Puget Sound Energy P.O. Box 97034 Bellevue, WA 98009-9734 **PSE.com**

April 30, 2010

DELIVERED VIA COURIER

Mr. David Danner Executive Director and Secretary Washington Utilities and Transportation Commission 1300 S. Evergreen Park Drive SW Olympia, WA 98504-7250

RE: Electric Accounting Report Pursuant to WAC 480-100-257

Dear Mr. Danner:

Enclosed are an original and two copies of Puget Sound Energy, Inc.'s ("PSE" or "the Company") Electric Annual "Commission Basis" Results of Operations for the twelve-month period ended December 31, 2009. Workpapers supporting this filing are available upon request. These reports were prepared in compliance with the above-referenced WAC. The reports do not necessarily reflect all adjustments the Company would submit in a rate filing.

The restated calculations do not include any new theories or approaches which have not been previously addressed and resolved with the Commission by the Company. There are no pro-forma adjustments in accordance with WAC 480-100-257.

The results show a normalized overall rate of return of 6.11% and a return on actual common equity of 5.63%, compared with PSE's authorized rate of return of 8.25% overall and 10.15% on common equity.

If you have any questions, please feel free to call me at (425) 456-2105.

Sincerely,

Susan E. Free

Manager, Revenue Requirement

Enclosures

Commission Basis Report Cover Letter

Page 1.01

		2009 Electric
Restated Net Operating Income	\$	237,707,819 a
Restated Rate Base	\$	3,888,934,760 b
Normalized Overall Rate of Return		6.11% c=a/b
Restated Net Operating Income	\$	237,707,819 d=a
Restated Interest Expense	\$	126,779,273 e
Restated NOI less Restated Interest Exp	\$	110,928,546 f=d-e
Restated Rate Base Actual Equity Percent	\$	3,888,934,760 g=b 50.66% h
Equity Rate Base	\$	1,970,134,349 i=g*h
Restated Return on Actual Equity		5.63% j=f/i

PUGET SOUND ENERGY, INC.

Utility Capital Structure Cost of Capital and Rate of Return For The 12 Months Ending December 31, 2009

1	(A)	(B)	(C)	(D)	(E)
2 3 4				•	Weighted Cost of
5 6		Amount (i)	Ratio	<u>Cost</u>	<u>Capital</u>
7 8	Short Term Debt	\$241,506,181	3.79%	3.72%	0.14% (A)
9 10	Long Term Debt	\$2,901,443,333	45.55%	6.85%	3.12% (A)
11 12	Preferred Stock	\$236,175	0.00%	48.66%	0.00%
13 14	Common Stock	\$3,227,661,139	<u>50.66%</u>	10.15%	<u>5.14%</u>
15 16	Total	<u>\$6,370,846,828</u>	<u>100.00%</u>		<u>8.40%</u>
17 18	(i) - Average of Month-End Balances				
			Т	otal (A)	3.26%

PUGET SOUND ENERGY-ELECTRIC RESULTS OF OPERATIONS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 COMMISSION BASIS REPORT

LINE NO.			ACTUAL RESULTS OF DPERATIONS	A	TOTAL DJUSTMENTS	RESTATED RESULTS OF OPERATIONS
1	OPERATING REVENUES:					
2	SALES TO CUSTOMERS	\$	2,031,783,446	e.	(40,264,995)	1 1 0 0 1 5 1 9 4 5 1
3	SALES FROM RESALE-FIRM	Φ		Ф		
4	SALES TO OTHER UTILITIES		364,242 214,495,351		(3,338)	360,904 214,495,351
5	OTHER OPERATING REVENUES		(11,882,571)		341,612	(11,540,959)
6	TOTAL OPERATING REVENUES		2,234,760,468		(39,926,721)	2,194,833,747
7	TOTAL OF ENTITIES REVENUES		2,234,700,400		(39,920,721)	2,194,033,747
8	OPERATING REVENUE DEDUCTIONS:					
9	OF ENGLISHED REVERSE BEDOCTIONS.					
10	POWER COSTS:					
11	FUEL	\$	208,444,454	¢	4,112,310	212,556,764
12	PURCHASED AND INTERCHANGED	Ψ	946,712,526	Ψ	(27,047,875)	919,664,651
13	WHEELING		75,750,184		(27,047,075)	75,750,184
14	RESIDENTIAL EXCHANGE		(96,503,761)		96,503,761	.5,,50,10.
15	TOTAL PRODUCTION EXPENSES		1,134,403,403		73,568,196	1,207,971,599
16			1,10 1,102,102		, 0,000,100	1,201,571,055
17	OTHER POWER SUPPLY EXPENSES	\$	104,769,390	\$	(1,591,177)	103,178,213
18	TRANSMISSION EXPENSE	•	11,826,427	-	773,413	12,599,840
19	DISTRIBUTION EXPENSE		73,935,444		(277,410)	73,658,034
20	CUSTOMER ACCOUNT EXPENSES		49,192,791		(4,107,263)	45,085,528
21	CUSTOMER SERVICE EXPENSES		13,680,778		(11,560,953)	2,119,825
22	CONSERVATION AMORTIZATION		56,050,645		(56,049,149)	1,496
23	ADMIN & GENERAL EXPENSE		94,671,169		2,954,822	97,625,991
24	DEPRECIATION		175,363,375		_,,,	175,363,375
25	AMORTIZATION		42,870,401		_	42,870,401
26	AMORTIZ OF PROPERTY GAIN/LOSS		16,582,054		_	16,582,054
27	OTHER OPERATING EXPENSES		(12,238,492)		(66,161)	(12,304,653)
28	FAS 133		(1,253,631)		1,253,631	-
29	TAXES OTHER THAN F.I.T.		190,228,005		(73,250,848)	116,977,157
30	FEDERAL INCOME TAXES		(76,053,036)		68,405,426	(7,647,610)
31	DEFERRED INCOME TAXES		125,876,760		(42,832,082)	83,044,678
32	TOTAL OPERATING REV. DEDUCT.		1,999,905,483	\$	(42,779,555) \$	
33			, , ,	·	() () () ()	, , , , , , , , , , , , , , , , , , , ,
34	NET OPERATING INCOME	\$	234,854,985	\$	2,852,834	237,707,819
35					, ,	, ,
36	RATE BASE	\$	3,888,934,760	\$	- 9	3,888,934,760
37						
38	RATE OF RETURN		6.04%			6.11%
39						
40	RATE BASE:					
41	UTILITY PLANT IN SERVICE	\$	4,098,313,109	\$	- 5	4,098,313,109
42	DEFERRED DEBITS		283,620,223		_	283,620,223
43	DEFERRED TAXES		(602,379,391)		_	(602,379,391)
44	CONSERVATION TRUST		-		-	-
45	ALLOWANCE FOR WORKING CAPITAL		203,505,093		-	203,505,093
46	OTHER		(94,124,274)		-	(94,124,274)
47	TOTAL RATE BASE	\$	3,888,934,760	\$	- \$	

