR Processing Costs-Readying For Sale	<p>WHR Processing Costs-Readying For Sale - The charges which will become part of this new account represent costs PSE has incurred to ready our White River/Lake Tapps property for sale. Based on the MOU Reimbursement Agreement between PSE and CWA these charges are not eligible for reimbursement from CWA and were therefore excluded from the purchase price at the time of closing</p>	3,604,698.48	Per Washington Commission order UE-032043, UE-031725, UE-090399
18220011	018220011 White River Plant Costs Reg Asset	<p>White River Plant Costs Reg. Asset (2004) Effective Jan. 15, 2004 PSE discontinued operating the White River Hydro Generation Facility. As provided in the Accounting Petition (UE-032043) and confirmed in the PCORC (UE-031725) the net investment in White River was to be transferred to a deferred asset and amortized using the current depreciation rate.</p>	65,795,346.56	Per Washington Commission order UE-032043, UE-031725, UE-090399
18220021	018220021 White River Land Reg Asset	<p>White River Land Reg. Asset (2005) Effective Jan. 15, 2004 PSE discontinued operating the White River Hydro Generation Facility. As provided in the Accounting Petition (UE-032043) and confirmed in the PCORC (UE-031725) the net investment in White River was to be transferred to a deferred asset and amortized using the current depreciation rate.</p>	744,794.53	Per Washington Commission order UE-032043, UE-031725, UE-090399

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Account	Text for B/S P&L Item	Account Description	09/30/11	Authorization of Regulatory Treatment
18220031	018220031 White River- Accumulated Depreciation Pre 1/14/04	White River Accum. Depreciation to 1/15/04 Reg. Asset (2004) Effective Jan. 15, 2004 PSE discontinued operating the White River Hydro Generation Facility. As provided in the Accounting Petition (UE-032043) and confirmed in the PCORC (UE-031725) the net investment in White River was to be transferred to a deferred asset and amortized using the current depreciation rate.	(18,833,943.54)	Per Washington Commission order UE-032043, UE-031725, UE-090399
18220041	018220041 White River- Accumulated Depreciation Post 1/14/04	White River Accum. Amortization from 1/16/04 Reg. Asset (2005) Effective Jan. 15, 2004 PSE discontinued operating the White River Hydro Generation Facility. As provided in the Accounting Petition (UE-032043) and confirmed in the PCORC (UE-031725) the net investment in White River was to be transferred to a deferred asset and amortized using the current depreciation rate.	(11,521,661.24)	Per Washington Commission order UE-032043, UE-031725, UE-090399
18220061	018220061 White River Plant Sale	White River Plant Sale - The account was created to record the White River Plant Sale. After the sale, the operations of the plant will still be conducted by PSE, the plant will just have new ownership.	(30,211,680.61)	Per Washington Commission order UE-032043, UE-031725, UE-090399
Power Cost Adjustment Mechanism				
18230791	018230791 PCA Customer Portion	PCA Customer Portion (2005) PCA Customer Portion (2005) Per docket UE-011570, Power cost variances from a baseline rate are tracked for surcharge or refund. Variances are subject to graduated sharing bands that result in PSE and customers sharing the risk of power cost variability.	(220,030.00)	Per Washington Commission order UE-011570
18239061	018239061 PCA Customer Portion - Interest	PCA Customer Portion Interest (2005)	1,325,973.00	Per Washington Commission order UE-011570
Chelan PUD Contract Initiation Payment				
18230351	018230351 Chelan PUD Contract Initiation	Chelan PUD Contract Initiation (2006) - Initial payment for Chelan PUD contract initiation of \$89 million recorded in account 18600271. As part of Docket No. UE-060539, the WUTC approved this fee as a regulatory asset. Accordingly the balance of \$89 million was transferred to a 182.3 account from a 186 account.	140,974,004.66	Included in Washington Commission order UE-060266 and UG-060267
Deferred AFUDC				
