Power Cost Adjustment Mechanism Annual Report

PCA Period Nine

Twelve Months Ended December 31, 2010

Puget Sound Energy
Power Cost Adjustment Mechanism
2010 Annual Report – PCA Period Nine
Twelve Months Ended December 31, 2010

Index

Puget Sound Energy, Inc.

Power Cost Adjustment Mechanism Annual Report for PCA Period Nine
Twelve Months Ended December 31, 2010

Exhibits in Support of Updated Power Cost Rate

POWER COST ADJUSTMENT SUMMARY

	REVISED* 12 mo end 6.30.03 PCA Period One	REVISED* 12 mo end 6.30.04 PCA Period Two	REVISED* 12 mo end 6.30.05 PCA Period Three	REVISED* 12 mo end 6.30.06 PCA Period Four	REVISED* 6 mo end 12.31.06 PCA Period Five	REVISED* 12 mo end 12.31.07 PCA Period Six	REVISED* 12 mo end 12.31.08 PCA Period Seven	REVISED* 12 mo end 12.31.09 PCA Period Eight	12 mo end 12.31.10 PCA Period Nine	Cumulative PCA Periods
Power Costs										
Actual	$ 844,964,750	$ 902,349,264	$ 959,374,104	$ 1,062,847,820	$ 596,418,335	$ 1,222,865,320	$ 1,328,235,789	$ 1,405,906,835	$ 1,375,178,785	$ 9,698,141,001
Baseline	$ 843,126,410	$ 872,785,985	$ 949,412,459	$ 1,075,227,683	$ 597,089,567	$ 1,253,089,187	$ 1,329,880,671	$ 1,374,588,966	$ 1,336,852,576	$ 9,632,053,504
Difference	$ 1,838,340	$ 29,563,279	$ 9,961,645	$ (12,379,863)	$ (671,232)	$ (30,223,868)	$ (1,644,882)	$ 31,317,869	$ 38,326,209	$ 66,087,498
Wholesale Customers	$ (10,042)	$ (11,956)	$ (4,085)	$ 4,375	$ 198	$ 11,197	$ 513	$ (11,262)	$ (13,748)	$ (34,808)
Total Cost Over Baseline	$ 1,828,298	$ 29,551,324	$ 9,957,561	$ (12,375,488)	$ (671,033)	$ (30,212,670)	$ (1,644,369)	$ 31,306,607	$ 38,312,461	$ 66,052,689
Allocation of Power Costs										
Company	$ 1,828,298	$ 24,775,662	$ 9,957,561	$ (12,375,488)	$ (671,033)	$ (25,106,335)	$ (1,644,369)	$ 25,653,303	$ 29,156,231	$ 51,573,829
Customers	$ -	4,775,662	-	-	-	$ (5,106,336)	0	$ 5,653,303	$ 9,156,231	$ 14,478,860
Total Cost Allocated	$ 1,828,298	$ 29,551,324	$ 9,957,561	$ (12,375,488)	$ (671,033)	$ (30,212,670)	$ (1,644,369)	$ 31,306,607	$ 38,312,461	$ 66,052,689
Customer Share Including Interest										
Customer Share	$ -	$ 4,775,662	$ -	$ -	$ -	$ (5,106,336)	0	$ 5,653,303	$ 9,156,231	$ 14,478,860
Interest	$ -	$ 59,851	$ 318,471	$ 633,013	$ 97,549	$ (57,570)	$ (140,263)	$ (27,576)	$ 255,509	$ 1,138,982
Total Customer Share Including Interest	$ -	$ 4,835,512	$ 318,471	$ 633,013	$ 97,549	$ (5,163,906)	$ (140,263)	$ 5,625,727	$ 9,411,739	$ 15,617,842

***Revised for BPA Loss Return Settlement Agreement from PCA 1 - PCA 8 and Colstrip reclamation dispute settlement PCA 6.**

PUGET SOUND ENERGY
PCA MECHANISM ANNUAL REPORT - PCA 9
TWELVE MONTHS ENDED DECEMBER 31, 2010

Exhibit A-1 Power Cost Rate Updated : 1/1/2010 - 12/31/2010

Row			Test Year		Test Yr $/MWh		
3	Regulatory Assets (Variable) (Note 1)	$	128,404,539				
4	Transmission Rate Base (Fixed)		103,728,026				
5	Production Rate Base (Fixed)		1,347,350,203				
6		$	1,579,482,767				
7	Net of tax rate of return		6.90% & 7.00%				
8	Blended net of tax rate of return (6.90% for 268 days and 7.00% for 97 days)		6.93%				
9							
10					Test Yr		
11					$/MWh		
12	Regulatory Asset Recovery (on Row 3)	$	12,583,534	$	0.602	(c)	
13	Fixed Asset Recovery Other (on Row 4)		11,053,538	$	0.529	(a)	
14	Fixed Asset Recovery-Prod Factored (on Row 5)		143,577,265	$	6.867	(a)	
14a	501-Steam Fuel		68,875,636	$	3.294	(c)	
15	555-Purchased power		656,876,148	$	31.417	(c)	
15a	Commission Disallowances for March Point 2 & Tenaska		(2,646,159)	$	(0.127)	(c)	
15b	557-Other Power Exp		16,397,839	$	0.784	(a)	
18	547-Fuel		201,877,887	$	9.655	(c)	
19	565-Wheeling		76,239,322	$	3.646	(c)	
20	Variable Transmission Income		(4,694,444)	$	(0.225)	(c)	
21	Hydro and Other Pwr.		103,693,568	$	4.959	(a)	
22	447-Sales to Others		(80,705,811)	$	(3.860)	(c)	
23	456-Subaccounts 00012 & 00018 and 00035 & 00036		36,748,461	$	1.758	(c)	
24	Transmission Exp - 500KV		1,410,618	$	0.067	(a)	
25	New Resource Pricing Adjustment		(40,515)	$	(0.002)	(c)	
26	Depreciation & Amort -Production (FERC 403)		60,046,786	$	2.872	(a)	
27	Depreciation-Transmission		4,056,095	$	0.194	(a)	
28	Amortization-Production Reg Assets		52,217,752	$	2.497	(c)	
29	Property Taxes-Production		14,036,467	$	0.671	(a)	
30	Property Taxes-Transmission		3,269,370	$	0.156	(a)	
31	Hedging Line of Credit		305,434	$	0.015	(c)	
32	Subtotal & Baseline Rate	$	1,375,178,791	$	65.769		(b)
33	Revenue Sensitive Items		0.9557880				
34		$	1,438,790,601				
35	Test Year DELIVERED Load (MWH's)		20,908,384	<-- includes Firm Wholesale			
36							
37							
38							
39			Before Rev.				After Rev.
40			Sensitive Items				Sensitive Items
41	Power Cost in Rates with Revenue Sensitive						
42	Items (the adjusted baseline)	$	65.769	$			68.811
43	sum of (a) = Fixed Rate Component	$	17.099	$			17.890
44	(b) = Power Cost Rate	$	65.769	$			68.811
45	sum of (c) = Variable Power Rate Component	$	48.670	$			50.921
46							
47	(Note 1) Regulatory Assets and Liabilities are detailed on Exhibit D (JHS-3)						

