



**Power Cost Adjustment Mechanism
Annual Report**

PCA Period Eight

Twelve Months Ended December 31, 2009

Puget Sound Energy
Power Cost Adjustment Mechanism
Annual Report – PCA Period Eight
Twelve Months Ended December 31, 2009

Index

3. Exhibits in Support of Updated Power Cost Rate: 1/1/09 – 12/31/09

4. Power Cost Summary
5. Exhibit A-1 – Power Cost Rate - Updated Actual (1/1/09 - 12/31/09)
6. Exhibit B – PCA Mechanism Calculation (1/1/09 - 12/31/09)
7. Exhibit D – Regulatory Assets and Liabilities (1/1/09 – 12/31/09)
8. Exhibit G – New Resource Adjustment – Credit Suisse PPA (1/1/09 – 12/31/09)
9. Exhibit G – New Resource Adjustment – Farm Power Rexville (1/1/09 – 12/31/09)
10. Exhibit G – New Resource Adjustment – Qualco (1/1/09– 12/31/09)

11. PCA Exhibits Approved in Docket No. UE-072300, 2007 GRC: 1/01/09 – 12/31/09

12. Exhibit A-1 – Power Cost Rate
13. Exhibit A-2 – Transmission Rate Base
14. Exhibit A-3 – Colstrip Fixed Costs-Section 1
15. Exhibit A-3 – Colstrip Fixed Costs-Section 2
16. Exhibit A-4 – Production Adjustment
17. Exhibit A-5 – Power Cost
18. Exhibit D – Regulatory Assets and Liabilities

Puget Sound Energy, Inc.

**Power Cost Adjustment Mechanism Annual
Report**

PCA Period Eight

Twelve Months Ended December 31, 2009

Exhibits

**In Support of Updated Power Cost Rate
From January 1 through December 31, 2009**

POWER COST ADJUSTMENT SUMMARY

	12 mo end 6.30.03		12 mo end 6.30.04		12 mo end 6.30.05		12 mo end 6.30.06		12 mo end 6.30.07		12 mo end 6.30.08		12 mo end 6.30.09		Cumulative PCA Periods
	PCA Period One	PCA Period Two	PCA Period Three	PCA Period Four	PCA Period Five	PCA Period Six	PCA Period Seven	PCA Period Eight	PCA Period Nine	PCA Period Ten	PCA Period Eleven	PCA Period Twelve	PCA Period Thirteen	PCA Period Fourteen	
Power Costs															
Actual	\$ 845,405,696	\$ 903,001,659	\$ 959,716,871	\$ 1,063,779,589	\$ 596,670,310	\$ 1,225,215,566	\$ 1,329,378,413	\$ 1,406,798,877	\$ 1,374,588,966	\$ 1,329,880,671	\$ 1,329,880,671	\$ 1,329,880,671	\$ 1,329,880,671	\$ 1,329,880,671	\$ 8,329,968,981
Baseline	\$ 843,126,410	\$ 872,785,985	\$ 949,412,459	\$ 1,075,227,683	\$ 597,069,567	\$ 1,253,069,187	\$ 1,329,880,671	\$ 1,374,588,966	\$ 1,374,588,966	\$ 1,329,880,671	\$ 1,329,880,671	\$ 1,329,880,671	\$ 1,329,880,671	\$ 1,329,880,671	\$ 8,295,200,928
Difference	\$ 2,279,286	\$ 30,215,674	\$ 10,306,412	\$ (11,448,094)	\$ (419,257)	\$ (27,873,622)	\$ (502,152)	\$ (68,800,089)	\$ (68,800,089)	\$ (502,152)	\$ (502,152)	\$ (502,152)	\$ (502,152)	\$ (502,152)	\$ 34,768,052
Wholesale Customers	\$ (10,220)	\$ (12,220)	\$ (4,225)	\$ (11,444,089)	\$ 124	\$ 10,347	\$ 106	\$ (11,583)	\$ (11,583)	\$ 106	\$ 106	\$ 106	\$ 106	\$ 106	\$ (23,665)
Total Cost Over Baseline	\$ 2,269,066	\$ 30,203,454	\$ 10,302,187	\$ (11,444,089)	\$ (419,133)	\$ (27,863,275)	\$ (502,152)	\$ (68,800,089)	\$ (68,800,089)	\$ (502,152)	\$ (502,152)	\$ (502,152)	\$ (502,152)	\$ (502,152)	\$ 34,744,387
Allocation of Power Costs															
Company	\$ 2,269,066	\$ 25,101,727	\$ 10,302,187	\$ (11,444,089)	\$ (419,133)	\$ (23,931,637)	\$ (502,152)	\$ 26,099,164	\$ 6,099,164	\$ (502,152)	\$ (502,152)	\$ (502,152)	\$ (502,152)	\$ (502,152)	\$ 27,475,134
Customers	\$ -	\$ 5,101,727	\$ -	\$ -	\$ -	\$ (3,931,638)	\$ -	\$ 6,099,164	\$ 30,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,269,253
Total Cost Allocated	\$ 2,269,066	\$ 30,203,454	\$ 10,302,187	\$ (11,444,089)	\$ (419,133)	\$ (27,863,275)	\$ (502,152)	\$ 6,099,164	\$ 30,536	\$ (502,152)	\$ (502,152)	\$ (502,152)	\$ (502,152)	\$ (502,152)	\$ 34,744,387
Customer Share Including Interest															
Customer Share	\$ -	\$ 5,101,727	\$ -	\$ -	\$ -	\$ (3,931,638)	\$ -	\$ 6,099,164	\$ 30,536	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,269,253
Interest	\$ -	\$ 61,868	\$ 345,776	\$ 721,493	\$ 110,530	\$ 27,910	\$ (38,000)	\$ 30,536	\$ 30,536	\$ (38,000)	\$ (38,000)	\$ (38,000)	\$ (38,000)	\$ (38,000)	\$ 1,250,112
Total Customer Share Including Interest	\$ -	\$ 5,163,595	\$ 345,776	\$ 721,493	\$ 110,530	\$ (3,903,728)	\$ -	\$ 6,129,700	\$ 61,072	\$ (38,000)	\$ (38,000)	\$ (38,000)	\$ (38,000)	\$ (38,000)	\$ 8,529,365

