

As Filed in UE-111048 Compliance Filing on May 15, 2012

Exhibit A-1 Power Cost Rate

Row		TOTAL	Test Year		Production		
					Factor		
				Test Yr	0.97901		
				\$/MWh	Rate Year	Per Month for Schedule B	
3	Regulatory Assets (Variable)	3	\$ 305,100,736				
4	Transmission Rate Base (Fixed)	4	94,699,228				
5	Production Rate Base (Fixed)	2	2,025,749,041				
6			\$ 2,425,549,005				
7	Net of tax rate of return	5	6.71%				
10	Regulatory Asset Recovery (on Row 3) x line 7/65%		\$ 31,495,784	\$ 1.490	(c)		
11	Fixed Asset Recovery Other (on Row 4) x line 7/65%		9,775,874	0.462	(a)	9,775,874	814,656
12	Fixed Asset Recovery-Prod Factored (on Row 5) x line 7/65%		209,119,632	9.891	(a)	213,603,162	17,800,264
13	501-Steam Fuel	6	87,352,900	4.131	(c)		
14	555-Purchased power		456,637,400	21.597	(c)		
15	557-Other Power Exp		6,598,334	0.312	(a)	6,739,802	561,650
15a	Payroll Overheads - Worker's Comp	2	4,904,765	0.232	(a)	5,009,924	417,494
15b	Property Insurance		3,286,696	0.155	(a)	3,357,163	279,764
15c	Montana Electric Energy Tax		1,647,660	0.078	(a)	1,682,986	140,249
15d	Payroll Taxes on Production Wages		1,979,897	0.094	(a)	2,022,346	168,529
16	547-Fuel	6	181,075,933	8.564	(c)		
17	565-Wheeling	7	89,979,230	4.256	(c)		
18	Variable Transmission Income		(5,495,638)	(0.260)	(c)		
19	Hydro and Other Pwr.	6	124,192,550	5.874	(a)	126,855,242	10,571,270
20	447-Sales to Others		(40,163,723)	(1.900)	(c)		
21	456-Subaccounts 00012, 18, 35, 36		-	-	(c)		
22	Transmission Exp - 500KV	6	1,389,837	0.066	(a)	1,419,635	118,303
23	Depreciation & Amort -Production (FERC 403)	2	104,749,684	4.954	(a)	106,995,520	8,916,293
24	Depreciation-Transmission	4	4,091,622	0.194	(a)	4,179,346	348,279
25	Amortization-Production Reg Assets	2	20,234,230	0.957	(c)		
26	Property Taxes-Production		15,813,514	0.748	(a)	16,152,556	1,346,046
27	Property Taxes-Transmission	6	2,942,567	0.139	(a)	3,005,656	250,471
28	Hedging Line of Credit	6	1,420,907	0.067	(c)		
29	Subtotal & Baseline Rate		\$ 1,313,029,655	\$ 62.101	(b)	500,799,213	41,733,268
30	Revenue Sensitive Items	9	0.954998				
31			1,374,903,042				
32	Test Year DELIVERED Load (MWH's)	10	21,143,300				
							<-- includes Firm Wholesale

	Before Rev.	After Rev.
	Sensitive Items	Sensitive Items
38	Power Cost in Rates with Revenue Sensitive	
39	Items (the adjusted baseline)	\$ 62.101
40	sum of (a) = Fixed Rate Component	\$ 23.199
41	(b) = Power Cost Rate	\$ 65.027
42	sum of (c) = Variable Power Rate Component	\$ 38.902

Exhibit A-4 Production Adjustment (1 of 2)