PUGET SOUND ENERGY-ELECTRIC STATEMENT OF OPERATING INCOME AND ADJUSTMENTS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 COMMISSION BASIS REPORT

LINE NO.		ACT	>>>>>>>>> UAL RESULTS OF OPERATIONS ME Dec 31, 2009	TE	>>>>>>>> MPERATURE RMALIZATION 2.01	1	>>>>>>> REVENUE EXPENSE 2.02	>>>	POWER COSTS 2.03		>>>>>>> SALES FOR RESALE - SEC 2.04		FEDERAL	TAX BENEFIT OF INTEREST 2.06		>>>>>>>> PASS-THROUGH VENUE & EXPENSI 2.07	>>>>>>> BAD DEBTS 2.08
l 2	OPERATING REVENUES SALES TO CUSTOMERS	\$	2,031,783,446	\$	(27,725,996)	\$	33,977,990	\$		\$	-	\$	- 5	s	- \$	(46,516,989) \$	-
3	SALES FROM RESALE-FIRM		364,242		(3,338)		-										
4	SALES TO OTHER UTILITIES		214,495,351								-					•	
5	OTHER OPERATING REVENUES		(11,882,571)								-					341,612	
6	TOTAL OPERATING REVENUES	\$	2,234,760,468	\$	(27,729,334)	\$	33,977,990	\$	•	\$	• -	\$	- 5	5	- \$	(46,175,377) \$	-
7																	
8	OPERATING REVENUE DEDUCTIONS:																
9																	
10	POWER COSTS:															•	
11	FUEL	\$	208,444,454	\$	•	\$	-	\$				\$	- \$	3	- \$	- \$	-
12	PURCHASED AND INTERCHANGED		946,712,526						(27,047,875)								
13	WHEELING		75,750,184						-								
14	RESIDENTIAL EXCHANGE	-	(96,503,761)						-			_				96,503,761	
15	TOTAL PRODUCTION EXPENSES	\$	1,134,403,403	\$	•	\$	-	\$	(22,935,565)	5	-	\$	- \$	3	- \$	96,503,761 \$	-
16 17	OTHER POWER SUPPLY EXPENSES	\$	104 7/0 200	•		_		•								(* 100 000)	
18	TRANSMISSION EXPENSE	Φ	104,769,390	Þ	-	\$	-	\$	-			\$	- \$	i	- \$	(1,482,998) \$	-
	*		11,826,427						-								-
19 20	DISTRIBUTION EXPENSE		73,935,444		4444 400		4.00.000										-
21	CUSTOMER ACCTS EXPENSES CUSTOMER SERVICE EXPENSES		49,192,791		(106,009)		129,898									(176,528)	(4,116,065)
22			13,680,778													(11,588,132)	
23	CONSERVATION AMORTIZATION ADMIN & GENERAL EXPENSE		\$6,050,645		(55,459)		(2.05)									(56,049,149)	
24	DEPRECIATION		94,671,169		(33,439)		67,956									(150,193)	
	AMORTIZATION		175,363,375														
26	AMORTIZ OF PROPERTY GAIN/LOSS		42,870,401 16,582,054														
27	OTHER OPERATING EXPENSES		(12,238,492)														
	FAS 133		(1,253,631)														
29	TAXES OTHER THAN F.I.T.	*	190,228,005		(1,069,853)		1,310,939									(73,620,560)	
30	FEDERAL INCOME TAXES		(76,053,036)		(9,274,305)		11,364,219		8,027,448		_		54,710,868	3,277,460		135,947	1,440,623
31	DEFERRED INCOME TAXES		125,876,760		(7,274,505)		11,507,217		0,027,440				(42,393,311)	5,277,400		155,747	1,440,023
32	TOTAL OPERATING REV. DEDUCT.	<u>s</u>	1,999,905,483	\$	(10,505,626)	5	12,873,012	<u></u>	(14,908,117)	\$			12,317,557 \$	3,277,460	\$	(46,427,852) \$	(2,675,442)
33		•	1,777,700,100	•	(10,505,020)	•	12,070,012	. •	(11,500,117)	Ψ		Ψ.	12,511,557	J,277, 100		(10,121,002)	(2,070,712)
	NET OPERATING INCOME	\$	234,854,985	\$	(17,223,708)	\$	21,104,978	s	14,908,117	\$	_	s	(12,317,557) \$	(3,277,460) \$	252,475 \$	2,675,442
35			,,		(,,,	-	_ ,,,,	•	,	-		•	(,,,	(0,217,100	, •	,	_,,,,,,_
36	RATE BASE	\$	3,888,934,760	\$	_	\$	-	\$	-	S		\$	- \$			\$	-
37																	
38	RATE OF RETURN		6.04%														
39																	
40	RATE BASE:																
41	UTILITY PLANT IN SERVICE	\$	4,098,313,109	\$		\$	-	s		\$	-	\$	- S		- \$	- \$	
42	DEFERRED DEBITS		283,620,223							-			_		_		
43	DEFERRED TAXES		(602,379,391)														
44	CONSERVATION TRUST												•			-	
45	ALLOWANCE FOR WORKING CAPITAL		203,505,093		•												
46	OTHER		(94,124,274)														
47	TOTAL RATE BASE	\$	3,888,934,760	\$	-	\$	-	\$		\$	-	\$	- \$. \$	- \$	-