* Revised for Taxable Tax Refund

PUGET SOUND ENERGY
PCA MECHANISM ANNUAL REPORT - PCA 8
TWELVE MONTHS ENDED DECEMBER 31, 2009

Exhibit A-1 Power Cost Rate Updated: January 1, 2009 - December 31, 2009

Row				
3	Regulatory Assets (Variable) (Note 1)	\$	170,055,476	
4	Transmission Rate Base (Fixed)		107,422,863	
5	Production Rate Base (Fixed)		1,110,565,588	
6		\$	1,388,043,926	
7				
8	Net of tax rate of return per UE-072300 in effect since Nov 1, 2008		7.00%	
9				
10				
11				
			\$/MWH	
12	Regulatory Asset Recovery (on Row 3)	\$	18,313,667	\$ 0.837 (c)
13	Fixed Asset Recovery Other (on Row 4)		11,568,616	\$ 0.529 (a)
14	Fixed Asset Recovery-Prod Factored (on Row 5)		119,599,371	\$ 5.468 (a)
15	501-Steam Fuel		52,813,573	\$ 2.414 (c)
16	555-Purchased power		776,717,195	\$ 35.509 (c)
16.a	Commission Disallowance for Tenaska & March Point 2		(3,257,109)	\$ (0.149) (c)
17	557-Other Power Exp		13,972,795	\$ 0.639 (a)
18	547-Fuel		156,312,446	\$ 7.146 (c)
19	565-Wheeling		72,400,462	\$ 3.310 (c)
20	Variable Transmission Income		(5,497,349)	\$ (0.251) (c)
21	Hydro and Other Pwr.		99,503,661	\$ 4.549 (a)
22	447-Sales to Others		(78,471,003)	\$ (3.587) (c)
23	456-Subaccounts 00012 & 00018 and 00035 & 00036		46,625,807	\$ 2.132 (c)
24.a	Transmission Exp - 500KV		1,175,688	\$ 0.054 (a)
24.b	New Resource Pricing Adjustment		(261,589)	\$ (0.012) (c)
25	Depreciation-Production (FERC 403)		59,334,748	\$ 2.713 (a)
26	Depreciation-Transmission		4,053,897	\$ 0.185 (a)
27	Amortization - Regulatory Assets		42,749,730	\$ 1.954 (c)
28	Property Taxes-Production		15,178,204	\$ 0.694 (a)
29	Property Taxes-Transmission		3,535,153	\$ 0.162 (a)
30	Hedging Line of Credit		430,915	\$ 0.020 (c)
31	Subtotal & Baseline Rate	\$	1,406,798,877	\$ 64.314 (b)
32	Revenue Sensitive Items		0.9559032	
33		\$	1,471,695,959	
34	DELIVERED Load (MWH's) <i>January - December 2009</i>		21,874,078	<-- includes Firm Wholesale
35				
36				
37	Power Cost in Rates with Revenue Sensitive Items (the adjusted baseline)			\$ 67.280
38	sum of (a) = Fixed Rate Component	\$	14.991	\$ 15.683
39	(b) = Power Cost Rate	\$	64.314	\$ 67.280
40	sum of (c) = Variable Power Rate Component	\$	49.322	\$ 51.597
41				
42				
43	(Note 1) Regulatory Assets and Liabilities are detailed on Exhibit D (JHS-3 page 7)			

Sci. B: Monthly Power Costs -- PCA PERIOD 8
 Derived from Original PCA Exhibit B
 Subject to PCA Sharing
 UE-011570

Row	Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Period to Date
7	10,930,660	10,930,660	10,930,660	10,930,660	10,930,660	10,930,660	10,930,660	10,930,660	10,930,660	10,930,660	10,930,660	10,930,660	131,167,967
8	16,358,178	16,358,178	16,358,178	16,358,178	16,358,178	16,358,178	16,358,178	16,358,178	16,358,178	16,358,178	16,358,178	16,358,178	196,299,713
9	27,326,844	27,326,844	27,326,844	27,326,844	27,326,844	27,326,844	27,326,844	27,326,844	27,326,844	27,326,844	27,326,844	27,326,844	327,762,112
10	5,540,327	4,822,554	4,822,554	4,822,554	4,822,554	4,822,554	4,822,554	4,822,554	4,822,554	4,822,554	4,822,554	4,822,554	52,813,973
11	6,420,526	15,079,709	10,484,513	3,240,590	2,884,554	3,177,401	19,015,016	23,625,752	21,025,021	16,223,101	13,225,999	20,869,073	158,312,440
12	4,809,055	1,355,025	2,993,877	2,993,877	2,993,877	2,993,877	2,993,877	2,993,877	2,993,877	2,993,877	2,993,877	2,993,877	35,925,437
13	64,045,008	75,810,227	79,391,333	61,842,376	49,698,497	45,681,187	58,011,187	68,541,432	10,348,893	2,596,450	4,522,376	1,422,437	46,623,670
14	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	199,726,961
15	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	199,726,961
16	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	199,726,961
17	4,610,025	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	199,726,961
18	4,610,025	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	199,726,961
19	4,610,025	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	199,726,961
20	4,610,025	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	16,013,713	199,726,961
21	104,001,810	98,831,708	101,475,825	74,344,428	58,657,530	64,800,873	72,571,259	72,329,707	82,425,184	100,130,780	99,032,263	135,002,749	1,003,550,801
22	1,526,477	1,526,477	1,526,477	1,526,477	1,526,477	1,526,477	1,526,477	1,526,477	1,526,477	1,526,477	1,526,477	1,526,477	18,318,607
23	31,437	31,437	31,437	31,437	31,437	31,437	31,437	31,437	31,437	31,437	31,437	31,437	383,915
24	132,982,538	127,855,813	130,358,419	102,239,059	87,550,859	93,802,352	107,460,488	119,376,246	111,372,873	129,019,325	127,916,391	193,970,928	1,470,317,575
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(a) PSE received a refund in October 2009 related to tax on Tennessee disbursement charges from November 2005 - September 2009. The taxes had been included in the Tennessee purchase power amounts so now must be removed from purchase power costs by month in the PCA. In addition the refund also affected the Prudence Adjustment on Sched. X so those amounts were revised by month also. And the refund affected the Tennessee Disallowance in 2009 so adjusted those amounts also.

