

**EXHIBIT NO. \_\_\_(KJB-3)**  
**DOCKET NO. UE-14 \_\_\_**  
**PCA 12 COMPLIANCE**  
**WITNESS: KATHERINE J. BARNARD**

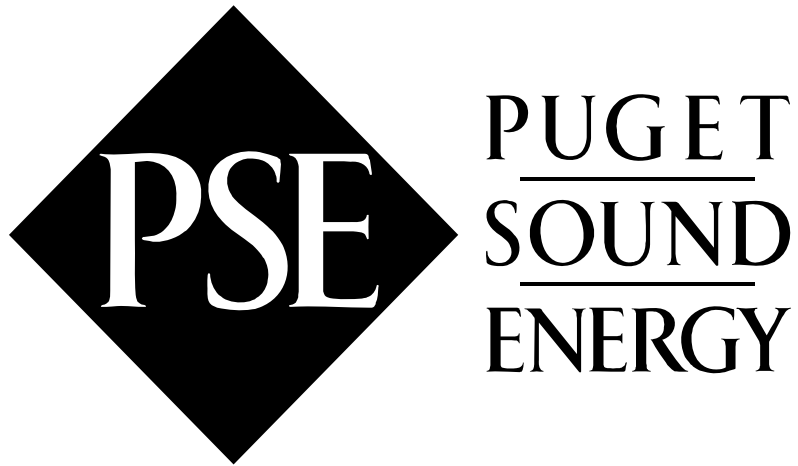
**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

**In the Matter of the Petition of  
PUGET SOUND ENERGY, INC.  
For Approval of its March 2014 Power Cost  
Adjustment Mechanism Report**

**Docket No. UE-14 \_\_\_**

**SECOND EXHIBIT (NONCONFIDENTIAL) TO THE  
PREFILED DIRECT TESTIMONY OF  
KATHERINE J. BARNARD  
ON BEHALF OF PUGET SOUND ENERGY, INC.**

**MARCH 31, 2014**



# **Power Cost Adjustment Mechanism Annual Report**

**PCA Period Twelve**

**Twelve Months Ended December 31, 2013**

**Puget Sound Energy  
Power Cost Adjustment Mechanism  
2013 Annual Report – PCA Period Twelve  
Twelve Months Ended December 31, 2013**

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## **Puget Sound Energy, Inc.**

Power Cost Adjustment Mechanism Annual  
Report for PCA Period Twelve  
Twelve Months Ended December 31, 2013

PCA Exhibits in Support of Updated Power Cost  
Rate  
From January 1 through December 31, 2013

PUGET SOUND ENERGY  
PCA MECHANISM ANNUAL REPORT - PCA 12  
TWELVE MONTHS ENDED DECEMBER 31, 2013

POWER COST ADJUSTMENT SUMMARY

	12 mo end 6.30.03	12 mo end 6.30.04	12 mo end 6.30.05	12 mo end 6.30.06	6 mo end 12.31.06	12 mo end 12.31.07	12 mo end 12.31.08	12 mo end 12.31.09	12 mo end 12.31.10	12 mo end 12.31.11	12 mo end 12.31.12	12 mo end 12.31.13	Cumulative PCA Periods
	PCA Period 1	PCA Period 2	PCA Period 3	PCA Period 4	PCA Period 5	PCA Period 6	PCA Period 7	PCA Period 8	PCA Period 9	PCA Period 10	PCA Period 11	PCA Period 12	
<b>Power Costs</b>													
Actual	844,964,750	902,349,264	959,374,104	1,062,847,820	596,418,335	1,222,865,320	1,328,115,191	1,404,869,953	1,373,029,096	1,351,667,527	1,291,380,391	1,274,102,997	13,611,984,748
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	1,386,507,507	1,317,033,978	1,311,927,834	13,647,522,823
Difference	1,838,340	29,563,279	9,961,645	(12,379,863)	(671,232)	(30,223,868)	(1,765,480)	30,280,987	36,176,520	(34,839,980)	(25,653,587)	(37,824,837)	(35,538,075)
Wholesale Customers	(10,042)	(11,956)	(4,085)	4,375	198	11,197	556	(10,889)	(12,992)	12,163	9,023	12,899	448
Total Cost Over Baseline	1,828,298	29,551,324	9,957,561	(12,375,488)	(671,033)	(30,212,670)	(1,764,924)	30,270,097	36,163,528	(34,827,818)	(25,644,564)	(37,811,938)	(35,537,627)
<b>Allocation of Power Costs</b>													
Company	1,828,298	24,775,662	9,957,560	(12,375,488)	(671,033)	(25,106,334)	(1,764,924)	25,135,049	28,081,764	(27,413,909)	(22,822,282)	(28,905,969)	(29,281,607)
Customers	-	4,775,662	-	0	-	(5,106,336)	0	5,135,049	8,081,764	(7,413,909)	(2,822,282)	(8,905,969)	(6,256,021)
Total Cost Allocated	1,828,298	29,551,324	9,957,560	(12,375,488)	(671,033)	(30,212,670)	(1,764,924)	30,270,097	36,163,528	(34,827,818)	(25,644,564)	(37,811,938)	(35,537,628)
<b>Customer Share Including Interest</b>													
Customer Share	-	4,775,662	-	0	-	(5,106,336)	0	5,135,049	8,081,764	(7,413,909)	(2,822,282)	(8,905,969)	(6,256,021)
Interest	-	59,851	318,471	633,013	97,549	(57,570)	(140,876)	(28,888)	228,424	235,834	(222,322)	(212,001)	911,485
Total Customer Share Including Interest	-	4,835,512	318,471	633,013	97,549	(5,163,907)	(140,876)	5,106,160	8,310,188	(7,178,074)	(3,044,604)	(9,117,970)	(5,344,536)

**PUGET SOUND ENERGY**  
**PCA MECHANISM ANNUAL REPORT - PCA 12**  
**TWELVE MONTHS ENDED DECEMBER 31, 2013**

**Exhibit A-1 Power Cost Rate Updated: 1/1/2013 - 12/31/2013**

Row	Test Year		
3	\$ 310,830,569		
4	93,217,988		
5	2,169,309,629		
6	\$ 2,573,358,186		
7	6.71% & 6.69%		
7A	6.70%		
8			
9			
9A		<u>Test Yr</u>	
		<u>\$/MWh</u>	
		<u>(l)</u>	
10	\$ 30,818,934	\$ 1.453	(c)
11	9,720,614	\$ 0.458	(a)
12	218,343,882	\$ 10.291	(a)
13	79,263,679	\$ 3.736	(c)
14	418,097,804	\$ 19.707	(c)
15	6,693,155	\$ 0.315	(a)
15a	5,283,578	\$ 0.249	(a)
15b	3,290,097	\$ 0.155	(a)
15c	1,689,108	\$ 0.080	(a)
15d	2,030,528	\$ 0.096	(a)
16	183,069,033	\$ 8.629	(c)
17	94,741,839	\$ 4.466	(c)
18	(10,099,319)	\$ (0.476)	(c)
19	127,100,135	\$ 5.991	(a)
20	(54,443,740)	\$ (2.566)	(c)
21	5,980,584	\$ 0.282	(c)
22	1,345,230	\$ 0.063	(a)
23	109,497,962	\$ 5.161	(a)
24	4,172,260	\$ 0.197	(a)
25	20,684,851	\$ 0.975	(c)
26	13,460,463	\$ 0.634	(a)
27	2,504,713	\$ 0.118	(a)
28	857,606	\$ 0.040	(c)
29	\$ 1,274,102,997	<b>\$ 60.054</b>	(b)
30	0.9549940		
31	\$ 1,334,147,646		
32	21,215,953	<-- includes Firm Wholesale	
33			
34		<u>Before Rev.</u>	<u>After Rev.</u>
35		<u>Sensitive Items</u>	<u>Sensitive Items</u>
36	Power Cost in Rates with Revenue Sensitive	<u>Rev Req (Column (l))</u>	
37	Items (the adjusted baseline)	\$ 60.054	\$ 62.884
38	sum of (a) = Fixed Rate Component	\$ 23.809	\$ 24.931
39	(b) = Power Cost Rate	\$ 60.054	\$ 62.884
40	sum of (c) = Variable Power Rate Component	\$ 36.245	\$ 37.953

41 (1) - Regulatory Assets and Liabilities are shown in detail on Exhibit D.

42 (2) - The authorized net of tax rate of return changed during PCA Period 12 on 7/1/2013 and so a blended return of  
43 6.71% is being shown. The blended return was calculated using 6.70% for 181 days and 6.69% for 184 days.  
44 Similar calculations were performed on the approved fixed rate base in effect during the period to reflect amounts  
45 shown on lines 4 and 5. All of these amounts are shown for display purposes only and are not used to directly  
46 determine the return amounts shown on Lines 11 and 12. The return amounts shown on Lines 11 and 12 are  
47 sourced from the approved Exhibit A-1 Baseline Rate in effect for each month during the PCA period.  
48

**Schedule B: Monthly Power Costs – PCA PERIOD 12**  
**Derived from Original PCA Exhibit B**  
**Subject to PCA Sharing**  
**UE-011570**

