



PUGET SOUND ENERGY

The Energy To Do Great Things

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

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	\$ 3,888,934,760	g=b
Actual Equity Percent	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
5	<u>Description</u>	<u>Amount (i)</u>	<u>Ratio</u>	<u>Cost</u>	<u>Cost of</u>	<u>Capital</u>
6						
7	Short Term Debt	\$241,506,181	3.79%	3.72%	0.14%	(A)
8						
9	Long Term Debt	\$2,901,443,333	45.55%	6.85%	3.12%	(A)
10						
11	Preferred Stock	\$236,175	0.00%	48.66%	0.00%	
12						
13	Common Stock	\$3,227,661,139	50.66%	10.15%	5.14%	
14						
15	Total	<u>\$6,370,846,828</u>	<u>100.00%</u>			<u>8.40%</u>
16						
17						
18	(i) - Average of Month-End Balances				Total (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 OPERATIONS	TOTAL ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS
1	<u>OPERATING REVENUES:</u>		
2	\$ 2,031,783,446	\$ (40,264,995)	\$ 1,991,518,451
3	364,242	(3,338)	360,904
4	214,495,351	-	214,495,351
5	(11,882,571)	341,612	(11,540,959)
6	<u>2,234,760,468</u>	<u>(39,926,721)</u>	<u>2,194,833,747</u>
7			
8	OPERATING REVENUE DEDUCTIONS:		
9			
10	<u>POWER COSTS:</u>		
11	\$ 208,444,454	\$ 4,112,310	\$ 212,556,764
12	946,712,526	(27,047,875)	919,664,651
13	75,750,184	-	75,750,184
14	(96,503,761)	96,503,761	-
15	<u>1,134,403,403</u>	<u>73,568,196</u>	<u>1,207,971,599</u>
16			
17	\$ 104,769,390	\$ (1,591,177)	\$ 103,178,213
18	11,826,427	773,413	12,599,840
19	73,935,444	(277,410)	73,658,034
20	49,192,791	(4,107,263)	45,085,528
21	13,680,778	(11,560,953)	2,119,825
22	56,050,645	(56,049,149)	1,496
23	94,671,169	2,954,822	97,625,991
24	175,363,375	-	175,363,375
25	42,870,401	-	42,870,401
26	16,582,054	-	16,582,054
27	(12,238,492)	(66,161)	(12,304,653)
28	(1,253,631)	1,253,631	-
29	190,228,005	(73,250,848)	116,977,157
30	(76,053,036)	68,405,426	(7,647,610)
31	<u>125,876,760</u>	<u>(42,832,082)</u>	<u>83,044,678</u>
32	\$ 1,999,905,483	\$ (42,779,555)	\$ 1,957,125,928
33			
34	\$ 234,854,985	\$ 2,852,834	\$ 237,707,819
35			
36	\$ 3,888,934,760	\$ -	\$ 3,888,934,760
37			
38	6.04%		6.11%
39			
40	RATE BASE:		
41	\$ 4,098,313,109	\$ -	\$ 4,098,313,109
42	283,620,223	-	283,620,223
43	(602,379,391)	-	(602,379,391)
44	-	-	-
45	203,505,093	-	203,505,093
46	(94,124,274)	-	(94,124,274)
47	<u>\$ 3,888,934,760</u>	<u>\$ -</u>	<u>\$ 3,888,934,760</u>

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

LINE

NO. DESCRIPTION

1	<u>TEMPERATURE NORMALIZATION ADJUSTMENT:</u>				
2		ACTUAL	TEMP ADJ	MWH	ADJ FOR LOSSES
3		GPI MWH	GPI MWH	CHANGE	6.7%
4	Jan-09	2,431,465	2,357,430	(74,035)	(69,075)
5	Feb-09	2,068,362	2,040,743	(27,619)	(25,769)
6	Mar-09	2,209,113	2,092,054	(117,059)	(109,216)
7	Apr-09	1,832,139	1,811,181	(20,958)	(19,554)
8	May-09	1,711,392	1,713,585	2,193	2,046
9	Jun-09	1,621,417	1,611,303	(10,114)	(9,436)
10	Jul-09	1,777,056	1,732,331	(44,725)	(41,728)
11	Aug-09	1,697,717	1,700,096	2,379	2,220
12	Sep-09	1,643,927	1,645,959	2,032	1,896
13	Oct-09	1,871,402	1,867,878	(3,524)	(3,288)
14	Nov-09	2,027,012	2,077,888	50,876	47,467
15	Dec-09	2,551,452	2,476,798	(74,654)	(69,652)
16		23,442,454	23,127,246	(315,208)	(294,089)
17					
18	REVENUE ADJUSTMENT:	Schedule 7		(220,663)	\$ (22,516,893)
19		Schedule 24		(28,411)	(2,448,545)
20		Schedule 25		(26,306)	(1,672,773)
21		Schedule 26		(7,976)	(486,503)
22		Schedule 29		(244)	(12,746)
23		Schedule 31		(4,039)	(237,881)
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					
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)
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