18230031	018230031 Electric - Def AFUDC - Regulatory Asset	Deferred AFUDC (2005) The excess of WUTC allowed AFUDC over the amount allowed by FERC through the FERC formula. The balance in this account is amortized monthly to order 40600021 Electric WUTC AFUDC amortization, per docket U-82-38	51,749,710.80	U-82-38
18630031	018630031 Electric - WUTC AFUDC Regulatory Asset	Deferred WUTC AFUDC (2007) - Per John Story, the account will be used to accumulate AFUDC over the year and at year-end the balance will be transferred to a 182.3 and amortized over the following year.	4,367,030.32	U-82-38

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<u>Virtual Right of Way</u>				
18230921 018230921	Virtual Right of Way	Virtual Right of Way (2006) The initial cost of clearing trees on the right of way zone is capitalized to FERC account 365 Overhead Conductors and Devices when land is purchased. Since it was economically unfeasible to purchase the land and perform tree trimming on the right of way, a regulatory asset was created to capture tree-trimming costs outside the current right of way. In July 1998, UE-980877 docket allowed PSE to defer vegetation management costs outside the right of way to be depreciated over a 10-year period. Trimming on the right of way, a regulatory asset was created to capture tree-trimming costs outside the current right of way. In July 1998, UE-980877 docket allowed PSE to defer vegetation management costs outside the right of way to be depreciated over a 10-year period.	2,776,109.22	UE-980877, UE-040641 no new deferrals
<u>Cost Deferrals and Major Maintenance Deferrals</u>				
18230381 018230381	Goldendale Deferral UE-070533	Goldendale Deferral UE-070533 (2007) Petition for an accounting order authorizing the deferred accounting treatment related to the fixed cost component of the Goldendale Generating Station for carrying costs.	301,217.00	UE-070533 and UE-072300
18230391 018230391	Goldendale Carrying Costs UE-070533	Goldendale Carrying Costs UE-070533 (2007) Petition for an accounting order authorizing the deferred accounting treatment related to the fixed cost component of the Goldendale Generating Station.	45,634.10	UE-070533 and UE-072300
18231011 018231011	Goldendale-Def Asset Prepd Exp-PInd Major Maint	Goldendale-Def Asset Prepd Exp-PInd Major Maint - Paragraph 163 on page 61 of Order No. 11 of UE-090704 provides that for ratemaking, PSE may follow the deferral method of accounting as prescribed in FASB Staff Position No. AUG AIR-1. Any major maintenance events that have triggered amortization of previously prepaid major maintenance accounts can be transferred from FERC 186 accounts into 182.3 accounts for Deferral and amortization of Electric Generation Major Maintenance Contract Costs.	147,741.84	UE-090704
18231071 018231071	Hot Gas Path Ppd Major Maint	Goldendale-2011 Hot Gas Path Ppd Major Maint - Paragraph 163 on page 61 of Order No. 11 of UE-090704, In June 2011, GE performed a Hot Gas Path Inspection (HGP) at the Goldendale generation facility. The HGP is one of the major maintenance activities to be performed by GE under the Contractual Service Agreement. At the time of the major maintenance event, the balance in the prepaid maintenance expense account is transferred to a regulatory asset account and amortized over the estimated term until the next major maintenance event.	1,348,218.87	UE-090704

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Account	Text for B/S P&L item	Account Description	09/30/11	Authorization of Regulatory Treatment
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18231001	018231001 Freddy 1-Def Asset Prepd Exp-PInd Major Maint	Freddy 1-Def Asset Prepd Exp-PInd Major Maint - Paragraph 163 on page 61 of Order No. 11 of UE-090704 provides that for ratemaking, PSE may follow the deferral method of accounting as prescribed in FASB Staff Position No. AUG AIR-1. Any major maintenance events that have triggered amortization of previously prepaid major maintenance accounts can be transferred from FERC 186 accounts into 182.3 accounts for Deferral and amortization of Electric Generation Major Maintenance Contract Costs.	35,350.97	UE-090704