Row	Jan-13	Feb-13	Mar-13	Apr-13	May-13	Jun-13	Jul-13	Aug-13	Sep-13	Oct-13	Nov-13	Dec-13	Period to Date
6													
7	\$ 814,656	\$ 814,656	\$ 814,656	\$ 814,656	\$ 814,656	\$ 814,656	\$ 814,656	\$ 814,656	\$ 814,656	\$ 814,656	\$ 814,656	\$ 814,656	\$ 9,720,614
8	\$ 17,800,264	\$ 17,800,264	\$ 17,800,264	\$ 17,800,264	\$ 17,800,264	\$ 17,800,264	\$ 17,800,264	\$ 17,800,264	\$ 17,800,264	\$ 17,800,264	\$ 17,800,264	\$ 17,800,264	\$ 218,343,882
9	\$ 18,614,920	\$ 18,614,920	\$ 18,614,920	\$ 18,614,920	\$ 18,614,920	\$ 18,614,920	\$ 18,614,920	\$ 18,614,920	\$ 18,614,920	\$ 18,614,920	\$ 18,614,920	\$ 18,614,920	\$ 228,064,496
10													
11	\$ 561,650	\$ 561,650	\$ 561,650	\$ 561,650	\$ 561,650	\$ 561,650	\$ 561,650	\$ 561,650	\$ 561,650	\$ 561,650	\$ 561,650	\$ 561,650	\$ 6,693,155
12	\$ 417,494	\$ 417,494	\$ 417,494	\$ 417,494	\$ 417,494	\$ 417,494	\$ 417,494	\$ 417,494	\$ 417,494	\$ 417,494	\$ 417,494	\$ 417,494	\$ 5,283,578
13	\$ 279,764	\$ 279,764	\$ 279,764	\$ 279,764	\$ 279,764	\$ 279,764	\$ 279,764	\$ 279,764	\$ 279,764	\$ 279,764	\$ 279,764	\$ 279,764	\$ 3,290,097
14	\$ 140,249	\$ 140,249	\$ 140,249	\$ 140,249	\$ 140,249	\$ 140,249	\$ 140,249	\$ 140,249	\$ 140,249	\$ 140,249	\$ 140,249	\$ 140,249	\$ 1,689,108
15	\$ 168,529	\$ 168,529	\$ 168,529	\$ 168,529	\$ 168,529	\$ 168,529	\$ 168,529	\$ 168,529	\$ 168,529	\$ 168,529	\$ 168,529	\$ 168,529	\$ 2,030,528
16	\$ 10,571,270	\$ 10,571,270	\$ 10,571,270	\$ 10,571,270	\$ 10,571,270	\$ 10,571,270	\$ 10,571,270	\$ 10,571,270	\$ 10,571,270	\$ 10,571,270	\$ 10,571,270	\$ 10,571,270	\$ 127,100,135
17	\$ 118,303	\$ 118,303	\$ 118,303	\$ 118,303	\$ 118,303	\$ 118,303	\$ 118,303	\$ 118,303	\$ 118,303	\$ 118,303	\$ 118,303	\$ 118,303	\$ 1,345,230
18	\$ 8,916,293	\$ 8,916,293	\$ 8,916,293	\$ 8,916,293	\$ 8,916,293	\$ 8,916,293	\$ 8,916,293	\$ 8,916,293	\$ 8,916,293	\$ 8,916,293	\$ 8,916,293	\$ 8,916,293	\$ 109,497,962
19	\$ 348,279	\$ 348,279	\$ 348,279	\$ 348,279	\$ 348,279	\$ 348,279	\$ 348,279	\$ 348,279	\$ 348,279	\$ 348,279	\$ 348,279	\$ 348,279	\$ 4,172,260
20	\$ 1,346,046	\$ 1,346,046	\$ 1,346,046	\$ 1,346,046	\$ 1,346,046	\$ 1,346,046	\$ 1,346,046	\$ 1,346,046	\$ 1,346,046	\$ 1,346,046	\$ 1,346,046	\$ 1,346,046	\$ 13,460,463
21	\$ 250,471	\$ 250,471	\$ 250,471	\$ 250,471	\$ 250,471	\$ 250,471	\$ 250,471	\$ 250,471	\$ 250,471	\$ 250,471	\$ 250,471	\$ 250,471	\$ 2,504,713
22	\$ 23,118,348	\$ 23,118,348	\$ 23,118,348	\$ 23,118,348	\$ 23,118,348	\$ 23,118,348	\$ 23,118,348	\$ 23,118,348	\$ 23,118,348	\$ 23,118,348	\$ 23,118,348	\$ 23,118,348	\$ 277,067,230
23													
24	\$ 41,733,268	\$ 41,733,268	\$ 41,733,268	\$ 41,733,268	\$ 41,733,268	\$ 41,733,268	\$ 41,733,268	\$ 41,733,268	\$ 41,733,268	\$ 41,733,268	\$ 41,733,268	\$ 41,733,268	\$ 505,131,726
25													
26	\$ 7,142,775	\$ 6,638,558	\$ 7,393,386	\$ 6,671,382	\$ 5,559,982	\$ 5,388,604	\$ 6,343,295	\$ 7,723,802	\$ 6,863,096	\$ 6,863,096	\$ 6,199,285	\$ 6,479,798	\$ 79,263,679
27	\$ 11,665,703	\$ 12,640,638	\$ 13,676,125	\$ 6,988,127	\$ 6,208,753	\$ 9,919,781	\$ 17,368,430	\$ 21,618,884	\$ 16,715,294	\$ 14,716,084	\$ 19,248,384	\$ 31,373,034	\$ 182,139,237
28	\$ 59,699,832	\$ 46,296,288	\$ 43,477,706	\$ 28,782,987	\$ 28,150,184	\$ 21,511,580	\$ 19,568,590	\$ 17,332,501	\$ 20,289,465	\$ 34,577,937	\$ 50,038,337	\$ 58,987,081	\$ 428,712,488
29	\$ 7,003,317	\$ 7,800,929	\$ 7,558,089	\$ 7,330,676	\$ 7,461,745	\$ 7,475,498	\$ 7,422,446	\$ 7,568,333	\$ 7,742,010	\$ 8,454,609	\$ 9,231,784	\$ 8,992,403	\$ 94,741,839
30	\$ 910,381	\$ 914,072	\$ 916,346	\$ 930,550	\$ 916,450	\$ 922,479	\$ 861,356	\$ 861,426	\$ 838,469	\$ 838,469	\$ 1,069,920	\$ 1,038,981	\$ 10,099,319
31	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 124,558	\$ 1,494,699
32	\$ 20,106	\$ 20,106	\$ 20,106	\$ 20,106	\$ 20,106	\$ 20,106	\$ 20,106	\$ 20,106	\$ 20,106	\$ 20,106	\$ 20,106	\$ 20,106	\$ 241,270
33	\$ 240,421	\$ 240,421	\$ 240,421	\$ 240,421	\$ 240,421	\$ 240,421	\$ 240,421	\$ 240,421	\$ 240,421	\$ 240,421	\$ 240,421	\$ 240,421	\$ 2,685,052
34	\$ 57,908	\$ 57,908	\$ 57,908	\$ 57,908	\$ 57,908	\$ 57,908	\$ 57,908	\$ 57,908	\$ 57,908	\$ 57,908	\$ 57,908	\$ 57,908	\$ 694,252
35	\$ 381,716	\$ 381,716	\$ 381,716	\$ 381,716	\$ 381,716	\$ 381,716	\$ 381,716	\$ 381,716	\$ 381,716	\$ 381,716	\$ 381,716	\$ 381,716	\$ 4,580,592
36													\$ 691,933
37													\$ 89,848
38													\$ 149,592
39													\$ 322,316
40													
41													
42	\$ 85,120,214	\$ 71,389,953	\$ 68,715,841	\$ 46,439,740	\$ 44,621,717	\$ 41,499,659	\$ 45,835,889	\$ 50,360,841	\$ 49,213,190	\$ 62,280,157	\$ 77,213,348	\$ 94,604,182	\$ 737,294,731
43													
44	\$ 2,592,852	\$ 2,592,712	\$ 2,592,782	\$ 2,592,782	\$ 2,592,782	\$ 2,592,782	\$ 2,561,716	\$ 2,588,344	\$ 2,588,344	\$ 2,185,534	\$ 2,548,063	\$ 2,790,241	\$ 30,818,934
45	\$ 117,852	\$ 68,602	\$ 53,348	\$ 51,836	\$ 53,126	\$ 123,059	\$ 67,575	\$ 67,596	\$ 52,115	\$ 67,616	\$ 66,741	\$ 68,141	\$ 857,606
46	\$ 129,564,186	\$ 115,784,535	\$ 113,095,239	\$ 90,817,626	\$ 89,000,893	\$ 85,948,767	\$ 90,198,448	\$ 94,750,049	\$ 93,586,917	\$ 106,286,575	\$ 123,727,677	\$ 141,362,089	\$ 1,274,102,997
47													
48													
49													
50													
51	\$ 129,564,186	\$ 115,784,535	\$ 113,095,239	\$ 90,817,626	\$ 89,000,893	\$ 85,948,767	\$ 90,198,448	\$ 94,750,049	\$ 93,586,917	\$ 106,286,575	\$ 123,727,677	\$ 141,362,089	\$ 1,274,102,997
52													
53													
54													
55	\$ 2,272,058,478	\$ 1,871,193,865	\$ 1,875,137,494	\$ 1,674,994,058	\$ 1,568,283,428	\$ 1,418,343,213	\$ 1,556,255,074	\$ 1,581,281,386	\$ 1,545,654,722	\$ 1,747,211,796	\$ 1,847,005,596	\$ 2,258,533,867	\$ 21,215,952,977
56	\$ 141,097,104	\$ 116,203,010	\$ 116,447,914	\$ 104,018,806	\$ 97,391,969	\$ 88,080,532	\$ 96,644,996	\$ 98,199,155	\$ 95,986,704	\$ 108,503,600	\$ 112,179,732	\$ 137,174,313	\$ 1,062,873,790
57	\$ 11,532,918	\$ 418,475	\$ 3,352,675	\$ 13,201,180	\$ 8,391,076	\$ 2,131,765	\$ 6,446,549	\$ 3,449,107	\$ 2,399,787	\$ 2,237,025	\$ 11,547,945	\$ 4,187,776	\$ 249,354,045
58	\$ 11,532,918	\$ 418,475	\$ 3,352,675	\$ 13,201,180	\$ 8,391,076	\$ 2,131,765	\$ 6,446,549	\$ 3,449,107	\$ 2,399,787	\$ 2,237,025	\$ 11,547,945	\$ 4,187,776	\$ 249,354,045
59	\$ 11,528,918	\$ 418,330	\$ 3,351,512	\$ 13,196,602	\$ 8,388,166	\$ 2,131,026	\$ 6,444,313	\$ 3,447,910	\$ 2,398,955	\$ 2,236,249	\$ 11,543,779	\$ 4,186,285	\$ 37,811,938
60	\$ 11,528,918	\$ 418,330	\$ 3,351,512	\$ 13,196,602	\$ 8,388,166	\$ 2,131,026	\$ 6,444,313	\$ 3,447,910	\$ 2,398,955	\$ 2,236,249	\$ 11,543,779	\$ 4,186,285	\$ 37,811,938
61	\$ 11,528,918	\$ 418,330	\$ 3,351,512	\$ 13,196,602	\$ 8,388,166	\$ 2,131,026	\$ 6,444,313	\$ 3,447,910	\$ 2,398,955	\$ 2,236,249	\$ 11,543,779	\$ 4,186,285	\$ 37,811,938
62	\$ 11,528,918	\$ 418,330	\$ 3,351,512	\$ 13,196,602	\$ 8,388,166	\$ 2,131,026	\$ 6,444,313	\$ 3,447,910	\$ 2,398,955	\$ 2,236,249	\$ 11,543,779	\$ 4,186,285	\$ 37,811,938
63	\$ 11,528,918	\$ 418,330	\$ 3,351,512	\$ 13,196,602	\$ 8,388,166	\$ 2,131,026	\$ 6,444,313	\$ 3,447,910	\$ 2,398,955	\$ 2,236,249	\$ 11,543,779	\$ 4,186,285	\$ 37,811,938
64	\$ 11,528,918	\$ 418,330	\$ 3,351,512	\$ 13,196,602	\$ 8,388,166	\$ 2,131,026	\$ 6,444,313	\$ 3,447,910	\$ 2,398,955	\$ 2,236,249	\$ 11,543,779	\$ 4,186,285	\$ 37,811,938
65	\$ 11,528,918	\$ 418,330	\$ 3,351,512	\$ 13,196,602	\$ 8,388,166	\$ 2,131,026	\$ 6,444,313	\$ 3,447,910	\$ 2,398,955	\$ 2,236,249	\$ 11,543,779	\$ 4,186,285	\$ 37,811,938
66	\$ 11,528,918	\$ 418,330	\$ 3,351,512	\$ 13,196,602	\$ 8,388,166	\$ 2,131,026	\$ 6,444,313	\$ 3,447,910	\$ 2,398,955	\$ 2,236,249	\$ 11,543,779	\$ 4,186,285	\$ 37,811,938
67	\$ 11,528,918	\$ 418,330	\$ 3,351,512	\$ 13,196,602	\$ 8,388,166	\$ 2,131,026	\$ 6,444,313	\$ 3,447,910	\$ 2,398,955	\$ 2,236,249	\$ 11,543,779	\$ 4,186,285	\$ 37,811,938
68	\$ 11,528,918	\$ 418,330	\$ 3,351,512	\$ 13,196,602	\$ 8,388,166	\$ 2,131,026	\$ 6,444,313	\$ 3,447,910	\$ 2,398,955	\$ 2,236,249	\$ 11,543,779	\$ 4,186,285	\$ 37,811,938
69	\$ 11,528,918	\$ 418,330	\$ 3,351,512	\$ 13,196,602	\$ 8,388,166	\$ 2,131,026	\$ 6,444,313	\$ 3,447,910	\$ 2,398,955	\$ 2,236,249	\$ 11,543,779	\$ 4,186,285	\$ 37,811,938
70	\$ 11,528,918	\$ 418,330	\$ 3,351,512	\$ 13,196,602	\$ 8,388,166	\$ 2,131,026	\$ 6,444,313	\$ 3,447,910	\$ 2,398,955	\$ 2,236,249	\$ 11,543,779	\$ 4,186,285	\$ 37,811,938
71	\$ 11,528,918	\$ 418,330	\$ 3,351,512	\$ 13,196,602	\$ 8,388,166	\$ 2,131,026	\$ 6,444,313	\$ 3,447,910	\$ 2,398,955	\$ 2,236,249	\$ 11,543,779	\$ 4,186,285	\$ 37,811,938

**Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)**  
**2011 General Rate Case and 2013 Power Cost Only Rate Case**  
**PCA 12**

2011 GRC	5/14/2012	6.71%
2013 ERF	7/1/2013	6.69%

12 Months Ended		PCA Period									
Ref	Description	Balance		Return							
		Asset Amort	AA & ADFIT	Asset Amort	AMA Ratebase as of	A.T. %	Amount	Pre Tax	Monthly		
		(Note 1)		(Note 1)							
12											
13	<b>BEP</b>				G/L Accts #18230071, #18230081, and #28300431 and Order #55500007						
14	Dec 2013	\$ (3,526,620)	8,416,383	(3,526,620)	9,615,693	12/13	6.71% & 6.69%	644,244	991,144	82,595	
19											
20	<b>White River Relicensing</b>				G/L Accts #18230641, 691, #18236021, 31, 41, 51, 61, 71, 91, 6101, #18230971, #19000021 and #28300011						
21	Dec 2013	\$	25,647,869	-	25,636,591	12/13	6.71% & 6.69%	1,717,631	2,642,508	220,209	
26											
27	<b>White River Plant Costs</b>				G/L Accts #18220011, #21, #31, #41 and #51 and Order #40700015, portion of #28200121						
28	Dec 2013	\$ (1,494,702)	32,750,328	(1,494,702)	33,497,679	12/13	6.71% & 6.69%	2,244,317	3,452,795	287,733	
33											
34	<b>CWA Sales Proceeds</b>				G/L Accts #18220061						
35	Dec 2013	\$	(30,211,680)	-	(30,211,680)	12/13	6.71% & 6.69%	(2,024,158)	(3,114,089)	(259,507)	
40											
41	<b>White River DFIT</b>				G/L Accts #28300651						
42	Dec 2013	\$	(9,865,280)	-	(10,122,888)	12/13	6.71% & 6.69%	(678,225)	(1,043,423)	(86,952)	
47											
48	<b>FB Energy Capacity Payment - UE-082013</b>				G/L Accts #25300601 and #19000151 and Order #54700005						
49	Dec 2013	\$	392,170	(1,232,066)	392,170	12/13	6.71% & 6.69%	(91,087)	(140,134)	(11,678)	
56											
57	<b>Mint Farm Deferral (Note 2)</b>				G/L Accts #18600351, 361, 371, #18235521 and Orders #40740061, #40730051, #41900026, 28 and #55500136						
58	Dec 2013	\$	(2,885,052)	20,988,880	(2,885,052)	12/13	6.71% & 6.69%	1,469,059	2,260,091	188,341	
63											
64	<b>BNP Capacity - UE-100503 (Note 3)</b>				G/L Accts #19000711, #25302121, #25400191 and Order #54700010						
65	Dec 2013	\$	537,626	(1,689,042)	537,626	12/13	6.71% & 6.69%	(124,871)	(192,109)	(16,009)	
71											
72	<b>Chelan PUD Contract Initiation (Note 3)</b>				G/L Accts #18230351, #28300561, #18600271 Order #55500153						
73	<b>Payment</b>										
74	Dec 2013	\$	(7,088,066)	\$109,938,102	(7,088,066)	12/13	6.71% & 6.69%	7,572,279	11,649,660	970,805	
79											
80	<b>Chelan - Rock Island Security Deposit (Note 3)</b>				G/L Accts #12800001						
81	Dec 2013	\$	-	18,500,000	-	18,500,000	12/13	6.71% & 6.69%	1,239,485	1,906,900	158,908



12 Months Ended PCA Period

Ref	Description	Balance		Return					
		Asset Amort	AA & AD FIT	Asset Amort	AMA Ratebase as of	A.T. %	Amount	Pre Tax	Monthly
86									
87	Colstrip 1 and 2 (WECo) Note 4				G/L Accts # 16599011, 18232321 Order #50106003				
88	Reservation Payment								
89	Dec 2013 \$	(500,000)	3,000,000	(500,000)	12/13	6.71% & 6.69%	217,747	334,996	27,916
94									
95	FERC PART 12 Non-Construction Study Costs				G/L Accts # 18220091				
96	Dec 2013 \$	(241,268)	723,804	(241,268)	12/13	6.71% & 6.69%	56,577	87,041	7,253
100									
101	Lower Snake River Prepaid Transm Principal \$99.8M				G/L Accts # 18232301, 18600581				
102	Dec 2013 \$	(1,165,888)	76,213,067	(1,165,888)	12/13	6.71% & 6.69%	6,353,325	9,774,346	814,529
107									
108	Carrying Charges on LSR Prepaid Transm \$99.8M				G/L Accts # 18232311, 28300081, 18600591, 40730101				
109	Dec 2013 \$	(790,674)	10,477,012	(790,674)	12/13	6.71% & 6.69%	720,731	1,108,817	92,401
114									
115	Lower Snake River Plant Deferral \$18.3M				G/L Accts # 18232331, 28300721, 18600311, 18600331, 18600391, 40730111				
116	Dec 2013 \$	(4,573,846)	\$6,820,061	(4,573,846)	12/13	6.71% & 6.69%	556,398	855,997	71,333
120									
121	Snoqualmie License Upgrade Deferral (NEW 2013 PCORC)				G/L Accts # 18238331, 18600001, 18600461, 18600451, 40730141				
122	Dec 2013 \$	(332,738)	7,867,319	(332,738)	12/13	6.71% & 6.69%	35,833	55,128	27,564
127									
128	Baker License Upgrade Deferral (NEW 2013 PCORC)				G/L Accts # 18238321, 18600801, 18600811, 40730131				
129	Dec 2013 \$	(88,722)	2,029,429	(88,722)	12/13	6.71% & 6.69%	7,023	10,804	5,402
134									
135	Ferndale Deferral (NEW 2013 PCORC)				G/L Accts # 18238311, 18600531, 18600691, 18600791, 18600671, 40730121				
136	Dec 2013 \$	(728,022)	16,895,673	(728,022)	12/13	6.71% & 6.69%	116,000	178,461	89,231
141									
142									
143									
144									
145									
150									
151									
152									

Note (1) Amounts in these columns are net of accumulated amortization and the associated Deferred FIT liability / asset.

Period	From	To	Return							
			Asset Amort	AMA Ratebase as of	A.T. %	Amount	Pre Tax	Monthly		
PCA #12	\$	Jan 2013	Dec 2013	(22,485,801)	310,830,569	12/13	6.71% & 6.69%	20,032,307	30,818,934	2,670,075

## **Puget Sound Energy, Inc.**

Power Cost Adjustment Mechanism Annual  
Report for PCA Period Twelve  
Twelve Months Ended December 31, 2013

PCA Exhibits  
From November through December 31, 2013  
PCA Exhibits Approved in 2013 PCORC in  
Docket No. UE-130617



