

**ATTACHMENT B to PSE's Response to
Bench Request No. 025**

**PUGET SOUND ENERGY-ELECTRIC
LOWER SNAKE RIVER PROJECT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	<i>REVISED</i> PROFORMA	<i>REVISED</i> ADJUSTMENT
1	<u>LOWER SNAKE RIVER RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 42,219	\$ 770,776,844	\$ 770,734,625
4	ACCUM DEPRECIATION	-	(21,987,450)	(21,987,450)
5	DEFERRED INCOME TAX LIABILITY	-	(78,763,004)	(78,763,004)
6				
7	NET LSR EXPANSION PLANT RATEBASE	<u>\$ 42,219</u>	<u>\$ 670,026,390</u>	<u>\$ 669,984,171</u>
8				
9	<u>LOWER SNAKE RIVER OPERATING EXPENSE</u>			
10	TAXABLE DEPRECIATION EXPENSE	\$ -	\$ 27,986,221	\$ 27,986,221
11	NON-TAXABLE DEPRECIATION EXPENSE		4,836,017	4,836,017
12	TOTAL DEPRECIATION EXPENSE	<u>\$ -</u>	<u>\$ 32,822,239</u>	<u>\$ 32,822,239</u>
13				
14				
15	<u>POWER COST AND O&M RELATED TO LOWER SNAKE RIVER</u>			
16	PURCHASED POWER		\$ 776,099	\$ 776,099
17	WHEELING		<i>6,884,867</i>	<i>6,884,867</i>
18	PRODUCTION O&M	-	10,891,023	10,891,023
19	PROPERTY INSURANCE	-	521,841	521,841
20	PROPERTY TAXES		<i>1,932,987</i>	<i>1,932,987</i>
21	TOTAL POWER COST AND PROD O&M	<u>-</u>	<u><i>21,006,817</i></u>	<u><i>21,006,817</i></u>
22				
23	INCREASE (DECREASE) EXPENSE	-	<i>53,829,055</i>	<i>53,829,055</i>
24				
25	INCREASE (DECREASE) FIT ON ALL EXPENSES EXCEPT LINE 11 @		35%	<u><i>(17,147,563)</i></u>
26	INCREASE (DECREASE) NOI			<u><i>\$ (36,681,492)</i></u>

Amounts presented in bold italic type have changed since PSE's Rebuttal Filing as revised February 16, 2012.