Schedule B: Monthly Power Costs -- PCA PERIOD 9

Derived from Original PCA Exhibit B

Subject to PCA Sharing

UE-011570

Row			Jan-10	Feb-10	Mar-10	Apr-10	May-10	Jun-10	Jul-10	Aug-10	Sep-10	Oct-10	Nov-10	Dec-10	Period to Date
6	**Adjustments:**														
7	Return on Fixed RB		$ 964,051	$ 964,051	$ 964,051	$ 919,006	$ 905,297	$ 905,297	$ 905,297	$ 905,297	$ 905,297	$ 905,297	$ 905,297	$ 905,297	$ 11,053,538
8	Other Fixed Costs		9,966,614	9,966,614	9,966,614	12,063,540	12,701,735	12,701,735	12,701,735	12,701,735	12,701,735	12,701,735	12,701,735	12,701,735	$ 143,577,265
9	Subtotal Fixed Costs		$ 10,930,666	$ 10,930,666	$ 10,930,666	$ 12,982,547	$ 13,607,032	$ 13,607,032	$ 13,607,032	$ 13,607,032	$ 13,607,032	$ 13,607,032	$ 13,607,032	$ 13,607,032	$ 154,630,803
10															
11	Other Fixed Costs-557 Other Power Expense		$ 1,164,400	$ 1,164,400	$ 1,164,400	$ 1,376,476	$ 1,441,021	$ 1,441,021	$ 1,441,021	$ 1,441,021	$ 1,441,021	$ 1,441,021	$ 1,441,021	$ 1,441,021	$ 16,397,839
12	Other Fixed Costs- Hydro and Other Power		8,291,972	8,291,972	8,291,972	8,658,390	8,769,908	8,769,908	8,769,908	8,769,908	8,769,908	8,769,908	8,769,908	8,769,908	103,693,568
13	Other Fixed Costs-Transmission 500KV		97,974	97,974	97,974	118,519	124,772	124,772	124,772	124,772	124,772	124,772	124,772	124,772	1,410,618
14	Other Fixed Costs-Depreciation Production FERC 403		4,944,562	4,944,562	4,944,562	5,006,832	5,025,783	5,025,783	5,025,783	5,025,783	5,025,783	5,025,783	5,025,783	5,025,783	60,046,786
15	Other Fixed Costs- Depreciation Transmission		337,825	337,825	337,825	338,017	338,076	338,076	338,076	338,076	338,076	338,076	338,076	338,076	4,056,095
16	Other Fixed Costs- Property Taxes Production		1,264,850	1,264,850	1,264,850	1,165,003	1,134,614	1,134,614	1,134,614	1,134,614	1,134,614	1,134,614	1,134,614	1,134,614	14,036,467
17	Other Fixed Costs- Property Taxes Transmission		294,596	294,596	294,596	271,353	264,279	264,279	264,279	264,279	264,279	264,279	264,279	264,279	3,269,370
18	Other Fixed Costs		$ 16,396,179	$ 16,396,179	$ 16,396,179	$ 16,934,588	$ 17,098,452	$ 17,098,452	$ 17,098,452	$ 17,098,452	$ 17,098,452	$ 17,098,452	$ 17,098,452	$ 17,098,452	$ 202,910,743
19															
20	Subtotal Fixed Costs		$ 27,326,844	$ 27,326,844	$ 27,326,844	$ 29,917,135	$ 30,705,485	$ 30,705,485	$ 30,705,485	$ 30,705,485	$ 30,705,485	$ 30,705,485	$ 30,705,485	$ 30,705,485	$ 357,541,546
21															
22	Total Variable Component Actual	FERC Acct.													
23	Steam Oper. Fuel	501	$ 6,842,158	$ 4,543,006	$ 6,604,372	$ 5,193,994	$ 5,782,664	$ 3,893,747	$ 6,743,645	$ 6,296,723	$ 6,453,247	$ 5,089,588	$ 5,620,173	$ 5,812,319	$ 68,875,636
24	Other Pwr Gen Fuel	547	8,700,330	14,696,874	16,821,920	17,971,989	5,649,208	3,270,390	18,904,837	29,883,019	28,430,494	21,548,477	18,376,651	16,762,947	201,017,136
25	Other Elec Revenues	45600012,18,80,81,130	3,287,961	1,928,500	2,703,109	1,493,855	1,247,632	1,444,494	4,768,871	4,047,698	3,236,681	4,113,502	3,646,869	4,829,289	36,748,461
26	Purchase Power	555	87,684,681	76,444,652	76,695,087	49,456,267	44,229,652	53,952,374	32,562,636	32,772,333	37,988,016	50,978,772	66,570,174	87,391,541	696,726,185
27	Sales to Other Util	447	(5,895,128)	(4,057,814)	(7,255,304)	(8,010,663)	(4,380,795)	(2,078,052)	(8,162,533)	(13,799,151)	(10,000,961)	(6,448,145)	(5,620,500)	(4,996,765)	(80,705,811)
28	Wheeling	565	6,215,108	6,184,318	5,963,881	6,590,581	6,571,195	6,722,010	6,690,546	6,656,069	6,818,391	6,671,011	6,836,216	6,645,344	78,564,670
29	Transmission Revenue	45610005	(164,851)	(127,776)	(156,122)	(506,912)	(1,056,313)	(616,733)	(371,977)	(316,849)	(304,579)	(533,048)	(205,717)	(333,567)	(4,694,444)
30	White River Amortization	40700015	124,558	124,558	124,558	124,558	124,558	124,558	124,558	124,558	124,558	124,558	124,558	124,558	1,494,696
31	Goldendale Amortization	40730041	346,846	346,846	346,846	346,846	346,846	346,846	346,846	346,846	346,846	346,846	346,846	346,846	4,162,152
20	Mint Farm Amortization	40730051	-	-	-	235,685	240,421	240,421	240,421	240,421	240,421	240,421	240,421	240,421	2,159,053
21	Wild Horse Expn Amortization	40730061	-	-	-	223,161	234,856	234,856	234,856	234,856	234,856	234,856	234,856	234,856	2,102,009
22	Freddy 1-Prepaid Major Maint-Amort-51218007, 51318019, 55360053, !		-	-	-	-	20,818	11,784	11,784	11,784	11,784	11,784	11,784	11,784	103,306
23	Goldendale-Prepaid Major Maint-Am	553002864	-	-	-	-	52,202	29,548	29,548	29,548	29,548	29,548	29,548	29,548	259,038
24	Sumas- Prepaid Major Maint - Amor	553002862	-	-	-	-	20,315	17,048	17,048	17,048	17,048	17,048	-	-	105,555
25	Mnt Farm- Prepaid Major Maint - Am	553002866	-	-	-	-	-	-	-	-	260,725	65,181	65,181	65,182	456,269
26	Sumas- Hot Gas Path Inspection	553008200	-	-	-	-	-	-	-	-	-	-	30,517	30,517	61,034
39	Subtotal Variable Components		$ 107,141,663	$ 100,083,164	$ 101,848,347	$ 73,119,361	$ 59,083,259	$ 67,593,291	$ 62,141,086	$ 66,544,903	$ 73,887,075	$ 82,490,399	$ 96,307,577	$ 117,194,820	$ 1,007,434,945
40															
41	Regulatory Assets (Return on RB portion only)		1,146,364	578,829	925,700	1,442,702	1,088,482	1,001,416	1,073,971	854,095	1,139,364	1,139,364	1,139,364	1,053,883	$ 12,583,534
42	Fixed & Interest Cost on Hedging Facility	42806051, 43100071, 41900031	28,795	26,237	25,337	24,595	25,337	24,595	25,337	25,337	24,595	25,337	24,595	25,337	305,434
43	**SUBTOTAL before Adjustments**		$ 135,643,666	$ 128,015,074	$ 130,126,228	$ 104,503,793	$ 90,902,563	$ 99,324,787	$ 93,945,879	$ 98,129,820	$ 105,756,519	$ 114,360,585	$ 128,177,020	$ 148,979,525	$ 1,377,865,459
44															
45	**Adjustments:**														
46	Prudence from UE-921262		$ (264,119)	$ (240,998)	$ (250,444)	$ (223,641)	$ (67,428)	$ (187,839)	$ (217,225)	$ (220,021)	$ (258,012)	$ (233,035)	$ (237,470)	$ (245,927)	$ (2,646,159)
47	Contract price adjustment - discontinued Jan 13, 2007														-
48	Colstrip availability adjustment		-	-	-	-	-	-	-	-	-	-	-	-	-
49	New resource pricing adjustment - Sumas (Aug - Oct'08)										-	-	-	-	-
50	New resource pricing adj-Credit Suisse PPA		(15,215)	(13,742)	(15,194)		(3,436)								(47,587)
51	New resource pricing adj-Farm Pwr Rexville		(5,905)	(5,487)	(7,238)	44,498									25,868
52	New resource pricing adj-Qualco		(6,794)	(6,002)	(5,054)		(946)								(18,796)
53	Tenaska Disallowance (prior month adj)														$ -
54	Tenaska Disallowance (current month adj)		$ (253,534)	$ (253,534)	$ (245,383)	$ 278,020	$ (118,608)	$ 593,039	$ -	$ -	$ -	$ -	$ -	$ -	$ -
55															-
56	Subtotal Adjustments		$ (545,567)	$ (519,763)	$ (523,313)	$ 98,877	$ (190,418)	$ 405,200	$ (217,225)	$ (220,021)	$ (258,012)	$ (233,035)	$ (237,470)	$ (245,927)	$ (2,686,674)
57	**Total allowable costs**		$ 135,098,099	$ 127,495,311	$ 129,602,915	$ 104,602,670	$ 90,712,145	$ 99,729,987	$ 93,728,654	$ 97,909,799	$ 105,498,507	$ 114,127,550	$ 127,939,550	$ 148,733,598	$ 1,375,178,785
58															
59															
60	PCA period delivered load (Kwh)		2,009,803,156	1,768,129,014	1,884,703,765	1,721,725,472	1,618,576,433	1,403,009,251	1,573,236,869	1,582,784,844	1,509,060,505	1,692,068,463	1,975,704,426	2,169,581,399	20,908,383,597
61	**Baseline Power Cost**														
62	11/1/08 - 4/7/10	$0.062841	$ 126,298,040	$ 111,110,995	$ 118,436,669	$ 25,245,488									381,091,193
63	4/7/10 -	$0.064387				$ 84,990,166	$ 104,215,281	$ 90,335,557	$ 101,296,002	$ 101,910,768	$ 97,163,879	$ 108,947,212	$ 127,209,681	$ 139,692,838	955,761,383
64	Imbalance for Sharing		$ 8,800,059	$ 16,384,316	$ 11,166,246	$ (5,632,984)	$ (13,503,136)	$ 9,394,430	$ (7,567,349)	$ (4,000,969)	$ 8,334,628	$ 5,180,338	$ 729,869	$ 9,040,760	$ 38,326,209
65	positive is potential customer surcharge, negative is potential cust credit		$ 8,800,059	$ 16,384,316	$ 11,166,246	$ (5,632,984)	$ (13,503,136)	$ 9,394,430	$ (7,567,349)	$ (4,000,969)	$ 8,334,628	$ 5,180,338	$ 729,869	$ 9,040,760	$ 38,326,209
66															
67		Nov 1'08 - Apr 7'10 / Apr 8'10													
68	**Less Firm Wholesale**	0.035961% / 0.034910%	$ 8,796,895	$ 16,378,424	$ 11,162,231	$ (5,631,004)	$ (13,498,422)	$ 9,391,150	$ (7,564,707)	$ (3,999,572)	$ 8,331,718	$ 5,178,529	$ 729,615	$ 9,037,604	$ 38,312,461
69	**Gross PCA**		$ 8,796,895	$ 16,378,424	$ 11,162,231	$ (5,631,004)	$ (13,498,422)	$ 9,391,150	$ (7,564,707)	$ (3,999,572)	$ 8,331,718	$ 5,178,529	$ 729,615	$ 9,037,604	$ 38,312,461
70	**Gross PCA Contra**		$ (8,796,895)	$ (16,378,424)	$ (11,162,231)	$ 5,631,004	$ 13,498,422	$ (9,391,150)	$ 7,564,707	$ 3,999,572	$ (8,331,718)	$ (5,178,529)	$ (729,615)	$ (9,037,604)	$ (38,312,461)
71															
72	**PCA Off-set**		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	
73	**Adjusted Gross PCA**		$ 8,796,895	$ 16,378,424	$ 11,162,231	$ (5,631,004)	$ (13,498,422)	$ 9,391,150	$ (7,564,707)	$ (3,999,572)	$ 8,331,718	$ 5,178,529	$ 729,615	$ 9,037,604	
74	**Adjusted Gross PCA - Contra**		$ (8,796,895)	$ (16,378,424)	$ (11,162,231)	$ 5,631,004	$ 13,498,422	$ (9,391,150)	$ 7,564,707	$ 3,999,572	$ (8,331,718)	$ (5,178,529)	$ (729,615)	$ (9,037,604)	
75															
76	**Cumulative Gross PCA**		$ 8,796,895	$ 25,175,319	$ 36,337,549	$ 30,706,546	$ 17,208,123	$ 26,599,274	$ 19,034,567	$ 15,034,995	$ 23,366,713	$ 28,545,242	$ 29,274,857	$ 38,312,461	$ 38,312,461
77	**Cumulative Gross PCA Contra**		$ (8,796,895)	$ (25,175,319)	$ (36,337,549)	$ (30,706,546)	$ (17,208,123)	$ (26,599,274)	$ (19,034,567)	$ (15,034,995)	$ (23,366,713)	$ (28,545,242)	$ (29,274,857)	$ (38,312,461)	$ (38,312,461)
78															
79	**Cumulative PCA Off-set**		$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	-	
80	**Cumulative Adjusted Gross PCA**		$ 8,796,895	$ 25,175,319	$ 36,337,549	$ 30,706,546	$ 17,208,123	$ 26,599,274	$ 19,034,567	$ 15,034,995	$ 23,366,713	$ 28,545,242	$ 29,274,857	$ 38,312,461	
81	**Cumulative Adjusted Gross PCA Contra**		$ (8,796,895)	$ (25,175,319)	$ (36,337,549)	$ (30,706,546)	$ (17,208,123)	$ (26,599,274)	$ (19,034,567)	$ (15,034,995)	$ (23,366,713)	$ (28,545,242)	$ (29,274,857)	$ (38,312,461)	
82															
83															
84	**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 Period 9