**As Filed on October 25, 2013 Compliance Filing in UE-130617**

**2013 PCORC Docket Number UE-130617  
Exhibit A-2 Transmission Rate Base**

Row		Plant AMA 09/30/2012	AMA Accum Deprec/Amort	Net	Annualized Depreciation	
9						
10						
11		TRANS - COLSTRIP 1 & 2				
12	E350	Land and Land Rights	10,247	-	10,247	-
13	E351	Easements	685,927	(433,658)	252,269	13,033
14	E352	Structures & Improvements	-	-	-	-
15	E353	Station Equipment	1,231,131	(1,022,844)	208,287	25,977
16	E354	Towers & Fixtures	14,574,175	(9,505,551)	5,068,624	243,356
17	E355	Poles & Fixtures	49,007	(51,576)	(2,569)	1,480
18	E356	OH Conductors & Devices	13,158,153	(9,417,025)	3,741,128	277,637
19	E359	Roads & Trails	113,968	(70,440)	43,528	1,630
20		<b>TOTAL COLSTRIP 1&amp;2 TRANSMISSION</b>	<b>29,822,608</b>	<b>(20,501,094)</b>	<b>9,321,514</b>	<b>563,112</b>
21						
22		TRANS - COLSTRIP 3 & 4				
23	E351	Easements	\$ 1,071,124	(665,508)	405,616	20,351
24	E352	Structures & Improvements	\$ 488,761	(304,333)	184,428	8,309
25	E353	Station Equipment	\$ 20,676,024	(12,343,435)	8,332,589	436,791
26	E354	Towers & Fixtures	\$ 20,589,451	(13,160,434)	7,429,017	343,832
27	E355	Poles & Fixtures	\$ 88,692	(38,965)	49,727	2,679
28	E356	OH Conductors & Devices	\$ 19,996,419	(14,056,769)	5,939,650	421,933
29	E359	Roads & Trails	\$ 335,822	(205,035)	130,787	4,797
30		<b>TOTAL COLSTRIP 3&amp;4 TRANSMISSION</b>	<b>63,246,293</b>	<b>(40,774,479)</b>	<b>22,471,814</b>	<b>1,238,691</b>
31						
32		TRANS - 3RD NW-SW INTERTIE				
33	E350	Land and Land Rights	1,769,178	-	1,769,178	-
34	E351	Easements	-	-	-	-
35	E352	Structures & Improvements	1,276,264	(430,248)	846,016	21,696
36	E353	Station Equipment	33,285,323	(13,328,798)	19,956,525	708,960
37	E354	Towers & Fixtures	22,781,417	(7,800,901)	14,980,516	380,450
38	E355	Poles & Fixtures	204,200	(80,829)	123,371	6,167
39	E356	OH Conductors & Devices	23,497,063	(10,778,222)	12,718,841	495,794
40	E359	Roads & Trails	59,215	(11,637)	47,578	847
41		<b>TOTAL 3RD NW-SW INTERTIE</b>	<b>82,872,660</b>	<b>(32,430,635)</b>	<b>50,442,025</b>	<b>1,613,914</b>
42						
43		TRANS - NORTHERN INTERTIE				
44	E350	Land and Land Rights	30,604	-	30,604	-
45	E351	Easements	-	-	-	-
46	E352	Structures & Improvements	-	-	-	-
47	E353	Station Equipment	-	-	-	-
39	E354	Towers & Fixtures-Whatcom	5,744,097	(1,493,068)	4,251,029	95,926
42	E355	Poles & Fixtures-Skagit	3,516,565	(1,444,426)	2,072,139	106,200
43	E356	OH Conductors & Devices-Skagit	12,700,860	(4,769,112)	7,931,748	267,988
43	E359	Roads & Trails	-	-	-	-
44		<b>TOTAL NORTHERN INTERTIE</b>	<b>21,992,126</b>	<b>(7,706,606)</b>	<b>14,285,520</b>	<b>470,115</b>
45						
46						
47		<b>Total Transmission</b>	<b>\$ 197,933,687</b>	<b>\$ (101,412,814)</b>	<b>\$ 96,520,873</b>	<b>\$ 3,885,832</b>
48		Accumulated Depreciation (AMA)	(101,412,814)			
49		Deferred Taxes (AMA)	(7,788,256)			
50		Transmission portion of:				
51		Colstrip Common FERC Adj. net of accum amort	2,606,288			213,630
52		Colstrip Def Depr FERC Adj. net of accum amort	421,993			37,367
53						
54		<b>Total Transmission Rate Base</b>	<b>\$ 91,760,899</b>			<b>\$ 4,136,830</b>



As Filed on October 25, 2013 Compliance Filing in UE-130617

**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TEST YEAR SEPTEMBER 30, 2012  
RATE YEAR OCTOBER 31, 2014**

**Exhibit A-3 Colstrip Fixed Costs (2 of 2)**

86			
87	Support for Revenue Requirement - Expenses	<b>12ME September 2012</b>	
88		<b>Amount before</b>	
89	Order Description	<b>Prod. Adj.</b>	
90	50004011 Colstrip 1&2 - Supv & Eng'g - Steam Ope	111,132	
91	50005011 Colstrip 3&4 - Supv & Eng'g - Steam Ope	85,285	
92	50204001 Colstrip 1&2 - Steam Exp - Steam Gen Op	4,133,771	
93	50205001 Colstrip 3&4 - Steam Exp - Steam Gen Op	2,670,279	
94	50504001 Colstrip 1&2 - Electric Exp - Steam Gen	171,157	
95	50505001 Colstrip 3&4 - Electric Exp - Steam Gen	154,666	
96	50604001 Colstrip 1&2 - Misc Stm Pwr - Steam Gen	4,137,382	
97	50604009 Colstrip 1&2 - Steam Gen-Thermal Jnt O&PC	166,191	
98	50605001 Colstrip 3&4 - Misc Stm Pwr - Steam Gen	2,904,530	
99	50605009 Colstrip 3&4 - Steam Gen-Thermal Jnt O&PC	155,704	
100	50704001 Colstrip 1&2 - Rents - Steam Gen Oper	16,162	
101	50705001 Colstrip 3&4 - Rents - Steam Gen Oper	45,830	
102	51004001 Colstrip 1&2 - Supv & Eng'g - Steam Gen	819,366	
103	51005001 Colstrip 3&4 - Supv & Eng'g - Steam Gen	571,125	
104	51104001 Colstrip 1&2 - Structures - Steam Gen M	1,239,155	
105	51105001 Colstrip 3&4 - Structures - Steam Gen M	849,075	
106	51204001 Colstrip 1&2 - Boiler Plant - Steam Gen	7,635,230	
107	51205001 Colstrip 3&4 - Boiler Plant - Steam Gen	5,087,128	
108	51304001 Colstrip 1&2 - Electric Plant - Steam G	2,036,102	
109	51305001 Colstrip 3&4 - Electric Plant - Steam G	636,704	
110	51404001 Colstrip 1&2 -Misc Steam Plt -Steam Gen	1,549,837	
111	51405001 Colstrip 3&4 -Misc Steam Plt -Steam Gen	781,469	
112	50604002 Colstrip 1&2 Belmontez Settlement	-	
113	50604003 Colstrip 1&2 Global Settlement	-	
114	50604004 Colstrip 1&2 Ash Pond Settlement	-	
115	50605003 Colstrip 3&4 Global Settemt	-	
116	50605004 Colstrip 3&4 Ash Pond Settlement	-	
117	Subtotal for the test year	<u>35,957,279</u>	
118	Adjustment to the rate year	<u>4,318,279</u>	
119	Subtotal on Orders	<u>40,275,558</u>	
120	Property Taxes-Montana	9,288,038	
121	Electric Energy Tax	1,737,443	
122	403xxxxx Depreciation / Accretion	<u>13,406,111</u>	
123		<u><u>\$ 64,707,150</u></u>	

As Filed on October 25, 2013 Compliance Filing in UE-130617

Exhibit A-4 Production Adjustment (1 of 2)

**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
PRODUCTION ADJUSTMENT**

LINE NO.	DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION 1.752%	NET AMOUNT
1	<b><u>O&amp;M PRODUCTION RELATED</u></b>			
2	EMPLOYEE BENEFITS & TAXES	8,723,284	(152,832)	8,570,452
3	PROPERTY INSURANCE	2,954,771	(51,768)	2,903,003
4				
5	TOTAL PRODUCTION O&M	11,678,055	(204,600)	11,473,456
6				
7	HEDGING LINE OF CREDIT	799,414	(14,006)	785,409
8				
9	<b><u>DEPRECIATION / AMORTIZATION:</u></b>			
10	DEPRECIATION	109,709,692	(1,922,114)	107,787,578
11	AMORTIZATION (OTHER THAN REGULATORY ASSETS/LIAB)	x 122,010,169	(215,504)	12,084,973
12		122,010,169	(2,137,618)	119,872,551
13	<b><u>TAXES OTHER-PRODUCTION PROPERTY:</u></b>			
14	PROPERTY TAXES - PRODUCTION	-	-	-
15	ELECTRIC ENERGY TAX	1,719,719	(30,129)	1,689,589
16	TOTAL TAXES OTHER	1,719,719	(30,129)	1,689,589
17				
18	<b>TOTAL PRODUCTION ADJUSTMENT TO BASELINE RATE</b>	136,207,358	(2,386,353)	133,821,005
19				
20	<b><u>EXPENSE ON REGULATORY ASSETS:</u></b>			
21	ADJ. NO. 9 - FERNDALE DEFERRAL	4,135,549	(72,455)	4,063,094
22	ADJ. NO. 5 - SNOQUALMIE DEFERRAL	1,920,143	(33,641)	1,886,503
23	ADJ. NO. 7 - BAKER DEFERRAL	529,498	(9,277)	520,221
24	ADJ. NO. 12 - ELECTRON UNRECOVERED COSTS	-	-	-
25	ADJs - POWER COST & PROD O&M RELATED	-	-	-
26	NO. 15 - BEP	3,526,620	(61,786)	3,464,834
27	NO. 18 - WESTCOAST PIPE CAP - UE-082013 (FB ENERGY)	(392,170)	6,871	(385,299)
28	NO. 18 - WESTCOAST PIPE CAP - UE-100503 (BNP PARIBUS)	(537,626)	9,419	(528,207)
29	NO. 19 - CHELAN	7,088,066	(124,183)	6,963,883
30	NO. 20 - COLSTRIP 1&2 (WEC <sub>o</sub> ) PREPAYMENT	500,000	(8,760)	491,240
31	NO. 21 - LOWER SNAKE RIVER PREPAID TRANSM PRINCIPAL	3,012,679	(52,782)	2,959,896
32	NO. 20 - MINT FARM APRIL 2013 HOT GAS PATH INSPECTION	-	-	-
33	ADJs - ALL OTHER			
34	NO. 16 - WHITE RIVER PLANT COSTS	1,494,702	(26,187)	1,468,515
35	NO. 17 - MINT FARM DEFERRED - UE-090704	2,885,052	(50,546)	2,834,506
36	NO. 17 - LOWER SNAKE RIVER PLANT DEFERRAL	4,499,635	(78,834)	4,420,801
37	NO. 20 - FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-07007	241,268	(4,227)	237,041
38	NO. 21 - CARRYING CHARGES ON LSR PREPAID TRANSM	687,415	(12,044)	675,371
39				
40	<b>TOTAL REGULATORY ASSET ADJUSTMENT TO BASELINE RATE</b>	29,590,830	(518,431)	29,072,399
41				
42	<b>INCREASE (DECREASE) EXPENSE</b>	-	(2,904,784)	-
43				
44	<b><u>PRODUCTION RATE BASE:</u></b>			
45	DEPRECIABLE PRODUCTION PROPERTY	3,873,824,587	(67,869,407)	3,805,955,180
46	PRODUCTION PROPERTY ACCUM DEPR.	(1,373,449,519)	24,062,836	(1,349,386,683)
47	NON-DEPRECIABLE PRODUCTION PROPERTY	77,802,363	(1,363,097)	76,439,266
48	PRODUCTION PROPERTY ACCUM AMORT.	(5,230,652)	91,641	(5,139,011)
49	COLSTRIP COMMON FERC ADJUSTMENT	4,326,958	(75,808)	4,251,150
50	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	1,276,167	(22,358)	1,253,809
51	ACQUISITION ADJUSTMENT	281,526,234	(4,932,340)	276,593,894
52	ACCUMULATED AMORTIZATION ON ACQUISITION ADJ	(72,694,902)	1,273,615	(71,421,287)
53	NET PRODUCTION PROPERTY	2,787,381,235	(48,834,918)	2,738,546,317
54				
55	<b><u>DEDUCT:</u></b>			
56	LIBR. DEPREC. POST 1980 (AMA)	(475,157,262)	8,324,755	(466,832,507)
57	NOL DEFERRED TAX ASSET ATTRIBUTABLE TO PRODUCTION	39,507,925	(692,179)	38,815,746
58	ADJUSTMENT TO RATE BASE	(435,649,337)	7,632,576	(428,016,761)
59				
60	<b>TOTAL ADJUSTMENT TO PRODUCTION RATE BASE</b>	2,351,731,898	(41,202,342)	2,310,529,556
61				

