



PUGET SOUND ENERGY

The Energy To Do Great Things

Puget Sound Energy
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PSE.com

June 1, 2010

Mr. David Danner, Executive Director and Secretary
Washington Utilities and Transportation Commission
P.O. Box 47250
Olympia, Washington 98504-7250

2010 JUN -2 AM 10:25
PUGET SOUND ENERGY
COMMUNICATIONS
DIVISION

RE: Docket UE-070725 - Compliance Filing

Dear Mr. Danner:

Puget Sound Energy, Inc. ("PSE") makes this filing to comply with paragraph 93 of the Commission's Order No. 03, Final Order Granting, In Part, and Denying, In Part, Amended Petition; Determining Appropriate Accounting and Use of Net Proceeds from the Sales of Renewable Energy Credits and Carbon Financial Instruments in Docket UE-070725 (the "Order"). Paragraph 93 of the Order requires that "PSE . . . include as part of its compliance filing(s) in this proceeding a full accounting of its calculation of net proceeds from the sale of RECs [Renewable Energy Credits] and CFIs [Carbon Financial Instruments] through November 30, 2009, with supporting narrative explanation."

REC Revenues and Costs as of April 30, 2010

PSE has booked the revenues and costs associated with REC sales into three accounts: Account No. 25300781, Account No. 25300861, and Account No. 25300851. The following exhibits to this compliance letter provide detail regarding the revenues and costs associated with REC sales through April 30, 2010:

- (i) Exhibit A is a spreadsheet detailing the revenues and costs booked to Account No. 25300781 through April 30, 2010. This account details all REC transaction revenues and costs for sales of RECs into the voluntary REC market starting in 2007;
- (ii) Exhibit B is a spreadsheet detailing the revenues and costs booked to Account No. 25300861 through April 30, 2010. This account details all of revenues and costs for bundled REC sales from the Klondike III project; and
- (iii) Exhibit C is a spreadsheet detailing the revenues and costs booked to Account No. 25300851 through April 30, 2010. This account details all of revenues and costs for bundled REC sales from the Hopkins Ridge and Wild Horse wind projects.

Revenues

The only revenues reflected in the attached exhibits are the proceeds received from REC sales. These revenues are reflected in the column entitled "REC Sales" in each of the exhibits.

Costs

The attached exhibits reflect two categories of costs associated with the REC sales: (i) broker fees and (ii) other expenses. Please see the discussion below for a description of each category of expense.

1. Broker Fees

Broker fees are reflected in the column entitled "Broker Fees" for Account No. 25300781 in Exhibit A. The broker fees relate to payments made to [REDACTED], [REDACTED], and [REDACTED] to facilitate the sale of RECs with certain counterparties/transactions. PSE had a [REDACTED] from the period June 2006-June 2007. Charges related to this agreement are also reflected in the expenses paid to [REDACTED].

There are no broker fees associated with the bundled REC transactions (*i.e.*, California REC transactions) because PSE bilaterally negotiated all bundled REC transactions with each counterparty. Therefore, these costs only pertain to some of the voluntary unbundled REC transactions, and broker fees do not appear on either Exhibit B or Exhibit C.

2. Other Expenses

A category of costs are reflected in the column entitled "Other Expenses" in each of the exhibits. These expenses include (i) Business and Occupation ("B&O") taxes; (ii) book outs for gains/losses on bundled power; (iii) Green-E certification costs; (iv) journal entries to reflect reassignment of costs; (v) royalty payments; (vi) third-party audit costs; and (vii) WREGIS fees. Please see the discussion below for a description of each category of other expenses.

a. B&O Taxes

The Washington B&O tax is a gross receipts tax that is measured on the value of products, gross proceeds of sale, or gross income of the business. The costs booked to each account for B&O taxes are reflected in each row that has the term "B&O Taxes" in the comments columns. Additionally, the sum of the costs booked to each account for B&O taxes are reflected in the summary table at the end of each exhibit. However, a portion of the REC settlement identified as recovery of the \$21.2 million California Receivable was not taxed at the B&O tax

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rate as it was considered a payment of the California Receivable. The portion of the \$21.2 million California Receivable that PSE must give back as REC proceeds to customers must now be considered revenue and taxed at the B&O tax rate. This amount has not been recorded as of April 30, 2010.

b. Book Outs for Gains/Losses on Bundled Power

XX
 XX
 XX
 XX
 XX
 XX
 XX
 XX

c. Green-E Certification Costs

Green-e, a program of the Center for Resource Solutions, is leading independent consumer protection program for the sale of renewable energy and greenhouse gas reductions in the voluntary retail market. Green-e offers certification and verification of renewable energy and greenhouse gas mitigation products. The costs booked to Account No. 25300781 for these Green-e certification costs are reflected in each row that has the term "Green E Certification" in the comments columns. Additionally, the sum of the costs booked to Account No. 25300781 for Green-e certification costs are reflected in the summary table at the end of Exhibit A.