Authorized After-tax Rate of Return

2007 GRC	thru 4/7/2010	7.00%
2009 GRC	after 4/7/2010	6.90%

			12 Months Ended Dec 2010		PCA Period						
				Balance net of				Return			
Ref	Description		Asset Amort	AA & ADFIT	Asset Amort	AMA Ratebase	as of	A.T. %	Amount	Pre Tax	Monthly
				(Note 1)		(Note 1)					
10	**Tenaska**				G/L Accts #18230001 and #28300451 and Order #55500423						
11	Dec 2010	$	(37,533,000)	38,851,000	(37,533,000)	56,501,833	12/10	7.00%&6.90%	3,913,642	6,020,988	501,749
12											
13	**BEP**				G/L Accts #18230071, #18230081, and #28300431 and Order #55500007						
14	Dec 2010	$	(3,526,620)	15,612,243	(3,526,620)	16,811,553	12/10	7.00%&6.90%	1,164,465	1,791,484	149,290
15											
16	**White River Relicensing**				G/L Accts #18230641, 691, #18236021, 31, 41, 51, 61, 71, 91, 6101, #18230971, #19000021 and #28300011						
17	Dec 2010	$		24,865,722	-	24,579,160	12/10	7.00%&6.90%	1,702,494	2,619,222	218,268
18											
19	**White River Plant Costs**				G/L Accts #18220011, #21, #31, #41 and #51 and Order #40700015, portion of #28200121						
20	Dec 2010	$	(1,494,702)	37,305,564	(1,494,702)	37,977,362	12/10	7.00%&6.90%	2,630,531	4,046,970	337,248
21											
22	**CWA Sales Proceeds**				G/L Accts #18220061						
23	Dec 2010	$		(24,911,730)		(25,951,720)	12/10	7.00%&6.90%	(1,797,565)	(2,765,485)	(230,457)
24											
25	**White River DFIT**				G/L Accts #28300651						
26	Dec 2010	$		(11,282,062)		(12,226,572)	12/10	7.00%&6.90%	(846,883)	(1,302,896)	(108,575)
27											
28	**Hopkins Ridge Prepaid Transm**				G/L Accts #18230231, #18230371, Orders #56500011 and #56500021						
29	Dec 2010	$	(2,325,348)	308,555	(2,325,348)	1,445,640	12/10	7.00%&6.90%	100,133	154,051	12,838
30											
31	**Goldendale Fixed Cost Deferral**				G/L Accts #18230381, 391, #28300541 and #28300551 and Order #40730041						
32	Dec 2010	$	(4,162,154)	2,254,124	(4,162,154)	3,605,723	12/10	7.00%&6.90%	249,753	384,236	32,020
33											
34	**Hopkins Ridge Mitigation Credit**				G/L Accts #25400171 and #19000561 and Order #55500017						
35	Dec 2010	$	1,209,583	-	1,209,583	(327,265)	12/10	7.00%&6.90%	(22,668)	(34,874)	(2,906)
36											
37	**FB Energy Capacity Payment - UE-082013**				G/L Accts #25300601 and #19000151 and Order #54700005						
38	Dec 2010	$	457,531	(1,996,797)	457,531	(2,135,208)	12/10	7.00%&6.90%	(147,897)	(227,533)	(18,961)
39											
40	**Mint Farm Deferral (Note 2)**				G/L Accts #18600351, 361, 371, #18235521 and Orders #40740061,# 40730051, #41900026, 28 and #55500136						
41	Dec 2010		(2,159,053)	26,614,738	(2,159,053)	26,528,891	12/10	7.00%&6.90%	1,344,034	2,067,744	229,749

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes
PCA Period 9

Authorized After-tax Rate of Return

2007 GRC	thru 4/7/2010	7.00%
2009 GRC	after 4/7/2010	6.90%

		12 Months Ended Dec 2010		PCA Period						
			Balance net of				Return			
Ref	Description	Asset Amort	AA & ADFIT	Asset Amort	AMA Ratebase	as of	A.T. %	Amount	Pre Tax	Monthly
			(Note 1)		(Note 1)					
43	**WHE Deferral (Note 2)**			G/L Accts #18600611&621&631, and 18235531 Orders #40740071, #40730061 #41900037&39, #55500093&139						
44	Dec 2010	(2,102,006)	1,752,245	(2,102,006)	2,331,347	12/10	7.00%&6.90%	$ 118,113	181,712	20,190
45										
46	**BNP Capacity - UE-100503 (Note 3)**			G/L Accts # 19000711, # 25302121, #25400191 and Order #54700010						
47	Dec 2010	403,220	(2,737,413)	403,220	(2,267,178)	12/10	7.00%&6.90%	(127,037)	(195,441)	(20,083)
48										
49	**Freddy 1-Def Asset**									
50	**PP Exp-Planned Maj. Maint.**			G/L Accts # 18600831, #18231001 Orders #51218007, #51318019, #55360053, #55460076						
51	Dec 2010	(103,306)	141,403	(103,306)	115,872	12/10	7.00%&6.90%	5,870	9,031	1,129
52										
53	**Goldendale -Def Asset**									
54	**PP Exp-Planned Maj. Maint.**			G/L Accts # 18600841, #18231011 Order #55362083 &553002864						
55	Dec 2010	(259,038)	413,677	(259,038)	590,967	12/10	7.00%&6.90%	29,940	46,062	5,118
56										
57	**Sumas -Def Asset**									
58	**PP Exp-Planned Maj. Maint.**			G/L Accts # 18600541, 18231021 Order #55300948, #55363078, #553002862						
59	Dec 2010	(105,555)	-	(105,555)	62,508	12/10	7.00%&6.90%	3,167	4,872	541
60										
61	**Mint Farm -Def Asset**									
62	**PP Exp-Planned Maj. Maint. (Note 3)**			G/L Accts # 18231031, 16500741, Order #5XX (Prod O&M)						
63	Dec 2010	($456,270)	1,042,903	($456,270)	678,973	12/10	7.00%&6.90%	27,468	42,258	6,037
64										
65	**Sumas HGP Inspection Prepaid Maintenance**			G/L Accts # 18231041, #16500711, #23200301						
66	Dec 2010	(61,034)	640,861	(61,034)	82,651	12/10	7.00%&6.90%	953	1,466	733
67										

Ref	Period	From	To	Asset Amort	AMA Ratebase	as of	A.T. %	Return Amount	Pre Tax	Monthly
68										
70								*(Annualized)*		
71	**PCA #9**	**Jan 2010**	**Dec 2010**	**(52,217,752)**	**128,404,539**	**12/10**	**7.00%&6.90%**	**8,348,513**	**12,843,867**	**1,070,322**
72										
73										

74 **Note (1)** Amounts in these columns are net of accumulated amortization AND the associated Deferred FIT liabilitiy / asset.
76 **Note (2)** Return on ratebase was being recognized and deferred on these regulatory assets up until 4/7/2010. Therefore, recognition
77 of return on these assets in Exhibit D for purposes of calculating the PCA deferral beginning 4/8/2010 is appropriate.
78 **Note (3)** The monthly return amount are only for applicable months for the rate year.

Puget Sound Energy, Inc.

Power Cost Adjustment Mechanism Annual Report for PCA Period Nine
Twelve Months Ended December 31, 2010

PCA Exhibits Approved in
WUTC Docket No. UE-072300 – 2007 General Rate Case

Which covered the period in PCA Period Nine
from January 1 through April 7, 2010

Exhibit A-1 Power Cost Rate: 1/1/2010 - 4/7/2010

Row		Test Year	Test Yr $/MWh		Production Factor Rate Year		12 Months	Month
3	Regulatory Assets (Variable)	$ 173,406,226						
4	Transmission Rate Base (Fixed)	107,422,863						
5	Production Rate Base (Fixed)	1,073,506,014						
6		$ 1,354,335,102			Production			
7	Net of tax rate of return	7.00%			Factor			
8			Test Yr		0.96663			
9			$/MWh		Rate Year		12 Months	Month
10	Regulatory Asset Recovery (on Row 3)	$ 18,674,517	$ 0.877	(c)				
11	Fixed Asset Recovery Other (on Row 4)	11,568,616	$ 0.544	(a)	11,568,616		**$ 11,568,616**	**$ 964,051**
12	Fixed Asset Recovery-Prod Factored (on Row 5)	115,608,340	$ 5.432	(a)	119,599,371		**$ 119,599,371**	**$ 9,966,614**
13	501-Steam Fuel	54,253,262	$ 2.549	(c)		-		
14	555-Purchased power	744,150,957	$ 34.963	(c)		-		
14a	Rate Disallowances for March Point 2 & Tenaska	(8,416,594)	$ (0.395)	(c)				
15	557-Other Power Exp	5,850,444	$ 0.275	(a)	6,052,413			**$ 504,368**
15a	Payroll Overheads - Worker's Comp	2,635,277	$ 0.124	(a)	2,726,252			**$ 227,188**
15b	Property Insurance	2,254,735	$ 0.106	(a)	2,332,573			**$ 194,381**
15c	Montana Electric Energy Tax	1,613,206	$ 0.076	(a)	1,668,897			**$ 139,075**
15d	Payroll Taxes on Production Wages	1,152,861	$ 0.054	(a)	1,192,660			**$ 99,388**
16	547-Fuel	122,267,324	$ 5.745	(c)				
17	565-Wheeling	67,657,484	$ 3.179	(c)		-		
18	Variable Transmission Income	(4,458,228)	$ (0.209)	(c)				
19	Hydro and Other Pwr.	96,183,223	$ 4.519	(a)	99,503,661	-	**$ 196,754,145**	**$ 8,291,972**
20	447-Sales to Others	(14,704,466)	$ (0.691)	(c)		-		
21	456-Subaccounts 00012 & 00018 and 00035 & 00036	(149,656)	$ (0.007)	(c)				
22	Transmission Exp - 500KV	1,136,455	$ 0.053	(a)	1,175,688			**$ 97,974**
23	Depreciation & Amort -Production (FERC 403)	57,354,748	$ 2.695	(a)	59,334,748			**$ 4,944,562**
24	Depreciation-Transmission	4,053,897	$ 0.190	(a)	4,053,897			**$ 337,825**
25	Amortization-Production Reg Assets	40,316,621	$ 1.894	(c)				
26	Property Taxes-Production	14,671,707	$ 0.689	(a)	15,178,204			**$ 1,264,850**
27	Property Taxes-Transmission	3,535,153	$ 0.166	(a)	3,535,153			**$ 294,596**
28	Hedging Line of Credit	285,295	$ 0.013	(c)				
29	Subtotal & Baseline Rate	$ 1,337,495,176	$ 62.841	(b)	327,922,132			
30	Revenue Sensitive Items	0.9559032						
31		$ 1,399,195,207						
32	Test Year DELIVERED Load (MWH's)	21,283,656	<-- includes Firm Wholesale					
33								
34								
35								
36		Before Rev.	After Rev.					
37		Sensitive Items	Sensitive Items					
38	Power Cost in Rates with Revenue Sensitive							
39	Items (the adjusted baseline)	$ 62.841	$ 65.740					
40	sum of (a) = Fixed Rate Component	$ 14.923	$ 15.611					
41	(b) = Power Cost Rate	$ 62.841	$ 65.740					
42	sum of (c) = Variable Power Rate Component	$ 47.918	$ 50.129					