As Filed on October 25, 2013 Compliance Filing in UE-130617

Exhibit A-4 Production Adjustment (2 of 2)

**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
PRODUCTION ADJUSTMENT**

LINE NO.	DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION 1.752%	NET AMOUNT
62	<b><u>REGULATORY ASSETS RATE BASE:</u></b>			
63	TENASKA	-	-	-
64	BEP	7,616,843	(133,447)	7,483,396
65	WHITE RIVER PLANT COSTS	32,252,094	(565,057)	31,687,038
66	WHITE RIVER RELICENSING & CWIP	25,621,603	(448,890)	25,172,712
67	PROCEED FROM THE SALE OF WHITE RIVER	(30,211,681)	529,309	(29,682,372)
68	DFIT - WHITE RIVER REG ASSET	(9,681,693)	169,623	(9,512,069)
69	GOLDENDALE FIXED COSTS DEFERRAL	-	-	-
70	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)	(1,147,096)	20,097	(1,126,999)
71	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)	(1,572,557)	27,551	(1,545,005)
72	MINT FARM DEFFRED - UE-090704	20,363,786	(356,774)	20,007,012
73	WILD HORSE EXPANSION DEFFRED - UE-090704	-	-	-
74	CHELAN PUD CONTRACT INITIATION	107,883,190	(1,890,113)	105,993,077
75	CHELAN - ROCK ISLAND SECURITY DEPOSIT	18,500,000	(324,120)	18,175,880
76	COLSTRIP 1&2 (WEC) PREPAYMENT	2,833,333	(49,640)	2,783,693
77	FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074	643,382	(11,272)	632,110
78	CONTRACT MAJOR MAINTENANCE:	-	-	-
79	SUMAS NOVEMBER 2010 HOT GAS PATH INSPECTION	-	-	-
80	GOLDENDALE HOT GAS PATH	-	-	-
81	FREDDY 1 JULY 2009 HOT GAS PATH INSPECTION	-	-	-
82	GOLENDALE MAY 2009 COMBUSTION INSPECTION	-	-	-
83	MINT FARM JUNE 2010 COMBUSTION INSPECTION	-	-	-
84	MINT FARM APRIL 2013 HOT GAS PATH INSPECTION	0.00	0.00	0.00
85	LOWER SNAKE RIVER PREPAID TRANSM PRINCIPAL	77,081,163	(1,350,462)	75,730,701
86	CARRYING CHARGES ON LSR PREPAID TRANSM	10,276,851	(180,050)	10,096,800
87	LOWER SNAKE RIVER PLANT DEFERRAL	5,849,525	(102,484)	5,747,042
88	FERNDALE DEFERRAL	14,784,588	(259,026)	14,525,562
89	SNOQUALMIE DEFERRAL	6,864,513	(120,266)	6,744,247
90	BAKER DEFERRAL	1,892,955	(33,165)	1,859,791
91	ELECTRON UNRECOVERED PLANT COSTS	0.00	0.00	0.00
92	TOTAL ADJUSTMENT TO REGULATORY ASSETS RATE BASE	289,850,800	(5,078,186)	284,772,614
93		CK -	-	-
94	<b>TOTAL RATE BASE</b>	-	(46,280,528)	-



**As Filed on October 25, 2013 Compliance Filing in UE-130617**

**Exhibit A-5 Power Costs**

**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
POWER COST**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED TEST YEAR	ADJUSTMENT
1	PRODUCTION EXPENSES:			
2	FUEL:			
3	501-STEAM FUEL	\$ 70,102,791	\$ 89,840,342	\$ 19,737,552
4	547-FUEL	151,230,975	148,918,498	(2,312,477)
5	PURCHASED AND INTERCHANGED:			
6	555-PURCHASED POWER	619,576,589	397,269,316	(222,307,273)
8	557 - OTHER POWER EXPENSE	13,306,753	6,346,743	(6,960,010)
9	WHEELING	84,999,684	102,954,754	17,955,070
10	HYDRO AND OTHER POWER	112,384,447	126,076,354	13,691,907
11	TRANS. EXP. INCL. 500KV O&M	973,202	956,152	(17,051)
12	SALES FOR RESALE	(102,454,344)	(29,299,862)	73,154,483
13	PURCHASES/SALES OF NON-CORE GAS	24,051,167	(8,879,149)	(32,930,317)
14	VARIABLE TRANSMISSION INCOME - COLSTRIP, 3RD AC & NI	(6,326,170)	(7,455,773)	(1,129,602)
15	INCREASE (DECREASE) EXPENSE	<u>\$ 967,845,094</u>	<u>\$ 826,727,375</u>	<u>\$ (141,117,719)</u>
16				

As Filed on October 25, 2013 Compliance Filing in UE-130617

Exhibit D: Reg. Assets and Liab. net of Accumulated Amortization and Deferred Taxes (PCA Periods)  
2013 PCORC - PCA Time Periods

2009 GRC	4/7/2010	6.90%
2011 GRC	5/14/2012	6.71%
2013 ERF	7/1/2013	6.69%

Ref	Description	12 Months Ended			PCA Period					
		Asset Amort	Balance net of AA & ADFIT	Asset Amort	AMA Ratebase as of	A.T. %	Amount	Pre Tax	Monthly	
			(Note 1)							
13										
14	<b>BEP</b>				G/L Accts #18230071, #18230081, and #28300431 and Order #55500007					
15	Dec 2012 \$	(3,526,620)	10,815,003	(3,526,620)	12,014,313	12/12	6.9% & 6.71%	814,518	1,253,104	104,425
16	Dec 2013 \$	(3,526,620)	8,416,383	(3,526,620)	9,615,693	12/13	6.71% & 6.69%	644,244	991,144	82,595
17	Dec 2014 \$	(3,526,620)	6,017,763	(3,526,620)	7,217,073	12/14	6.69%	482,822	742,803	61,900
18	Dec 2015 \$	(3,526,620)	3,619,143	(3,526,620)	4,818,453	12/15	6.69%	322,355	495,930	41,328
19	Dec 2016 \$	(3,526,620)	1,220,523	(3,526,620)	2,419,833	12/16	6.69%	161,887	249,057	20,755
20	Dec 2017 \$	(1,763,261)	0	(1,763,261)	309,550	12/17	6.69%	20,709	31,860	2,655
18										
19	<b>White River Relicensing</b>				G/L Accts #18230641, 691, #18236021, 31, 41, 51, 61, 71, 91, 6101, #18230971, #19000021 and #28300011					
20	Dec 2012 \$		25,620,616	-	25,552,383	12/12	6.9% & 6.71%	1,732,340	2,665,138	222,095
21	Dec 2013 \$		25,621,603	-	25,621,559	12/13	6.71% & 6.69%	1,716,623	2,640,959	220,080
22	Dec 2014 \$		25,621,603	-	25,621,603	12/14	6.69%	1,714,085	2,637,054	219,755
23										
24	<b>White River Plant Costs</b>				G/L Accts #18220011, #21, #31, #41 and #51 and Order #40700015, portion of #28200121					
28	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
29	Dec 2011 \$	(1,494,702)	35,810,862	(1,494,702)	36,558,213	12/11	6.90%	2,522,517	3,880,795	323,400
25	Dec 2012 \$	(1,479,343)	34,245,030	(1,479,343)	35,024,982	12/12	6.9% & 6.71%	2,374,541	3,653,140	304,428
29	Dec 2013 \$	(1,494,702)	32,750,328	(1,494,702)	33,497,679	12/13	6.71% & 6.69%	2,244,317	3,452,795	287,733
30	Dec 2014 \$	(1,494,702)	31,255,627	(1,494,702)	32,002,977	12/14	6.69%	2,140,999	3,293,845	274,487
26										
30	<b>CWA Sales Proceeds</b>				G/L Accts #18220061, #					
35	Dec 2010 \$		(24,911,730)		(25,951,720)	12/10	7.00%&6.90%	(1,797,565)	(2,765,485)	(230,457)
36	Dec 2011 \$		(30,211,681)		(30,099,199)	12/11	6.90%	(2,076,845)	(3,195,146)	(266,262)
31	Dec 2012 \$		(30,211,681)		(30,211,681)	12/12	6.9% & 6.71%	(2,048,220)	(3,151,107)	(262,592)
36	Dec 2013 \$		(30,211,681)		(30,211,681)	12/13	6.71% & 6.69%	(2,024,158)	(3,114,089)	(259,507)
37	Dec 2014 \$		(30,211,681)		(30,211,681)	12/14	6.69%	(2,021,161)	(3,109,479)	(259,123)
32										
37	<b>White River DFIT</b>				G/L Accts #28300651, #28300011, #19000021					
42	Dec 2010 \$		(11,290,628)		(12,226,929)	12/10	7.00%&6.90%	(846,907)	(1,302,934)	(108,578)
43	Dec 2011 \$		(10,847,618)		(11,061,440)	12/11	6.90%	(763,239)	(1,174,214)	(97,851)
38	Dec 2012 \$		(10,378,888)		(10,631,619)	12/12	6.9% & 6.71%	(720,777)	(1,108,888)	(92,407)
39	Dec 2013 \$		(9,856,075)		(10,117,634)	12/13	6.71% & 6.69%	(677,873)	(1,042,882)	(86,907)
40	Dec 2014 \$		(9,332,929)		(9,594,502)	12/14	6.69%	(641,872)	(987,496)	(82,291)
41										
42	<b>FB Energy Capacity Payment - UE-082013</b>				G/L Accts #25300601, #25400201 and #19000151 and Order #54700005					
43	Dec 2012 \$	392,170	(1,486,977)	392,170	(1,614,432)	12/12	6.9% & 6.71%	(109,451)	(168,387)	(14,032)
44	Dec 2013 \$	392,170	(1,232,066)	392,170	(1,359,521)	12/13	6.71% & 6.69%	(91,087)	(140,134)	(11,678)
51	Dec 2014 \$	392,170	(977,156)	392,170	(1,104,611)	12/14	6.69%	(73,898)	(113,690)	(9,474)
52	Dec 2015 \$	392,170	(722,246)	392,170	(849,701)	12/15	6.69%	(56,845)	(87,454)	(7,288)
53	Dec 2016 \$	392,170	(467,336)	392,170	(594,791)	12/16	6.69%	(39,791)	(61,218)	(5,101)
54	Dec 2017 \$	392,170	(212,425)	392,170	(339,880)	12/17	6.69%	(22,738)	(34,982)	(2,915)
55	Dec 2018 \$	326,808	0	326,808	(88,510)	12/18	6.69%	(5,921)	(9,110)	(759)
56	Dec 2019 \$	-	0	-	0	12/19	6.69%	0	0	0
57										
58	<b>Mint Farm Deferral</b>				G/L Accts #18600351, 361, 371, #18235521 and Orders #40740061, #40730051, #41900026, 28 and #55500136					
59	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
60	Dec 2011	(2,885,052)	24,739,454	(2,885,052)	25,677,096	12/11	6.90%	1,771,720	2,725,723	227,144
61	Dec 2012 \$	(2,885,052)	22,864,164	(2,885,052)	23,801,809	12/12	6.9% & 6.71%	1,613,659	2,482,552	206,879
62	Dec 2013 \$	(2,885,052)	20,988,880	(2,885,052)	21,926,522	12/13	6.71% & 6.69%	1,469,059	2,260,091	188,341
63	Dec 2014 \$	(2,885,052)	19,113,597	(2,885,052)	20,051,238	12/14	6.69%	1,341,428	2,063,735	171,978
64										
65	<b>BNP Capacity - UE-100503</b>				G/L Accts # 19000711, # 25302121, #25400191 and Order #54700010					
66	Dec 2010	403,220	(2,737,413)	403,220	(2,267,178)	12/10	7.00%&6.90%	(127,037)	(195,441)	(20,083)
67	Dec 2011	537,626	(2,387,956)	537,626	(2,562,685)	12/11	6.90%	(176,825)	(272,039)	(22,670)
66	Dec 2012 \$	537,626	(2,038,499)	537,626	(2,213,228)	12/12	6.9% & 6.71%	(150,047)	(230,842)	(19,237)
67	Dec 2013 \$	537,626	(1,689,042)	537,626	(1,863,771)	12/13	6.71% & 6.69%	(124,871)	(192,109)	(16,009)
68	Dec 2014 \$	537,626	(1,339,585)	537,626	(1,514,314)	12/14	6.69%	(101,308)	(155,858)	(12,988)
71	Dec 2015	537,626	(990,128)	537,626	(1,164,857)	12/15	6.69%	(77,929)	(119,891)	(9,991)
72	Dec 2016	537,626	(640,671)	537,626	(815,400)	12/16	6.69%	(54,550)	(83,923)	(6,994)
73	Dec 2017	537,626	(291,214)	537,626	(465,943)	12/17	6.69%	(31,172)	(47,956)	(3,996)
74	Dec 2018	448,022	-	448,022	(121,339)	12/18	6.69%	(8,118)	(12,489)	(1,041)