PUGET SOUND ENERGY-ELECTRIC STATEMENT OF OPERATING INCOME AND ADJUSTMENTS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 COMMISSION BASIS REPORT

LINE NO.			SCELLANEOUS RATING EXPENSE 2.09		XCISE TAX & FILING FEE 2.10	n	D&O NSURANCE 2.11		MONTANA NERGY TAX 2.12		INTEREST ON UST DEPOSITS 2.13	5	SFAS 133 2,14	PENSION PLAN 2.15		INCENTIVE PAY	ΑI	TOTAL DJUSTMENTS
			2.07		2.10				<i>L</i> .12		2.13		L, 14)	4.15		2.16		
	OPERATING REVENUES																	
2	SALES TO CUSTOMERS	\$	-	\$	-	\$	-	\$	-	\$	- '	\$	- \$	-			\$	(40,264,995)
3	SALES FROM RESALE-FIRM																	(3,338)
4	SALES TO OTHER UTILITIES																	-
5	OTHER OPERATING REVENUES																	341,612
6	TOTAL OPERATING REVENUES	\$	-	\$	-	\$	-	\$	-	\$	-	S	~ \$	-			S	(39,926,721)
7																		
8	OPERATING REVENUE DEDUCTIONS	S:																
9																		
10	POWER COSTS:																	
11	FUEL	\$	-	\$	-	\$	-	\$	-	\$	- :	\$	- \$	-			\$	4,112,310
12	PURCHASED AND INTERCHANGED															-		(27,047,875)
13	WHEELING																	-
14	RESIDENTIAL EXCHANGE																	96,503,761
15	TOTAL PRODUCTION EXPENSES	\$	•	\$	-	\$	-	\$	-	\$	- :	\$	~ \$	-	\$	-	\$	73,568,196
16																		
17	OTHER POWER SUPPLY EXPENSES	\$	-	\$	-	\$	-	\$	-	\$	- :	\$	- S	-	\$	(108,179)	\$	(1,591,177)
18	TRANSMISSION EXPENSE															773,413		773,413
19	DISTRIBUTION EXPENSE															(277,410)		(277,410)
20	CUSTOMER ACCTS EXPENSES										83,328					78,113		(4,107,263)
21	CUSTOMER SERVICE EXPENSES															27,179		(11,560,953)
22	CONSERVATION AMORTIZATION															21,117		(56,049,149)
23	ADMIN & GENERAL EXPENSE		(22,589)		-		1,821							2,745,029		368,257		2,954,822
24	DEPRECIATION						•							_,,		,		_,,,,,,
25	AMORTIZATION																	_
26	AMORTIZ OF PROPERTY GAIN/LOSS																	_
27	OTHER OPERATING EXPENSES		(66,161)															(66,161)
28	FAS 133												1,253,631					1,253,631
29	TAXES OTHER THAN F.I.T.				59,320				(4,587)				,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,,			73,893		(73,250,848)
30	FEDERAL INCOME TAXES		31,063		(20,762)		(637)		1,605					(960,760)		(327,343)		68,405,426
31	DEFERRED INCOME TAXES		•		(-, ,		(/		-,				(438,771)	(500), 00)		(02.,0.0)		(42,832,082)
32	TOTAL OPERATING REV. DEDUCT.	<u>s</u>	(57,687)	\$	38,558	\$	1,184	ŝ	(2,982)	\$	83,328	<u>. </u>	814,860 \$	1,784,269	\$	607,923	\$	(42,779,555)
33		•	(21,001)	•	20,220	•	.,	•	(4)/00/	•	05,520	•	01 1,500 W	1,701,207	•	001,725	•	(42,175,555)
	NET OPERATING INCOME	\$	57,687	\$	(38,558)	s	(1,184)	\$	2,982	s	(83,328) \$	ŝ	(814,860) \$	(1,784,269)	2	(607,923)	ç	2,852,834
35		•	07,007	*	(20,550)	*	(1,104)	Ψ.	-,702	•	(03,320)	•	(017,000) \$	(1,707,209)	ų.	(007,523)	J	2,032,034
	RATE BASE	\$	_	\$	·-	s	_	\$		s	- 5	ì	- \$	_	\$	-	ς	
37		-			•	¥	-	Ψ	-	-	- 4	•	- 4	-	φ	-	9	•
	RATE OF RETURN																	
39	ICHEOI REIORIA																	
	RATE BASE:																	
		e		٠		e.		an an		ø			,				•	
41	UTILITY PLANT IN SERVICE	\$	-	\$	*	Þ	-	\$	-	\$	9	Þ	- \$	•			\$	•
42	DEFERRED DEBITS																	•
43	DEFERRED TAXES																	-
44	CONSERVATION TRUST																	-
45	ALLOWANCE FOR WORKING CAPIT	AĿ									14							*
46	OTHER TOTAL BATE BASE							•		•		_			_		_	
47	TOTAL RATE BASE			5	-	3		\$	-	\$	- 9	<u> </u>	<u>- \$</u>	•	\$		3	-