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18231041	018231041 Sumas - 2010 Hot Gas Path Insp Ppd Major Maint	018231041 Sumas - 2010 Hot Gas Path Insp Ppd Major Maint - The 130 MW Sumas Combined Cycle Generating Station was purchased from Sumas Cogeneration Company, LP (SCCLP) in July 2008. Sumas entered into a Contractual Service Agreement (CSA) with General Electric Inc. (GE) effective June 20, 2001 for planned services on both the gas and steam turbine generating units. The last covered major maintenance event under the CSA is the Hot Gas Path Inspection (HGP) performed in October 2010. Management has determined that PSE will be obligated to pay variable fees for an additional 5,300 hours after completion of the HGP. Management has determined that it is probable that the full amount of the variable fees will be payable regardless of plant operational experience after the date of the HGP. Accordingly, at the time of the HGP, the Company shall record a liability in the amount of the residual variable fees payable to GE with an offset to prepaid maintenance, prepaid capital and prepaid inventory.	396,857.05	UE-090704
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18231031	018231031 Mint Farm-2010 Combustion Insp Ppd Major Maint	Mint Farm-2010 Combustion Insp Ppd Major Maint - "PSE purchased Mint Farm Combined Cycle Generating Station in December 2008, included in the purchase was a maintenance contract with General Electric Inc.(GE) to perform planned major service events under a Long-term Service Agreement. In June 2010, GE performed a Combustion Inspection. Accounting treatment for the Mint Farm LTSA was described in a memo ""Mint Farm LTSA Payments"" on January 27, 2008. According to the instructions, when a major inspection is performed the prepaid amount will be transferred to a regulatory asset account and amortized over the estimated term until the next major maintenance event."	456,270.13	Per Washington Commission Order # UE-090704
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Account	Text for B/S P&L Item	Account Description	09/30/11	Authorization of Regulatory Treatment
18235521	018235521 Mint Farm Deferral UE-090704	Mint Farm Deferral UE-090704 - Mint Farm - Paragraph 247 on page 84 of Order No. 11. of UE-090704 provides PSE the authority to begin recovering the regulatory asset for fixed and variable deferred costs through amortization based on an amortization period of 15 years. With approval to recover the deferred costs, the balance in the 186 account was transferred to a 182.3 account.	38,781,961.88	UE-082128, UE-090704
18235531	018235531 WHE Deferral - UE090704	018235531 WHE Deferral - UE090704 - Account Description Wild Horse - Paragraph 247 on page 84 of Order No. 11. of UE-090704 provides PSE the authority to begin recovering the regulatory asset for fixed and variable deferred costs through amortization based on an amortization period of 2 years. With approval to recover the deferred costs, the balance in the 186 account was transferred to a 182.3 account.	582,051.32	UE-090704
<u>Residential Exchange - Schedule 194</u>	18230471 018230461 Residential Exchange Carrying costs	Residential Exchange Carrying Costs UE-071024 (2007) - Puget Sound Energy, Inc.'s request for deferred accounting treatment for residential and farm energy exchange benefit amounts credited to customers under Schedule 194 -- Residential and Farm Energy Exchange Benefit, that have not been reimbursed by Bonneville Power Administration, is approved. This is the carrying cost account associated with the deferral. UE-071024.	222,963.01	Included in Washington Commission order UE- 071024
<u>Electric and Gas Conservation</u>	18230021 018230021 Electric Conservation not in RB	Conservation Costs Not in Ratebase - Electric (2005) Conservation costs for electric related rider programs that the WUTC has authorized the company to recover concurrently per docket UE-970686. When the program year is budgeted at the beginning of the, estimated expenditures are transferred to account 18230621 after approval by the WUTC in March of each year.	46,724,801.53	UE-970686 and various other amending Commission Orders
