

**PUGET SOUND ENERGY-ELECTRIC
 EXPEDITED RATE FILING INCREASE
 FOR THE TWELVE MONTHS ENDED JUNE 30, 2012**

LINE NO. DESCRIPTION	PSE RECOMMENDED EXPEDITED RATE FILING	PUBLIC COUNSEL RECOMMENDED EXPEDITED RATE FILING
1 RATE BASE	\$ 2,621,991,642	\$ 2,621,991,642
2 RATE OF RETURN	<u>7.80%</u>	<u>7.41%</u>
3		
4 OPERATING INCOME REQUIREMENT	204,515,348	194,362,996
5		
6 RESTATED OPERATING INCOME	<u>184,563,096</u>	<u>185,158,290</u>
7 OPERATING INCOME DEFICIENCY	19,952,252	9,204,707
8		
9 CONVERSION FACTOR	<u>0.6203460</u>	<u>0.6203460</u>
10 REVENUE REQUIREMENT DEFICIENCY	\$ 32,163,102	\$ 14,838,021

PUGET SOUND ENERGY-ELECTRIC
 DETERMINATION OF ERF RELATED REVENUES AND EXPENSES
 FOR THE TWELVE MONTHS ENDED JUNE 30, 2012

LINE NO.	(Based on Streamlined June 2012 Commission Basis Report) (Included in KJB-5) (Segregated by Recovery Mechanism)										PUBLIC COUNSEL YE Customer ERF ADJUSTED Growth RESULTS
	ACTUAL RESULTS OF OPERATIONS		RESTATED RESULTS OF OPERATIONS		PCA EXHIBIT A-1	PROPERTY TAXES	EXPEDITED RATE FILING	ADJUSTMENT FOR 2011 GRC		RESULTS	
	A	B	C = A + B	D				E	F = C - D - E		
1	OPERATING REVENUES:										
2	\$ 2,120,008,164	\$ (102,488,583)	\$ 2,017,519,581	\$ 1,422,570,376	\$ 18,722,054	\$ 576,227,151	\$ 68,007,263	\$ 644,234,414	915,682	\$ 645,150,096	
3	360,542	(1,399)	359,143	-	-	359,143	-	359,143		359,143	
4	123,650,360	-	123,650,360	123,650,360	-	-	-	-		-	
5	56,068,111	(39,907,244)	16,160,867	(18,437,378)	-	-	-	-		34,598,245	
6	2,300,087,177	(142,397,225)	2,157,689,951	1,527,783,359	18,722,054	611,184,539	68,007,263	679,191,802	915,682	680,107,484	
7											
8	OPERATING REVENUE DEDUCTIONS:										
9											
10	POWER COSTS:										
11	218,160,728	-	218,160,728	218,160,728	-	-	-	-		-	
12	717,639,197	(2,586,726)	715,052,472	715,052,472	-	-	-	-		-	
13	84,269,117	-	84,269,117	84,269,117	-	-	-	-		-	
14	(72,809,411)	-	-	-	-	-	-	-		-	
15	947,259,632	70,222,685	1,017,482,317	1,017,482,317	-	-	-	-		-	
16											
17	117,133,188	-	117,133,188	117,133,188	-	-	-	-		-	
18	13,719,587	-	13,719,587	1,103,238	-	-	-	-		12,616,350	
19	81,255,580	-	81,255,580	-	-	-	-	-		81,255,580	
20	48,756,165	(1,060,169)	47,695,996	7,232,348	93,183	40,368,465	345,749	4,832,538		40,368,465	
21	15,570,221	(11,083,432)	4,486,789	-	-	-	-	-		4,486,789	
22	85,049,596	(85,047,212)	2,384	-	-	-	-	-		2,384	
23	99,574,020	(48,305)	99,525,715	12,300,313	37,444	87,187,958	136,015	87,323,972		87,323,972	
24	211,288,588	-	211,288,588	77,310,515	-	133,978,073	2,549,351	136,527,424		136,527,424	