Note: This schedule was derived from original PCA collaborative exhibit B

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)
 PCA Period 8 (Updated as of December 31, 2009, on January 22, 2010)

12 Months Ended December 31		PCA Period								
Ref	Description	Asset Amort	AA & ADFIT	AMA Ratebase as of		Return				
				Asset Amort	AMA Ratebase as of	A.T. %	Amount	Pre Tax	Monthly	
10			Balance							
26	Tenaska									
40	Dec 2009	\$ (32,676,000)	74,153,000	G/L Accts #18230001 and #28300451 and Order #55500423 (32,676,000)	89,519,208	12/09	7.00%	6,266,345	9,640,530	803,378
45										
46	BEP									
56	Dec 2009	\$ (3,526,620)	18,010,863	G/L Accts #18230071, #18230081, and #28300431 and Order #55500007 (3,526,620)	19,210,173	12/09	7.00%	1,344,712	2,068,788	172,399
67										
68	White River Relicensing									
76	Dec 2009	\$	19,622,161	G/L Accts #18230641, 681, #18236021, 6031, 6041, 6051, 6071, #18230971, #19000021 and #28300011 19,523,785	12/09	7.00%	1,366,665	2,102,562	175,213	
80										
81	White River Plant Costs									
89	Dec 2009	\$ (1,494,702)	32,273,000	G/L Accts #18220011, #18220021, #18220031, #18220041 and #18220051 and Order #40700015 (1,494,702)	33,192,923	12/09	7.00%	2,323,505	3,574,622	297,885
104										
105	Hopkins Ridge Prepaid Transm									
112	Dec 2009	\$ (2,341,761)	2,385,413	G/L Accts #18230231, #18230371, Orders #56500011 and #56500021 (2,341,761)	3,554,945	12/09	7.00%	248,846	382,840	31,903
117										
118	Goldendale Fixed Cost Deferral									
120	Dec 2009	\$ (4,162,154)	4,959,749	G/L Accts #18230381, 391, #28300541 and #28300551 and Order #40730041 (4,162,154)	6,312,408	12/09	7.00%	441,869	679,798	56,650
124										
125	Hopkins Ridge Mitigation Credit									
127	Dec 2009	\$ 1,451,500	(786,229)	G/L Accts #25400171 and #19000051 and Order #55500017 1,451,500	(1,257,967)	12/09	7.00%	(88,058)	(135,473)	(11,289)
129										
130										
131										
132										
133										
139	PCA #8									
141	Jan 2009		Dec 2009	Asset Amort	AMA Ratebase as of		A.T. %	Return	Pre Tax	Monthly
141				(42,749,737)	170,055,476	12/09	7.00%	11,903,883	18,313,667	1,526,139
142										
143										

Note (1) Amounts in these columns are net of accumulated amortization AND the associated Deferred FIT liability / asset.

Exhibit G - New Resource Adjustment

For New Resources with a Terms Longer than 2 Years

Name: Credit Suisse PPA
 Description: PPA contract
 Inservice date: 1.1.2009
 ends: 31.12.2013

On Peak

Row	PCA Period	PCA Calendar 2009	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Forecast	Forecast	Forecast	Jan 09 - Feb 10	Diff		
		Jan-09	Feb-09	Mar-09	Apr-09	May-09	Jun-09	Jul-09	Aug-09	Sep-09	Oct-09	Nov-09	Dec-09	Jan-10	Feb-10	Feb-10	Total	3 & 9	Difference		
13	Total Variable Component	Actual																			
14	Steam Oper. Fuel	501																			
15	Other Pwr Gen Fuel	547																			
16	Other Elec Revenues	45500012, 18	2,352,900	2,277,000	2,352,900	2,277,000	2,352,900	2,352,900	2,352,900	2,277,000	2,352,900	2,280,163	2,352,900	2,352,900	2,125,200	2,125,200	32,181,601			32,181,601	
17	Purchase Power	555																			
18	Spots to Other Util	447																			
19	Wholesale	565																			
20	Transmission Revenue	46600017																			
21			2,352,900	2,349,738	2,352,900	2,277,000	2,277,000	2,352,900	2,352,900	2,277,000	2,352,900	2,280,163	2,352,900	2,352,900	2,125,200	2,125,200	32,181,601				
22	PCA Period Generation	(MWh)	37,200	37,150	37,200	36,000	36,000	37,200	37,200	36,000	37,200	36,050	37,200	37,200	33,600	33,600	508,800			508,800	
23	Actual Variable Cost	(\$/MWh)	\$83,250	\$83,250	\$83,250	\$83,250	\$83,250	\$83,250	\$83,250	\$83,250	\$83,250	\$83,250	\$83,250	\$83,250	\$83,250	\$83,250	\$83,250			\$83,250	
24	Compare with Baseline Rate																				
25	Baseline Power Cost Rate	(\$/MWh)	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841			\$82,841	
26	Lesser of Actual Cost or Baseline Rate		\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841			\$82,841	
27	Baseline Power Cost Rate		\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841	\$82,841			\$82,841	
28	Adjustment Needed?		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	
29	Adjustment needed if Baseline rate is lower than actual variable cost																				
30	Adjustment Rate	(\$/MWh)	-\$0,409	-\$0,409	-\$0,409	-\$0,408	-\$0,408	-\$0,409	-\$0,409	-\$0,409	-\$0,409	-\$0,409	-\$0,409	-\$0,409	-\$0,409	-\$0,409	-\$0,409	-\$0,409			-\$0,409
31	Adjustment Volume	(MWh)	37,200	37,150	37,200	36,000	36,000	37,200	37,200	36,000	37,200	36,050	37,200	37,200	33,600	33,600	508,800			508,800	
32	Adjustment Amount	(\$)	(\$15,215)	(\$15,215)	(\$15,215)	(\$14,724)	(\$14,724)	(\$15,215)	(\$15,215)	(\$15,215)	(\$15,215)	(\$14,746)	(\$15,215)	(\$15,215)	(\$13,742)	(\$13,742)	(\$208,100)			(\$208,100)	
33	to Exhibit B line 24																				
34																					
35																					
36																					