18230032	018230032 Gas Conservation - Tracker Programs	Gas Conservation Tracker (2005) - Conservation costs for gas related tracker programs that the WUTC has authorized the company to recover one year in arrears per docket UG-040640. (AFUCE is calculated on the balance.) When the program year is over in December, expenditures are transferred to account 18230042 after approval by the WUTC in March of each year.	10,445,567.78	UG-950288 and various other amending Commission Orders

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Account	Text for B/S P&L Item	Account Description	09/30/11	Authorization of Regulatory Treatment
18230042	018230042 UG950288 DSM Tracker Balance	UG950288 Demand Side Management Tracker (2005) - Includes the unamortized balance transferred from gas conservation tracker account 18230032 and AFUCE on Tracker programs. These expenditures are transferred into this account in March of each year after approval by the WUTC. The balance is amortized monthly in an amount that fluctuates with gas sales in accordance with docket UG-040640.	15,838,498.38	UG-950288 and various other amending Commission Orders
18230402	018230402 Gas Conservation - Equity Kicker on Low Inc Prog	Gas Conservation Equity Kicker on Low Income Program (2005) - The company is allowed to apply a 2% equity kicker on those costs which the company can show are directly associated with providing the measures to senior citizens and low-income participants, per UG-930287. Only the costs under the Low-Income Weatherization Pilot Program meet this test. This rate is applied to the year to date activity in order 18230661.	2,979.08	UG-930287
18230621	018230621 Cons Costs NIRB - Conservation Rider Amortization	Conservation Rider Amortization (2005) Includes the unamortized balance transferred from electric conservation rider account 18230021. These expenditures are transferred into this account in March of each year after approval by the WUTC. The balance is amortized monthly in an amount that fluctuates with electric sales in accordance with docket UE-970686.	(44,008,097.62)	UE-970686 and various other amending Commission Orders
Electric and Gas Low Income Program				
18239001	018239001 Low Income Grants - Electric	Low Income Grant - Electric (2005) This account is part of the Low Income Program established from Rate Case Settlement Docket No. UE-011570. These charges are processed through CLX from the customer. These grants are entered into this account as debits. The revenue from this program is received through CLX from our customer base from account 25302221 order 90800173.	56,535,585.18	UE-011570
18239002	018239002 Low Income Grants - Gas	Low Income Grant - Gas (2005) This account is part of the Low Income Program established from Rate Case Settlement Docket No. UG-011571. These charges are processed through CLX from the customer. These grants are entered into this account as debits. The revenue from this program is received through CLX from our customer base from account 25302222 Order 90800350.	20,120,175.04	UG-011571
18239011	018239011 PSE Low Income Program Costs - Electric	PSE Low Income Program Costs - Electric (2005) This account will be debited for all expenses that relate to the low-income program. This balance will be offset against the revenue received from our customer base through CLX billing. UE-011570 & UG-01157	2,000,793.40	UE-011570

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Account	Text for B/S P&L Item	Account Description	09/30/11	Authorization of Regulatory Treatment
18239012	018239012 PSE Low Income Program Costs - Gas	PSE Low Income Program Costs – Gas (2005) This account will be debited for all expenses that relate to the low-income program. This balance will be offset against the revenue received from our customer base through CLX billing. UE-011570 & UG-011571, Exhibit G to settlement stipulation.	860,570.42	UG-011571
18239021	018239021 Low Income Agency Admin Fees - Electric	Low Income Admin. – Electric (2005) This account will be debited for all cost relating to the Low Income Program for Electric that are assigned as admin. Expenses. This balance will offset the revenue received from our customers through CLX billings. UE-011570 & UG-011571, Exhibit G to settlement stipulation.	12,433,218.10	UE-011570