PUGET SOUND ENERGY-ELECTRIC TEMPERATURE NORMALIZATION FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 COMMISSION BASIS REPORT

TEMPERATURE NORMALIZATION ADJUSTMENT: Company	NO.	DESCRIPTION					
Section	1	TEMPERATURE NORMALIZATION ADJ	<u>USTMENT:</u>				
Section Sect	2		ACTUAL	TEMP ADJ	MWH	ADJ FOR LOSSES	
Feb-09	3		GPI MWH	<u>GPI MWH</u>	<u>CHANGE</u>	<u>6.7%</u>	
Mar-09	4	Jan-09	2,431,465		(74,035)	•	
Apr-09	5	Feb-09	2,068,362	2,040,743	(27,619)	(25,769)	
Nay-09	6	Mar-09	2,209,113	2,092,054	(117,059)	(109,216)	
November	7	Apr-09	1,832,139		(20,958)	• • • •	
10	8	May-09	1,711,392		2,193	2,046	
11	9		1,621,417				
12	10	Jul-09	1,777,056	1,732,331	(44,725)	(41,728)	
13	11	Aug-09	1,697,717	1,700,096	2,379	2,220	
14	12	Sep-09	1,643,927	1,645,959	2,032	1,896	
Dec-09 2,551,452 2,476,798 (74,654) (69,652)	13	Oct-09	1,871,402	1,867,878	(3,524)	(3,288)	
16	14	Nov-09	2,027,012	2,077,888	50,876	47,467	
17 18 REVENUE ADJUSTMENT: Schedule 7 19 Schedule 24 20 Schedule 25 20 Schedule 25 21 Schedule 26 22 Schedule 29 23 Schedule 31 24 Schedule 31 25 Schedule 43 26 Schedule 43 27 INCREASE (DECREASE) SALES TO CUSTOMERS 29 UNCOLLECTIBLES @ 30 ANNUAL FILING FEE @ 31 INCREASE (DECREASE) TAXES OTHER 30 INCREASE (DECREASE) OPERATING INCOME 31 INCREASE (DECREASE) OPERATING INCOME 32 Schedule 31 33 INCREASE (DECREASE) FIT @ 35% 36 INCREASE (DECREASE) FIT @ 35% 36 INCREASE (DECREASE) FIT @ 35% 37 INCREASE (DECREASE) FIT @ 35% 36 INCREASE (DECREASE) FIT @ 36 INCREASE (DECREASE) FIT @ 37 (9,274,305)	15	Dec-09_					
REVENUE ADJUSTMENT: Schedule 7 (220,663) \$ (22,516,893) (24,448,545) (28,411) (2,448,545) (24,48,545) (26,306) (1,672,773) (26,306) (1,672,773) (26,306) (1,672,773) (27,773) (27,776) (486,503) (22,516,893) (26,306) (1,672,773) (22,516,893) (26,306) (1,672,773) (26,306) (26,306) (26,306) (26,306) (26,306) (26,306) (26,498,013) (26,498,	16		23,442,454	23,127,246	(315,208)	(294,089)	
19	17						
Schedule 25	18	REVENUE ADJUSTMENT:	Schedule 7		, , ,		
Schedule 26 (7,976) (486,503)	19		Schedule 24		, - ,	·	
Schedule 29	20	· ·	Schedule 25		(26,306)	* .	
Schedule 31	21	;	Schedule 26		(7,976)	(486,503)	
24 Schedule 43 (4,143) (229,513) 25 Schedule 40 (2,210) (121,142) 26 Firm Resale (95) (3,338) 27 INCREASE (DECREASE) SALES TO CUSTOMERS (294,087) \$ (27,729,334) \$ (27,729,334) 28 UNCOLLECTIBLES @ 0.0038230 \$ (106,009) \$	22	:	Schedule 29		(244)	(12,746)	
Schedule 40	23	:	Schedule 31		(4,039)	(237,881)	
Firm Resale (95) (3,338)	24	. ;	Schedule 43		(4,143)	(229,513)	
27 INCREASE (DECREASE) SALES TO CUSTOMERS (294,087) \$ (27,729,334) \$ (27,72	25	· · · · · · · · · · · · · · · · · · ·	Schedule 40				
28 29 UNCOLLECTIBLES @ 0.0038230 \$ (106,009) 30 ANNUAL FILING FEE @ 0.0020000 (55,459) 31 INCREASE (DECREASE) EXPENSE (161,468) 32 33 STATE UTILITY TAX @ 0.0385820 \$ (1,069,853) 34 INCREASE (DECREASE) TAXES OTHER (1,069,853) 35 36 INCREASE (DECREASE) OPERATING INCOME (26,498,013) 37 38 INCREASE (DECREASE) FIT @ 35% (9,274,305)	26		Firm Resale	_	(95)		
29 UNCOLLECTIBLES @ 0.0038230 \$ (106,009) 30 ANNUAL FILING FEE @ 0.0020000 (55,459) 31 INCREASE (DECREASE) EXPENSE (161,468) 32 33 STATE UTILITY TAX @ 0.0385820 \$ (1,069,853) 34 INCREASE (DECREASE) TAXES OTHER (1,069,853) 35 36 INCREASE (DECREASE) OPERATING INCOME (26,498,013) 37 38 INCREASE (DECREASE) FIT @ 35% (9,274,305)	27	INCREASE (DECREASE) SALES TO CUS	TOMERS		(294,087)	\$ (27,729,334)	\$ (27,729,334)
30 ANNUAL FILING FEE @ 0.0020000 (55,459) 31 INCREASE (DECREASE) EXPENSE (161,468) 32 33 STATE UTILITY TAX @ 0.0385820 \$ (1,069,853) 34 INCREASE (DECREASE) TAXES OTHER (1,069,853) 35 36 INCREASE (DECREASE) OPERATING INCOME (26,498,013) 37 38 INCREASE (DECREASE) FIT @ 35% (9,274,305)	28						
31 INCREASE (DECREASE) EXPENSE 32 33 STATE UTILITY TAX @ 0.0385820 \$ (1,069,853) 34 INCREASE (DECREASE) TAXES OTHER (1,069,853) 35 36 INCREASE (DECREASE) OPERATING INCOME (26,498,013) 37 38 INCREASE (DECREASE) FIT @ 35% (9,274,305)	29						
32 33 STATE UTILITY TAX @ 0.0385820 \$ (1,069,853) 34 INCREASE (DECREASE) TAXES OTHER (1,069,853) 35 36 INCREASE (DECREASE) OPERATING INCOME (26,498,013) 37 38 INCREASE (DECREASE) FIT @ 35% (9,274,305)	30	ANNUAL FILING FEE @		•	0.0020000	(55,459)	
33 STATE UTILITY TAX @ 0.0385820 \$ (1,069,853) 34 INCREASE (DECREASE) TAXES OTHER (1,069,853) 35 36 INCREASE (DECREASE) OPERATING INCOME (26,498,013) 37 38 INCREASE (DECREASE) FIT @ 35% (9,274,305)	31	INCREASE (DECREASE) EXPENSE					(161,468)
34 INCREASE (DECREASE) TAXES OTHER 35 36 INCREASE (DECREASE) OPERATING INCOME 37 38 INCREASE (DECREASE) FIT @ 35% (1,069,853) (26,498,013) (26,498,013)	32			•			
35 36 INCREASE (DECREASE) OPERATING INCOME 37 38 INCREASE (DECREASE) FIT @ 35% (9,274,305)	33	STATE UTILITY TAX @			0.0385820	\$ (1,069,853)	
36 INCREASE (DECREASE) OPERATING INCOME (26,498,013) 37 (26,498,013) 38 INCREASE (DECREASE) FIT @ 35% (9,274,305)	34	INCREASE (DECREASE) TAXES OTHER					(1,069,853)
37 38 INCREASE (DECREASE) FIT @ 35% (9,274,305)	35						
38 INCREASE (DECREASE) FIT @ 35% (9,274,305)	36	INCREASE (DECREASE) OPERATING IN	NCOME				(26,498,013)
	37						
39 INCREASE (DECREASE) NOI <u>\$ (17,223,708)</u>	38				35%		(9,274,305)
	39	INCREASE (DECREASE) NOI					\$ (17,223,708)