Exhibit D: Reg. Assets and Liab. net of Accumulated Amortization and Deferred Taxes (PCA Periods)  
2013 PCORC - PCA Time Periods

2009 GRC	4/7/2010	6.90%
2011 GRC	5/14/2012	6.71%
2013 ERF	7/1/2013	6.69%

Ref	Description	12 Months Ended		PCA Period						
		Asset Amort	Balance net of AA & ADFIT (Note 1)	Asset Amort	AMA Ratebase as of (Note 1)	A.T. %	Amount	Pre Tax	Monthly	
87	<b>Goldendale -Def Asset</b>			2 months left in 2012 (Jan -Feb 2012)						
88	<b>PP Exp-Planned Maj. Maint.</b>			G/L Accts # 18600841, #18231011 Order #55362083 &553002864						
89	Dec 2012 \$	(59,097)	-	(59,097)	4,925	12/12	6.9% & 6.71%	124	191	48
90										
91	<b>Mint Farm -Def Asset</b>			4 months left in 2012 (Jan - Apr 2012)						
92	<b>PP Exp-Planned Maj. Maint.</b>			G/L Accts # 18231031, 16500741, Order #5XX (Prod O&M)						
93	Dec 2012 \$	(260,726)	-	(260,726)	43,454	12/12	6.9% & 6.71%	1,098	1,689	422
94										
95	<b>Chelan PUD Contract Initiation</b>			G/L Accts # 18230351, #28300561, #18600271 Order #55500153						
96	<b>Payment</b>									
97	Dec 2012 \$	(7,088,066)	\$116,102,847	(7,088,066)	119,185,219	12/12	6.9% & 6.71%	8,080,237	12,431,134	1,035,928
98	Dec 2013 \$	(7,088,066)	\$109,938,105	(7,088,066)	113,020,476	12/13	6.71% & 6.69%	7,572,279	11,649,660	970,805
99	Dec 2014 \$	(7,088,066)	\$103,773,362	(7,088,066)	106,855,733	12/14	6.69%	7,148,649	10,997,921	916,493
100										
101	<b>Chelan - Rock Island Security Deposit</b>			G/L Accts # 12800001						
102	Dec 2012 \$	-	18,500,000	-	18,500,000	12/12	6.9% & 6.71%	786,867	1,210,564	159,147
103	Dec 2013 \$	-	18,500,000	-	18,500,000	12/13	6.71% & 6.69%	1,239,485	1,906,900	158,908
104	Dec 2014 \$	-	18,500,000	-	18,500,000	12/14	6.69%	1,237,650	1,904,077	158,673
105										
106	<b>Sumas HGP Inspection Prepaid Maintenance</b>			G/L Accts # 18231041, #16500711, #23200301, #553008200						
107	Dec 2012	(\$302,240)	-	(302,240)	113,341	12/12	6.9% & 6.71%	7,684	11,822	985
108										
109	<b>Colstrip 1 and 2 (WECO)</b>			G/L Accts # 16599011, 18232321 Order #50106003						
110	<b>Reservation Payment</b>									
111	Dec 2012 \$	(944,444)	3,500,000	(944,444)	3,912,809	12/12	6.9% & 6.71%	265,271	408,110	34,009
112	Dec 2013 \$	(500,000)	3,000,000	(500,000)	3,250,000	12/13	6.71% & 6.69%	217,747	334,996	27,916
113	Dec 2014 \$	(500,000)	2,500,000	(500,000)	2,750,000	12/14	6.69%	183,975	283,038	23,587
114										
115	<b>Goldendale HGP Inspection Prepaid Maintenance</b>			G/L Accts # 18231071, #16500601, #16500591, #16500681, #553011340						
116	Dec 2012 \$	(283,727)	871,890	(283,727)	1,154,494	12/12	6.9% & 6.71%	29,165	44,870	11,217
117										
118	<b>FERC PART 12 Non-Construction Study Costs \$1.2M</b>			G/L Accts # 18220091						
119	Dec 2012 \$	(241,268)	965,072	(241,268)	1,035,442	12/12	6.9% & 6.71%	70,198	107,998	9,000
120	Dec 2013 \$	(241,268)	723,804	(241,268)	844,438	12/13	6.71% & 6.69%	56,577	87,041	7,253
121	Dec 2014 \$	(241,268)	482,536	(241,268)	603,170	12/14	6.69%	40,352	62,080	5,173
122										
123	<b>Lower Snake River Prepaid Transm Principal \$99.8M</b>			G/L Accts # 18232301, 18600581						
124	Dec 2012 \$	-	99,800,000	-	99,800,000	12/12	6.9% & 6.71%	4,244,827	6,530,503	858,536
125	Dec 2013 \$	(1,210,533)	78,089,467	(1,210,533)	93,535,558	12/13	6.71% & 6.69%	6,266,806	9,641,239	803,437
126	Dec 2014 \$	(3,030,581)	75,058,885	(3,030,581)	76,577,570	12/14	6.69%	5,123,039	7,881,599	656,800
127										
128	<b>Carrying Charges on LSR Prepaid Transm \$99.8M</b>			G/L Accts # 18232311, 18600591, 40730101						
129	Dec 2012 \$	(463,265)	10,990,950	(463,265)	12,744,430	12/12	6.9% & 6.71%	542,063	833,943	109,635
130	Dec 2013 \$	(693,650)	10,425,791	(693,650)	10,741,367	12/13	6.71% & 6.69%	719,663	1,107,173	92,264
131	Dec 2014 \$	(687,415)	9,978,971	(687,415)	10,202,381	12/14	6.69%	682,539	1,050,060	87,505
132										
133	<b>Lower Snake River Plant Deferral \$18.3M</b>			G/L Accts # 18232331, 18600311, 18600331, 18600391, 40730111						
134	Dec 2012 \$	(2,893,654)	9,793,061	(2,893,654)	8,953,340	12/12	6.9% & 6.71%	380,815	585,870	77,022
135	Dec 2013 \$	(4,567,099)	6,824,446	(4,567,099)	8,305,099	12/13	6.71% & 6.69%	556,435	856,054	71,338
136	Dec 2014 \$	(4,499,635)	3,899,684	(4,499,635)	5,362,065	12/14	6.69%	358,722	551,880	45,990
137										
138	<b>Snoqualmie License Upgrade Deferral (NEW 2013 PCORC)</b>									
139	Dec 2013	(320,024)	7,280,544	(320,024)	2,889,621	12/13	6.71% & 6.69%	32,308	49,704	24,852
140	Dec 2014	(1,920,143)	6,032,451	(1,920,143)	\$6,656,497	12/14	6.69%	445,320	685,107	57,092
141										
142	<b>Baker License Upgrade Deferral (NEW 2013 PCORC)</b>									
143	Dec 2013	(88,250)	2,007,680	(88,250)	621,616	12/13	6.71% & 6.69%	6,950	10,692	5,346
144	Dec 2014	(529,498)	1,663,506	(529,498)	1,835,593	12/14	6.69%	122,801	188,925	15,744
145										
146	<b>Ferndale Deferral (NEW 2013 PCORC)</b>									
147	Dec 2013	(689,258)	15,680,624	(689,258)	9,739,395	12/13	6.71% & 6.69%	108,892	167,526	83,763
148	Dec 2014	(4,135,549)	12,992,517	(4,135,549)	14,336,570	12/14	6.69%	959,117	1,475,564	122,964

Exhibit D: Reg. Assets and Liab. net of Accumulated Amortization and Deferred Taxes (PCA Periods)  
2013 PCORC - PCA Time Periods

2009 GRC	4/7/2010	6.90%
2011 GRC	5/14/2012	6.71%
2013 ERF	7/1/2013	6.69%

Ref	Description	12 Months Ended			PCA Period						
		Asset Amort	Balance net of AA & ADFIT (Note 1)	Asset Amort	AMA Ratebase as of (Note 1)	A.T. %	Return Amount	Pre Tax	Monthly		
162											
163											
164											
165											
166											
167											
168	PCA #11	\$	Jan 2012	Dec 2012	(19,497,705)	317,169,981	12/12	6.9% & 6.71%	17,914,911	27,561,402	2,745,508
169	PCA #12	\$	Jan 2013	Dec 2013	(22,374,726)	308,556,416	12/13	6.71% & 6.69%	19,933,394	30,666,760	2,650,531
170	PCA #13	\$	Jan 2014	Dec 2014	(29,608,733)	286,147,364	12/14	6.69%	19,143,259	29,451,167	2,454,264
171											
172											

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

**Puget Sound Energy, Inc.**

Power Cost Adjustment Mechanism Annual  
Report for PCA Period Twelve  
Twelve Months Ended December 31, 2013

PCA Exhibit A-1  
From January 1 through October 31, 2013  
PCA Exhibits Approved in 2011 General Rate  
case Docket No. UE-111048