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

LINE NO.	DESCRIPTION	<i>REVISED PROFORMA AND RESTATED</i>	<i>REVISED PRODUCTION 2.099%</i>	<i>REVISED FIT 35%</i>
1	<u>O&M ON PRODUCTION PROPERTY</u>			
2	PRODUCTION WAGE ADJUSTMENTS AND INCENTIVE:			
3	PURCHASED POWER	\$ 79,703	\$ (1,673)	\$ 586
4	OTHER POWER SUPPLY	243,956	(5,121)	1,792
5	TOTAL WAGE RELATED ADJUSTMENTS	<u>323,659</u>	<u>(6,794)</u>	<u>2,378</u>
6				
7	ADMIN & GENERAL EXPENSES			
8	PAYROLL OVERHEADS	5,009,924	(105,158)	36,805
9	PROPERTY INSURANCE	2,835,322	(59,513)	20,830
10	TOTAL ADMIN & GENERAL EXPENSES	<u>7,845,246</u>	<u>(164,672)</u>	<u>57,635</u>
11				
12	DEPRECIATION / AMORTIZATION:			
13	DEPRECIATION	95,731,478	(2,009,404)	820,704
14	AMORTIZATION (OTHER THAN REGULATORY ASSETS/LIAB)	11,264,042	(236,432)	80,107
15	TOTAL DEPRECIATION AND AMORTIZATION (FERC 403)	<u>106,995,520</u>	<u>(2,245,836)</u>	<u>900,811</u>
16				
17	TAXES OTHER-PRODUCTION PROPERTY:			
18	PROPERTY TAXES - WASHINGTON	<i>7,169,159</i>	<i>(150,481)</i>	<i>52,668</i>
19	PROPERTY TAXES - MONTANA	<i>7,050,410</i>	<i>(147,988)</i>	<i>51,796</i>
20	ELECTRIC ENERGY TAX	<i>1,682,986</i>	<i>(35,326)</i>	<i>12,364</i>
21	PAYROLL TAXES	2,022,346	(42,449)	14,857
22	TOTAL TAXES OTHER	<u><i>17,924,901</i></u>	<u><i>(376,244)</i></u>	<u><i>131,685</i></u>
23				
24	<u>LOWER SNAKE RIVER</u>			
25				
26	PURCHASED POWER	776,099	(16,290)	5,702
27	WHEELING	<i>6,884,867</i>	<i>(144,513)</i>	<i>50,580</i>
28	SALES FOR RESALE	-	-	-
29	PRODUCTION O&M	10,891,023	(228,603)	80,011
30	PROPERTY INSURANCE	521,841	(10,953)	3,834
31	PROPERTY TAX	<i>1,932,987</i>	<i>(40,573)</i>	<i>14,201</i>
32	TOTAL OPERATING EXPENSES LOWER SNAKE RIVER	<u><i>21,006,817</i></u>	<u><i>(440,933)</i></u>	<u><i>154,328</i></u>
33				
34	<u>AMORTIZATION ON REGULATORY ASSETS:</u>			
35	BEP (555)	3,526,620	(74,024)	25,908
36	WHITE RIVER PLANT COSTS (407)	1,494,702	(31,374)	10,981
37	WHITE RIVER RELICENSING & CWIP	-	-	-
38	HOPKINS RIDGE PREPAID TRANSMISSION (565)	-	-	-
39	GOLDENDALE FIXED COSTS DEFERRAL (407.3)	-	-	-
40	HOPKINS RIDGE MITIGATION CREDIT (555)	-	-	-
41	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY) (547)	(392,170)	8,232	(2,881)
42	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS) (547)	(537,626)	11,285	(3,950)
43	MINT FARM DEFERRAL (407.3)	2,872,182	(60,287)	21,100
44	WILD HORSE EXPANSION DEFERRAL (407.3)	-	-	-
45	COLSTRIP 1&2 (WECO) COAL CONTRACT PREPAYMENT (501)	<i>500,000</i>	<i>(10,495)</i>	<i>3,673</i>
46	FERC PART 12 NON-CONSTRUCTION STUDY COSTS UE-070074 (407.3)	265,155	(5,566)	1,948
47	MAJOR MAINTENANCE (SUMMARIZED) (PROD O&M)	<i>152,586</i>	<i>(3,203)</i>	<i>1,121</i>
48	CARRYING CHARGES ON LSR PREPAID TRANS DEPOSITS (407.3)	697,745	(14,646)	5,126
49	LOWER SNAKE RIVER PREPAID TRANSMISSION DEPOSIT (565) (<i>NEW</i>)	420,203	(8,820)	3,087
50	LOWER SNAKE RIVER DEFERRAL (407.3) (<i>NEW</i>)	<i>4,580,591</i>	<i>(96,147)</i>	<i>33,651</i>
51	CHELAN RESERVATION PREPAYMENT (555)	7,088,066	(148,778)	52,072
52	TOTAL AMORTIZATION OF REGULATORY ASSETS AND LIABILITIES	<u>\$ <i>20,668,052</i></u>	<u>\$ <i>(433,822)</i></u>	<u>\$ <i>151,836</i></u>
53				

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

LINE NO.	DESCRIPTION	<i>REVISED PROFORMA AND RESTATED</i>	<i>REVISED PRODUCTION 2.099%</i>	<i>REVISED FIT 35%</i>
54				
55	INCREASE(DECREASE) EXPENSE		<i>174,764,196</i>	<i>(3,668,300)</i>
56	INCREASE(DECREASE) FIT			<i>1,398,673</i>
57	INCREASE(DECREASE) NOI			<u><u>\$ 2,269,627</u></u>
58				
59	<u>PRODUCTION PROPERTY RATE BASE:</u>			
60	DEPRECIABLE PRODUCTION PROPERTY (INCL LSR AND WH SOLAR)	\$ 3,307,889,572	\$ (69,432,602)	
61	PRODUCTION PROPERTY ACCUM DEPR. (INCL LSR AND WH SOLAR)	(1,194,219,566)	25,066,669	
62	NON-DEPRECIABLE PRODUCTION PROPERTY	77,287,156	(1,622,257)	
63	PRODUCTION PROPERTY ACCUM AMORT.	(4,080,190)	85,643	
64	COLSTRIP COMMON FERC ADJUSTMENT	4,947,628	(103,851)	
65	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	1,458,712	(30,618)	
66	ACQUISITION ADJUSTMENTS	250,524,822	(5,258,516)	
67	ACCUMULATED AMORTIZATION ON ACQUISITION ADJ	(54,306,612)	1,139,896	
68	NET PRODUCTION PROPERTY	<u>2,389,501,522</u>	<u>(50,155,636)</u>	
69				
70	LIBR. DEPREC. POST 1980 (AMA)	(326,649,309)	6,856,369	
71	NOL DEFERRED TAX ASSET ATTRIBUTABLE TO PRODUCTION	6,328,940	(132,844)	
72	SUBTOTAL	<u>(320,320,369)</u>	<u>6,723,525</u>	
73				
74	TOTAL PRODUCTION PROPERTY RATE BASE	<u>\$ 2,069,181,152</u>	<u>\$ (43,432,111)</u>	<u>\$ 2,025,749,041</u>
75				
76	<u>REGULATORY ASSETS RATE BASE:</u>			
77	BEP	\$ 11,214,773	\$ (235,398)	
78	WHITE RIVER PLANT COSTS	34,565,277	(725,525)	
79	WHITE RIVER RELICENSING & CWIP	24,941,807	(523,529)	
80	PROCEEDS FROM THE SALE OF WHITE RIVER ASSETS TO CWA	(29,911,730)	627,847	
81	DFIT WHITE RIVER REG ASSETS	(10,331,528)	216,859	
82	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)	(1,529,462)	32,103	
83	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)	(2,096,742)	44,011	
84	MINT FARM DEFERRAL UE-090704	23,180,901	(486,567)	
85	COLSTRIP 1&2 (WECO) COAL CONTRACT PREPAYMENT	<i>3,583,333</i>	<i>(75,214)</i>	
86	FERC PART 12 NON-CONSTRUCTION STUDY COSTS UE-070074	1,193,198	(25,045)	
87	LOWER SNAKE RIVER PREPAID TRANSMISSION DEPOSITS	99,746,463	(2,093,678)	
88	LOWER SNAKE RIVER DEFERRAL (<i>NEW</i>)	<i>10,324,092</i>	<i>(216,703)</i>	
89	CARRYING CHARGES ON LSR PREPAID TRANSM DEPOSITS	11,099,630	(232,981)	
90	CHELAN RESERVATION PAYMENT	117,130,302	(2,458,565)	
91	CHELAN SECURITY DEPOSIT	18,500,000	(388,315)	
92	MAJOR MAINTENANCE (SUMMARIZED)	<i>31,788</i>	<i>(667)</i>	
93	TOTAL REGULATORY ASSETS AND LIABILITIES RATE BASE	<u><i>311,642,103</i></u>	<u><i>(6,541,367)</i></u>	<u><i>305,100,736</i></u>
94				
95	TOTAL ADJUSTMENT TO RATEBASE (LINE 73 + LINE 89)		<u><u>\$ (49,973,478)</u></u>	