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

LINE NO.	DESCRIPTION	REVISED	REVISED	REVISED	Net of Prod. Factor
		PROFORMA AND RESTATED (A)	PRODUCTION 2.099% (B)	FIT 35%	
1	O&M ON PRODUCTION PROPERTY				
2	PRODUCTION WAGE ADJUSTMENTS AND INCENTIVE:				
3	PURCHASED POWER	\$ 79,703	\$ (1,673)	\$ 586	\$ 78,030 (6)
4	OTHER POWER SUPPLY	243,956	(5,121)	1,792	238,836
5	TOTAL WAGE RELATED ADJUSTMENTS	323,659	(6,794)	2,378	316,866
6					
7	ADMIN & GENERAL EXPENSES				
8	PAYROLL OVERHEADS	5,009,924	(105,158)	36,805	4,904,765 (1)
9	PROPERTY INSURANCE	2,835,322	(59,513)	20,830	2,775,809 (2)
10	TOTAL ADMIN & GENERAL EXPENSES	7,845,246	(164,672)	57,635	7,680,574
11					
12	DEPRECIATION / AMORTIZATION:				
13	DEPRECIATION	95,731,478	(2,009,404)	820,704	93,722,074
14	AMORTIZATION (OTHER THAN REGULATORY ASSETS/LIAB)	11,264,042	(236,432)	80,107	11,027,610
15	TOTAL DEPRECIATION AND AMORTIZATION (FERC 403)	106,995,520	(2,245,836)	900,811	104,749,684 (1)
16					
17	TAXES OTHER-PRODUCTION PROPERTY:				
18	PROPERTY TAXES - WASHINGTON	7,169,159	(150,481)	52,668	7,018,678 (R2)
19	PROPERTY TAXES - MONTANA	7,050,410	(147,988)	51,796	6,902,422
20	ELECTRIC ENERGY TAX	1,682,986	(35,326)	12,364	1,647,660 (P)
21	PAYROLL TAXES	2,022,346	(42,449)	14,857	1,979,897
22	TOTAL TAXES OTHER	17,924,901	(376,244)	131,685	17,548,657
23					
24	<u>LOWER SNAKE RIVER</u>				
25					
26	PURCHASED POWER	776,099	(16,290)	5,702	759,809 (6)
27	WHEELING	6,884,867	(144,513)	50,580	6,740,354
28	SALES FOR RESALE	-	-	-	-
29	PRODUCTION O&M	10,891,023	(228,603)	80,011	10,662,420 (6)
30	PROPERTY INSURANCE	521,841	(10,953)	3,834	510,887 (R1)
31	PROPERTY TAX	1,932,987	(40,573)	14,201	1,892,414 (R2)
32	TOTAL OPERATING EXPENSES LOWER SNAKE RIVER	21,006,817	(440,933)	154,328	20,565,884
33					
34	<u>AMORTIZATION ON REGULATORY ASSETS:</u>				
35	BEP (555)	3,526,620	(74,024)	25,908	3,452,596
36	WHITE RIVER PLANT COSTS (407)	1,494,702	(31,374)	10,981	1,463,328
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)	(383,938)
42	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS) (547)	(537,626)	11,285	(3,950)	(526,341)
43	MINT FARM DEFERRAL (407.3)	2,872,182	(60,287)	21,100	2,811,895
44	WILD HORSE EXPANSION DEFERRAL (407.3)	-	-	-	-
45	COLSTRIP 1&2 (WECO) COAL CONTRACT PREPAYMENT (501)	500,000	(10,495)	3,673	489,505
46	FERC PART 12 NON-CONSTRUCTION STUDY COSTS UE-070074 (407.3)	265,155	(5,566)	1,948	259,589
47	MAJOR MAINTENANCE (SUMMARIZED) (PROD O&M)	152,586	(3,203)	1,121	149,383
48	LOWER SNAKE RIVER PREPAID TRANS DEPOSITS (407.3)	697,745	(14,646)	5,126	683,099
49	LOWER SNAKE RIVER PREPAID TRANS PRINCIPAL BAL. (565)	420,203	(8,820)	3,087	411,383 (6)
50	LOWER SNAKE RIVER AMORTIZATION (407.3)	4,580,591	(96,147)	33,651	4,484,444
51	CHELAN RESERVATION PREPAYMENT (555)	7,088,066	(148,778)	52,072	6,939,287
52					
53	TOTAL AMORTIZATION OF REGULATORY ASSETS AND LIABILITIES	20,668,052	(433,822)	151,836	20,234,230 (1)
54					
55					
56	INCREASE(DECREASE) EXPENSE		174,764,196	\$ (3,668,300)	
57	INCREASE(DECREASE) FIT			1,398,673	
58	INCREASE(DECREASE) NOI			\$ 2,269,627	

Property Insurance  
E(R1) = 3,286,696 (1)

Property Tax  
E(R2) = 15,813,514 (1)