25	40,063,865	-	40,063,865	11,804,795	-	28,259,070	-	28,259,070		28,259,070	
26	17,837,766	-	17,837,766	1,615,336	-	16,222,429	-	16,222,429		16,222,429	
27	65,549,106	(60,686,951)	4,862,154	6,278,234	-	(1,416,080)	-	(1,416,080)		(1,416,080)	
28	20,062,310	(20,062,310)	-	-	-	-	-	-		-	
29	207,386,995	(80,005,520)	127,381,475	75,191,823	23,386,766	28,802,887	2,620,796	31,423,683		31,423,683	
30	133,244	8,368,537	8,501,781	43,393,801	(1,679,069)	(33,212,951)	21,824,397	(11,388,554)		(11,388,554)	
31	61,579,635	7,021,809	68,601,444	68,601,444	-	68,601,444	-	68,601,444		68,601,444	
32	2,032,219,498	(172,380,867)	1,859,838,631	1,370,845,909	21,840,324	467,152,398	27,476,308	494,949,194		494,949,194	
33											
34	\$ 267,867,679	\$ 29,983,642	\$ 297,851,321	\$ 156,937,450	\$ (3,118,270)	\$ 144,032,141	\$ 40,530,955	\$ 184,563,096	\$ 595,193	\$ 185,158,290	
35											
36	\$ 4,962,312,346	\$ -	\$ 4,962,312,346	\$ 2,340,320,709	\$ -	\$ -	\$ -	\$ -	\$ 2,621,991,642	\$ 2,621,991,642	
37											
38	5.40%	6.00%	6.71%	N/A	5.49%	N/A	7.04%	7.06%			
39											
40	RATE BASE:										
41	\$ 8,371,335,805	\$ -	\$ 8,371,335,805	\$ 3,812,207,290	\$ -	\$ 4,559,128,515	\$ -	\$ 4,559,128,515		\$ 4,559,128,515	
42	(3,014,999,833)	-	(3,014,999,833)	(1,448,634,744)	-	(1,566,365,090)	-	(1,566,365,090)		(1,566,365,090)	
43	437,285,427	-	437,285,427	378,678,655	-	58,606,772	-	58,606,772		58,606,772	
44	(929,775,902)	-	(929,775,902)	(401,930,497)	-	(527,845,405)	-	(527,845,405)		(527,845,405)	
45	180,394,295	-	180,394,295	-	-	180,394,295	-	180,394,295		180,394,295	
46	(81,927,445)	-	(81,927,445)	-	-	(81,927,445)	-	(81,927,445)		(81,927,445)	
47	\$ 4,962,312,346	\$ -	\$ 4,962,312,346	\$ 2,340,320,709	\$ -	\$ -	\$ -	\$ -	\$ 2,621,991,642	\$ 2,621,991,642	

PUGET SOUND ENERGY
EXPEDITED RATE FILING
COST OF CAPITAL - PSE VS PUBLIC COUNSEL PROPOSALS

Weighed Cost of Capital - Per PSE

<u>Description</u>	<u>Capitalization Percentage</u>	<u>Cost Rate</u>	<u>Capitalization Percentage</u>
Equity	48.00%	9.80%	4.70%
Long Term Debt	48.00%	6.22%	2.99%
Short Term Debt	<u>4.00%</u>	2.68%	<u>0.11%</u>
Overall	<u><u>100.0%</u></u>		<u><u>7.80%</u></u>

Weighed Cost of Capital - Per Public Counsel

<u>Description</u>	<u>Capitalization Percentage</u>	<u>Cost Rate</u>	<u>Capitalization Percentage</u>
Equity	48.00%	9.00%	4.32%
Long Term Debt	48.00%	6.22%	2.99%
Short Term Debt	<u>4.00%</u>	2.68%	<u>0.11%</u>
Overall	<u><u>100.0%</u></u>		<u><u>7.41%</u></u>