Exhibit G - New Resource Adjustment

For New Resources with a Terms Longer than 2 Years

Name Farm Power Roxville
 Description PPA contract
In-service date 8.28.09

PCA Period PCA 8 Calendar 2009

Row	Description	Actual Aug-09	Actual Sep-09	Actual Oct-09	Actual Nov-09	Actual Dec-09	Forecast Jan-10	Forecast Feb-10	Forecast Mar-10	Aug 09 - Mar 10 Total	Prior 3 & 9	Difference
13	Total Variable Component Actual											
14	Steam Oper. Fuel	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15	Other Pwr Gen Fuel	-	-	-	-	-	-	-	-	-	-	-
16	Other Elec Revenues	-	-	-	-	-	-	-	-	-	-	-
17	Purchase Power	2,315	30,424	31,790	31,548	30,149	39,444	35,694	39,291	240,645	-	240,645
18	Salces to Other Util	-	-	-	-	-	-	-	-	-	-	-
19	Wheeling	-	-	-	-	-	-	-	-	-	-	-
20	Transmission Revenue	-	-	-	-	-	-	-	-	-	-	-
21		\$ 2,315	\$ 30,424	\$ 31,790	\$ 31,548	\$ 30,149	\$ 39,444	\$ 35,694	\$ 39,291	\$ 240,645	\$ -	\$ -
22												
23	PCA Period Generation (MWh)	28	367	384	381	364	514	455	512	3,015	-	3,015
24												
25	Actual Variable Cost (\$/MWh)	\$82.868	\$82.881	\$82.786	\$82.803	\$82.827	\$76.740	\$76.740	\$76.740	\$79.816	\$0.000	\$79.816
26	Compare with Baseline Rate											
27												
28	Baseline Power Cost Rate (\$/MWh)	\$62.841	\$62.841	\$62.841	\$62.841	\$62.841	\$62.841	\$62.841	\$62.841	\$62.841	\$0.000	\$62.841
29												
30	Lesser of Actual Cost or Baseline Rate	\$62.841	\$62.841	\$62.841	\$62.841	\$62.841	\$62.841	\$62.841	\$62.841	\$62.841	\$0.000	\$62.841
31												
32												
33	Adjustment Needed?	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	
34	Adjustment needed if Baseline rate is lower than actual variable cost											
35												
36	Adjustment Rate (\$/MWh)	(\$20.027)	(\$20.040)	(\$19.045)	(\$19.962)	(\$19.886)	(\$13.899)	(\$13.899)	(\$13.899)	(\$16.975)	\$0.000	(\$16.975)
37	Adjustment volume (MWh)	28	367	384	381	364	514	465	512	3,015	-	3,015
38	Adjustment Amount (\$)	\$ (560)	\$ (7,356)	\$ (7,659)	\$ (7,606)	\$ (7,275)	\$ (7,144)	\$ (6,463)	\$ (7,116)	\$ (51,179)	\$ -	\$ (51,179)
	To Exhibit B line 23	(474)	(6,231)	(6,518)	(6,467)	(6,179)	(8,725)	(7,893)	(8,691)			

Exhibit G - New Resource Adjustment

3 For New Resources with a Terms Longer than 2 Years

Name	Qualco
Description	PPA contract
In-service date	3.9.09
ends	3.9.2013

PCA Period PCA & Calendar 2009

Row	Name	Description	Actual Mar-09	Actual Apr-09	Actual May-09	Actual Jun-09	Actual Jul-09	Actual Aug-09	Actual Sep-09	Actual Oct-09	Actual Nov-09	Actual Dec-09	Forecast Jan-10	Forecast Feb-10	Forecast Mar-10	Mar 09 - Mar 10 Total	Prior 3 & 9	Difference	
13	Total Variable Component Actual																		
14	Steam Oper. Fuel	501	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
15	Other Pwr Gen Fuel	547	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
16	Other Elec Revenues	45600012, 16	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
17	Purchase Power	556	43,512	24,698	24,450	23,455	23,124	24,698	25,941	20,720	22,129	18,097	23,022	23,022	23,022	320,690	-	320,690	
18	Sales to Other Util	447	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
19	Wheeling	565	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
20	Transmission Revenue	45600017	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	
21			\$ 43,512	\$ 24,698	\$ 24,450	\$ 23,455	\$ 23,124	\$ 24,698	\$ 25,941	\$ 20,720	\$ 22,129	\$ 18,097	\$ 23,022	\$ 23,022	\$ 23,022	\$ 320,690	\$ -	\$ -	
22																			
23	PCA Period Generation	(MWh)	525	295	295	283	279	298	313	250	267	228	300	300	300	3,936	-	3,936	
24																			
25	Actual Variable Cost	(\$/MWh)	\$82,880	\$82,880	\$82,880	\$82,880	\$82,880	\$82,000	\$82,880	\$82,880	\$82,880	\$82,880	\$76,740	\$76,740	\$76,740	\$81,476	\$0,000	\$81,476	
26	Compare with Baseline Rate																		
27	Baseline Power Cost Rate	(\$/MWh)	\$62,841	\$62,841	\$62,841	\$62,841	\$62,841	\$62,841	\$62,841	\$62,841	\$62,841	\$62,841	\$62,841	\$62,841	\$62,841	\$62,841	\$0,000	\$62,841	
28																			
29																			
30	Lesser of Actual Cost or Baseline Rate		\$62,841	\$62,841	\$62,841	\$62,841	\$62,841	\$62,841	\$62,841	\$62,841	\$62,841	\$62,841	\$62,841	\$62,841	\$62,841	\$62,841	\$0,000	\$62,841	
31																			
32																			
33	Adjustment Needed?		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	No	No	
34	Adjustment needed if Baseline rate is lower than actual variable cost																		
35																			
36	Adjustment Rate	(\$/MWh)	(\$20,039)	(\$20,039)	(\$20,039)	(\$20,039)	(\$20,039)	(\$20,039)	(\$20,039)	(\$20,039)	(\$20,039)	(\$20,039)	(\$13,869)	(\$13,869)	(\$13,869)	(\$10,635)	\$0,000	(\$18,635)	
37	Adjustment volume	(MWh)	525	265	265	263	273	298	313	250	267	228	300	300	300	3,936	-	3,936	
38	Adjustment Amount	(\$)	\$ (10,520)	\$ (5,972)	\$ (5,912)	\$ (5,671)	\$ (5,591)	\$ (5,972)	\$ (6,272)	\$ (5,010)	\$ (5,350)	\$ (4,569)	\$ (4,170)	\$ (4,170)	\$ (4,170)	\$ (73,348)	\$ -	\$ (73,348)	
	to Exhibit B line 22		(9,783)	(5,533)	(5,497)	(5,274)	(5,199)	(6,353)	(5,833)	(4,659)	(4,976)	(4,249)	(5,591)	(5,591)	(5,591)				

Puget Sound Energy, Inc.

