

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

LINE NO: DESCRIPTION	PSE PROPOSED EXPEDITED RATE FILING	PUBLIC COUNSEL RECOMMENDED EXPEDITED RATE FILING
1 RATE BASE	\$ 1,592,297,567	\$ 1,592,297,567
2 RATE OF RETURN	<u>7.80%</u>	<u>7.41%</u>
3		
4 OPERATING INCOME REQUIREMENT	124,199,210	118,033,834
5		
6 RESTATED OPERATING INCOME	<u>124,969,751</u>	<u>126,126,642</u>
7 OPERATING INCOME DEFICIENCY	(770,540)	(8,092,808)
8		
9 CONVERSION FACTOR	<u>0.6213350</u>	<u>0.6213350</u>
10 REVENUE REQUIREMENT DEFICIENCY	<u>\$ (1,240,137)</u>	<u>\$ (13,024,871)</u>

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

(Based on Streamlined June 30, 2012 Commission Basis Report)
 (Included in KJB-6) (Segregated by Recovery Mechanism)

LINE NO.	ACTUAL RESULTS OF OPERATIONS	TOTAL ADJUSTMENTS	RESTATED RESULTS OF OPERATIONS	PGA (INCL JP REVS)	PROPERTY TAXES	EXPEDITED RATE FILING	PSE PROPOSED CBR LOAD ADJUSTMENT PRICED AT 2011 GRC ERF RATES			PUBLIC COUNSEL YE CUSTOMER GROWTH	PUBLIC COUNSEL ERF ADJUSTED RESULTS
							A	B	C=A+B		
1	OPERATING REVENUES:										
2	SALES TO CUSTOMERS	\$ 1,086,060,278	\$ (56,769,119)	\$ 1,029,291,158	\$ 607,120,573	\$ 13,213,092	\$ 408,957,493	\$ 7,638,454	\$ 416,595,948	1,779,833.28	418,376,761
3	MUNICIPAL ADDITIONS	49,438,054	(49,438,054)	0			0		0		0
4a	RENTALS	7,503,094	48,366	7,551,459	186,048		7,365,411	14,500	7,379,911		7,379,911
4b	OTHER OPERATING REVENUES	5,999,666	1,280,943	7,280,608	898,495		6,382,114		6,382,114		6,382,114
5	TOTAL OPERATING REVENUES	1,149,000,091	(104,877,865)	1,044,122,226	608,019,067	13,399,140	422,705,018	7,652,954	430,357,973	1,779,833	432,137,806
6											
7	OPERATING REVENUE DEDUCTIONS:										
8											
9	GAS COSTS:										
10											
11											
12	PURCHASED GAS	588,140,057	(7,290,712)	580,849,345	580,849,345						
13											
14	TOTAL PRODUCTION EXPENSES	588,140,057	(7,290,712)	580,849,345	580,849,345						
15											
16	OTHER POWER SUPPLY EXPENSES	1,783,066	(101,240)	1,681,827			1,681,827		1,681,827		1,681,827
17	TRANSMISSION EXPENSE	(38,579)	-	(38,579)			(38,579)		(38,579)		(38,579)
18	DISTRIBUTION EXPENSE	52,377,195	-	52,377,195			52,377,195		52,377,195		52,377,195
19	CUSTOMER ACCOUNT EXPENSES	30,511,840	(781,543)	29,730,297	2,263,655	49,885	27,416,757	28,492	27,445,249		27,445,249
20	CUSTOMER SERVICE EXPENSES	4,868,324	(3,691,645)	1,176,679			1,176,679		1,176,679		1,176,679
21	CONSERVATION AMORTIZATION	29,433,195	(29,433,195)	-			-		-		-
22	ADMIN & GENERAL EXPENSE	47,843,681	(97,159)	47,746,522	1,216,038	26,798	46,503,686	15,306	46,518,992		46,518,992
23	DEPRECIATION	103,503,051	0	103,503,051			103,503,051		103,503,051		103,503,051
24	AMORTIZATION	11,884,767	-	11,884,767			11,884,767		11,884,767		11,884,767
25	AMORTIZATION OF PROPERTY LOSS	-	-	-			-		-		-
26	OTHER OPERATING EXPENSES	(137,395)	-	(137,395)			(137,395)		(137,395)		(137,395)
27	TAXES OTHER THAN F.I.T.	112,482,025	(51,854,053)	60,627,971	23,333,948	17,441,089	19,852,934	293,697	20,146,632		20,146,632
28	FEDERAL INCOME TAXES	519,801	7,194,390	7,714,191	300,605	(1,441,521)	8,855,107	2,560,411	11,415,518	622,942	12,038,469
29	DEFERRED INCOME TAXES	29,412,287	0	29,412,287			29,412,287		29,412,287		29,412,287
30	TOTAL OPERATING REV. DEDUCT.	424,445,258	(78,764,445)	345,680,813	27,114,246	16,076,251	302,490,316	2,897,906	305,388,222	622,942	306,011,164
31											
32	NET OPERATING INCOME	\$ 136,415,776	\$ (18,822,708)	\$ 117,593,068	\$ 55,477	\$ (2,677,111)	\$ 120,214,702	\$ 4,755,048	\$ 124,969,751	\$ 1,156,892	\$ 126,126,642
33											
34	RATE BASE	\$ 1,592,297,567	\$ 0	\$ 1,592,297,567	N/A	N/A	\$ 1,592,297,567	\$ -	\$ 1,592,297,567	\$ -	\$ 1,592,297,567
35											
36	RATE OF RETURN	8.57%		7.39%			7.55%		7.85%		7.92%
37											
38	RATE BASE:										
39	UTILITY PLANT IN SERVICE AND OTHER ASSET	\$ 2,988,913,700	\$ -	\$ 2,988,913,700	-	-	\$ 2,988,913,700	\$ -	\$ 2,988,913,700		\$ 2,988,913,700
40	ACCUMULATED DEPRECIATION	(1,066,032,832)	-	(1,066,032,832)	-	-	(1,066,032,832)	-	(1,066,032,832)		(1,066,032,832)
41	ACCUMULATED DEFERRED FIT - LIBERALIZED	(344,288,809)	-	(344,288,809)	-	-	(344,288,809)	-	(344,288,809)		(344,288,809)
42	DEPRECIATION AND OTHER LIABILITIES	(42,548,540)	-	(42,548,540)	-	-	(42,548,540)	-	(42,548,540)		(42,548,540)
43	TOTAL NET INVESTMENT	1,536,043,519	\$ -	\$ 1,536,043,519	\$ -	\$ -	\$ 1,536,043,519	\$ -	\$ 1,536,043,519		\$ 1,536,043,519
44	ALLOWANCE FOR WORKING CAPITAL	56,254,048	-	56,254,048	-	-	56,254,048	-	56,254,048		56,254,048
45	TOTAL RATE BASE	\$ 1,592,297,567	\$ -	\$ 1,592,297,567	\$ -	\$ -	\$ 1,592,297,567	\$ -	\$ 1,592,297,567	\$ -	\$ 1,592,297,567

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	4.00%	2.68%	0.11%
Overall	<u>100.0%</u>		<u>7.80%</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	4.00%	2.68%	0.11%
Overall	<u>100.0%</u>		<u>7.41%</u>