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

LINE NO.	DESCRIPTION	REVISED PROFORMA AND RESTATED	REVISED PRODUCTION 2.099%	FIT 35%
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 ACQUISTION 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> (1)
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	3,583,333	(75,214)	
86	FERC PART 12 NON-CONSTRUCTION STUDY COSTS UE-070074	1,193,198	(25,045)	
85	LOWER SNAKE RIVER PREPAID TRANSMISSION DEPOSITS	<u>99,746,463</u>	<u>(2,093,678)</u>	
86	LOWER SNAKE RIVER AMORTIZATION	<u>10,324,092</u>	<u>(216,703)</u>	
87	CARRYING CHARGES ON LSR PREPAID TRANSM DEPOSITS	<u>11,099,630</u>	<u>(232,981)</u>	
86	CHELAN RESERVATION PAYMENT	117,130,302	(2,458,565)	
87	CHELAN SECURITY DEPOSIT	18,500,000	(388,315)	
88	MAJOR MAINTENANCE (SUMMARIZED)	31,788	(667)	
87	TOTAL REGULATORY ASSETS AND LIABILITIES RATE BASE	<u>\$ 311,642,103</u>	<u>\$ (6,541,367)</u>	<u>\$ 305,100,736</u> (1)
88				
89	TOTAL ADJUSTMENT TO RATEBASE (LINE 73 + LINE 89)		<u>\$ (49,973,478)</u>	

Exhibit A-2 Transmission Rate Base

Row		Plant AMA 12/31/2010	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	(410,851)	275,076	13,033
9	E353 Station Equipment	1,231,131	(977,385)	253,746	25,977
10	E354 Towers & Fixtures	14,555,900	(9,079,746)	5,476,154	243,074
11	E355 Poles & Fixtures	49,007	(48,986)	21	1,480
12	E356 OH Conductors & Devices	13,158,153	(8,931,160)	4,226,993	277,637
13	E359 Roads & Trails	113,968	(67,588)	46,380	1,630
14		<u>29,804,333</u>	<u>(19,515,716)</u>	<u>10,288,617</u>	<u>562,830</u>
15					
16	TRANS - COLSTRIP 3 & 4				
17	E351 Easements	1,071,124	(629,893)	441,231	20,351
18	E352 Structures & Improvements	488,761	(289,792)	198,969	8,309
19	E353 Station Equipment	19,708,485	(11,596,586)	8,111,899	415,074
20	E354 Towers & Fixtures	20,580,759	(12,558,757)	8,022,002	343,688
21	E355 Poles & Fixtures	88,692	(34,278)	54,414	2,679
22	E356 OH Conductors & Devices	19,991,226	(13,315,474)	6,675,752	421,815
23	E359 Roads & Trails	341,015	(199,610)	141,405	4,877
24		<u>62,270,062</u>	<u>(38,624,390)</u>	<u>23,645,672</u>	<u>1,216,792</u>
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	(392,280)	883,984	21,696
29	E353 Station Equipment	32,769,281	(12,112,963)	20,656,318	691,432
30	E354 Towers & Fixtures	22,781,417	(7,135,115)	15,646,302	380,450
31	E355 Poles & Fixtures	204,200	(70,037)	134,163	6,167
32	E356 OH Conductors & Devices	23,498,389	(9,910,549)	13,587,840	495,816
33	E359 Roads & Trails	59,215	(10,155)	49,060	847
35		<u>82,357,944</u>	<u>(29,631,099)</u>	<u>52,726,845</u>	<u>1,596,408</u>
36					
37	TRANS - NORTHERN INTERTIE				
38	E350 Land and Land Rights	30,604	-	30,604	
39	E354 Towers & Fixtures	4,786,748	(1,234,196)	3,552,552	95,926
40	E355 Poles & Fixtures	3,412,478	(1,257,397)	2,155,081	104,590
41	E356 OH Conductors & Devices	11,363,534	(3,874,637)	7,488,897	266,954
44		<u>19,593,364</u>	<u>(6,366,230)</u>	<u>13,227,134</u>	<u>467,470</u>
45					
46					
47	Total Transmission	<u>\$ 194,025,703</u>	<u>\$ (94,137,435)</u>	<u>\$ 99,888,268</u>	<u>\$ 3,843,499</u>
48	Accumulated Depreciation (AMA)	(94,137,435)			
49	Deferred Taxes (AMA)	(8,651,536)			
50	Transmission portion of:				
51	Colstrip Common FERC Adj, net of accum amort	2,980,141			213,630
52	Colstrip Def Depr FERC Adj, net of accum amort	482,355			34,493
53					
54	Total Transmission Rate Base	<u>\$ 94,699,228</u>			<u>\$ 4,091,622</u>