18239022	018239022 Low Income Agency Admin Fees - Gas	Low Income Admin. – Gas (2005) This account will be debited for all cost relating to the Low Income Program for Gas that are assigned as admin. Expenses. This balance will offset the revenue received from our customers through CLX billings. UE-011570 & UG-011571, Exhibit G to settlement stipulation.	5,264,372.11	UG-011571
18239031	018239031 Contra Low Income Program - Electric	Contra Low Income Grant – Electric (2005) This account is part of the Low Income Program established from Rate Case Settlement Docket No. UE-011570. This account is offset with account 25302231. UE-011570 & UG-011571 Exhibit G to settlement stipulation	(70,969,596.68)	UE-011570
18239032	018239032 Contra Low Income Program - Gas	Contra Low Income Grant – Gas (2005) This account is part of the Low Income Program established from Rate Case Settlement Docket No. UG-011571. This account is offset with account 25302232.	(26,245,117.57)	UG-011571
18700041	018700041 Electric Def Property Losses Pending Approval	Electric Def Property Losses Pending Approval - Disposal of Utility post October 2009	430,795.08	UE-89-2688-T
18700052	018700052 Gas Def Property Losses UG-090705	Gas Def Property Losses UG-090705 -Table 4 on page 88 and Table 6 on page 90 of UG-090705 reflect the deferred property gains and losses amortization adjustments as uncontested. Therefore, the deferred property gains and losses and their related amortization are approved for recovery over a three year period.	81,505.64	UE-89-2688-T
18700061	018700061 Electric Def Property Losses UE-090704	Electric Def Property Losses UE-090704 - Table 4 on page 88 and Table 6 on page 90 of UE-090704 reflect the deferred property gains and losses amortization adjustments as uncontested. Therefore, the deferred property gains and losses and their related amortization are approved for recovery over a three year period.	177,550.47	UE-89-2688-T

Post Retirement Benefits Other than Pensions

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Account	Text for B/S P&L Item	Account Description	09/30/11	Authorization of Regulatory Treatment
18230131	018230131 Electric - SFAS106 Post Ret Bene - Reg Asset	SFAS Post Retirement Benefits Other than Pensions (2005) - SFAS Post Retirement Benefits Other than Pensions (2005) The balance in this account represents the unamortized SFAS costs eligible for deferral. In its UE-921262 Order, the WUTC approved the implementation of SFAS 106 based on a Defined Dollar Plan, using a 5 year phase in approach. SFAS 106 costs are deferred to the extent the Company prefunds the Defined Dollar Plan costs in excess of pay-as-you-go amounts. The costs deferred are being amortized over a 15-year period.	277,566.00	UE-921262
<u>Production Tax Credits</u>				
18230301	018230301 Interest on PTC Deferred Tax	Interest on PTC Deferred Tax (2006) - Carrying cost (interest) associated with Deferred Tax account 1900551. The deferred tax account represents the difference between when the actual PTC are earned and when they're recognized for tax purposes. Account 18230301 reflects the accrual of interest (debit) at the Company's net tax rate of return on the balance in the deferred tax account. This account also reflects the interest received (credit) from customers through Schedule 95A billings. A net debit means PSE has under-collected from customers. A Production Tax Credit is a credit PSE is allowed to earn per WUTC Docket No UE-050870 based on actual generation at Hopkins Ridge. PSE is required to pass this credit on to customers.	1,297,177.85	per Washington Commission Order UE-050870, UE-101581
<u>Gas Rental Equipment</u>				
18230432	018230432 Gas Rental Equip Pipe & Vent UE-001315	Gas Rental Equipment Pipe & Vent (2005) The company is authorized to transfer its net investment in gas piping and venting from gas plant in service to a regulatory asset upon retirement of the associated leased gas equipment per docket UG-001315.	1,518,794.88	UG-001315