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

Exhibit A-3 Colstrip Fixed Costs

Docket Numbers UE-072300, et al

Row				
	Revenue Requirement for Colstrip			
3	Plant	713,910,714		
4	Accumulated Depreciation	(424,341,614)		
5	Deferred Taxes - AMA 9/30/2007	(60,490,992)		
6	Net Plant	229,078,109		A-3 Page 1
7	Rate of Return (net of Tax)	7.00%		
8	Revenue Requirement after tax	16,035,468	(Line 6 X Line 7)	
9	Plant Revenue Requirement	24,669,950	(Adjusted for Federal Tax) (Line 8 X (1 - 35%))	35.00%
10	Expenses	72,012,429		
11	Total Revenue Requirement	96,682,379	(before revenue sensitive items)	
12				
13	Support for Revenue Requirement - Ratebase			

14	FERC	DESCRIPTION	2006 Sep	2007 Sep	13 MONTH AMA	ANNUITY RATE	ANNUALIZED DEPRECIATION	AMA ACUMM. DEPR.
15		COLSTRIP #1						
16	E311	Structures & Improvements	7,435,989	7,473,868	7,442,839	3.91%	290,983	(4,667,186)
17	E312	Boiler Plant Equipment	55,297,743	58,163,161	58,399,565	3.64%	2,135,756	(38,786,593)
18	E314	Turbo Generating Units	19,333,175	23,438,987	21,941,924	5.20%	1,177,923	(10,315,710)
19	E315	Accessory Electric Equipment	7,180,779	7,180,435	7,180,436	1.97%	141,393	(5,497,749)
20	E316	Misc. Power Plant Equipment	563,919	799,296	738,763	4.79%	38,607	(339,996)
21		TOTAL	89,811,604	97,055,746	95,703,527	3.95%	3,784,663	(59,607,233)
22		COLSTRIP #2						
23	E311	Structures & Improvements	5,822,932	5,860,809	5,829,780	2.97%	173,127	(4,308,946)
24	E312	Boiler Plant Equipment	49,622,109	49,788,214	50,336,181	3.83%	1,930,120	(32,467,864)
25	E314	Turbo Generating Units	16,983,271	20,283,196	18,935,759	5.03%	972,784	(9,192,560)
26	E315	Accessory Electric Equipment	5,070,990	5,087,939	5,071,696	2.93%	148,531	(3,300,376)
27	E316	Misc. Power Plant Equipment	588,700	824,074	761,972	4.93%	40,945	(339,989)
28		TOTAL	78,088,002	81,844,232	80,935,388	4.03%	3,265,506	(49,609,735)
29		COLSTRIP 1 & 2 COMMON						
30	E311	Structures & Improvements	31,349,014	31,349,014	31,349,014	2.77%	805,478	(23,933,769)
31	E312	Boiler Plant Equipment	7,804,511	6,485,834	7,639,677	2.66%	200,567	(5,955,725)
32	E314	Turbo Generating Units	3,845,456	3,844,103	3,845,287	2.65%	101,890	(3,018,238)
33	E315	Accessory Electric Equipment	2,375,376	2,375,376	2,375,376	2.41%	57,242	(1,692,849)
34	E316	Misc. Power Plant Equipment	6,363,663	6,289,463	6,354,388	2.82%	179,035	(4,334,267)
35	E317	Asset Retirement Obligation	540,097	540,097	540,097	0.00%	15,431	(419,218)
36		TOTAL	52,278,117	50,883,887	52,103,839	2.61%	1,359,643	(39,354,065)
37		COLSTRIP 3						
38	E311	Structures & Improvements	29,046,399	29,058,976	29,048,700	2.80%	813,340	(18,146,443)
39	E312	Boiler Plant Equipment	120,515,322	123,772,538	121,626,748	2.81%	3,392,494	(77,028,363)
40	E314	Turbo Generating Units	39,218,823	41,474,566	39,609,872	3.77%	1,503,373	(18,601,328)
41	E315	Accessory Electric Equipment	6,468,230	6,460,699	6,467,516	2.50%	161,643	(3,760,031)
42	E316	Misc. Power Plant Equipment	550,709	704,857	667,549	3.69%	26,323	(284,941)
43		TOTAL	195,799,483	201,471,636	197,420,385	2.99%	5,897,173	(117,821,106)
44		COLSTRIP 4						
45	E311	Structures & Improvements	26,588,411	26,600,987	26,590,711	2.75%	731,183	(15,408,741)
46	E312	Boiler Plant Equipment	107,860,241	108,751,249	108,211,291	2.98%	3,229,140	(60,526,081)
47	E314	Turbo Generating Units	36,166,530	37,714,991	37,405,037	3.59%	1,359,090	(16,231,636)
48	E315	Accessory Electric Equipment	5,669,307	5,670,535	5,669,687	2.54%	144,026	(2,976,522)
49	E316	Misc. Power Plant Equipment	748,198	902,346	865,038	3.26%	29,694	(382,886)
50		TOTAL	177,032,686	179,640,108	178,741,764	3.07%	5,493,132	(95,525,866)
51		COLSTRIP 3 & 4 COMMON						
52	E311	Structures & Improvements	70,602,621	70,574,232	70,599,073	2.53%	1,740,035	(43,774,562)
53	E312	Boiler Plant Equipment	18,959,641	18,727,316	18,930,601	2.68%	506,508	(11,564,327)
54	E314	Turbo Generating Units	13,373	10,515	13,016	49.28%	5,746	106,746
55	E315	Accessory Electric Equipment	7,652,070	7,652,070	7,652,070	2.32%	177,507	(4,346,380)
56	E316	Misc. Power Plant Equipment	4,639,637	4,613,132	4,636,324	2.70%	125,011	(2,480,469)
57	E317	Asset Retirement Obligation	333,978	333,978	333,978	0.00%	7,590	(206,204)
58		TOTAL	102,201,321	101,911,244	102,165,062	2.51%	2,562,397	(62,265,196)
59		COLSTRIP 1-4 COMMON						
60	E316	Misc. Power Plant Equip.	251,534	251,534	251,534	2.23%	5,609	(158,412)
61		TOTAL	251,534	251,534	251,534	2.23%	5,609	(158,412)
62								
63		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)
64		ARO - Electric Colstrip 1-4 (Acct: 23001021 - 1031) Adj (AMA is Net of Accum. Amort.)			(1,903,266)		91,109	
65		Colstrip Common FERC Adj. (AMA is Net of Accum. Amort.)			6,100,301		354,669	
66		Colstrip Def Depr FERC Adj. (AMA is Net of Accum. Amort.)			2,392,180		104,311	
67			Totals		713,910,714	3.21%	22,918,212	(424,341,614)

Exhibit A-3 Colstrip Fixed Costs

Support for Revenue Requirement - Expenses

ROW	Order	Description	Amount before Prod. Adj.
75			
76			
77			
78			
79	Support for Revenue Requirement - Expenses		
80			
81	Order	Description	Amount before Prod. Adj.
82	50004011	Colstrip 1&2 - Supv & Eng'g - Steam Ope	$ 50,364
83	50005011	Colstrip 3&4 - Supv & Eng'g - Steam Ope	42,184
84	50204001	Colstrip 1&2 - Steam Exp - Steam Gen Op	3,297,477
85	50205001	Colstrip 3&4 - Steam Exp - Steam Gen Op	2,175,561
86	50504001	Colstrip 1&2 - Electric Exp - Steam Gen	71,508
87	50505001	Colstrip 3&4 - Electric Exp - Steam Gen	56,120
88	50604001	Colstrip 1&2 - Misc Stm Pwr - Steam Gen	4,170,512
89	50605001	Colstrip 3&4 - Misc Stm Pwr - Steam Gen	2,444,791
90	50704001	Colstrip 1&2 - Rents - Steam Gen Oper	48
91	50705001	Colstrip 3&4 - Rents - Steam Gen Oper	33,275
92	51004001	Colstrip 1&2 - Supv & Eng'g - Steam Gen	880,470
93	51005001	Colstrip 3&4 - Supv & Eng'g - Steam Gen	692,702
94	51104001	Colstrip 1&2 - Structures - Steam Gen M	829,877
95	51105001	Colstrip 3&4 - Structures - Steam Gen M	763,915
96	51204001	Colstrip 1&2 - Boiler Plant - Steam Gen	5,545,623
97	51205001	Colstrip 3&4 - Boiler Plant - Steam Gen	6,051,077
98	51304001	Colstrip 1&2 - Electric Plant - Steam G	1,123,321
99	51305001	Colstrip 3&4 - Electric Plant - Steam G	1,062,379
100	51404001	Colstrip 1&2 -Misc Steam Plt -Steam Gen	1,052,523
101	51405001	Colstrip 3&4 -Misc Steam Plt -Steam Gen	922,491
102		Subtotal for the test year	31,266,220
103		Adjustment to the rate year	4,701,285
104		Subtotal on Orders	35,967,505
105		Property Taxes-Montana	11,457,814
106		Electric Energy Tax	1,668,897
107	403xxxxx	Depreciation	22,918,212
108			$ 72,012,429

CONFIDENTIAL per WUTC Docket Nos. UE-072300 and UG-072301

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	**O&M ON PRODUCTION PROPERTY**			
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	986,144	(32,908)	11,517
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	5,058,825	(168,813)	59,084
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)	59,334,748	(1,980,001)	527,318
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	18,039,761	(601,987)	210,696
22				
23	**O&M ON REGULATORY ASSETS:**			
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	$ 41,708,431	$ (1,391,810)	$ 487,133
34	INCREASE(DECREASE) EXPENSE		(4,175,518)	
35	INCREASE(DECREASE) FIT			1,295,748
36	INCREASE(DECREASE) NOI			$ 2,879,770
37				
38	**PRODUCTION PROPERTY RATE BASE:**			
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	1,258,028,782	(41,980,420)	
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	(147,463,194)	4,920,847	
52				
53	ADJUSTMENT TO PRODUCTION RATE BASE	$ 1,110,565,588	$ (37,059,574)	$ 1,073,506,014
54				
55	**REGULATORY ASSETS RATE BASE:**			
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	$ 179,392,556	$ (5,986,330)	$ 173,406,226
67				
68	TOTAL ADJUSTMENT TO RATEBASE (LINE 56 + LINE 67)		$ (43,045,904)	

Exhibit A-5 Power Costs

Docket Numbers UE-072300, et al

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 INTERCHANGEI	$	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					$	(56,819,685)

PUGET SOUND ENERGY
PCA MECHANISM 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