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

<b>LINE NO.</b>	<b>DESCRIPTION</b>	<b>PRO FORMA CAPITAL %</b>	<b>REVISED COST %</b>	<b>REVISED COST OF CAPITAL</b>
1	SHORT TERM DEBT	4.00%	<b><i>2.68%</i></b>	<b><i>0.11%</i></b>
2	LONG TERM DEBT	48.00%	<b><i>6.22%</i></b>	<b><i>2.99%</i></b>
3	PREFERRED	0.00%	0.00%	0.00%
4	EQUITY	48.00%	<b><i>9.80%</i></b>	<b><i>4.70%</i></b>
5	TOTAL	100.00%		<b><i>7.80%</i></b>
6				
7	AFTER TAX SHORT TERM DEBT ( (LINE 1)* 65%)	4.00%	<b><i>1.74%</i></b>	<b><i>0.07%</i></b>
8	AFTER TAX LONG TERM DEBT ( (LINE 2)* 65%)	48.00%	<b><i>4.04%</i></b>	<b><i>1.94%</i></b>
9	PREFERRED	0.00%	0.00%	0.00%
10	EQUITY	48.00%	<b><i>9.80%</i></b>	<b><i>4.70%</i></b>
11	TOTAL AFTER TAX COST OF CAPITAL	100.00%		<b><i>6.71%</i></b>

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PUGET SOUND ENERGY  
GENERAL RATE CASE  
DETERMINATION OF NET POWER COSTS FOR GRC ADJUSTMENT JHS 20.01  
TEST YEAR ENDED DECEMBER 31, 2010  
RATE YEAR ENDED APRIL 30, 2013

Line	FERC	Description	REVISED		REVISED		REVISED		REVISED		REVISED		After Prod Factor of 0.97901	REVISED Per JHS 20.01
			Per BR 24 Att A	Reclass	Remove amounts shown on other adjustments	Add / Remove amounts not in / in BR 24 Att A	Subtotal	Net Before Prod Factor						
			Rate Year 12ME 4/30/2013	Jackson Prairie Move from O&M to Fuel	20.02E Less LSR Plant	20.03E Less LSR Ppd. Transm	20.09E Less Chelan Initiation Pmt	20.10E Less Amort of Reg. Assets	Add Hedging	Remove Ben&Tax	Net Before Prod Factor			
1	Fuel:													
2	501	Steam Fuel	\$ 89,725,749					\$ (500,000)			\$ 89,225,749		\$ 87,352,900	
3	547	Fuel	184,028,410					929,796			184,958,205		181,075,933	
4			273,754,158					429,796			274,183,954		268,428,833	
5		Purchased and Interchanged:												
6	555	Purchased Power	477,042,403		(776,099)		(7,088,066)	(3,526,620)			465,651,618		455,877,591	
7										(1,369,204)	6,660,099		6,520,304	
8	557	Other Power Expense	8,029,303								1,451,372		1,420,907	
9		Hedging			(776,099)		(7,088,066)	(3,526,620)		(1,369,204)	473,763,089		463,818,802	
10			485,071,706											
11			92,328,590		(6,884,867)	(420,203)					85,023,520		83,238,876	
12		Wheeling								(6,849,513)	115,720,263		113,291,295	
13	various	Hydro and Other Power	133,613,385		(10,891,023)		(152,586)				1,419,635		1,389,837	
14											(41,024,835)		(40,163,723)	
15	various	Trans. Exp. Incl. 500KV O&M	1,419,635											
16	447	Sales for Resale	(41,024,835)											
17														
18	456	Purchases/Sales Of Non-Core Gas												
19			(39,605,200)								(39,605,200)		(38,773,886)	
20			945,162,640		(18,551,990)	(420,203)	(7,088,066)	(3,249,410)	1,451,372	(8,218,717)	909,083,627		890,003,919	
21		Net Power Costs (column c per DEM Exhibit)									(14,018,205)		(13,723,963)	
22	various	Variable Transmission Income												
23														
24		Col k = amount of adjustment on JHS 20.01 Line 23	\$ 931,144,435		\$ (420,203)	\$ (420,203)	\$ (7,088,066)	\$ (3,249,410)	\$ (8,218,717)	\$ 1,451,372	\$ 895,067,422		\$ 876,279,957	
25														

*Power Costs*  
 Purchased Power (1) 455,877,591  
 LSR (2) 759,809  
 A-1 Purchased Power 456,637,400 (1)