PUGET SOUND ENERGY-ELECTRIC REVENUE & EXPENSE RESTATING FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 COMMISSION BASIS REPORT

NO.	DESCRIPTION		AMOUNT	AD	JUSTMENT
1	SALES TO CUSTOMERS:				
2	RESTATING ADJUSTMENTS:				
3	TRUE UP UNBILLED REVENUE	\$	(564,018)		
4	ADD BACK PRODUCTION TAX CREDIT		34,542,008	_	
5					
6					
7	INCREASE (DECREASE) SALES TO CUSTOMERS		33,977,990	_	
8					
9	INCREASE (DECREASE) REVENUES			\$	33,977,990
10					
11	UNCOLLECTIBLES @ 0.0038236) \$	129,898		
12	ANNUAL FILING FEE @ 0.0020000)	67,956	_	
13	INCREASE (DECREASE) EXPENSE			_	197,854
14					
15	STATE UTILITY TAX @ 0.0385820	\$	1,310,939	_	
16	INCREASE (DECREASE) TAXES OTHER				1,310,939
17					
18	INCREASE (DECREASE) OPERATING INCOME				32,469,197
19					
20	INCREASE (DECREASE) FIT @ 35%)			11,364,219
21	INCREASE (DECREASE) NOI			\$	21,104,978

PUGET SOUND ENERGY-ELECTRIC POWER COSTS

LINE					J	NCREASE	
NO.	DESCRIPTION		ACTUAL		RESTATED	<u>(I</u>	DECREASE)
1	PRODUCTION EXPENSES						
1	PRODUCTION EXPENSES:	Φ		Ф	010 554 544	Ф	4.110.010
2	FUEL	\$	208,444,454	\$	212,556,764	\$	4,112,310
3	PURCHASED AND INTERCHANGED:		946,712,526		923,183,349		(23,529,177)
4	PRUDENCE FROM UE-921262		-		(2,264,377)		(2,264,377)
5	TENASKA DISALLOWANCE FROM UE-031725		-		(992,732)		(992,732)
6	SCHEDULE G DISALLOWANCE				(261,589)		(261,589)
7	WHEELING		75,750,184		75,750,184		-
8	HYDRO AND OTHER POWER		104,769,390		104,769,390		-
. 9	TRANS. EXP. INCL. 500KV O&M		1,338,526		1,338,526		-
10	SALES FOR RESALE		(214,495,351)		(214,495,351)		-
11	PURCHASES/SALES OF NON-CORE GAS		46,625,807		46,625,807		-
12	WHEELING FOR OTHERS		(5,497,349)		(5,497,349)		-
13	SUBTOTAL	\$	1,163,648,187	\$	1,140,712,622	\$	(22,935,565)
14							
15	LESS: SALES FOR RESALE		214,495,351		214,495,351		_
16	LESS: WHEELING FOR OTHERS		5,497,349		5,497,349		-
17	SCH. 94 - RES./FARM CREDIT		(96,503,761)		(96,503,761)		-
18	TOTAL	\$	1,287,137,126	\$	1,264,201,561	\$	(22,935,565)
19	TRANS. EXP. INCL. 500KV O&M		(1,338,526)				, , ,
20	PURCHASES/SALES OF NON-CORE GAS		(46,625,807)				
21	POWER COSTS PER G/L	\$	1,239,172,793				
22	INCREASE(DECREASE) INCOME		,,			\$	22,935,565
23						•	
24	INCREASE(DECREASE) FIT @		35%				8,027,448
25	INCREASE(DECREASE) NOI		32,0			\$	14,908,117