There are no Green-e certification costs associated with the bundled REC transactions (*i.e.*, California REC transactions) because the California entities purchased those bundled RECs for compliance with the California Renewables Portfolio Standard program. Therefore, these RECs did not require Green-e certification for sales into the voluntary retail market, and Green-e certification fees do not appear on either Exhibit B or Exhibit C.

d. Journal Entries to Reflect Reassignment of Costs

PSE originally booked all revenues and costs associated with all REC sales to Account No. 25300781. PSE subsequently booked all revenues and costs associated with bundled REC sales to Account No. 25300861 and Account No. 25300851. Journal entries reflecting the removal of revenues and costs associated with bundled REC sales can be found in Exhibit A in each row that begins with the term "Reclass to. . ." in the comments columns. Journal entries reflecting the introduction of revenues and costs associated with bundled REC sales can be found in Exhibit B and Exhibit C in each row that contains the term "Reclass from . . ." or "2009 Selling Costs" in the comments columns. Additionally, the sum of these journal entries are reflected in the summary table at the end of each exhibit.

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e. **Royalty Payments**

PSE leases certain land from the Washington State Department of Natural Resources or Department of Fish and Wildlife for the production of renewable energy. The land lease agreements with each of these entities require PSE to compensate them for the RECs sold that are associated with the turbines on their property. The costs booked to Account No. 25300781 and Account No. 25300851 for these royalty payments are reflected in each row that has the term "Royalty Pmt" in the comments columns. Additionally, the sum of the costs booked to Account No. 25300781 and Account No. 25300851 for these royalty payments are reflected in the summary table at the end of each exhibit.

There are no royalty payments associated with the RECs generated from the Klondike III Wind Farm because PSE receives those RECs pursuant to purchases under a power purchase agreement, and PSE does not lease any land associated with the RECs generated from that wind project. Therefore, PSE has not booked any royalty payments to Account No. 25300861, and these payments do not appear on Exhibit B.

f. **Third-Party Audit Costs**

The Green-e certification process requires companies participating in the Green-e program that supply retail and wholesale renewable energy products to complete an annual third party verification of their purchases and sales of renewable energy. This third-party audit uses company contracts, invoices and billing statements to verify a number of items for RECs to document that participating companies are meeting strict Green-e certification standards. Over the years, PSE has used the firms Lautze & Lautze and Singer Lewak, LLP to comply with this annual third-party audit. The costs booked to Account No. 25300781 for this Green-e certification annual third-party audit are reflected in each row that has the term "Third-Party Audit" in the comments columns. Additionally, the sum of the costs booked to Account No. 25300781 for these Green-e certification annual third-party audit costs are reflected in the summary table at the end of Exhibit A.

There are no Green-e certification annual third-party audit costs associated with the bundled REC transactions because the California entities purchased those bundled RECs for compliance with the California Renewables Portfolio Standard program. Therefore, these RECs did not require Green-e certification for sales into the voluntary retail market, and Green-e certification annual third-party audit costs do not appear on either Exhibit B or Exhibit C.

g. **WREGIS Fees**

The Western Renewable Energy Generation Information System (WREGIS) is an independent, renewable energy tracking system for the region covered by the Western Electricity Coordinating Council. WREGIS tracks renewable energy generation from units that register in the system using verifiable data and creates RECs for this generation. WREGIS Certificates can be used to verify compliance with state and provincial regulatory requirements (Renewable Portfolio Standards, for example) and in voluntary market programs. Beginning in 2008, transfer

of title of the RECs for the bulk majority of PSE's transactions occurred via the WREGIS system, which has quickly become the market standard. The costs booked to each account for WREGIS fees are reflected in each row that has the term "WREGIS Fees" in the comments columns. Additionally, the sum of the costs booked to each account for WREGIS Fees are reflected in the summary table at the end of each exhibit.

CFI Revenues and Costs as of November 30, 2009

PSE has booked the revenues and costs associated with CFI sales into Account No. 25300841. Exhibit D is a spreadsheet detailing the revenues and costs booked to Account No. 25300841 through November 30, 2009. There are no further transactions after this date because PSE had monetized all CFIs as of that date. The sales of CFIs were made through the Chicago Climate Exchange ("CCX"). The CCX charges a transaction fee of \$5.00/CFI (the commodity transacted at the CCX is the CFI which represents the equivalent of 100 metric tons of CO₂). The cost was booked to Account No. 25300841 and identified as "Trans Fees".

Please feel free to contact me at (425) 462-3495 if you have any questions about this filing.

Very truly yours,



Tom DeBoer
Director, Federal & State Regulatory Affairs

Enclosures

cc: Sheree Carson, Perkins Coie
Service List

**BEFORE THE
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

Amended Petition of

PUGET SOUND ENERGY, INC.