**Power Cost Adjustment Mechanism Annual
Report**

PCA Period Eight - B

Twelve Months Ended December 31, 2009

Exhibits

From January 1 through December 31, 2009
PCA Exhibits Approved in Docket No. UE-072300
2007 GRC

Exhibit A-1 Power Cost Rate

Row	Test Year	Test Yr \$/MWh	Production Factor	Rate Year	12 Months	Monthly
3	\$ 173,406,226	0.877 (c)	0.96663			
4	107,422,863	0.544 (a)		11,568,616		
5	1,073,506,014	5.432 (a)		119,599,371	\$ 131,167,987	\$ 10,930,666
6	\$ 1,354,335,102	2.549 (c)				
7	7.00%	34.963 (c)				
8		(8,416,594) (c)				
9		5,850,444 (c)				
10	Regulatory Asset Recovery (on Row 3)	0.275 (a)		6,052,413		
11	Fixed Asset Recovery Other (on Row 4)	0.124 (a)		2,726,252		
12	Fixed Asset Recovery-Prod Factored (on Row 5)	0.106 (a)		2,332,573		
13	501-Steam Fuel	0.076 (a)		1,668,897		
14	555-Purchased power	0.054 (a)		1,192,660		
14a	Rate Disallowances for March Point 2 & Tenaska	5.745 (c)				
15	557-Other Power Exp	3.179 (c)				
15a	Payroll Overheads - Worker's Comp	(0.209) (c)				
15b	Property Insurance	4.519 (a)		99,503,661	\$ 196,754,145	\$ 16,396,179
15c	Montana Electric Energy Tax	(0.007) (c)				
15d	Payroll Taxes on Production Wages	0.053 (a)		1,175,688		
16	547-Fuel	2.695 (a)		59,334,748		
17	565-Wheeling	0.190 (a)		4,053,897		
18	Variable Transmission Income	1.894 (c)				
19	Hydro and Other Pwr.	0.689 (a)		15,178,204		
20	447-Sales to Others	0.166 (a)		3,535,153		
21	456-Subaccounts 00012 & 00018 and 00035 & 00036	0.013 (c)		285,295		
22	Transmission Exp - 500KV	62.841 (b)		327,922,132		
23	Depreciation & Amort -Production (FERC 403)	0.9559032				
24	Depreciation-Transmission	1,337,495,176				
25	Amortization-Production Reg Assets	1,399,195,207				
26	Property Taxes-Production	21,283,656				
27	Property Taxes-Transmission					
28	Hedging Line of Credit					
29	Subtotal & Baseline Rate					
30	Revenue Sensitive Items					
31						
32	Test Year DELIVERED Load (MWH's)					
33						
34						
35						
36						
37						
38	Power Cost in Rates with Revenue Sensitive					
39	Items (the adjusted baseline)					
40	sum of (a) = Fixed Rate Component	\$ 62,841	\$ 65,740			
41	(b) = Power Cost Rate	\$ 14,923	\$ 15,611			
42	sum of (c) = Variable Power Rate Component	\$ 62,841	\$ 65,740			

<-- includes Firm Wholesale

Before Rev. Sensitive Items	After Rev. Sensitive Items
\$ 62,841	\$ 65,740
\$ 14,923	\$ 15,611
\$ 62,841	\$ 65,740
\$ 47,918	\$ 50,129

PUGET SOUND ENERGY
PCA MECHANISM REPORT - PCA 8
TWELVE MONTHS ENDED DECEMBER 31, 2008
DOCKET UE-072300

Exhibit A-2 Transmission Rate Base

Row		Plant AMA 9/30/2007	AMA Accum Deprec/Amort	Net	Annualized Depreciation		
7							
8							
6		TRANS - COLSTRIP 1 & 2					
7	E350	100428	Land and Land Rights	\$ 10,247	\$ -	\$ 10,247	
8	E351	100127	Easements	685,927	(360,207)	325,719	13,033
9	E353	100136	Station Equipment	1,231,131	(874,485)	356,646	25,977
10	E354	100145	Towers & Fixtures	14,474,343	(8,014,007)	6,460,336	241,722
11	E355	100149	Poles & Fixtures	49,007	(45,717)	3,290	1,622
12	E356	100157	OH Conductors & Devices	13,158,153	(7,836,950)	5,321,203	277,637
13	E359	100170	Roads & Trails	113,968	(59,703)	54,265	1,630
14		TOTAL COLSTRIP 1&2 TRANSMISSION		29,722,775	(17,191,069)	12,531,705	561,620
15							
16		TRANS - COLSTRIP 3 & 4					
17	E351	100128	Easements	1,071,124	(549,247)	521,877	20,351
18	E352	100132	Structures & Improvements	496,711	(257,560)	239,152	8,444
19	E353	100137	Station Equipment	18,174,239	(9,862,443)	8,311,796	383,636
20	E354	100146	Towers & Fixtures	20,520,449	(11,029,237)	9,491,212	342,640
21	E355	100150	Poles & Fixtures	88,692	(49,721)	38,970	2,936
22	E356	100158	OH Conductors & Devices	19,991,226	(11,651,182)	8,340,044	421,815
23	E359	100171	Roads & Trails	341,015	(175,733)	165,282	4,877
24		TOTAL COLSTRIP 3&4 TRANSMISSION		60,683,456	(33,575,123)	27,108,333	1,184,699
25							
26		TRANS - 3RD NW-SW INTERTIE					
27	E350	100430	Land and Land Rights	1,769,178	-	1,769,178	-
28	E352	100134	Structures & Improvements	1,276,264	(319,373)	956,891	21,696
29	E353	100143	Station Equipment	31,896,982	(9,756,046)	22,140,936	679,173
30	E354	100147	Towers & Fixtures	22,781,417	(5,794,238)	16,987,178	380,450
31	E355	100649	Poles & Fixtures	204,200	(52,163)	152,037	6,759
32	E356	100164	OH Conductors & Devices	23,498,183	(8,059,225)	15,438,959	495,812
33	E356	100437	OH Conductors & Devices	206	(42)	163	4
34	E359	100174	Roads & Trails	59,215	(7,860)	51,356	847
35		TOTAL 3RD NW-SW INTERTIE		81,485,645	(23,988,947)	57,496,698	1,584,741
36							
37		TRANS - NORTHERN INTERTIE					
38	E350	100881	Land and Land Rights	30,604	-	30,604	
39	E354	100879	Towers & Fixtures-Whatcom	5,744,097	(1,164,837)	4,579,260	95,926
40	E355	100878	Poles & Fixtures-Whatcom	11,219	(3,925)	7,295	371
41	E356	100877	OH Conductors & Devices-Whatcom	7,460,099	(2,042,568)	5,417,530	157,408
42	E355	100647	Poles & Fixtures-Skagit	3,398,685	(955,541)	2,443,144	112,496
43	E356	100648	OH Conductors & Devices-Skagit	5,142,699	(1,274,958)	3,867,741	108,511
44		TOTAL NORTHERN INTERTIE		21,787,403	(5,441,829)	16,345,574	474,713
45							
46							
47		Total Transmission		\$ 193,679,280	\$ (80,196,969)	\$ 113,482,310	\$ 3,805,774
48		Accumulated Depreciation (AMA)		(80,196,969)			
49		Deferred Taxes (AMA)		(10,328,344)			
50		Transmission portion of:					
51		Colstrip Common FERC Adj, net of accum amort		3,674,439			213,630
52		Colstrip Def Depr FERC Adj, net of accum amort		594,457			34,493
53							
54		Total Transmission Rate Base		\$ 107,422,863			\$ 4,053,897