PUGET SOUND ENERGY-ELECTRIC SALES FOR RESALE - SECONDARY FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 COMMISSION BASIS REPORT

NO.	DESCRIPTION	AMOUNT	ADJUS	STMENT
1	RESTATED SALES FOR RESALE - OTHER UTILITIES	\$ 214,495,351		
2	ACTUAL SALES FOR RESALE - OTHER UTIL.	214,495,351		
3	INCREASE (DECREASE) REVENUES - OTHER UTILITIES		\$	<u>.</u>
4				
5				
6	INCREASE (DECREASE) FIT @	35%		_
7	INCREASE (DECREASE) NOI		\$	_

PUGET SOUND ENERGY-ELECTRIC FEDERAL INCOME TAX

I	J	N	K

NO.	DESCRIPTION	AMOUNT
1	TAXABLE INCOME	\$ (58,402,343)
2		
3	FEDERAL INCOME TAX @ 35%	\$ (20,440,820)
4	DEFERRED FIT - DEBIT	119,858,495
5	DEFERRED FIT - CREDIT	(36,375,046)
6	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT.	
7	TOTAL RESTATED FIT	\$ 63,042,629
8		
9	FIT PER BOOKS:	
10	CURRENTLY PAYABLE	\$ (75,151,688)
11	DEFERRED FIT - DEBIT	182,480,508
12	DEFERRED FIT - CREDIT	(56,603,748)
13	DEFERRED FIT - INV TAX CREDIT, NET OF AMORT.	
14	TOTAL CHARGED TO EXPENSE	\$ 50,725,072
15		
16	INCREASE(DECREASE) FIT (LINE 3 - LINE 10)	54,710,868
17	INCREASE(DECREASE) DEFERRED FIT (LINES 4 + 5 + 6 - 11 - 12 - 13)	 (42,393,311)
18	INCREASE(DECREASE) NOI	\$ (12,317,557)

PUGET SOUND ENERGY-ELECTRIC TAX BENEFIT OF RESTATED INTEREST FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 COMMISSION BASIS REPORT

NO.	DESCRIPTION		AMOUNT
1	RATE BASE	\$ 3,888,934,760	
2		 	
3	WEIGHTED COST OF DEBT	3.26%	
4	RESTATED INTEREST		\$ 126,779,273
5			
6	INTEREST EXPENSE ITEMS PER BOOKS:		
7	INTEREST ON LONG TERM DEBT	\$ 125,231,543	
8	AMORTIZATION OF DEBT DISCOUNT		
9	AND EXPENSE, NET OF PREMIUMS	4,881,910	
10	INTEREST ON DEBT TO ASSOCIATED COMPANIE	171,291	
11	OTHER INTEREST EXPENSE	5,942,028	
12	LESS: INTEREST ON CUSTOMER DEPOSITS	(83,328)	
13	CHARGED TO EXPENSE IN TEST YEAR		136,143,444
14		_	_
15	INCREASE (DECREASE) INCOME	_	\$ 9,364,171
16		•	
17	INCREASE (DECREASE) FIT @	35%	\$ 3,277,460
18			
19	INCREASE (DECREASE) NOI	<u>.</u> _	\$ (3,277,460)
20		•	
21			

PUGET SOUND ENERGY-ELECTRIC PASS-THROUGH REVENUE & EXPENSE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 COMMISSION BASIS REPORT

NO.	DESCRIPTION	AMOUNT	ΑI	JUSTMENT
1	REMOVE REVENUES ASSOCIATED WITH RIDERS:			
2	REMOVE CONSERVATION RIDER - SCHEDULE 120		\$	58,655,760
3	REMOVE MUNICIPAL TAXES - SCHEDULE 81			74,702,272
4	REMOVE LOW INCOME RIDER - SCHEDULE 129			11,183,220
5	REMOVE RESIDENTIAL EXCHANGE - SCH 194			(100,955,580)
6	GREEN POWER - SCH 135/136 (TAGS ELIM IN PAGE 4.03)			2,931,317
7	GREEN POWER - SCH 135/136 ELIMINATE UNDER EXPENSED			(341,612)
8	TOTAL (INCREASE) DECREASE REVENUES		\$	46,175,377
9				
10	DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:			
11	BAD DEBTS	0.0038230		(176,528)
12	ANNUAL FILING FEE	0.0020000		(92,351)
13	STATE UTILITY TAX	0.0385820		(1,781,538)
14	TOTAL			(2,050,417)
15				
16	REMOVE EXPENSES ASSOCIATED WITH RIDERS			
17	REMOVE CONSERVATION AMORTIZATON - SCHEDULE 120		\$	(56,049,149)
18	REMOVE MUNICIPAL TAXES - SCHEDULE 81			(71,819,110)
19	REMOVE LOW INCOME AMORTIZATION - SCHEDULE 129			(10,678,570)
20	REMOVE RESIDENTIAL EXCHANGE - SCH 194			96,503,761
20	GREEN POWER - SCH 135/136 TAGS CHARGED TO 557			(1,482,998)
21	GREEN POWER - SCH 135/136 CHARGED TO 908/909			(909,562)
22	GREEN POWER - SCH 135/136 BENEFITS PORTION OF ADMIN			(57,842)
23	GREEN POWER - SCH 135/136 TAXES PORTION OF ADMIN			(19,912)
24	TOTAL INCREASE (DECREASE) EXPENSE		\$	(44,513,381)
25				
26	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT		\$	388,421
27	INCREASE (DECREASE) FIT			135,947
28	INCREASE (DECREASE) NOI		\$	252,474