**PUGET SOUND ENERGY-ELECTRIC
AMORTIZATION OF LOWER SNAKE RIVER
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	TEST YEAR	<i>REVISED NEW RATE YEAR</i>	<i>REVISED NEW ADJUSTMENT</i>
1 OPERATING EXPENSE FIXED COSTS			
2 AMORTIZATION OF FIXED COST DEFERRAL	\$ -	<i>\$ 4,580,591</i>	<i>\$ 4,580,591</i>
3 DEFERRAL OF LOWER SNAKE RIVER FIXED COSTS	-	-	-
4 TOTAL AMORTIZATION LSR PROJECT	-	<i>4,580,591</i>	<i>4,580,591</i>
5			
6 INCREASE (DECREASE) OPERATING EXPENSES			<i>4,580,591</i>
7			
8 INCREASE (DECREASE) FIT	35%		<i>(1,603,207)</i>
9			
10 INCREASE (DECREASE) NOI			<i>\$ (2,977,384)</i>
11			
12 RATE BASE			
13 LSR PROJECT AMA GROSS - DEF	\$ -	<i>\$ 18,173,515</i>	<i>\$ 18,173,515</i>
14 LSR PROJECT AMA ACCUMULATED AMORTIZATION	-	<i>(2,290,295)</i>	<i>(2,290,295)</i>
15 LSR PROJECT AMA ACCUMULATED DEFERRED FIT	-	<i>(5,559,127)</i>	<i>(5,559,127)</i>
16 TOTAL LOWER SNAKER RIVER PROJECT RATE BASE	\$ -	<i>\$ 10,324,092</i>	<i>\$ 10,324,092</i>

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**PUGET SOUND ENERGY-ELECTRIC
TAX BENEFIT OF PRO FORMA INTEREST
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	REVISED	REVISED AMOUNT
1 RATE BASE	\$ 4,894,662,749	
2		
3 NET RATE BASE	\$ 4,894,662,749	
4		
5 WEIGHTED COST OF DEBT	3.10%	
6 PROFORMA INTEREST		\$ 151,734,545
7		
8 INCREASE (DECREASE) INCOME		\$ (151,734,545)
9		
10 INCREASE (DECREASE) FIT @	35%	(53,107,091)
11 INCREASE (DECREASE) NOI		\$ 53,107,091

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PUGET SOUND ENERGY-ELECTRIC
PROPERTY TAXES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	WASHINGTON	MONTANA	OREGON	TOTAL
1	RESTATED PROPERTY TAX	\$ 27,835,239	\$ 9,294,613	\$ 618,282	\$ 37,748,134
2	CHARGED TO EXPENSE IN TY	23,853,529	8,578,000	645,632	33,077,161
3	INCREASE(DECREASE) EXPENSE	\$ 3,981,710	\$ 716,613	\$ (27,350)	\$ 4,670,973
4					
5	INCREASE(DECREASE) FIT @			35%	(1,634,841)
6					
7	INCREASE(DECREASE) NOI				\$ (3,036,132)