Ref	Description		12 Months Ended December 31 Asset Amort	Balance net of AA & ADFIT (Note 1)	PCA Period Asset Amort	AMA Ratebase net of AA & ADFIT (Note 1)		Return A.T. %	Amount	Pre Tax	Monthly
9											
10	**Cabot Buyout**				G/L Accts #18230171 and #28300461 and Order #54756012						
11	Dec 2009	$	-	-	-	-	12/09	7.00%	-	-	-
12											
13	**Tenaska**				G/L Accts #18230001 and #28300451 and Order #55500423						
14	Dec 2009	$	(32,676,000)	74,153,000	(32,676,000)	89,519,208	12/09	7.00%	6,266,345	9,640,530	803,378
15											
16	**BEP**				G/L Accts #18230071 and #18230081 and Order #55500007						
17	Dec 2009	$	(3,526,620)	18,010,863	(3,526,620)	19,210,173	12/09	7.00%	1,344,712	2,068,788	172,399
18											
19	**White River Relicensing**				G/L Accts #18230641, #18236021, 6031, 6041, 6051, 6061, 6071, #18230691, #19000021 and #28300011						
20	Dec 2009	$		21,740,384	-	21,740,384	12/09	7.00%	1,521,827	2,341,272	195,106
21											
22	**White River Plant Costs**				G/L Accts #18220011, #18220021, #18220031, #18220041 and #18220051 and Order #40700015						
23	Dec 2009	$	(1,494,702)	32,273,000	(1,494,702)	33,192,923	12/09	7.00%	2,323,505	3,574,622	297,885
24											
25	**Canwest Liability**				G/L Accts #25400021, #14300061 and #19000451 and Order #547 / #456						
26	Dec 2009	$	-	-	-	-	12/09	7.00%	-	-	-
27											
28	**Hopkins Ridge Prepaid Transm**				G/L Acct #18230231and #18230371 and Order #56500011						
29	Dec 2009	$	(2,056,243)	3,235,105	(2,056,243)	4,273,840	12/09	7.00%	299,169	460,260	38,355
30											
31	**Hopkins Ridge Mitigation Credit**										
32	Dec 2009	$	(1,451,500)	(786,229)	(1,451,500)	(1,257,967)	12/09	7.00%	(88,058)	(135,473)	(11,289)
33											
34	**Goldendale Fixed Cost Deferral**										
35	Dec 2009	$	(4,162,154)	4,959,653	(4,162,154)	6,312,353	12/09	7.00%	441,865	679,792	56,649
36											

Ref	Period	From	To	Asset Amort	AMA Ratebase as of		Return A.T. %	Amount	Pre Tax	Monthly
37										
40								*(Annualized)*		
41	PCA #8	Jan 2009	Dec 2009	(45,367,218)	172,990,915	12/09	7.00%	12,109,364	18,629,791	1,552,483
42				-	-					
43										

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

Puget Sound Energy, Inc.

Power Cost Adjustment Mechanism Annual
Report for PCA Period Nine
Twelve Months Ended December 31, 2010

PCA Exhibits Approved in
WUTC Docket No. UE-090704 – 2009 General
Rate Case

Which covered the period in PCA Period Nine
from April 8 through December 31, 2010

Exhibit A-1 Power Cost Rate

Row		BASE **Test Year**	TENASKA **Test Year**	TOTAL **Test Year**					
3	Regulatory Assets (Variable)	$ 74,428,625	$ 48,402,483	$ 122,831,109					
4	Transmission Rate Base (Fixed)	102,337,940		102,337,940					
5	Production Rate Base (Fixed)	1,461,119,263		1,461,119,263					
6		$ 1,637,885,828	$ 48,402,483	$ 1,686,288,312			Production		
7	Net of tax rate of return	6.90%	6.90%	6.90%			Factor		
8					Test Yr		1.01760		
9					$/MWh		Rate Year	Per Month for Schedule B	
10	Regulatory Asset Recovery (on Row 3)	$ 7,900,885	$ 5,138,110	$ 13,038,995	$ 0.598	(c)			
11	Fixed Asset Recovery Other (on Row 4)	10,863,566		$ 10,863,566	$ 0.498	(a)	10,863,566	905,297	
12	Fixed Asset Recovery-Prod Factored (on Row 5)	155,103,429		155,103,429	$ 7.108	(a)	152,420,823	12,701,735	**$ 13,607,032**
13	501-Steam Fuel	83,611,736		83,611,736	$ 3.832	(c)			
14	555-Purchased power	620,691,166		620,691,166	$ 28.444	(c)			
14a	Rate Disallowances for March Point 2 & Tenaska	(1,151,346)	(4,040,909)	(5,192,255)	$ (0.238)	(c)			
15	557-Other Power Exp	6,711,778		6,711,778	$ 0.308	(a)	6,595,694	549,641	
15a	Payroll Overheads - Worker's Comp	3,797,088		3,797,088	$ 0.174	(a)	3,731,415	310,951	
15b	Property Insurance	3,657,010		3,657,010	$ 0.168	(a)	3,593,759	299,480	
15c	Montana Electric Energy Tax	1,832,147		1,832,147	$ 0.084	(a)	1,800,459	150,038	
15d	Payroll Taxes on Production Wages	1,598,567		1,598,567	$ 0.073	(a)	1,570,919	130,910	
16	547-Fuel	216,976,084		216,976,084	$ 9.943	(c)			
17	565-Wheeling	81,105,954		81,105,954	$ 3.717	(c)			
18	Variable Transmission Income	(5,569,166)		(5,569,166)	$ (0.255)	(c)			
19	Hydro and Other Pwr.	107,091,100		107,091,100	$ 4.908	(a)	105,238,896	8,769,908	**$ 17,098,452**
20	447-Sales to Others	(29,152,008)		(29,152,008)	$ (1.336)	(c)			
21	456-Subaccounts 00012 & 00018 and 00035 & 00036	(289,997)		(289,997)	$ (0.013)	(c)			
22	Transmission Exp - 500KV	1,523,617		1,523,617	$ 0.070	(a)	1,497,265	124,772	
23	Depreciation & Amort -Production (FERC 403)	61,370,846		61,370,846	$ 2.812	(a)	60,309,401	5,025,783	
24	Depreciation-Transmission	4,056,906		4,056,906	$ 0.186	(a)	4,056,906	338,076	
25	Amortization-Production Reg Assets	15,830,395	38,979,568	54,809,963	$ 2.512	(c)			
26	Property Taxes-Production	13,855,001		13,855,001	$ 0.635	(a)	13,615,370	1,134,614	
27	Property Taxes-Transmission	3,171,343		3,171,343	$ 0.145	(a)	3,171,343	264,279	
28	Hedging Line of Credit	311,301		311,301	$ 0.014	(c)			
29	Subtotal & Baseline Rate	$ 1,364,897,404	$ 40,076,769	$ 1,404,974,173	$ 64.387	(b)	368,465,817	30,705,485	30,705,485
30	Revenue Sensitive Items	0.9557880	0.9557880	0.9557880					
31		$ 1,428,033,627	$ 41,930,605	$ 1,469,964,232					
32	Test Year DELIVERED Load (MWH's)	21,821,674	21,821,674	21,821,674	<-- includes Firm Wholesale				
33									
34	BASELINE RATE	62.553	1.833	64.387					
35									
36				Before Rev.	After Rev.				
37				Sensitive Items	Sensitive Items				
38	Power Cost in Rates with Revenue Sensitive								
39	Items (the adjusted baseline)			$ 64.387	$ 67.365				
40	sum of (a) = Fixed Rate Component			$ 17.169	$ 17.963				
41	(b) = Power Cost Rate			$ 64.387	$ 67.365				
42	sum of (c) = Variable Power Rate Component			$ 47.218	$ 49.402				

Exhibit A-2 Transmission Rate Base

Row			Plant AMA 12/31/2008	AMA Accum Deprec/Amort	Net	Annualized Depreciation
7						
8						
6		TRANS - COLSTRIP 1 & 2				
7	E350	Land and Land Rights	10,247	-	$ 10,247	
8	E351	Easements	685,927	(381,747)	304,179	13,033
9	E353	Station Equipment	1,231,131	(918,566)	312,565	25,977
10	E354	Towers & Fixtures	14,495,853	(8,492,049)	6,003,804	242,133
11	E355	Poles & Fixtures	49,007	(46,565)	2,442	1,480
12	E356	OH Conductors & Devices	13,158,153	(8,305,551)	4,852,602	277,687
13	E359	Roads & Trails	113,968	(63,379)	50,589	1,630
14			29,744,285	(18,207,858)	11,536,427	561,939
15						
16		TRANS - COLSTRIP 3 & 4				
17	E351	Easements	1,071,124	(583,872)	487,252	20,351
18	E352	Structures & Improvements	496,711	(273,030)	223,682	8,444
19	E353	Station Equipment	18,421,673	(10,620,107)	7,801,566	391,290
20	E354	Towers & Fixtures	20,567,247	(11,722,820)	8,844,427	343,210
21	E355	Poles & Fixtures	88,692	(29,144)	59,548	2,679
22	E356	OH Conductors & Devices	19,991,226	(12,357,296)	7,633,929	421,785
23	E359	Roads & Trails	341,015	(186,913)	154,102	4,877
24			60,977,688	(35,773,183)	25,204,505	1,192,635
25						
26		TRANS - 3RD NW-SW INTERTIE				
27	E350	Land and Land Rights	1,769,178	-	1,769,178	-
28	E352	Structures & Improvements	1,276,264	(348,009)	928,254	21,696
29	E353	Station Equipment	32,194,258	(10,684,070)	21,510,188	684,499
30	E354	Towers & Fixtures	22,781,417	(6,335,930)	16,445,487	380,450
31	E355	Poles & Fixtures	204,200	(58,389)	145,811	6,167
32	E356	OH Conductors & Devices	23,498,389	(8,830,961)	14,667,428	495,816
33	E359	Roads & Trails	59,215	(8,629)	50,586	847
35			81,782,921	(26,265,989)	55,516,932	1,589,474
36						
37		TRANS - NORTHERN INTERTIE				
38	E350	Land and Land Rights	30,604	-	30,604	
39	E354	Towers & Fixtures	5,744,097	(1,299,146)	4,444,952	95,926
40	E355	Poles & Fixtures	3,409,904	(1,063,405)	2,346,500	102,889
41	E356	OH Conductors & Devices	12,602,798	(3,731,405)	8,871,392	265,919
44			21,787,403	(6,093,955)	15,693,448	464,735
45						
46						
47	Total Transmission		$ 194,292,298	$ (86,340,985)	$ 107,951,312	$ 3,808,783
48	Accumulated Depreciation (AMA)		(86,340,985)			
49	Deferred Taxes (AMA)		(9,572,115)			
50	Transmission portion of:					
51	Colstrip Common FERC Adj, net of accum amort		3,407,401			213,630
52	Colstrip Def Depr FERC Adj, net of accum amort		551,341			34,493
53						
54	Total Transmission Rate Base		$ 102,337,940			$ 4,056,906

Exhibit A-3 Colstrip Fixed Costs

Row				
	Revenue Requirement for Colstrip			
3	Plant	728,146,068		
4	Accumulated Depreciation	(431,600,071)		
5	Deferred Taxes - AMA 12/31/2008	(63,386,506)		
6	Net Plant	233,159,491		
7	Rate of Return (net of Tax)	7.34%		
8	Revenue Requirement after tax	17,113,907	(Line 6 X Line 7)	
9	Plant Revenue Requirement	26,329,087	(Adjusted for Federal Tax) (Line 8 X (1 - 35%))	35.00%
10	Expenses	59,382,540		
11	Total Revenue Requirement	85,711,627	(before revenue sensitive items)	
12				
13	Support for Revenue Requirement - Ratebase			