PUGET SOUND ENERGY
 PCA MECHANISM REPORT - PCA 8
 TWELVE MONTHS ENDED DECEMBER 31, 2009
 UE-072300

Exhibit A-3 Colstrip Fixed Costs (Section 1 of 2)

Revenue Requirement for Colstrip								
5		Plant	713,910,714					
6		Accumulated Depreciation	(424,341,614)					
7		Deferred Taxes - AMA 9/30/2007	(60,490,992)					
8		Net Plant	229,078,109					
9		Rate of Return (net of Tax)	7.00%					
10		Revenue Requirement after tax	16,035,468	(Line 6 X Line 7)				
11		Plant Revenue Requirement	24,669,950	(Adjusted for Federal Tax) (Line 8 X (1 - 35%))		35.00%		
12		Expenses	72,012,429					
13		Total Revenue Requirement	96,682,379	(before revenue sensitive items)				
14								
15		Support for Revenue Requirement - Ratebase						
16	FERC	DESCRIPTION	2006 Sep	2007 Sep	13 MONTH AMA	ANNUITY RATE	ANNUALIZED DEPRECIATION	AMA ACUMM. DEPR.
17		COLSTRIP #1						
18	E311	Structures & Improvements	7,435,989	7,473,868	7,442,839	3.91%	290,983	(4,667,186)
19	E312	Boiler Plant Equipment	55,297,743	58,163,161	58,399,565	3.64%	2,135,756	(38,786,593)
20	E314	Turbo Generating Units	19,333,175	23,438,987	21,941,924	5.20%	1,177,923	(10,315,710)
21	E315	Accessory Electric Equipment	7,180,779	7,180,435	7,180,436	1.97%	141,393	(5,497,749)
22	E316	Misc. Power Plant Equipment	563,919	799,296	738,763	4.79%	38,607	(339,996)
23		TOTAL	89,811,604	97,055,746	95,703,527	3.95%	3,784,663	(59,607,233)
24		COLSTRIP #2						
25	E311	Structures & Improvements	5,822,932	5,860,809	5,829,780	2.97%	173,127	(4,308,946)
26	E312	Boiler Plant Equipment	49,622,109	49,788,214	50,336,181	3.83%	1,930,120	(32,467,864)
27	E314	Turbo Generating Units	16,983,271	20,263,196	18,935,759	5.03%	972,784	(9,192,560)
28	E315	Accessory Electric Equipment	5,070,990	5,087,939	5,071,696	2.93%	148,531	(3,300,376)
29	E316	Misc. Power Plant Equipment	588,700	824,074	761,972	4.93%	40,945	(339,989)
30		TOTAL	78,088,002	81,844,232	80,935,388	4.03%	3,265,506	(49,609,735)
31		COLSTRIP 1 & 2 COMMON						
32	E311	Structures & Improvements	31,349,014	31,349,014	31,349,014	2.77%	805,478	(23,933,769)
33	E312	Boiler Plant Equipment	7,804,511	6,485,834	7,639,677	2.66%	200,567	(5,955,725)
34	E314	Turbo Generating Units	3,845,456	3,844,103	3,845,287	2.65%	101,890	(3,018,238)
35	E315	Accessory Electric Equipment	2,375,376	2,375,376	2,375,376	2.41%	57,242	(1,692,849)
36	E316	Misc. Power Plant Equipment	6,363,663	6,289,463	6,354,388	2.82%	179,035	(4,334,267)
37	E317	Asset Retirement Obligation	540,097	540,097	540,097	0.00%	15,431	(419,218)
38		TOTAL	52,278,117	50,883,887	52,103,839	2.61%	1,359,643	(39,354,065)
39		COLSTRIP 3						
40	E311	Structures & Improvements	29,046,399	29,058,976	29,048,700	2.80%	813,340	(18,146,443)
41	E312	Boiler Plant Equipment	120,515,322	123,772,538	121,626,748	2.81%	3,392,494	(77,028,363)
42	E314	Turbo Generating Units	39,218,823	41,474,566	39,609,872	3.77%	1,503,373	(18,601,328)
43	E315	Accessory Electric Equipment	6,468,230	6,460,699	6,467,516	2.50%	161,643	(3,760,031)
44	E316	Misc. Power Plant Equipment	550,709	704,857	667,549	3.69%	26,323	(284,941)
45		TOTAL	195,799,483	201,471,636	197,420,385	2.99%	5,897,173	(117,821,106)
46		COLSTRIP 4						
47	E311	Structures & Improvements	26,588,411	26,600,987	26,590,711	2.75%	731,183	(15,408,741)
48	E312	Boiler Plant Equipment	107,860,241	108,751,249	108,211,291	2.98%	3,229,140	(60,526,081)
49	E314	Turbo Generating Units	36,166,530	37,714,991	37,405,037	3.59%	1,359,090	(16,231,636)
50	E315	Accessory Electric Equipment	5,669,307	5,670,535	5,669,687	2.54%	144,026	(2,976,522)
51	E316	Misc. Power Plant Equipment	748,188	902,346	865,038	3.26%	29,694	(382,686)
52		TOTAL	177,032,686	179,640,108	178,741,764	3.07%	5,493,132	(95,525,868)
53		COLSTRIP 3 & 4 COMMON						
54	E311	Structures & Improvements	70,602,621	70,574,232	70,599,073	2.53%	1,740,035	(43,774,562)
55	E312	Boiler Plant Equipment	18,959,641	18,727,316	18,930,601	2.68%	506,508	(11,564,327)
56	E314	Turbo Generating Units	13,373	10,515	13,016	49.28%	5,746	106,746
57	E315	Accessory Electric Equipment	7,652,070	7,652,070	7,652,070	2.32%	177,507	(4,346,380)
58	E316	Misc. Power Plant Equipment	4,639,637	4,613,132	4,636,324	2.70%	125,011	(2,480,469)
59	E317	Asset Retirement Obligation	333,978	333,978	333,978	0.00%	7,590	(206,204)
60		TOTAL	102,201,321	101,911,244	102,165,062	2.51%	2,562,397	(62,265,196)
61		COLSTRIP 1-4 COMMON						
62	E316	Misc. Power Plant Equip.	251,534	251,534	251,534	2.23%	5,609	(158,412)
63		TOTAL	251,534	251,534	251,534	2.23%	5,609	(158,412)
64								
65		Subtotal before Colstrip FERC Adjustments (Line 63 + 65)	695,462,748	713,058,387	707,321,499	3.16%	22,368,124	(424,341,614)
66		ARO - Electric Colstrip 1-4 (Acct: 23001021 - 1031) Adj (AMA is Net of Accum. Amort.)			(1,903,266)		91,109	
67		Colstrip Common FERC Adj. (AMA is Net of Accum. Amort.)			8,100,301		354,669	
68		Colstrip Def Depr FERC Adj. (AMA is Net of Accum. Amort.)			2,392,180		104,311	
69		Totals			713,910,714	3.21%	22,918,212	(424,341,614)