18230442	018230442 Gas Rental Equip Pipe & Vent Amortize UE-001315	Gas Rental Equipment Pipe & Vent Amortization (2005) This is the amortization of the gas rental equipment in accordance with docket UG-01315. The company is authorized to amortize its net investment in gas piping and venting upon retirement over a period of 16.25 years for water heaters and 5.5 years for conversion burners.	(1,406,230.29)	UG-001315
<u>Seismic Studies</u>				
18300121	018300121 Elec-Update Seismic Analysis for Baker Project Dam	Baker Lake Seismic Studies - Regulatory studies related to relicensing Baker Lake FERC license. If these studies are found to relate to a construction project the amounts will be transfer to a capital order. If a construction project does occur, these cost will be transferred to Account 182.2 and amortized over 5 years. The studies are awaiting FERC review.	2,195,882.90	Per Washington Commission order UE-021577

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Account	Text for B/S P&L Item	Account Description	09/30/11	Authorization of Regulatory Treatment
<u>Deferred Gas Pipeline capacity</u>				
25400191	025400191 BNP-Westcoast Cap Agrmnt-Non-Core Gas	BNP-Westcoast Cap Agrmnt-Non-Core Gas - Account Description PSE's request was granted to defer the income received from BNP Paribus Energy Trading Canada Corp. in exchange for assumption of BNP's contractual benefits and obligations related to additional natural gas transportation capacity on the Westcoast Energy, Inc pipeline that was formerly held by BNP and to amortize the regulatory liability over the remaining life of the contract which is April 1, 2010 through October 31, 2018. UE-100503	(3,808,185.76)	UE-100503
25400201	025400201 FBE-Westcoast Cap Agrmnt-Non-Core Gas	FBE-Westcoast Cap Agrmnt-Non-Core Gas - Account Description The regulatory liability relates to a capacity payment PSE received from FB Energy Canada Corporation (FB Energy Canada Corporation subsequently changed its name to BNP Paribus Energy Trading Canada). PSE received the payment on October 24, 2008, for assumption of the pipeline capacity on November 1, 2009. The payment offsets the cost of the capacity charge, which is a variable cost under the Power Cost Adjustment mechanism. UE-082013	(2,777,869.05)	UE-082013, UE-090704
25400212	025400212 DETM - Westcoast Pipeline cap. 10% Agreement	DETM - Westcoast Pipeline Cap. 10% Agreement (2006) - DETM - Westcoast Pipeline Cap. 10% Agreement (2006) Regulatory Liability established upon authorization from the WUTC (Docket No. UG 06-0019). Represents the unamortized portion of the DETM payment to PSE to take permanent release of DETM's former firm Westcoast pipeline capacity. The amount is to be amortized through approximately October 2017 and reduce the current effective cost of capacity charges by 10%.	(1,859,679.73)	UG-060619
<u>Deferred Gain on Property Sales</u>				
25600072	025600072 Deferred Gains post 5/31/08 Property sales	Deferred Gains post 5/31/08 Property sales - Gas (2009) Gain from the sale of utility property after 5/31/2008 that is deferred and later amortized to income.	(65,777.98)	UE-89-2688-T
25600081	025600081 Electric Def Property Gains Pending Approval	Electric Def Property Gains Pending Approval - Table 4 on page 88 and Table 6 on page 90 of UE-090704 reflect the deferred property gains and losses amortization adjustments as uncontested. Therefore, the deferred property gains and losses and their related amortization are approved for recovery over a three year period.	(261,799.76)	UE-89-2688-T

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Account	Text for B/S P&L Item	Account Description	09/30/11	Authorization of Regulatory Treatment
25600092	025600092 Gas Def Property Gains UG-090705	Gas Def Property Gains UG-090705 - Table 4 on page 88 and Table 6 on page 90 of UG-090705 reflect the deferred property gains and losses amortization adjustments as uncontested. Therefore, the deferred property gains and losses and their related amortization are approved for recovery over a three year period.	(305,907.25)	UE-89-2688-T