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	SALES TO CUSTOMERS:		
2	<u>RESTATING ADJUSTMENTS:</u>		
3	TRUE UP UNBILLED REVENUE	\$ (564,018)	
4	ADD BACK PRODUCTION TAX CREDIT	<u>34,542,008</u>	
5			
6			
7	INCREASE (DECREASE) SALES TO CUSTOMERS	<u>33,977,990</u>	
8			
9	INCREASE (DECREASE) REVENUES		\$ 33,977,990
10			
11	UNCOLLECTIBLES @	0.0038230 \$ 129,898	
12	ANNUAL FILING FEE @	0.0020000 <u>67,956</u>	
13	INCREASE (DECREASE) EXPENSE		197,854
14			
15	STATE UTILITY TAX @	0.0385820 \$ <u>1,310,939</u>	
16	INCREASE (DECREASE) TAXES OTHER		<u>1,310,939</u>
17			
18	INCREASE (DECREASE) OPERATING INCOME		32,469,197
19			
20	INCREASE (DECREASE) FIT @	35%	<u>11,364,219</u>
21	INCREASE (DECREASE) NOI		<u>\$ 21,104,978</u>

**PUGET SOUND ENERGY-ELECTRIC
POWER COSTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009
COMMISSION BASIS REPORT**

LINE NO. DESCRIPTION	ACTUAL	RESTATED	INCREASE (DECREASE)
1 PRODUCTION EXPENSES:			
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			<u>\$ 14,908,117</u>

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

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

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

LINE 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	<u>\$ 63,042,629</u>
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	<u>\$ 50,725,072</u>
15		
16	INCREASE(DECREASE) FIT (LINE 3 - LINE 10)	54,710,868
17	INCREASE(DECREASE) DEFERRED FIT (LINES 4 + 5 + 6 - 11 - 12 - 13)	<u>(42,393,311)</u>
18	INCREASE(DECREASE) NOI	<u><u>\$ (12,317,557)</u></u>

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

LINE NO.	DESCRIPTION	AMOUNT
1	RATE BASE	\$ 3,888,934,760
2		
3	WEIGHTED COST OF DEBT	<u>3.26%</u>
4	RESTATED INTEREST	\$ 126,779,273
5		
6	<u>INTEREST EXPENSE ITEMS PER BOOKS:</u>	
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	<u>(83,328)</u>
13	CHARGED TO EXPENSE IN TEST YEAR	<u>136,143,444</u>
14		
15	INCREASE (DECREASE) INCOME	<u>\$ 9,364,171</u>
16		
17	INCREASE (DECREASE) FIT @	35% \$ 3,277,460
18		
19	INCREASE (DECREASE) NOI	<u>\$ (3,277,460)</u>
20		
21		

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

LINE NO.	DESCRIPTION	AMOUNT	ADJUSTMENT
1	<u>REMOVE REVENUES ASSOCIATED WITH RIDERS:</u>		
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		<u>\$ 46,175,377</u>
9			
10	<u>DECREASE REVENUE SENSITIVE ITEMS FOR DECREASE IN REVENUES:</u>		
11	BAD DEBTS	0.0038230	(176,528)
12	ANNUAL FILING FEE	0.0020000	(92,351)
13	STATE UTILITY TAX	0.0385820	<u>(1,781,538)</u>
14	TOTAL		<u>(2,050,417)</u>
15			
16	<u>REMOVE EXPENSES ASSOCIATED WITH RIDERS</u>		
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		<u>\$ (44,513,381)</u>
25			
26	INCREASE (DECREASE) OPERATING INCOME BEFORE FIT		\$ 388,421
27	INCREASE (DECREASE) FIT		135,947
28	INCREASE (DECREASE) NOI		<u>\$ 252,474</u>