2011 GENERAL RATE CASE

Replacement Page Filed on May 15, 2012 for in UE-111048 May 9, 2012 Compliance Filing

Exhibit A-1 Power Cost Rate		TOTAL					
Row		Test Year		Test Yr	Production	Per Month for Schedule B	
				\$/MWh	Factor	Rate Year	
					0.97901		
3	Regulatory Assets (Variable)	\$	305,100,736				
4	Transmission Rate Base (Fixed)		94,699,228				
5	Production Rate Base (Fixed)		2,025,749,041				
6		\$	2,425,549,005				
7	Net of tax rate of return		6.71%				
8							
9							
10	Regulatory Asset Recovery (on Row 3)	\$	31,495,784	\$	1.490	(c)	
11	Fixed Asset Recovery Other (on Row 4)		9,775,874		0.462	(a)	814,656
12	Fixed Asset Recovery-Prod Factored (on Row 5)		209,119,632		9.891	(a)	17,800,264
13	501-Steam Fuel		87,352,900		4.131	(c)	18,614,920
14	555-Purchased power		456,637,400		21.597	(c)	
15	557-Other Power Exp		6,598,334		0.312	(a)	561,650
15a	Payroll Overheads - Worker's Comp		4,904,765		0.232	(a)	417,494
15b	Property Insurance		3,286,696		0.155	(a)	279,764
15c	Montana Electric Energy Tax		1,647,660		0.078	(a)	140,249
15d	Payroll Taxes on Production Wages		1,979,897		0.094	(a)	168,529
16	547-Fuel		181,075,933		8.564	(c)	1,567,685
17	565-Wheeling		89,979,230		4.256	(c)	
18	Variable Transmission Income		(5,495,638)		(0.260)	(c)	
19	Hydro and Other Pwr.		124,192,550		5.874	(a)	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		1,389,837		0.066	(a)	118,303
23	Depreciation & Amort -Production (FERC 403)		104,749,684		4.954	(a)	8,916,293
24	Depreciation-Transmission		4,091,622		0.194	(a)	348,279
25	Amortization-Production Reg Assets		20,234,230		0.957	(c)	
26	Property Taxes-Production		15,813,514		0.748	(a)	1,346,046
27	Property Taxes-Transmission		2,942,567		0.139	(a)	250,471
28	Hedging Line of Credit		1,420,907		0.067	(c)	
29	Subtotal & Baseline Rate	\$	1,313,029,655	\$	62.101	(b)	500,799,213
30	Revenue Sensitive Items		0.954998				41,733,268
31			1,374,903,042				20,182,605
32	Test Year DELIVERED Load (MWH's)		21,143,300				<-- includes Firm Wholesale
33							
34							
35							
36							
37							
38	Power Cost in Rates with Revenue Sensitive						
39	Items (the adjusted baseline)	\$	62.101	\$	65.027		
40	sum of (a) = Fixed Rate Component	\$	23.199	\$	24.292		
41	(b) = Power Cost Rate	\$	62.101	\$	65.027		
42	sum of (c) = Variable Power Rate Component	\$	38.902	\$	40.735		

**Exhibit A-2 Transmission Rate Base**  
As filed in Docket UE-111048

FERC	Description	Plant AMA 12/31/2010	AMA Accum Deprec/Amort	Net	Annualized Depreciation
TRANS - COLSTRIP 1 & 2					
E350	Land and Land Rights	10,247	-	10,247	
E351	Easements	685,927	(410,851)	275,076	13,033
E353	Station Equipment	1,231,131	(977,385)	253,746	25,977
E354	Towers & Fixtures	14,555,900	(9,079,746)	5,476,154	243,074
E355	Poles & Fixtures	49,007	(48,986)	21	1,480
E356	OH Conductors & Devices	13,158,153	(8,931,160)	4,226,993	277,637
E359	Roads & Trails	113,968	(67,588)	46,380	1,630
TOTAL COLSTRIP 1&2 TRANSMISSION		29,804,333	(19,515,716)	10,288,617	562,830
TRANS - COLSTRIP 3 & 4					
E351	Easements	1,071,124	(629,893)	441,231	20,351
E352	Structures & Improvements	488,761	(289,792)	198,969	8,309
E353	Station Equipment	19,708,485	(11,596,586)	8,111,899	415,074
E354	Towers & Fixtures	20,580,759	(12,558,757)	8,022,002	343,688
E355	Poles & Fixtures	88,692	(34,278)	54,414	2,679
E356	OH Conductors & Devices	19,991,226	(13,315,474)	6,675,752	421,815
E359	Roads & Trails	341,015	(199,610)	141,405	4,877
TOTAL COLSTRIP 3&4 TRANSMISSION		62,270,062	(38,624,390)	23,645,672	1,216,792
TRANS - 3RD NW-SW INTERTIE					
E350	Land and Land Rights	1,769,178	-	1,769,178	-
E352	Structures & Improvements	1,276,264	(392,280)	883,984	21,696
E353	Station Equipment	32,769,281	(12,112,963)	20,656,318	691,432
E354	Towers & Fixtures	22,781,417	(7,135,115)	15,646,302	380,450
E355	Poles & Fixtures	204,200	(70,037)	134,163	6,167
E356	OH Conductors & Devices	23,498,389	(9,910,549)	13,587,840	495,816
E359	Roads & Trails	59,215	(10,155)	49,060	847
TOTAL 3RD NW-SW INTERTIE		82,357,944	(29,631,099)	52,726,845	1,596,408
TRANS - NORTHERN INTERTIE					
E350	Land and Land Rights	30,604	-	30,604	
E354	Towers & Fixtures	4,786,748	(1,234,196)	3,552,552	95,926
E355	Poles & Fixtures	3,412,478	(1,257,397)	2,155,081	104,590
E356	OH Conductors & Devices	11,363,534	(3,874,637)	7,488,897	266,954
TOTAL NORTHERN INTERTIE		19,593,364	(6,366,230)	13,227,134	467,470
Total Transmission		\$ 194,025,703	\$ (94,137,435)	\$ 99,888,268	\$ 3,843,499
Accumulated Depreciation (AMA)		(94,137,435)			
Deferred Taxes (AMA)		(8,651,536)			
Transmission portion of:					
Colstrip Common FERC Adj, net of accum amort		2,980,141			213,630
Colstrip Def Depr FERC Adj, net of accum amort		482,355			34,493
Total Transmission Rate Base		\$ 94,699,228			\$ 4,091,622





72 **Exhibit A-3 Colstrip Fixed Costs**

73 **As filed in Docket UE-111048**

74  
75  
76

77 <b>Support for Revenue Requirement - Expenses</b>	<b>12ME December 2010</b>
78	<b>Amount before</b>
79 <b>Order Description</b>	<b>Prod. Adj.</b>
80 50004011 Colstrip 1&2 - Supv & Eng'g - Steam Ope	61,750
81 50005011 Colstrip 3&4 - Supv & Eng'g - Steam Ope	50,554
82 50204001 Colstrip 1&2 - Steam Exp - Steam Gen Op	4,155,364
83 50205001 Colstrip 3&4 - Steam Exp - Steam Gen Op	2,502,216
84 50504001 Colstrip 1&2 - Electric Exp - Steam Gen	97,082
85 50505001 Colstrip 3&4 - Electric Exp - Steam Gen	87,816
86 50604001 Colstrip 1&2 - Misc Stm Pwr - Steam Gen	3,784,562
87 50605001 Colstrip 3&4 - Misc Stm Pwr - Steam Gen	3,178,648
88 50704001 Colstrip 1&2 - Rents - Steam Gen Oper	9,047
89 50705001 Colstrip 3&4 - Rents - Steam Gen Oper	32,766
90 51004001 Colstrip 1&2 - Supv & Eng'g - Steam Gen	827,101
91 51005001 Colstrip 3&4 - Supv & Eng'g - Steam Gen	589,309
92 51104001 Colstrip 1&2 - Structures - Steam Gen M	1,124,651
93 51105001 Colstrip 3&4 - Structures - Steam Gen M	847,753
94 51204001 Colstrip 1&2 - Boiler Plant - Steam Gen	5,176,409
95 51205001 Colstrip 3&4 - Boiler Plant - Steam Gen	4,412,221
96 51304001 Colstrip 1&2 - Electric Plant - Steam G	578,523
97 51305001 Colstrip 3&4 - Electric Plant - Steam G	538,076
98 51404001 Colstrip 1&2 -Misc Steam Plt -Steam Gen	1,264,419
99 51405001 Colstrip 3&4 -Misc Steam Plt -Steam Gen	863,749
100 50604002 Colstrip 1&2 Belmontez Settlement	400,000
101 50604003 Colstrip 1&2 Global Settlement	(3,437,598)
102 50604004 Colstrip 1&2 Ash Pond Settlement	785,531
103 50605003 Colstrip 3&4 Global Settemt	(1,636,257)
104 50605004 Colstrip 3&4 Ash Pond Settlement	1,458,844
105 Subtotal for the test year	<u>27,752,535</u>
106 Adjustment to the rate year	<u>11,956,365</u>
107 Subtotal on Orders	39,708,900
108 Property Taxes-Montana	9,294,613
109 Electric Energy Tax	1,682,986
110 403xxxxx Depreciation / Accretion	12,477,625
111	<u><u>\$ 63,164,124</u></u>

Exhibit A-4 Production Adjustment (Page 1 of 2)  
As filed in Docket UE-111048

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

LINE NO.	DESCRIPTION	REVISED PROFORMA AND RESTATED (A)	REVISED PRODUCTION 2.099% (B)	REVISED FIT 35%	Net of Prod. Factor (C) = (A)-(B)
1	O&M ON PRODUCTION PROPERTY				
2	PRODUCTION WAGE ADJUSTMENTS AND INCENTIVE:				
3	PURCHASED POWER	\$ 79,703	\$ (1,673)	\$ 586	\$ 78,030
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
9	PROPERTY INSURANCE	2,835,322	(59,513)	20,830	2,775,809
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
16					
17	TAXES OTHER-PRODUCTION PROPERTY:				
18	PROPERTY TAXES - WASHINGTON	7,169,159	(150,481)	52,668	7,018,678
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
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	LOWER SNAKE RIVER				
25					
26	PURCHASED POWER	776,099	(16,290)	5,702	759,809
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
30	PROPERTY INSURANCE	521,841	(10,953)	3,834	510,887
31	PROPERTY TAX	1,932,987	(40,573)	14,201	1,892,414
32	TOTAL OPERATING EXPENSES LOWER SNAKE RIVER	21,006,817	(440,933)	154,328	20,565,884
33					
34	AMORTIZATION ON REGULATORY ASSETS:				
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
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
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	