PUGET SOUND ENERGY
PCA MECHANISM REPORT - PCA 8
TWELVE MONTHS ENDED DECEMBER 31, 2009
UE-072300

ROW

Exhibit A-3 Colstrip Fixed Costs (Section 2 of 2)
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Page 15 of 18

79			
80			
81	Support for Revenue Requirement - Expenses		
82			
83	Order	Description	Amount before Prod. Adj.
84	50004011	Colstrip 1&2 - Supv & Eng'g - Steam Ope	\$ 50,364
85	50005011	Colstrip 3&4 - Supv & Eng'g - Steam Ope	42,184
86	50204001	Colstrip 1&2 - Steam Exp - Steam Gen Op	3,297,477
87	50205001	Colstrip 3&4 - Steam Exp - Steam Gen Op	2,175,561
88	50504001	Colstrip 1&2 - Electric Exp - Steam Gen	71,508
89	50505001	Colstrip 3&4 - Electric Exp - Steam Gen	56,120
90	50604001	Colstrip 1&2 - Misc Strm Pwr - Steam Gen	4,170,512
91	50605001	Colstrip 3&4 - Misc Strm Pwr - Steam Gen	2,444,791
92	50704001	Colstrip 1&2 - Rents - Steam Gen Oper	48
93	50705001	Colstrip 3&4 - Rents - Steam Gen Oper	33,275
94	51004001	Colstrip 1&2 - Supv & Eng'g - Steam Gen	880,470
95	51005001	Colstrip 3&4 - Supv & Eng'g - Steam Gen	692,702
96	51104001	Colstrip 1&2 - Structures - Steam Gen M	829,877
97	51105001	Colstrip 3&4 - Structures - Steam Gen M	763,915
98	51204001	Colstrip 1&2 - Boiler Plant - Steam Gen	5,545,623
99	51205001	Colstrip 3&4 - Boiler Plant - Steam Gen	6,051,077
100	51304001	Colstrip 1&2 - Electric Plant - Steam G	1,123,321
101	51305001	Colstrip 3&4 - Electric Plant - Steam G	1,062,379
102	51404001	Colstrip 1&2 - Misc Steam Plt - Steam Gen	1,052,523
103	51405001	Colstrip 3&4 - Misc Steam Plt - Steam Gen	922,491
104		Subtotal for the test year	<u>31,266,220</u>
105		Adjustment to the rate year	<u>4,701,285</u>
106		Subtotal on Orders	<u>35,967,505</u>
107		Property Taxes-Montana	11,457,814
108		Electric Energy Tax	1,668,897
109	403xxxxx	Depreciation	<u>22,918,212</u>
110			<u>\$ 72,012,429</u>

PUGET SOUND ENERGY
PCA MECHANISM REPORT - PCA 8
TWELVE MONTHS ENDED DECEMBER 31, 2009
UE-072300

Exhibit A-4 Production Adjustment

PUGET SOUND ENERGY
PRODUCTION ADJUSTMENT
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION 3.337%	FIT 35%
1	<u>O&M ON PRODUCTION PROPERTY</u>			
2	PRODUCTION WAGE INCREASE:			
3	PURCHASED POWER	\$ 172,558	\$ (5,758)	\$ 2,015
4	OTHER POWER SUPPLY	813,586	(27,149)	9,502
5	TOTAL PRODUCTION WAGE INCREASE	<u>986,144</u>	<u>(32,908)</u>	<u>11,517</u>
6				
7	ADMIN & GENERAL EXPENSES			
8	PAYROLL OVERHEADS	2,726,252	(90,975)	31,841
9	PROPERTY INSURANCE	2,332,573	(77,838)	27,243
10	TOTAL ADMIN & GENERAL EXPENSES	<u>5,058,825</u>	<u>(168,813)</u>	<u>59,084</u>
11				
12	DEPRECIATION / AMORTIZATION:			
13	DEPRECIATION	53,528,073	(1,786,232)	462,126
14	AMORTIZATION	5,806,675	(193,769)	65,192
15	TOTAL DEPRECIATION AND AMORTIZATION (FERC 403)	<u>59,334,748</u>	<u>(1,980,001)</u>	<u>527,318</u>
16	TAXES OTHER-PRODUCTION PROPERTY:			
17	PROPERTY TAXES - WASHINGTON	6,476,490	(216,120)	75,642
18	PROPERTY TAXES - MONTANA	8,701,714	(290,376)	101,632
19	ELECTRIC ENERGY TAX	1,668,897	(55,691)	19,492
20	PAYROLL TAXES	1,192,660	(39,799)	13,930
21	TOTAL TAXES OTHER	<u>18,039,761</u>	<u>(601,987)</u>	<u>210,696</u>
22				
23	<u>O&M ON REGULATORY ASSETS:</u>			
24	CABOT	\$ -	-	-
25	TENASKA	31,942,000	(1,065,905)	373,067
26	BEP	3,526,620	(117,683)	41,189
27	WHITE RIVER PLANT COSTS	1,494,702	(49,878)	17,457
28	WHITE RIVER RELICENSING & CWIP	-	-	-
29	CANWEST	-	-	-
30	HOPKINS RIDGE PREPAID TRANSMISSION	2,034,455	(67,890)	23,761
31	HOPKINS RIDGE INFILL MITIGATION CREDIT	(1,451,500)	48,437	(16,953)
32	GOLDENDALE FIXED COST DEFERRAL (NEW)	4,162,154	(138,891)	48,612
33	TOTAL ADJUSTMENT TO O&M ON REGULATORY ASSETS	<u>\$ 41,708,431</u>	<u>\$ (1,391,810)</u>	<u>\$ 487,133</u>
34	INCREASE(DECREASE) EXPENSE		(4,175,518)	
35	INCREASE(DECREASE) FIT			1,295,748
36	INCREASE(DECREASE) NOI			<u>\$ 2,879,770</u>
37				
38	<u>PRODUCTION PROPERTY RATE BASE:</u>			
39	DEPRECIABLE PRODUCTION PROPERTY	\$ 2,121,905,426	\$ (70,807,984)	
40	LESS PRODUCTION PROPERTY ACCUM DEPR.	(989,158,909)	33,008,233	
41	NON-DEPRECIABLE PRODUCTION PROPERTY	80,465,857	(2,685,146)	
42	LESS PRODUCTION PROPERTY ACCUM AMORT.	(4,422,650)	147,584	
43	COLSTRIP COMMON FERC ADJUSTMENT	6,100,301	(203,567)	
44	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	1,797,723	(59,990)	
45	ENCOGEN ACQUISITION ADJUSTMENT	41,341,033	(1,379,550)	
46	NET PRODUCTION PROPERTY	<u>1,258,028,782</u>	<u>(41,980,420)</u>	
47	DEDUCT:			
48	LIBR. DEPREC. PRE 1981 (EOP)	(372,848)	12,442	
49	LIBR. DEPREC. POST 1980 (EOP)	(143,794,887)	4,798,435	
50	OTHER DEF. TAXES (EOP)	(3,295,458)	109,969	
51	SUBTOTAL	<u>(147,463,194)</u>	<u>4,920,847</u>	
52				
53	ADJUSTMENT TO PRODUCTION RATE BASE	<u>\$ 1,110,565,588</u>	<u>\$ (37,059,574)</u>	<u>\$ 1,073,506,014</u>
54				
55	<u>REGULATORY ASSETS RATE BASE:</u>			
56	CABOT	21,125	(705)	
57	TENASKA	94,583,875	(3,156,264)	
58	BEP	19,609,943	(654,384)	
59	WHITE RIVER PLANT COSTS	33,499,702	(1,117,885)	
60	WHITE RIVER RELICENSING & CWIP	21,740,384	(725,477)	
61	CANWEST	(0)	-	
62	HOPKINS RIDGE PREPAID TRANSMISSION	4,614,747	(153,994)	
63	HOPKINS RIDGE INFILL MITIGATION CREDIT	(1,440,474)	48,069	
64	GOLDENDALE FIXED COST DEFERRAL (NEW)	6,763,253	(225,690)	
65				
66	ADJUSTMENT TO REGULATORY ASSETS RATE BASE	<u>\$ 179,392,556</u>	<u>\$ (5,986,330)</u>	<u>\$ 173,406,226</u>
67				
68	TOTAL ADJUSTMENT TO RATEBASE (LINE 56 + LINE 67)		<u>\$ (43,045,904)</u>	