PUGET SOUND ENERGY-ELECTRIC

BAD DEBTS

					OT	THER			PERCENT
LINE	2	NET	GROSS	SALES FOR	OPEI	RATING	SALES FOR	NET	WRITEOFFS
NO.	YEAR	WRITEOFF'S	REVENUES	RESALE OTHER	REV	VENUE	RESALE FIRM	REVENUES	TO REVENUE
1	12 MOS ENDED 12/31/2005	\$ 5,360,802	\$1,529,132,527	\$ 87,141,570	\$ 5	1,137,452	\$ 350,697	\$ 1,390,502,808	0.3855298%
2	12 MOS ENDED 12/31/2007	6,199,334	1,922,618,327	111,070,231	4	3,200,762	373,024	\$ 1,767,974,310	0.3506462%
3	12 MOS ENDED 12/31/2008	8,122,860	2,132,433,310	95,513,282	5	9,332,118	374,652	\$ 1,977,213,258	0.4108237%
4									
5	3-Yr Average of Net Write Off	Rate				•			0.3823000%
6									
7	Reporting Period Revenues		2,234,760,468	214,495,351	(1	1,882,571)	364,242	\$ 2,031,783,446	
8									
9	RESTATED BAD DEBT RAT	Œ						0.3823000%	
10	RESTATED BAD DEBTS							\$ 7,767,508	=
11									
12	UNCOLLECTIBLES CHARG	ED TO EXPENS	E IN TEST YEAR					11,883,573	
13	INCREASE (DECREASE) EX	PENSE					•		\$ (4,116,065)
14									
15	INCREASE (DECREASE) NO)I							\$ 4,116,065
16	INCREASE (DECREASE) FIT	Γ						35%	1,440,623
17	INCREASE (DECREASE) NO)]							\$ 2,675,442

PUGET SOUND ENERGY-ELECTRIC MISCELLANEOUS OPERATING EXPENSE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 COMMISSION BASIS REPORT

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NO.	DESCRIPTION	A	CTUAL	RES.	TATED	ADJ	USTMENT
1.	OPERATING EXPENSES						
2	AMORT OF DEFERRED TAXES OF INDIRECT OVERHEADS	•					
3	REGULATORY ASSET (WUTC DOC # UE-051527)	\$	66,161	\$	_	\$	(66,161)
4	COMPANY STORE- NET PURCHASE/SALES OF MERCHANDISE IN A&G		-	-	-		-
5	AIRPORT PARKING		12,549		_		(12,549)
6	ADVERTISING EXPENSES-CHARGED BELOW THE LINE		184		-		(184)
	ATHLETIC EVENTS - CHARGED ABOVE THE LINE		9,856		_		(9,856)
	INCREASE(DECREASE) IN EXPENSE	\$	88,750	\$	•	\$	(88,750)
							-
	TOTAL INCREASE(DECREASE) IN INCOME						88,750
	INCREASE (DECREASE) FIT @ 35%		35%				31,063
							
	INCREASE (DECREASE) NOI					\$	57,687

PUGET SOUND ENERGY-ELECTRIC EXCISE TAX & FILING FEE FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 COMMISSION BASIS REPORT

NO.	DESCRIPTION		AMOUNT		
1	RESTATED EXCISE TAXES		\$	78,854,422	
2	CHARGED TO EXPENSE FOR TEST YEAR			78,795,102	
3	INCREASE(DECREASE) EXCISE TAX		\$	59,320	
4					
5	RESTATED WUTC FILING FEE		\$	4,043,495	
6	CHARGED TO EXPENSE FOR TEST YEAR			4,043,495	
7	INCREASE(DECREASE) WUTC FILING FEE		\$	-	
8					
9	INCREASE(DECREASE) EXPENSE		\$	59,320	
10					
11	INCREASE(DECREASE) OPERATING INCOME		\$	(59,320)	
12					
13	INCREASE(DECREASE) FIT	35%	\$	(20,762)	
14	·			, ,	
15	INCREASE(DECREASE) NOI		\$	(38,558)	

PUGET SOUND ENERGY-ELECTRIC D&O INSURANCE

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 COMMISSION BASIS REPORT

NO.	DESCRIPTION	TE	ST YEAR	RI	ESTATED	ADJ	USTMENT
1	D & O INS. CHG EXPENSE	\$	399,490	\$	401,311	\$	1,821
2							
3	INCREASE (DECREASE) IN EXPENSE	\$	399,490	\$	401,311	\$	1,821
4							
5	INCREASE (DECREASE) OPERATING INCOME						(1,821)
6							
7	INCREASE (DECREASE) FIT @				35%		(637)
8							
9	INCREASE (DECREASE) NOI					\$	(1,184)

PUGET SOUND ENERGY-ELECTRIC MONTANA ENERGY TAX FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 COMMISSION BASIS REPORT

NO.	DESCRIPTION				A	AMOUNT
						_
1	RESTATED KWH		4,9	45,739,996		
2	TAX RATE	\$		0.00035		
3		<u> </u>				
4	RESTATED ENERGY TAX				\$	1,731,009
5	CHARGED TO EXPENSE					1,735,596
6	INCREASE (DECREASE) INCOME				\$	4,587
7						
8	INCREASE (DECREASE) FIT @	35%				1,605
9	INCREASE (DECREASE) NOI			,	\$	2,982

PUGET SOUND ENERGY-ELECTRIC INTEREST ON CUSTOMER DEPOSITS FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 COMMISSION BASIS REPORT