Exhibit A-4 Production Adjustment (Page 1 of 2)  
As filed in Docket UE-111048

**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	PRODUCTION PROPERTY RATE BASE:			
60	DEPRECIABLE PRODUCTION PROPERTY (INCL LSR AND WH SOLAR)	\$ 3,307,889,572	\$ (69,432,602)	
61	PRODUCTION PROPERTY ACCUM DEPR. (INCL LSR AND WH SOLAR)	(1,194,219,566)	25,066,669	
62	NON-DEPRECIABLE PRODUCTION PROPERTY	77,287,156	(1,622,257)	
63	PRODUCTION PROPERTY ACCUM AMORT.	(4,080,190)	85,643	
64	COLSTRIP COMMON FERC ADJUSTMENT	4,947,628	(103,851)	
65	COLSTRIP DEFERRED DEPRECIATION FERC ADJ.	1,458,712	(30,618)	
66	ACQUISITION ADJUSTMENTS	250,524,822	(5,258,516)	
67	ACCUMULATED AMORTIZATION ON ACQUISITION ADJ	(54,306,612)	1,139,896	
68	NET PRODUCTION PROPERTY	<u>2,389,501,522</u>	<u>(50,155,636)</u>	
69				
70	LIBR. DEPREC. POST 1980 (AMA)	(326,649,309)	6,856,369	
71	NOL DEFERRED TAX ASSET ATTRIBUTABLE TO PRODUCTION	6,328,940	(132,844)	
72	SUBTOTAL	<u>(320,320,369)</u>	<u>6,723,525</u>	
73		-	-	
74	TOTAL PRODUCTION PROPERTY RATE BASE	<u>\$ 2,069,181,152</u>	<u>\$ (43,432,111)</u>	<u>\$ 2,025,749,041</u>
75				
76	REGULATORY ASSETS RATE BASE:			
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	99,746,463	(2,093,678)	
86	LOWER SNAKE RIVER AMORTIZATION	10,324,092	(216,703)	
87	CARRYING CHARGES ON LSR PREPAID TRANSM DEPOSITS	11,099,630	(232,981)	
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>
88				
89	TOTAL ADJUSTMENT TO RATEBASE (LINE 73 + LINE 89)	<u>\$</u>	<u>(49,973,478)</u>	

**PUGET SOUND ENERGY  
POWER COSTS  
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010  
GENERAL RATE INCREASE**

LINE NO. DESCRIPTION	ACTUAL	REVISED PROFORMA	REVISED INCREASE (DECREASE)
1 SALES FOR RESALE	\$ 201,262,557	\$ 40,163,723	\$ (161,098,834)
2			
3 PURCHASES/SALES OF NON-CORE GAS	(36,748,461)	-	36,748,461
4 WHEELING FOR OTHERS	10,703,023	13,723,963	3,020,940
5	(26,045,439)	13,723,963	39,769,401
6			
7 TOTAL OPERATING REVENUES	175,217,118	53,887,686	(121,329,432)
8			
9 FUEL	\$ 269,007,822	\$ 268,428,833	\$ (578,989)
10			
11 PURCHASED AND INTERCHANGED	792,862,060	462,397,894	(330,464,166)
12 HEDGING	-	1,420,907	1,420,907
13			
14 SUBTOTAL PURCHASED AND INTERCHANGED	\$ 792,862,060	\$ 463,818,802	\$ (329,043,258)
15 WHEELING	76,487,811	83,238,876	6,751,065
16			
17 TOTAL PRODUCTION EXPENSES	\$ 1,138,357,693	\$ 815,486,511	\$ (322,871,182)
18 HYDRO AND OTHER POWER	101,194,084	113,291,295	12,097,210
19 TRANS. EXP. INCL. 500KV O&M	1,419,635	1,389,837	(29,798)
20			
21 TOTAL OPERATING EXPENSES	\$ 1,240,971,412	\$ 930,167,643	\$ (310,803,769)
22			
23 INCREASE (DECREASE) OPERATING INCOME (LINE 7 - LINE 2	\$ (1,065,754,294)	\$ (876,279,957)	\$ 189,474,337
24			
25 STATE UTILITY TAX SAVINGS FOR LINE 4	3.873%		(117,001)
26 INCREASE (DECREASE) INCOME			\$ 189,357,336
27 INCREASE (DECREASE) FIT @	35%		66,275,068
28 INCREASE (DECREASE) NOI			\$ 123,082,268

**Exhibit D: Regulatory Assets and Liabilities net of Accumulated Amortization and Deferred Taxes (PCA Periods)**  
**2011 General Rate Case - PCA Time Periods**

Rate  
 2009 GRC 4/7/2010 6.90%  
 2011 GRC 5/1/2012 6.71%

Ref	Description	12 Months Ended		PCA Period			REVISED & NEW		
		Balance		AMA Ratebase as of	A.T. %	Amount	Pre Tax	Return	REVISED & NEW
		Asset Amort	AA & ADFIT						
24									
25	<b>BEP</b>								
26	Dec 2012 \$	(3,526,620)	10,815,003	12,014,313	12/12	6.90%&6.71%	814,518	1,253,104	104,425
27	Dec 2013 \$	(3,526,620)	8,416,383	9,615,693	12/13	6.71%	645,213	992,635	82,720
28									
29	<b>White River Relicensing</b>								
30	Dec 2012 \$		24,941,807	24,941,807	12/12	6.90%&6.71%	1,690,945	2,601,455	216,788
31	Dec 2013 \$		24,941,807	24,941,807	12/13	6.71%	1,673,595	2,574,762	214,563
32									
33	<b>White River Plant Costs</b>								
34	Dec 2012 \$	(1,494,702)	34,316,160	35,063,511	12/12	6.90%&6.71%	2,377,153	3,657,158	304,763
35	Dec 2013 \$	(1,494,702)	32,821,459	33,568,810	12/13	6.71%	2,252,467	3,465,334	288,778
36									
37	<b>CWA Sales Proceeds</b>								
38	Dec 2012 \$		(29,911,730)	(29,911,730)	12/12	6.90%&6.71%	(2,027,885)	(3,119,822)	(259,985)
39	Dec 2013 \$		(29,911,730)	(29,911,730)	12/13	6.71%	(2,007,077)	(3,087,811)	(257,318)
40									
41	<b>White River DFIT</b>								
42	Dec 2012 \$		(10,505,909)	(10,505,909)	12/12	6.90%&6.71%	(712,255)	(1,095,777)	(91,315)
43	Dec 2013 \$		(9,982,764)	(9,982,764)	12/13	6.71%	(669,843)	(1,030,528)	(85,877)
44									
45	<b>FB Energy Capacity Payment - UE-082013</b>								
46	Dec 2012 \$	392,170	(1,486,977)	(1,614,432)	12/12	6.90%&6.71%	(109,451)	(168,387)	(14,032)
47	Dec 2013 \$	392,170	(1,232,066)	(1,359,521)	12/13	6.71%	(91,224)	(140,344)	(11,695)
48									
49	<b>Mint Farm Deferral</b>								
50	Dec 2012	(2,876,472)	22,869,748	23,803,671	12/12	6.90%&6.71%	1,613,785	2,482,746	206,895
51	Dec 2013	(2,872,182)	21,002,829	21,936,289	12/13	6.71%	1,471,925	2,264,500	188,708

(Note 1)

(Note 1)

(Note 1)

(Note 1)

(Note 1)

(Note 1)

(Note 1)

12 Months Ended		PCA Period					
Ref	Description	Balance		AMA Ratebase as of	A.T. %	REVISED & NEW	
		Asset Amort	AA & ADFIT			Amount	Return
		(Note 1)					
52							
53	<b>BNP Capacity - UE-100503</b>			G/L Accts # 19000711, # 25302121, #25400191 and Order #54700010			
54	Dec 2012	537,626	(2,038,499)	(2,213,228) 12/12	6.90%&6.71%	(150,047)	(230,842)
55	Dec 2013	537,626	(1,689,042)	(1,863,771) 12/13	6.71%	(125,059)	(192,399)
56							
57	<b>Chelan PUD Contract Initiation</b>			G/L Accts # 18230351, #28300561, Order #555			
58	<b>Payment</b>						
60	Dec 2012	(7,088,066)	\$116,102,845	119,185,216 12/12	6.90%&6.71%	8,080,237	12,431,133
61	Dec 2013	(7,088,066)	\$109,938,102	113,020,474 12/13	6.71%	7,583,674	11,667,190
62							
63	<b>Chelan - Rock Island Security Deposit</b>						
65	Dec 2012	-	18,500,000	18,500,000 12/12	6.90%&6.71%	786,867	1,210,564
66	Dec 2013	-	18,500,000	18,500,000 12/13	6.71%	1,241,350	1,909,769
67							
68	<b>Sumas November 2010 Hot Gas Path Inspection</b>			G/L Accts # 18231041, #16500711, #23200301			
69	Dec 2012	(\$274,655)	-	102,995 12/12	6.90%&6.71%	6,983	10,743
70							
71	<b>Colstrip 1 and 2 (WECo)</b>			G/L Accts # 16599011, Order #501			
72	<b>Reservation Payment</b>						
73	Dec 2012	(518,519)	3,500,000	3,877,315 12/12	6.90%&6.71%	164,915	253,716
74	Dec 2013	(500,000)	3,000,000	3,250,000 12/13	6.71%	218,075	335,500
75							
76	<b>Lower Snake River Prepaid Transm Principal</b>						
77	Dec 2012	-	99,800,000	99,800,000 12/12	6.90%&6.71%	4,244,827	6,530,503
78	Dec 2013	(1,569,509)	98,230,491	99,098,673 12/13	6.71%	6,649,521	10,230,032
79							
80	<b>Carrying Charges on LSR Prepaid Transm</b>						
81	Dec 2012	(465,163)	11,035,995	10,747,402 12/12	6.90%&6.71%	457,123	703,266
82	Dec 2013	(697,745)	10,582,461	10,809,228 12/13	6.71%	725,299	1,115,845

12 Months Ended		PCA Period							
Ref	Description	Balance		Asset Amort	AMA Ratebase as of	REVISED & NEW			
		AA & ADFIT	net of			Return	Monthly		
		Asset Amort	AA & ADFIT	Asset Amort	AMA Ratebase as of	A.T. %	Amount	Pre Tax	Monthly
			(Note 1)		(Note 1)				
83									
84	Lower Snake River Plant Deferral (NEW)								
85	Dec 2012	(3,053,727)	\$9,924,614	(3,053,727)	\$ 7,967,397	12/12	338,880	521,354	65,169
86	Dec 2013	(4,580,591)	\$6,947,230	(4,580,591)	8,435,922	12/13	566,050	870,847	72,571
87									
88	FERC PART 12 Non-Construction Study Costs								
89	Dec 2012	(176,770)	1,149,005	(176,770)	880,167	12/12	37,436	57,595	7,199
90	Dec 2013	(265,155)	883,850	(265,155)	1,016,428	12/13	68,202	104,927	8,744
91									
92									
93									
94									
95	PCA #11	Jan 2012	Dec 2012	(18,544,897)	312,638,496	12/12	17,614,030	27,098,508	2,644,751
96	PCA #12	Jan 2013	Dec 2013	(21,664,773)	301,075,535	12/13	20,202,168	31,080,259	2,590,022
97									
98									
99									

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