14	FERC	DESCRIPTION	2007 Dec In Thousands	2008 Dec In Thousands	13 MONTH AMA	ANNUITY RATE	ANNUALIZED DEPRECIATION	AMA ACUMM. DEPR.
15		COLSTRIP #1						
16	E311	Structures & Improvements	7,556	7,813	7,714,283	1.74%	133,717	(4,854,610)
17	E312	Boiler Plant Equipment	58,225	63,085	63,102,694	1.69%	1,025,076	(39,110,826)
18	E314	Turbo Generating Units	22,496	22,250	22,348,601	2.36%	528,006	(9,783,891)
19	E315	Accessory Electric Equipment	7,180	7,238	7,214,849	0.93%	67,047	(5,712,651)
20	E316	Misc. Power Plant Equipment	804	924	869,668	2.31%	19,955	(369,307)
21		TOTAL	96,261	101,310	101,250,095	1.75%	1,773,801	(59,831,285)
22		COLSTRIP #2						
23	E311	Structures & Improvements	5,943	6,200	6,101,224	1.32%	80,148	(4,493,956)
24	E312	Boiler Plant Equipment	49,814	59,733	54,857,460	1.78%	974,968	(32,592,566)
25	E314	Turbo Generating Units	20,626	26,718	23,709,296	2.29%	542,088	(9,352,306)
26	E315	Accessory Electric Equipment	5,088	5,140	5,122,131	1.36%	69,553	(3,436,092)
27	E316	Misc. Power Plant Equipment	829	954	894,667	2.38%	21,213	(367,317)
28		TOTAL	82,300	98,745	90,684,778	1.86%	1,687,970	(50,242,238)
29		COLSTRIP 1 & 2 COMMON						
30	E311	Structures & Improvements	31,349	31,278	31,346,065	1.23%	297,020	(24,894,141)
31	E312	Boiler Plant Equipment	6,222	6,222	6,222,182	1.27%	79,022	(4,623,584)
32	E314	Turbo Generating Units	3,844	3,844	3,844,103	1.24%	47,667	(3,154,543)
33	E315	Accessory Electric Equipment	2,375	2,375	2,375,376	1.14%	27,079	(1,772,102)
34	E316	Misc. Power Plant Equipment	6,273	6,273	6,272,869	1.40%	87,820	(4,556,486)
35	E317	Asset Retirement Obligation	540	540	540,097	0.00%	15,431	(439,792)
36		TOTAL	50,603	50,532	50,600,692	1.09%	554,039	(39,440,647)
37		COLSTRIP 3						
38	E311	Structures & Improvements	29,059	29,123	29,092,312	1.33%	386,908	(18,831,112)
39	E312	Boiler Plant Equipment	123,948	125,116	124,763,575	1.44%	1,793,256	(80,229,154)
40	E314	Turbo Generating Units	39,774	38,556	39,760,916	1.87%	732,387	(17,927,708)
41	E315	Accessory Electric Equipment	6,461	6,461	6,460,699	1.28%	82,697	(3,917,809)
42	E316	Misc. Power Plant Equipment	708	782	748,895	2.01%	14,972	(288,324)
43		TOTAL	199,950	200,038	200,826,397	1.50%	3,010,221	(121,194,106)
44		COLSTRIP 4						
45	E311	Structures & Improvements	26,601	26,665	26,634,323	1.42%	378,186	(16,049,763)
46	E312	Boiler Plant Equipment	107,641	108,737	108,149,373	1.64%	1,774,302	(62,159,670)
47	E314	Turbo Generating Units	37,161	36,578	37,174,577	1.92%	707,899	(16,716,826)
48	E315	Accessory Electric Equipment	5,671	5,671	5,670,535	1.40%	79,387	(3,127,221)
49	E316	Misc. Power Plant Equipment	903	973	942,407	1.93%	18,099	(384,724)
50		TOTAL	177,977	178,624	178,571,215	1.66%	2,957,874	(98,438,204)
51		COLSTRIP 3 & 4 COMMON						
52	E311	Structures & Improvements	70,568	70,553	70,566,623	1.31%	1,201,267	(45,541,114)
53	E312	Boiler Plant Equipment	16,975	16,957	16,973,911	1.49%	252,792	(9,701,624)
54	E314	Turbo Generating Units	11	11	10,515	26.55%	2,792	110,523
55	E315	Accessory Electric Equipment	7,652	7,652	7,652,070	1.28%	97,947	(4,533,013)
56	E316	Misc. Power Plant Equipment	4,594	4,594	4,594,270	1.63%	74,887	(2,407,722)
57	E317	Asset Retirement Obligation	334	334	333,978	0.00%	7,590	(216,325)
58		TOTAL	100,134	100,101	100,131,367	1.64%	1,637,274	(62,289,275)
59		COLSTRIP 1-4 COMMON						
60	E316	Misc. Power Plant Equip.	252	252	251,534	1.38%	3,471	(164,315)
61		TOTAL	252	252	251,534	1.38%	3,471	(164,315)
62								
63	Subtotal before Colstrip FERC Adjustments (Line 63 + 65)		707,477	729,602	722,316,078	1.61%	11,624,649	(431,600,071)
64	ARO - Electric Colstrip 1-4 (Acct: 23001021 - 1031) Adj (AMA is Net of Accum. Amort.)				(2,045,651)		111,231	
65	Colstrip Common FERC Adj. (AMA is Net of Accum. Amort.)				5,656,965		354,669	
66	Colstrip Def Depr FERC Adj. (AMA is Net of Accum. Amort.)				2,218,675		104,311	
67			Totals		728,146,068	1.67%	12,194,860	(431,600,071)

ROW Exhibit A-3 Colstrip Fixed Costs

ROW	Order	Description	Amount before Prod. Adj.
75			
76			
77			
78			
79	Support for Revenue Requirement - Expenses		
80			**Amount before**
81	Order	Description	**Prod. Adj.**
82	50004011	Colstrip 1&2 - Supv & Eng'g - Steam Ope	$ 77,817
83	50005011	Colstrip 3&4 - Supv & Eng'g - Steam Ope	64,129
84	50204001	Colstrip 1&2 - Steam Exp - Steam Gen Op	3,333,797
85	50205001	Colstrip 3&4 - Steam Exp - Steam Gen Op	2,284,715
86	50504001	Colstrip 1&2 - Electric Exp - Steam Gen	74,472
87	50505001	Colstrip 3&4 - Electric Exp - Steam Gen	50,121
88	50604001	Colstrip 1&2 - Misc Stm Pwr - Steam Gen	4,178,277
89	50605001	Colstrip 3&4 - Misc Stm Pwr - Steam Gen	2,603,296
90	50704001	Colstrip 1&2 - Rents - Steam Gen Oper	5,765
91	50705001	Colstrip 3&4 - Rents - Steam Gen Oper	49,870
92	51004001	Colstrip 1&2 - Supv & Eng'g - Steam Gen	955,091
93	51005001	Colstrip 3&4 - Supv & Eng'g - Steam Gen	614,707
94	51104001	Colstrip 1&2 - Structures - Steam Gen M	698,097
95	51105001	Colstrip 3&4 - Structures - Steam Gen M	734,251
96	51204001	Colstrip 1&2 - Boiler Plant - Steam Gen	7,418,214
97	51205001	Colstrip 3&4 - Boiler Plant - Steam Gen	4,153,469
98	51304001	Colstrip 1&2 - Electric Plant - Steam G	1,873,015
99	51305001	Colstrip 3&4 - Electric Plant - Steam G	520,661
100	51404001	Colstrip 1&2 -Misc Steam Plt -Steam Gen	1,529,780
101	51405001	Colstrip 3&4 -Misc Steam Plt -Steam Gen	781,195
102		Subtotal for the test year	32,000,741
103		Adjustment to the rate year	3,207,137
104		Subtotal on Orders	35,207,878
105		Property Taxes-Montana	10,179,342
106		Electric Energy Tax	1,800,459
107	403xxxxx	Depreciation	12,194,860
108			$ 59,382,540