11111111		
NO.	DESCRIPTION	AMOUNT
_		
1	INTEREST EXPENSE FOR TEST YEAR	\$ 83,328
2		
3		
4	INCREASE (DECREASE) NOI	\$ (83,328)

PUGET SOUND ENERGY-ELECTRIC SFAS 133

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 COMMISSION BASIS REPORT

NO.			ACTUAL	RESTATED	AD	JUSTMENT
1	FAS 133 OPERATING EXPENSE	\$	(1,253,631)	\$	- \$	1,253,631
2	INICDUACE (DECDEACE) IN EXPENSE	Ф.	(1.052.(21)	Ф.	Φ.	1.050.601
4	INCREASE (DECREASE) IN EXPENSE	\$	(1,253,631)	Ъ	- \$	1,253,631
5	INCREASE (DECREASE) OPERATING INC	OME				(1,253,631)
6						
7	INCREASE (DECREASE) DEFERRED FIT @	D)	35%			(438,771)
8			4			
9	INCREASE (DECREASE) NOI				\$	(814,860)

PUGET SOUND ENERGY-ELECTRIC

PENSION PLAN

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NO.	DESCRIPTION	ACTUAL	RESTATED		AD	JUSTMENT
						_
1	QUALIFIED RETIREMENT FUND	\$ 1,328,051	\$	4,372,113	\$	3,044,062
2	SERP PLAN	2,019,565		1,720,532		(299,033)
3						_
4	INCREASE (DECREASE) IN EXPENSE	\$ 3,347,616	\$	6,092,645	\$	2,745,029
5						
6	INCREASE (DECREASE) INCOME					(2,745,029)
7	INCREASE (DECREASE) FIT @			35%		(960,760)
8						
9	INCREASE (DECREASE) NOI				\$	(1,784,269)

PUGET SOUND ENERGY-ELECTRIC INCENTIVE PLAN

_	-	 	_
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		 4	н.

NO.	ESCRIPTION		ACTUAL		RESTATED		ADJUSTMENT	
1	INCENTIVE / MERIT PAY							
2	PURCHASED POWER	\$	-	\$	-	\$	_	
3	OTHER POWER SUPPLY		1,246,103		1,137,924		(108,179)	
4	TRANSMISSION		179,998		953,411		773,413	
5	DISTRIBUTION		1,283,788		1,006,378		(277,410)	
6	CUSTOMER ACCTS		777,512		855,625		78,113	
7	CUSTOMER SERVICE		79,338		106,517		27,179	
8	SALES		21,322		27,357		6,035	
9	ADMIN. & GENERAL		1,370,564		1,732,786		362,222	
10	INCREASE(DECREASE) IN EXPENSE	\$	4,958,625	\$	5,819,998	\$	861,373	
11								
12	PAYROLL TAXES ASSOCI WITH MERIT PAY		425,378		499,271		73,893	
13	INCREASE(DECREASE) IN EXPENSE	\$	5,384,003	\$	6,319,269	\$	935,266	
14								
15	INCREASE (DECREASE) INCOME						(935,266)	
16	INCREASE (DECREASE) FIT @				35%		(327,343)	
17								
18	INCREASE (DECREASE) NOI					\$	(607,923)	

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PUGET SOUND ENERGY-ELECTRIC CONVERSION FACTOR FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 COMMISSION BASIS REPORT

NO.	DESCRIPTION		RATE
1	BAD DEBTS		0.003823
2	ANNUAL FILING FEE		0.002000
3	STATE UTILITY TAX ((1 - LINE 1) * 3.873%)	3.873%	0.038582
4		***************************************	
5	SUM OF TAXES OTHER		0.044405
6			
7	FEDERAL INCOME TAX ((1 - LINE 5) * 35%)	35%	0.334458
8	CONVERSION FACTOR (1-(LINE 5+LINE 7))		0.621137

PUGET SOUND ENERGY-ELECTRIC & GAS

FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009 ALLOCATION METHODS

<u>/letho</u>	Description		Electric	Gas	Total	
1	* 12 Month Average Number of Customers	12/31/2009	1,072,837	746,532	1,819,369	
•	Percent	:	58.97%	41.03%	100.00%	
2	* Joint Meter Reading Customers	12/31/2009	699,243	401,997	1,101,240	
	Percent		63.50%	36.50%	100.00%	
3	* Non-Production Plant					
	Distribution	12/31/2009	\$ 3,289,448,354 \$	2,394,728,325	\$ 5,684,176,679	
	Transmission	12/31/2009	379,628,593	-	379,628,593	
	Direct General Plant	12/31/2009	140,582,889	55,251,006	195,833,895	
	Total		\$3,809,659,836 \$	2,449,979,331	\$ 6,259,639,167	
	Percent		60.86%	39.14%	100.00%	
	1					
4	* 4-Factor Allocator					
	Number of Customers	12/31/2009	1,072,837	746,532	1,819,369	
	Percent		58.97%	41.03%	100.00%	
	Labor - Direct Charge to O&M	12/31/2009	46,338,531	22,750,831	\$ 69,089,362	
	Percent		67.07%	32.93%	100.00%	
	T&D O&M Expense (Less Labor)	12/31/2009	60,734,314	32,963,450	\$ 93,697,764	
	Percent		64.82%	35.18%	100.00%	
	Net Classified Plant (Excluding General (Common) Plant)	12/31/2009	3,687,001,111	1,709,512,381	5,396,513,492	
	Percent		68.32%	31.68%	100.00%	
	Total Percentages		259.18%	140.82%	400.00%	
	Percent		64.79%	35.21%	100.00%	
5	* Employee Benefits					
•	Direct Labor Accts 500-935	12/31/2009	48,940,260	23,815,913	72,756,172	
	Total	, ,	\$ 48,940,260 \$	23,815,913		
	Percent		67.27%	32.73%	100.00%	