25600101	025600101 Electric Def Property Gains UE-090704	Electric Def Property Gains UE-090704 - Table 4 on page 88 and Table 6 on page 90 of UE-090704 reflect the deferred property gains and losses amortization adjustments as uncontested. Therefore, the deferred property gains and losses and their related amortization are approved for recovery over a three year period.	(2,993,070.87)	UE-89-2688-T
Lease Buyout Regulatory Liability				
25400181	025400181 Summit Purchase Buyout - Electric	Summit Purchase Buyout - Electric - This account is used to record the receipt of \$20M paid to PSE by Landlord for extinguishment of the Purchase Option in the Fifth Amendment to Lease between PSE and Summit REIT Inc.	(9,320,535.00)	UE-071876, UE-072300
25400182	025400182 Summit Purchase Buyout - Gas	Summit Purchase Buyout - Gas - This account is used to record the receipt of \$20M paid to PSE by Landlord for extinguishment of the Purchase Option in the Fifth Amendment to Lease between PSE and Summit REIT Inc.	(4,985,715.00)	Included in Washington Commission order UE-072300 and UG-072301
Rock Island	25400031 025400031 Rock Island Power Costs	Rock Island Power Costs Spanning the Period of July 1, 1979 to June 7, 2012 (2005) - Rock Island Power Costs Spanning the Period of July 1, 1979 to June 7, 2012 (2005) In return for Rock Island expansion costs, Puget receives generation from July 7, 1978 to June 7, 2012. Puget began receiving power from Rock Island #2 in July 1978, but did not start making payments to Chelan County until July 1979. Starting in July 1978 and continuing until December 1979, Puget debited an estimated amount to power costs and credited the deferred credit account. At the end of December 1979, the balance in the deferred credit account was approximately \$9.65 million. Beginning in January 1980, Puget began amortizing the balance (credit to power costs and a debit to the deferred credit account) over the remaining period of generation. Amortization will continue until June 2012.	(120,511.30)	U-78-21

Emissions Allowances

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Account	Text for B/S P&L Item	Account Description	09/30/11	Authorization of Regulatory Treatment
25400101	25400101 Unamortized Gain from Disp Allow - Col 1&2	Unamortized gain from Disposition of Allowances Colstrip 1 & 2 (2005) Emission disposal allowances were all in account 25400061 under the Centralia disposal allowance account. In 1998, Colstrip's allowances were split out to these two new accounts. The gains will be recognized and recorded in account 41180001 upon obtaining approval from the WUTC.	(200,823.41)	UE-001157
25400111	25400111 Unamortized Gain from Disp Allow - Col3&4	Unamortized gain from Disposition of Allowances Colstrip 3 & 4 (2005) Emission disposal allowances were all in account 25400061 under the Centralia disposal allowance account. In 1998, Colstrip's allowances were split out to these two new accounts. The gains will be recognized and recorded in account 41180001 upon obtaining approval from the WUTC.	(44,983.34)	UE-001157
Renewable Energy Credits - Offset Period				
25400211	25400211 Deferred REC Revenue Pre-Dec 2009	WUTC issued an order in which the Commission accepted settlement agreement on the accounting for renewable energy credits (RECs) and the use of the RECs to offset production tax credits provided to customers but not utilized by PSE.	(26,459,427.00)	
25400221	25400221 Deferred REC Revenue Post Nov 2009	WUTC issued an order in which the Commission accepted settlement agreement on the accounting for renewable energy credits (RECs) and the use of the RECs to offset production tax credits provided to customers but not utilized by PSE.	(91,619,118.94)	
25400231	25400231 REC Interest Payable Reg Liability	WUTC issued an order in which the Commission accepted settlement agreement on the accounting for renewable energy credits (RECs) and the use of the RECs to offset production tax credits provided to customers but not utilized by PSE.	(4,312,363.00)	