*Wheeling*  
 Wheeling (2) 83,238,876  
 LSR (2) 6,749,534  
 A-1 Wheeling 89,979,230 (1)

*Other Power Expense*  
 Other Power Expense (1) 6,520,304  
 Purchased Power (2) 78,030  
 6,598,334 (1)

*Hydro & Other O&M*  
 Hydro & Other O&M (2) 113,291,295  
 Other Power Supply (2) 287,896  
 LSR (2) 10,662,420  
 124,192,551 (1)

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

# Calculation of proforma transmission revenue adjustment

Account	Description	12ME ENDED			Comments
		12/2010	Restated	Adjustment	
45610002	4310 - Other Elec Rev - Transm Snohomish	(11,644)	(11,644)	\$ -	
45610004	4310 - Other Elec Rev - Transm Misc	(29,936)	(29,936)	-	
45610005	4310-Elec Trans Rev -OASIS-Coils, SI, NI	(4,694,443)	(5,613,464.75)	(919,022)	
45610006	4310 - Elec Trans. Rev - Ancillary Svc	(176,319)	(176,319)	-	
45610010	4310 - Other Elec Rev - Transm Seattle	(332,304)	(332,304)	-	
45610011	4310 - Other Elec Rev -Transm Tacoma	(4,576)	(4,576)	-	
45610013	4310- Elec Transm Rev - BPA GTA to OATT	(664,280)	(664,280)	-	
45610014	4310- Elec Transm Rev -GTA Direct charge	(166,742)	(166,742)	-	
45610015	4310- Elec Transm Rev - WA ST Tax -OASIS	(90,894)	(90,894)	-	
45610018	4310-Elec Trans Rev -Generator Imbalance	347,231	347,231	-	
45610019	4310 - Generator Imbalance Penalty	(18,404)	(18,404)	-	
45610020	4310-Imbalance penalty-Port SEA,BPA,WPUd	(124)	(124)	-	
45610021	4310-Elec Trans Revenue-SnoPUD Imbalance	-	-	-	
45610022	4310-Elec Trans Revenue-SnoPUD Losse	(500)	(500)	-	
45610030	4310 - Small Generator App Fees - Elect	(586,174)	(586,174)	-	
45610060	4310-Elec Trans Rev - Network 449 Transm	(423,717)	(423,717)	-	
45610061	4310-Elec Trans Rev- Network 449 Anc.svc	(1,936,015)	(1,936,015)	-	
45610062	4310-Elec Trans Rev -Network 449 Imbalan	50,272	50,272	-	
45610065	4310 - Elec Trans. Rev - GTA Imbalance	(4,994)	(4,994)	-	
45610067	4310 - Elec Trans Rev - SeaTac OATT (T)	(8,233)	(8,233)	-	
45610068	4310 - Elec Trans Rev -SeaTac OATT (WDS)	(2,316)	(2,316)	-	
45610069	4310-Elec Trans Rev-SeaTac Ancillary Svc	(10,933)	(10,933)	-	
45610070	4310-Elec Trans Rev-SeaTac Egy Imbalance	(15,840)	(15,840)	-	
45610071	4310-Elec Trans Rev-SeaTac Ded Facility	(43,360)	(43,360)	-	
45610072	4310-Elec Trans Rev -OASIS-WA(Non GTA)	(87,569)	(87,569)	-	
45610080	4310 - Elec Trans Rev-BPA NT OATT-T-Elec	(236,428)	(236,428)	-	
45610081	4310-Elec Trans Rev-BPA NT Ded Fac-Elec	(28,168)	(28,168)	-	
45610082	4310 -Elec Trans Rev-BPA NT Eng Imb-Elec	(43,196)	(43,196)	-	
45610083	4310-Elec Trans Rev-BPA NT Anc Svc-Elec	(193,317)	(193,317)	-	
45610084	4310-Elec Trans Rev-BPA NT OATT-WDS-Elec	(8,625)	(8,625)	-	
45610085	4310-Non Refundable transmission	(1,281,475)	(1,281,475)	-	
45610090	5360 - Elec Trans Rev. Losses	(2,396,160)	(2,396,160)	(2,396,160)	
45610095	Vantage OATT Wind Integration Revenue	(10,703,023)	(14,018,205)	(3,315,182)	
<b>Totals</b>					