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

LINE NO.	YEAR	NET WRITEOFF'S	GROSS REVENUES	SALES FOR RESALE	OTHER OPERATING REVENUE	SALES FOR RESALE FIRM	NET REVENUES	PERCENT WRITEOFFS TO REVENUE
1	12 MOS ENDED 12/31/2005	\$ 5,360,802	\$1,529,132,527	\$ 87,141,570	\$ 51,137,452	\$ 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	43,200,762	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	59,332,118	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	(11,882,571)	364,242	\$ 2,031,783,446	
8								
9	RESTATED BAD DEBT RATE						<u>0.3823000%</u>	
10	RESTATED BAD DEBTS						\$ 7,767,508	
11								
12	UNCOLLECTIBLES CHARGED TO EXPENSE IN TEST YEAR						<u>11,883,573</u>	
13	INCREASE (DECREASE) EXPENSE							\$ (4,116,065)
14								
15	INCREASE (DECREASE) NOI							\$ 4,116,065
16	INCREASE (DECREASE) FIT						35% <u>1,440,623</u>	
17	INCREASE (DECREASE) NOI							<u>\$ 2,675,442</u>

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

LINE NO. DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
1 <u>OPERATING EXPENSES</u>			
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
<u>INCREASE (DECREASE) NOI</u>			<u>\$ 57,687</u>

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

LINE NO.	DESCRIPTION	AMOUNT
1	RESTATED EXCISE TAXES	\$ 78,854,422
2	CHARGED TO EXPENSE FOR TEST YEAR	<u>78,795,102</u>
3	INCREASE(DECREASE) EXCISE TAX	\$ 59,320
4		
5	RESTATED WUTC FILING FEE	\$ 4,043,495
6	CHARGED TO EXPENSE FOR TEST YEAR	<u>4,043,495</u>
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	<u><u>\$ (38,558)</u></u>

PUGET SOUND ENERGY-ELECTRIC
D&O INSURANCE
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009
COMMISSION BASIS REPORT

LINE				
NO.	DESCRIPTION	TEST YEAR	RESTATED	ADJUSTMENT
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			<u>\$ (1,184)</u>

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

LINE NO.	DESCRIPTION	AMOUNT
1	RESTATED KWH	4,945,739,996
2	TAX RATE	<u>\$ 0.00035</u>
3		
4	RESTATED ENERGY TAX	\$ 1,731,009
5	CHARGED TO EXPENSE	<u>1,735,596</u>
6	INCREASE (DECREASE) INCOME	\$ 4,587
7		
8	INCREASE (DECREASE) FIT @ 35%	<u>1,605</u>
9	INCREASE (DECREASE) NOI	<u><u>\$ 2,982</u></u>

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

LINE			
NO.	DESCRIPTION		AMOUNT
1	INTEREST EXPENSE FOR TEST YEAR	\$	83,328
2			
3			
4	INCREASE (DECREASE) NOI	<u>\$</u>	<u>(83,328)</u>

PUGET SOUND ENERGY-ELECTRIC
SFAS 133
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009
COMMISSION BASIS REPORT

LINE NO.		ACTUAL	RESTATED	ADJUSTMENT
1	FAS 133 OPERATING EXPENSE	\$ (1,253,631)	\$ -	\$ 1,253,631
2				
3	INCREASE (DECREASE) IN EXPENSE	\$ (1,253,631)	\$ -	\$ 1,253,631
4				
5	INCREASE (DECREASE) OPERATING INCOME			(1,253,631)
6				
7	INCREASE (DECREASE) DEFERRED FIT @	35%		(438,771)
8				
9	INCREASE (DECREASE) NOI			<u>\$ (814,860)</u>

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

LINE NO.	DESCRIPTION	ACTUAL	RESTATED	ADJUSTMENT
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			<u>\$ (1,784,269)</u>

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

LINE NO.	DESCRIPTION	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			<u>\$ (607,923)</u>

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

LINE	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% <u>0.038582</u>
4		
5	SUM OF TAXES OTHER	0.044405
6		
7	FEDERAL INCOME TAX ((1 - LINE 5) * 35%)	35% <u>0.334458</u>
8	CONVERSION FACTOR (1 - (LINE 5 + LINE 7))	<u><u>0.621137</u></u>

PUGET SOUND ENERGY-ELECTRIC & GAS

**FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2009
ALLOCATION METHODS**

<u>Method</u>	<u>Description</u>		<u>Electric</u>	<u>Gas</u>	<u>Total</u>
1	* <u>12 Month Average Number of Customers</u>	12/31/2009	1,072,837	746,532	1,819,369
	Percent		58.97%	41.03%	100.00%
2	* <u>Joint Meter Reading Customers</u>	12/31/2009	699,243	401,997	1,101,240
	Percent		63.50%	36.50%	100.00%
3	* <u>Non-Production Plant</u>				
	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%
4	* <u>4-Factor Allocator</u>				
	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	* <u>Employee Benefits</u>				
	Direct Labor Accts 500-935	12/31/2009	48,940,260	23,815,913	72,756,172
	Total		\$ 48,940,260	\$ 23,815,913	\$ 72,756,172
	Percent		67.27%	32.73%	100.00%