PUGET SOUND ENERGY
PRODUCTION ADJUSTMENT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION -1.760%	FIT 35%
1	**O&M ON PRODUCTION PROPERTY**			
2	PRODUCTION WAGE INCREASE AND INCENTIVE:			
3	PURCHASED POWER	$ 31,612	$ 556	$ (195)
4	OTHER POWER SUPPLY	212,582	3,741	(1,310)
5	TOTAL PRODUCTION WAGE INCREASE	244,194	4,298	(1,505)
6				
7	ADMIN & GENERAL EXPENSES			
8	PAYROLL OVERHEADS	3,731,415	65,673	(22,986)
9	PROPERTY INSURANCE	3,593,759	63,250	(22,138)
10	TOTAL ADMIN & GENERAL EXPENSES	7,325,174	128,923	(45,124)
11				
12	DEPRECIATION / AMORTIZATION:			
13	DEPRECIATION	49,206,798	866,040	(433,790)
14	AMORTIZATION (OTHER THAN REGULATORY ASSETS/LIAB)	11,102,602	195,406	(66,175)
15	TOTAL DEPRECIATION AND AMORTIZATION (FERC 403)	60,309,401	1,061,445	(499,965)
16				
17	TAXES OTHER-PRODUCTION PROPERTY:			
18	PROPERTY TAXES - WASHINGTON	5,879,725	103,483	(36,219)
19	PROPERTY TAXES - MONTANA	7,735,645	136,147	(47,652)
20	ELECTRIC ENERGY TAX	1,800,459	31,688	(11,091)
21	PAYROLL TAXES	1,570,919	27,648	(9,677)
22	TOTAL TAXES OTHER	16,986,749	298,967	(104,639)
23				
24	WILD HORSE EXPANSION AND MINT FARM			
25	FUEL	60,053,640	1,056,944	(369,930)
26	PURCHASED POWER	-	-	-
27	WHEELING	6,596,376	116,096	(40,634)
28	SALES FOR RESALE	-	-	-
29	PRODUCTION O&M	7,166,874	126,137	(44,148)
30	TOTAL NEW PLANT	73,816,889	1,299,177	(454,712)
31				
32	**O&M ON REGULATORY ASSETS:**			
33	CABOT BUYOUT	$ -	$ -	$ -
34	TENASKA (AMORT OF AFPC PORTION)	6,051,143	106,500	(37,275)
35	BEP	3,526,620	62,069	(21,724)
36	WHITE RIVER PLANT COSTS	1,494,702	26,307	(9,207)
37	WHITE RIVER RELICENSING & CWIP	-	-	-
38	CANWEST	-	-	-
39	HOPKINS RIDGE PREPAID TRANSMISSION	1,925,091	33,882	(11,859)
40	GOLDENDALE FIXED COSTS DEFERRAL	4,162,154	73,254	(25,639)
41	HOPKINS RIDGE INFILL MITIGATION CREDIT	(846,708)	(14,902)	5,216
42	COLSTRIP SETTLEMENT - UE-080900	8,403,570	147,903	(51,766)
43	WESTCOAST PIPELINE CAPACITY - UE-082013	(392,150)	(6,902)	2,416
44	MINT FARM DEFERRAL	2,880,319	50,694	(17,743)
45	OVER-RECOVERY MAJOR MAINTENANCE	-	-	-
46	WILD HORSE EXPANSION DEFERRAL	2,806,572	49,396	(17,288)
47	TOTAL AMORTIZATION OF REG ASSETS/LIABS	$ 30,011,312	$ 528,199	$ (184,869)
48				
49	TENASKA FLOW THRU	$ 32,254,250	$ 567,675	$ -
50				
51	TOTAL REGULATORY AMORT (LINE 46 + LINE 48)	$ 62,265,562	$ 1,095,874	$ (184,869)
52				
53	INCREASE(DECREASE) EXPENSE			3,888,684
54	INCREASE(DECREASE) FIT			(1,290,814)
55	INCREASE(DECREASE) NOI			$ (2,597,870)
56				
57	**PRODUCTION PROPERTY RATE BASE:**			
58	DEPRECIABLE PRODUCTION PROPERTY	$ 2,464,118,729	$ 43,368,490	
59	LESS PRODUCTION PROPERTY ACCUM DEPR.	(1,096,690,156)	(19,301,747)	
60	NON-DEPRECIABLE PRODUCTION PROPERTY (Baker, Whitehorn	94,327,207	1,660,159	
61	LESS PRODUCTION PROPERTY ACCUM AMORT. (Baker, Whiteh	(8,458,622)	(148,872)	
62	COLSTRIP COMMON FERC ADJUSTMENT	5,656,965	99,563	
63	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	1,667,334	29,345	
64	ENCOGEN AND OTHER ACQUISITION ADJUSTMENTS	186,913,275	3,289,674	
65	ACCUMULATED AMORTIZATION ON ACQUISTION ADJ	(8,274,590)	(145,633)	
66	NET PRODUCTION PROPERTY	1,639,260,142	28,850,979	
67	DEDUCT:			
68	LIBR. DEPREC. POST 1980 (EOP)	(200,132,394)	(3,522,330)	
69	OTHER DEF. TAXES (AMA)	(3,279,416)	(57,718)	
70	SUBTOTAL	(203,411,810)	(3,580,048)	
71				
72	ADJUSTMENT TO PRODUCTION RATE BASE	$ 1,435,848,332	$ 25,270,931	$ 1,461,119,263
73				
74	**REGULATORY ASSETS RATE BASE:**			
75	CABOT	-	-	
76	TENASKA	47,565,333	837,150	
77	BEP	16,211,898	285,329	
78	WHITE RIVER PLANT COSTS	30,893,115	543,719	
79	WHITE RIVER RELICENSING & CWIP	19,459,947	342,495	
80	PROCEED FROM THE SALE OF WHITE RIVER	(27,074,057)	(476,503)	
81	CANWEST	-	-	
82	HOPKINS RIDGE PREPAID TRANSMISSION	938,032	16,509	
83	GOLDENDALE FIXED COST DEFERRAL (NEW)	2,930,761	51,581	
84	HOPKINS RIDGE INFILL MITIGATION CREDIT	(160,522)	(2,825)	
85	COLSTRIP SETTLEMENT - UE-080900	2,083,590	36,671	
86	WESTCOAST PIPELINE CAPACITY - UE-082013	(2,060,421)	(36,263)	
87	MINT FARM DEFERRAL	27,171,503	478,218	
88	OVER-RECOVERY MAINTENANCE	-	-	
89	WILD HORSE EXPANSION DEFERRAL	2,747,493	48,356	
90				
91	ADJUSTMENT TO REGULATORY ASSETS RATE BASE	$ 120,706,672	$ 2,124,437	$ 122,831,109
92				
93	TOTAL ADJUSTMENT TO RATEBASE (LINE 73 + LINE 91)		$ 27,395,368	

Exhibit A-5 Power Costs

PUGET SOUND ENERGY
POWER COSTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2008
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	ACTUAL	PROFORMA	INCREASE (DECREASE)
1	SALES FOR RESALE	$ 173,342,971	$ 29,152,008	$ (144,190,963)
2				
3	PURCHASES/SALES OF NON-CORE GAS	15,804,883	289,997	(15,514,886)
4	WHEELING FOR OTHERS	11,562,467	10,569,516	(992,951)
5		27,367,351	10,859,514	(16,507,837)
6				
7	**TOTAL OPERATING REVENUES**	200,710,322	40,011,522	(160,698,800)
8				
9	FUEL	$ 212,821,383	$ 239,477,237	$ 26,655,853
10				
11	PURCHASED AND INTERCHANGED	888,547,931	627,370,776	(261,177,154)
12	HEDGING	-	311,301	311,301
13	RATE DISALLOWANCES FOR MARCH POINT 2 AND TENASKA	-	(5,192,255)	(5,192,255)
14	SUBTOTAL PURCHASED AND INTERCHANGED	$ 888,547,931	$ 622,489,823	$ (266,058,108)
15	WHEELING	68,962,375	74,393,482	5,431,107
16				
17	TOTAL PRODUCTION EXPENSES	$ 1,170,331,689	$ 936,360,542	$ (233,971,147)
18	HYDRO AND OTHER POWER	92,332,638	91,030,293	(1,302,345)
19	TRANS. EXP. INCL. 500KV O&M	1,497,266	1,523,617	26,351
20				
21	**TOTAL OPERATING EXPENSES**	$ 1,264,161,593	$ 1,028,914,451	$ (235,247,142)
22				
23	INCREASE (DECREASE) OPERATING INCOME (LINE 7 - LINE 21)	$ (1,063,451,271)	$ (988,902,930)	$ 74,548,342
24				
25	REDUCTION TO STATE UTILITY TAX SAVINGS FOR LINE 4	3.873%		(38,457)
26	INCREASE (DECREASE) INCOME			$ 74,586,799
27	INCREASE (DECREASE) FIT @	35%		26,105,379
28	INCREASE (DECREASE) NOI			$ 48,481,419

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)

Compliance Filing - 2009 GRC - WUTC Docket No. UE-090704

1/1/2010 12/31/2010

Case	Docket	Effective Date	Days in 2010	Rate
2007 GRC	per UE-072300	11/1/2008	97	7.00%
2009 GRC	per UE-090704	4/8/2010	268	6.90%

			12 Months Ended December 31		PCA Period						
				Balance net of				Return			
Ref	Description		Asset Amort	AA & ADFIT	Asset Amort	AMA Ratebase as of		A.T. %	Amount	Pre Tax	Monthly
			(Note 2)	(Note 1)	(Note 2)	(Note 1)					
12											
13	**Cabot Buyout**				G/L Accts #18230171, #19000121, and #28300461 and Order #54756012						
14	Dec 2007	$		1,374,000		2,791,458	12/07	7.01%&7.06%	197,031	303,125	25,260
15	Dec 2008	$	(1,410,000)	-	(1,410,000)	691,208	12/08	7.06%&7.00%	48,730	74,970	6,247
16	Dec 2009	$	-	-	-	-	12/09	7.00%	-	-	-
17											
18											
19	**Tenaska**				G/L Accts #18230001 and #28300451 and Order #55500423						
20	Dec 2007	$		131,477,000		142,912,958	12/07	7.01%&7.06%	10,087,306	15,518,932	1,293,244
21	Dec 2008	$	(28,272,000)	104,886,000	(28,272,000)	118,181,042	12/08	7.06%&7.00%	8,331,763	12,818,098	1,068,175
22	Dec 2009	$	(32,676,000)	74,153,000	(32,676,000)	89,519,208	12/09	7.00%	6,266,345	9,640,530	803,378
23	Dec 2010	$	(37,533,000)	38,851,000	(37,533,000)	56,501,833	12/10	7.00%&6.90%	3,913,642	6,020,988	501,749
24	Dec 2011	$	(40,629,000)	-	(40,629,000)	19,424,708	12/11	6.90%	1,340,305	2,062,008	171,834
25	Dec 2012	$	-	-	-	-	12/12	6.90%	-	-	-
27											
28											
29	**BEP**				G/L Accts #18230071, #18230081, and #28300431 and Order #55500007						
30	Dec 2007	$		22,808,103	-	24,500,027	12/07	7.01%&7.06%	1,729,299	2,660,460	221,705
31	Dec 2008	$	(3,526,620)	20,409,483	(3,526,620)	21,608,793	12/08	7.06%&7.00%	1,523,420	2,343,723	195,310
32	Dec 2009	$	(3,526,620)	18,010,863	(3,526,620)	19,210,173	12/09	7.00%	1,344,712	2,068,788	172,399
33	Dec 2010	$	(3,526,620)	15,612,243	(3,526,620)	16,811,553	12/10	7.00%&6.90%	1,164,465	1,791,484	149,290
34	Dec 2011	$	(3,526,620)	13,213,623	(3,526,620)	14,412,933	12/11	6.90%	994,492	1,529,988	127,499
35	Dec 2012	$	(3,526,620)	10,815,003	(3,526,620)	12,014,313	12/12	6.90%	828,988	1,275,366	106,280
43											

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)

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1/1/2010 12/31/2010

Case	Docket	Effective Date	Days in 2010	Rate
2007 GRC	per UE-072300	11/1/2008	97	7.00%
2009 GRC	per UE-090704	4/8/2010	268	6.90%

			12 Months Ended December 31		PCA Period						
				Balance net of					Return		
Ref	Description		Asset Amort	AA & ADFIT	Asset Amort	AMA Ratebase as of		A.T. %	Amount	Pre Tax	Monthly
			(Note 2)	(Note 1)	(Note 2)	(Note 1)					
44											
45	**White River Relicensing**				G/L Accts #18230641, 691, #18236021, 6031, 6041, 6051, 6061, 6071, #18230971, #19000021 and #28300011						
46	Dec 2007	$		23,801,059	-	23,235,098	12/07	7.01%&7.06%	1,640,016	2,523,101	210,258
47	Dec 2008	$		19,459,947	-	19,914,187	12/08	7.06%&7.00%	1,403,950	2,159,923	179,994
48	Dec 2009	$		19,459,947	-	19,459,947	12/09	7.00%	1,362,196	2,095,687	174,641
49	Dec 2010	$		19,459,947	-	19,459,947	12/10	7.00%&6.90%	1,347,908	2,073,704	172,809
50	Dec 2011	$		19,459,947	-	19,459,947	12/11	6.90%	1,342,736	2,065,748	172,146
51	Dec 2012	$		17,060,916	-	17,160,875	12/12	6.90%	1,184,100	1,821,693	151,808
52											
53											
54	**White River Plant Costs**				G/L Accts #18220011, #18220021, #18220031, #18220041 and #18220051 and Order #40700015						
55	Dec 2007	$		36,050,027		37,628,503	12/07	7.01%&7.06%	2,655,954	4,086,083	340,507
56	Dec 2008	$	(1,494,702)	34,112,846	(1,494,702)	35,041,392	12/08	7.06%&7.00%	2,470,418	3,800,643	316,720
57	Dec 2009	$	(1,494,702)	32,273,000	(1,494,702)	33,192,923	12/09	7.00%	2,323,505	3,574,622	297,885
58	Dec 2010	$	(1,494,702)	30,433,154	(1,494,702)	31,353,077	12/10	7.00%&6.90%	2,171,694	3,341,068	278,422
59	Dec 2011	$	(1,494,702)	28,593,308	(1,494,702)	29,513,231	12/11	6.90%	2,036,413	3,132,943	261,079
60	Dec 2012	$	(1,494,702)	26,753,462	(1,494,702)	27,673,385	12/12	6.90%	1,909,464	2,937,636	244,803
61											
62											
63	**CWA Sales Proceeds (Note 3)**				G/L Accts #18220061, #28300651						
64	Dec 2009			(27,074,057)		(1,128,086)	12/09	not in rates			
65	Dec 2010			(27,074,057)		(27,074,057)	12/10	7.00%&6.90%	(1,371,653)	(2,110,236)	(175,853)
66	Dec 2011			(27,074,057)		(27,074,057)	12/11	6.90%	(1,868,110)	(2,874,015)	(239,501)
67	Dec 2012			(27,074,057)		(27,074,057)	12/12	6.90%	(1,868,110)	(2,874,015)	(239,501)
68											