(A) 5,613,464.75 x .97901 = 5,495,638 (1)

**Puget Sound Energy  
General Rate Case  
Property Taxes On Production and Transmission  
Restated (Used for the Production Adjustment and for preparation of the Power Cost Rate)**

Calculation of property taxes on production and transmission:  
The amounts determined below are used in the production adjustment as well as the development of the power cost rate for the PCA mechanism. The amounts below are considered to be a component of the restated amount of property taxes shown in the Property Tax Adjustment GRC Page 15.15

	<u>Memo</u>	<u>Production</u>	<u>Transmission</u>	<u>Total</u>
<b>Oregon</b> property taxes (2011 - Payable 2012; All taxes-Third Intertie)	\$ <b>618,282</b>	\$ -	\$ <b>618,282</b>	\$ <b>618,282</b>
<b>Washington</b> property taxes (2011 - Payable 2012)	<b>27,412,784</b>			
Allocation of WA property taxes to production based on production%:	26.15%	<b>7,169,159</b>		<b>7,169,159</b>
Transmission-Northern Intertie based on Northern Intertie %:	0.32%		<b>86,657</b>	<b>86,657</b>
Subtotal Washington		<b>7,169,159</b>	<b>86,657</b>	<b>7,255,815</b>
<b>Montana</b> (All taxes are treated as either production or transmission)				
<b>Total Montana taxes</b>	<b>9,294,613</b>			
<b>Less:</b> Non-oper property	<b>(6,575)</b>			
Beneficial use (For BPA use)	<b>(1,366,126)</b>			
Property taxes on PSE property (=Total Montana taxes - Non-Oper Property - Beneficial use)	<b>7,921,912</b>			
Property taxes on PSE property distribution:				
Non-oper property			-	-
Transmission	<b>2,237,628</b>		<b>2,237,628</b>	<b>2,237,628</b>
Production based on 2010 production %:	89.00%	<b>7,050,410</b>	<b>7,050,410</b>	<b>7,050,410</b>
Subtotal Montana	<b>\$ 9,288,038</b>	<b>7,050,410</b>	<b>2,237,628</b>	<b>9,288,038</b>
<b>Total restated RY production &amp; transmission property taxes</b>		<b>\$ 14,219,568</b>	<b>\$ 2,942,567</b>	<b>\$ 17,162,135</b>

Note: Amounts presented in bold italic have changed since the Sept 1, 2011 supplemental filing.



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

<b>LINE NO. DESCRIPTION</b>	<b>RATE</b>
1 BAD DEBTS	0.004444
2 ANNUAL FILING FEE	0.002000
3 STATE UTILITY TAX ( 3.873% - ( LINE 1 * 3.873% ) )	3.873% <u>0.038558</u>
4	
5 SUM OF TAXES OTHER	0.045002
6	
7 CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX ( 1 - LINE 5 )	0.954998 <sup>①</sup>
8 FEDERAL INCOME TAX ( LINE 7 * 35% )	35% <u>0.334249</u>
9 CONVERSION FACTOR INCL FEDERAL INCOME TAX ( LINE 7 - LINE 8 )	<u><u>0.620749</u></u>

*Amounts presented in bold italic type have changed since the September 1, 2011 supplemental filing.*

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Puget Sound Energy  
Production Factor  
For the Twelve Months Ended 12/31/2010

Line	Description	Production Amount
1	TEST YEAR <u>BILLED</u> LOAD	21,033,671,724
2	CHANGE IN UNBILLED KWHS ( <i>positive for the period</i> )	<u>(125,288,128)</u>
3	TEST YEAR CORE DELIVERED LOAD BEFORE PROFORMA/RESTATING	
4	ADJUSTMENTS ( <i>agrees to Sales of Electricity Report- Total Retail Sales</i> )	20,908,383,596
5	PROFORMA ADJUSTMENTS ( <i>temp norm</i> )	<u>234,916,406</u>
6		
7	TOTAL ADJUSTED TEST YEAR <u>DELIVERED</u> LOAD	<u>21,143,300,002</u> ①
8	FORECASTED RATE YEAR KWH	<u>21,596,717,808</u>
9		
10	LINE 11 DIVIDED BY LINE 12	<b>0.97901</b> ⑥ ①
11		
12	PRODUCTION FACTOR= (1-LINE 14)	<b>0.02099</b>

Note: Amounts presented in bold italic have changed since the Sept 1, 2011 supplemental filing.