PUGET SOUND ENERGY
PCA MECHANISM REPORT - PCA 8
TWELVE MONTHS ENDED DECEMBER 31, 2009
UE-072300

Exhibit A-5 Power Costs

PUGET SOUND ENERGY
POWER COSTS
FOR THE TWELVE MONTHS ENDED SEPTEMBER 30, 2007
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	INCREASE (DECREASE)
1	SALES FOR RESALE	\$ 268,574,887	\$ 14,704,466	\$ (253,870,421)
2				
3	PURCHASES/SALES OF NON-CORE GAS	4,267,784	149,656	(4,118,128)
4	WHEELING FOR OTHERS	10,583,713	9,986,183	(597,530)
5		14,851,497	10,135,839	(4,715,658)
6				
7	TOTAL OPERATING REVENUES	283,426,385	24,840,306	(258,586,079)
8				
9	FUEL	\$ 119,309,169	\$ 176,520,586	\$ 57,211,417
10				
11	PURCHASED AND INTERCHANGED	990,181,182	749,834,601	(240,346,581)
12	HEDGING	-	285,295	285,295
13	RATE DISALLOWANCES FOR MARCH POINT 2	-	(8,416,594)	(8,416,594)
14	SUBTOTAL PURCHASED AND INTERCHANGE	\$ 990,181,182	\$ 741,703,302	\$ (248,477,880)
15	WHEELING	63,827,743	67,657,484	3,829,741
16	SCH. 94 - RES./FARM CREDIT	-	-	-
17	TOTAL PRODUCTION EXPENSES	\$ 1,173,318,094	\$ 985,881,372	\$ (187,436,722)
18	HYDRO AND OTHER POWER	79,069,006	95,396,787	16,327,780
19	TRANS. EXP. INCL. 500KV O&M	1,175,688	1,136,455	(39,233)
20				
21	TOTAL OPERATING EXPENSES	\$ 1,253,562,789	\$ 1,082,414,614	\$ (171,148,175)
22				
23	INCREASE (DECREASE) OPERATING INCOME	\$ (970,136,404)	\$ (1,057,574,309)	\$ (87,437,904)
24				
25	REDUCTION TO STATE UTILITY TAX SAVING	3.85%		(23,005)
26	INCREASE (DECREASE) INCOME			\$ (87,414,899)
27	INCREASE (DECREASE) FIT @	35%		(30,595,215)
28	INCREASE (DECREASE) NOI			<u>\$ (56,819,685)</u>

PUGET SOUND ENERGY
PCA MECHANICAL REPORT - PCA 8
TWELVE MONTHS ENDED DECEMBER 31, 2009
Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)
2007 GRC - UE-072300

		12 Months Ended December 31		PCA Period		
Ref	Description	Balance		Return		
		Asset Amort	AA & AD FIT	Amount	Pre Tax	Monthly
		AMA Ratebase				
		net of				
		AA & AD FIT	AA & AD FIT	A.T. %	Amount	Monthly
		(Note 1)				
9	Cabot Buyout					
10	Dec 2009 \$	-	-	12/09	7.00%	-
22	Tenaska					
25	Dec 2009 \$	(32,676,000)	74,153,000	12/09	7.00%	803,378
39	BEP					
45	Dec 2009 \$	(3,526,620)	18,010,863	12/09	7.00%	172,399
55	White River Relicensing					
67	Dec 2009 \$	(21,740,384)	21,740,384	12/09	7.00%	195,106
75	White River Plant Costs					
80	Dec 2009 \$	(1,494,702)	32,273,000	12/09	7.00%	297,885
88	Canwest Liability					
93	Dec 2009 \$	-	-	12/09	7.00%	-
101	Hopkins Ridge Prepaid Transm					
104	Dec 2009 \$	(2,056,243)	3,235,105	12/09	7.00%	38,355
111	Hopkins Ridge Mitigation Credit					
117	Dec 2009 \$	(1,451,500)	(786,229)	12/09	7.00%	(11,289)
119	Goldendale Fixed Cost Deferral					
123	Dec 2009 \$	(4,162,154)	4,959,653	12/09	7.00%	56,649
125						
128						
129						
130						
131						
132						
138	PCA #8	Jan 2009	Dec 2009	12/09	7.00%	1,552,483
140						
141						
142						

Note (1) Amounts in these columns are net of accumulated amortization AND the associated Deferred FIT liability / asset.