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)

Compliance Filing - 2009 GRC - WUTC Docket No. UE-090704

1/1/2010 12/31/2010

Case	Docket	Effective Date	Days in 2010	Rate
2007 GRC	per UE-072300	11/1/2008	97	7.00%
2009 GRC	per UE-090704	4/8/2010	268	6.90%

			12 Months Ended December 31		PCA Period						
				Balance net of				Return			
Ref	**Description**		**Asset Amort**	**AA & ADFIT**	**Asset Amort**	**AMA Ratebase as of**		**A.T. %**	**Amount**	**Pre Tax**	**Monthly**
			(Note 2)	(Note 1)	(Note 2)	(Note 1)					
69											
70	**Canwest Liability**				G/L Accts #25400021, #14300061 and #19000451 and Order #547 / #456						
71	Dec 2007	$		(1,234,188)		(2,468,377)	12/07	7.01%&7.06%	(174,227)	(268,041)	(22,337)
72	Dec 2008	$	1,898,751	(0)	1,898,751	(308,547)	12/08	7.06%&7.00%	(21,753)	(33,465)	(2,789)
73	Dec 2009	$	-	-	-	-	12/09	7.00%	-	-	-
74											
75											
76	**Hopkins Ridge Prepaid Transm**				G/L Accts #18230231, #18230371, Orders #56500011 and #56500021						
77	Dec 2007	$		7,220,062		8,276,042	12/07	7.01%&7.06%	584,153	898,696	74,891
78	Dec 2008	$	(1,992,888)	4,727,174	(1,992,888)	6,016,809	12/08	7.06%&7.00%	424,185	652,592	54,383
79	Dec 2009	$	(2,158,117)	2,569,057	(2,158,117)	3,656,422	12/09	7.00%	255,950	393,769	32,814
80	Dec 2010	$	(2,172,745)	396,311	(2,172,745)	1,450,375	12/10	7.00%&6.90%	100,461	154,556	12,880
81	Dec 2011	$	(396,311)	(0)	(396,311)	64,289	12/11	6.90%	4,436	6,825	569
82	Dec 2012	$	-	(0)	-	(0)	12/12	6.90%	(0)	(0)	(0)
84											
85											
86	**Goldendale Fixed Cost Deferral**				G/L Accts #18230381, 391, #28300541 and #28300551 and Order #40730041						
87	Dec 2007			7,478,085		4,100,878	12/07	-	-	-	-
88	Dec 2008	$	(693,692)	7,665,067	(693,692)	7,812,601	12/08	7.06%&7.00%	91,147	140,226	11,686
89	Dec 2009	$	(4,162,154)	4,959,749	(4,162,154)	6,312,408	12/09	7.00%	441,869	679,798	56,650
90	Dec 2010	$	(4,162,154)	2,254,431	(4,162,154)	3,607,090	12/10	7.00%&6.90%	133,245	204,992	17,083
91	Dec 2011	$	(3,468,462)	-	(3,468,462)	939,346	12/11	6.90%	64,815	99,715	8,310
92	Dec 2012		-	-	-	-	12/12	6.90%	-	-	-
93											

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)

Compliance Filing - 2009 GRC - WUTC Docket No. UE-090704

1/1/2010 12/31/2010

Case	Docket	Effective Date	Days in 2010	Rate
2007 GRC	per UE-072300	11/1/2008	97	7.00%
2009 GRC	per UE-090704	4/8/2010	268	6.90%

			12 Months Ended December 31		PCA Period						
				Balance net of					Return		
Ref	**Description**		**Asset Amort**	**AA & ADFIT**	**Asset Amort**	**AMA Ratebase as of**		**A.T. %**	**Amount**	**Pre Tax**	**Monthly**
			(Note 2)	(Note 1)	(Note 2)	(Note 1)					
94											
95	**Hopkins Ridge Mitigation Credit**				G/L Accts #25400171 and #19000561 and Order #55500017						
96	Dec 2007										
97	Dec 2008	$	241,917	(1,729,704)	241,917	(464,682)	12/08	7.06%&7.00%	(5,421)	(8,340)	(695)
98	Dec 2009	$	1,451,500	(786,229)	1,451,500	(1,257,967)	12/09	7.00%	(88,058)	(135,473)	(11,289)
99	Dec 2010	$	1,209,583	-	1,209,583	(327,595)	12/10	7.00%&6.90%	(22,691)	(34,909)	(2,909)
100	Dec 2011		-	-	-	-	12/11	6.90%	-	-	-
101											
102											
103	**Westcoast Capacity - UE-082013 (Note 3)**				G/L Accts #25300601 and #19000151						
104	Dec 2008	$	-	(2,294,078)	-	-	12/08	not in rates	-	-	-
105	Dec 2009	$	65,358	(2,251,595)	65,358	(2,290,537)	12/09	not in rates	-	-	-
106	Dec 2010	$	392,150	(1,996,697)	392,150	(2,124,146)	12/10	7.00%&6.90%	(107,616)	(165,563)	(13,797)
107	Dec 2011	$	392,150	(1,741,800)	392,150	(1,869,248)	12/11	6.90%	(128,978)	(198,428)	(16,536)
108	Dec 2012		392,150	(1,486,902)	392,150	(1,614,351)	12/12	6.90%	(111,390)	(171,370)	(14,281)
109											
110											
111	**Mint Farm Deferral (Note 4)**				G/L Accts #18600351, #18600361, #18600371 and Orders #40740061, #41900026, #41900028 and #55500136						
112	Dec 2008	$	-	$1,965,859	-	76,377	12/08	not in rates		-	-
113	Dec 2009	$	-	20,878,143	-	12,188,369	12/09	not in rates		-	-
114	Dec 2010	$	(2,159,055)	26,725,899	(2,159,055)	26,602,017	12/10	7.00%&6.90%	1,347,738	2,073,444	172,787
115	Dec 2011	$	(2,885,055)	24,850,613	(2,885,055)	25,788,256	12/11	6.90%	1,779,390	2,737,523	228,127
116	Dec 2012	$	(2,885,055)	22,975,328	(2,885,055)	23,912,971	12/12	6.90%	1,649,995	2,538,454	211,538
117											
118											
119	**WHE Deferral (Note 4)**				G/L Accts #18600611&621&631, #25300631, Orders #40740071, #41900037&39, #55500093&139						
120	Dec 2009	$	-	1,135,823	-			not in rates		-	-
121	Dec 2010	$	(2,102,006)	2,297,443	(2,102,006)	2,807,521	12/10	7.00%&6.90%	142,237	218,827	18,236
122	Dec 2011	$	(2,818,267)	465,569	(2,818,267)	1,381,506	12/11	6.90%	95,324	146,652	12,221
123	Dec 2012	$	(716,261)	0	(716,261)	59,463	12/12	6.90%	4,103	6,312	526
124											

Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)

Compliance Filing - 2009 GRC - WUTC Docket No. UE-090704

1/1/2010 12/31/2010

Case	Docket	Effective Date	Days in 2010	Rate
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		12 Months Ended December 31		PCA Period						
			Balance net of				Return			
Ref	**Description**	**Asset Amort**	**AA & ADFIT**	**Asset Amort**	**AMA Ratebase as of**		**A.T. %**	**Amount**	**Pre Tax**	**Monthly**
		(Note 2)	(Note 1)	(Note 2)	(Note 1)					
125										
126										
127										
128								Return		
129	**Period**	**From**	**To**	**Asset Amort**	**AMA Ratebase as of**		**A.T. %**	**Amount**	**Pre Tax**	**Monthly**
130								*(Annualized)*		
131	PCA #6	Jan 2007	Dec 2007	-	240,976,588	12/07	7.01%&7.06%	16,719,531	25,722,356	2,143,530
132	PCA #7	Jan 2008	Dec 2008	(35,249,234)	208,569,181	12/08	7.06%&7.00%	14,266,440	21,948,369	1,829,031
133	PCA #8	Jan 2009	Dec 2009	(42,500,734)	178,862,861	12/09	7.00%	11,906,518	18,317,720	1,526,477
134	PCA #9	Jan 2010	Dec 2010	(51,548,548)	129,067,615	12/10	7.00%&6.90%	8,819,431	13,568,356	1,130,696
135	PCA #10	Jan 2011	Dec 2011	(54,826,266)	82,040,912	12/11	6.90%	5,660,823	8,708,958	725,747
136	PCA #11	Jan 2012	Dec 2012	(8,230,487)	52,132,599	12/12	6.90%	3,597,149	5,534,076	461,173
137										

138 **Note (1)** Amounts in these columns are net of accumulated amortization AND the associated DFIT liabilitiy / asset.

139

140 **Note (2)** Amounts in these columns include amortization on the regulatory asset or liability only. They do not include the turn around of
141 the associated DFIT balances.

142

143 **Note (3)** Although the transactions which gave rise to these regulatory liabilities occurred prior to the beginning of the rate year,
144 regulatory approval for their proposed accounting treatment was not obtained until the 2009 GRC. They have
145 been presented here as if they were placed in Exhibit D coincident with new rates on 4/8/2010 which is reflective of the
146 information contained in the 2009 GRC filing. However, true-ups will be posted in April 2010 (PCA 9) to reflect what the return
147 on and of these assets would have been had they been reflected in the PCA calculation beginning with the
148 month that the underlying transactions occurred. Truing up in April 2010 rather than recalculating the prior PCA deferrals is
149 allowed as each of the adjustments is less than $1 million.

150

151 **Note (4)** Return on ratebase was being recognized and deferred on these regulatory assets up until 4/7/2010. Therefore, recognition
152 of return on these assets in Exhibit D for purposes of calculating the PCA deferral beginning 4/8/2010 is appropriate.