25400241	25400241 REC Revenue provided to customers-Contra	WUTC issued an order in which the Commission accepted settlement agreement on the accounting for renewable energy credits (RECs) and the use of the RECs to offset production tax credits provided to customers but not utilized by PSE.	31,020,766.72	Included in Washington Commission order UE-070725 and UE-101581

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Account	Text for B/S P&L Item	Account Description	09/30/11	Authorization of Regulatory Treatment
25400251	025400251 REC Revenue offset by PTCs-Contr	025400251 REC Revenue offset by PTCs-Contr - On Oct 2010, Docket # UE-070725 and UE-101581, Petition for an order authorizing the use of the proceeds from the sale of renewable energy credits and emission reduction allowances for renewable resource research. This account is for REC Revenues Offset by PTC's Contra, which is already on an after tax basis. REC's will be used to offset PTCs in Account 25400251 and 19000551 and the PTC Interest Account 18230301 is \$0	78,665,544.00	Included In Washington Commission order UE-070725 and UE-101581
25400281	025400281 Def Revenue-Renewable Non-Core Gas Attributes	025400281 Def Revenue-Renewable Non-Core Gas Attributes will be used to record the revenue and related costs from the sale of renewable gas attributes from the Cedar Hillis Biogas facility	(151,800.00)	
Production Tax Credits - Offset Period				
19000551	PTCs to be recovered through REC Proceeds (SAP account balance of \$60,973,447 has been grossed up for FIT).	IRS Tax Receivable balance as of 6/30/2010 for PTCs not utilized. On Oct 2010, Docket # UE-070725 and UE-101581, Petition for an order authorizing the use of the proceeds from the sale of renewable energy credits and emission reduction allowances for renewable resource research.	93,805,303.08	UE-070725 and UE-101581
18600141	Residual Pre June 2010 Sch 95A activity	Residual Pre June 2010 Sch 95A activity - On Oct 2010, Docket # UE-070725 and UE-101581, Petition for an order authorizing the use of the proceeds from the sale of renewable energy credits and emission reduction allowances for renewable resource research.	(187,140.00)	UE-070725 and UE-101581
18600141	PTC Interest Receivable	On Oct 2010, Docket # UE-070725 and UE-101581, Petition for an order authorizing the use of the proceeds from the sale of renewable energy credits and emission reduction allowances for renewable resource research.	1,297,151.00	UE-070725 and UE-101581
25400261	025400261 PTC Customer Deferral of Pre-July 2010	025400261 PTC Customer Deferral of Pre-July 2010 - On Oct 2010, Docket # UE-070725 and UE-101581, Petition for an order authorizing the use of the proceeds from the sale of renewable energy credits and emission reduction allowances for renewable resource research. This account represents the amount of REC Proceeds used to offset the receivable from the customer for passing through PTCs before utilization	(73,544,417.06)	UE-070725 and UE-101581
19000601	PTCs generated after June 2010 - \$22,688,679 Balance in SAP has been grossed up for FIT	IRS Tax Receivable balance since 6/30/2010 for PTCs not utilized. On Oct 2010, Docket # UE-070725 and UE-101581, Petition for an order authorizing the use of the proceeds from the sale of renewable energy credits and emission reduction allowances for renewable resource research.	34,905,660.00	UE-070725 and UE-101581 as well as Schedule 95A Tariff language.

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Account	Text for B/S P&L Item	Account Description	09/30/11	Authorization of Regulatory Treatment
25300071	Payable to customers for 19000601 when utilized	Payable to customers for PTC generated since 6/30/2010. On Oct 2010, Docket # UE-070725 and UE-101581, Petition for an order authorizing the use of the proceeds from the sale of renewable energy credits and emission reduction allowances for renewable resource research.	(35,065,006.00)	UE-070725 and UE-101581 as well as Schedule 95A Tariff language.
<u>US Treasury Grants</u>				
24200451	US Treasury Grants in Sch 95A	Pass back US Treasury Grants to customers over a normalized 10 year period	(1,520,993.00)	UE-091570
22840251	Wild Horse US Treasury Grant	Treasury Grants to be passed back in future years	(23,178,687.00)	UE-091570