For an Order Authorizing the Use of the
Proceeds from the Sale of Renewable Energy
Credits and Carbon Financial Instruments

Docket No. UE-070725

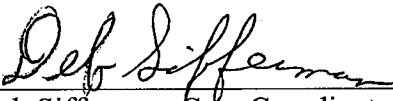
CERTIFICATE OF SERVICE

I hereby certify that I have this day served the foregoing, in accordance with WAC 480-07-150(6), to the following persons via regular mail:

<u>Commission Staff: (HC)</u> Robert D. Cedarbaum 1400 S. Evergreen Park Dr. S.W. P.O. Box 40128 Olympia, WA 98504-0128 Phone: (360) 664-1188 Fax: (360) 586-5522 Email: bcedarba@utc.wa.gov	<u>Commission Staff: (HC)</u> Donald T. Trotter 1400 S. Evergreen Park Dr. S.W. P.O. Box 40128 Olympia, WA 98504-0128 Phone: (360) 664-1189 Fax: (360) 586-5522 Email: dtrotter@utc.wa.gov
<u>Public Counsel: (HC)</u> Sarah Shifley Public Counsel Section Office of Attorney General 800 Fifth Avenue, Suite 2000 Seattle, WA 98104-3188 Phone: (206) 464-7744 Fax: (206) 389-2058 Email: sarah.shifley@atg.wa.gov	<u>Attorneys for ICNU:</u> S. Bradley Van Cleve (C) Irion Sanger (HC) Jesse Cowell (HC) Davison Van Cleve PC 333 SW Taylor, Ste 400 Portland, OR 97204 Phone: (503) 241-7242 Fax: (503) 241-8160 Email: bvc@dvclaw.com ias@dvclaw.com

<u>Attorneys for Energy Project: (HC)</u> Ronald L. Roseman Attorney at Law 2011 – 14th Avenue East Seattle, WA 98112 Phone: (206) 324-8792 Fax: (206) 568-0138 Email: ronaldroseman@comcast.net	<u>Attorneys for Kroger: (HC)</u> Mike L. Kurtz Kurt J. Boehm Boehm, Kurtz and Lowry 36 East Seventh St., Suite 1510 Cincinnati, OH 45202 Phone: (513) 421-2255 Fax: (513) 421-2764 Email: Mkurtz@bkllawfirm.com Kboehm@bkllawfirm.com
<u>Attorneys for Renewable Northwest Project: (P)</u> Glenn Amster Lane Powell P.C. 1420 Fifth Avenue, Suite 4100 Seattle, WA 98101-2338 Phone: 206-223-6241 Email: amsterg@lanepowell.com	<u>NWEC: (HC)</u> Danielle Dixon, Senior Policy Associate David S. Johnson 811 1st Avenue, Suite 305 Seattle, WA 98104 Phone: (206) 621-0094 Fax: (206) 621-0097 Email: Danielle@nwenergy.org
<u>Expert for Energy Project: (HC)</u> Chuck Eberdt The Energy Project 1322 N. State Street Bellingham, WA 98225 360-255-2169 (Phone) 360-671-2753 (Fax) Email: Chuck_Eberdt@oppco.org	<u>Expert for ICNU: (HC)</u> Donald W. Schoenbeck Regulatory & Cogeneration Services, Inc. 900 Washington Street, Suite 780 Vancouver, WA 98660 Phone: 360-737-3877 Fax: 360-737-7628 Email: dws@r-c-s-inc.com
<u>Renewable Northwest Project: (P)</u> Rachel Shimshak Renewable Northwest Project 917 SW Oak Street, Suite 303 Portland, OR 97205 Phone: 503-223-4544 Cell: 503-701-9028 Email: rachel@rnp.org	

Dated at Bellevue, Washington, this 1st day of June 2010.


 Deb Sifferman, Case Coordinator Compliance Analyst
 Rates & Regulatory Affairs
 Puget Sound Energy, Inc.

Docket No. UE-070725

Exhibit A

PUGET SOUND ENERGY, INC.
Reconciliation of Account 25300781 - Unearned Rev - REC Wind

Vendor/Counterparty	Mo/Yr	Vintage	Qty	REC Sales	Broker Fees	Other Expenses	Total	Comments
XXXXXXXXXXXXXXXXXXXX	Aug-07	2007-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Aug-07	2007-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Sep-07	2007-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Sep-07	2007-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Oct-07	2007-2	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Oct-07	2007-2	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Oct-07	2007-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Oct-07			XXXXX			XXXXX	Broker Fees
XXXXXXXXXXXXXXXXXXXX	Oct-07			XXXXX			XXXXX	Broker Fees
XXXXXXXXXXXXXXXXXXXX	Oct-07			XXXXX			XXXXX	Broker Fees
XXXXXXXXXXXXXXXXXXXX	Oct-07			XXXXX			XXXXX	Broker Fees
XXXXXXXXXXXXXXXXXXXX	Oct-07			XXXXX			XXXXX	Broker Fees
XXXXXXXXXXXXXXXXXXXX	Oct-07			XXXXX			XXXXX	Broker Fees
XXXXXXXXXXXXXXXXXXXX	Dec-07	2007-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Dec-07	2007-2	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Dec-07	2007-1	XXXXX	XXXXX			XXXXX	REC sale
THE CENTER FOR RESOURCE SOLUTIONS	Dec-07					XXXXX	XXXXX	Green E Certification-2008
XXXXXXXXXXXXXXXXXXXX	Dec-07				XXXXX		XXXXX	Broker Fees
XXXXXXXXXXXXXXXXXXXX	Jan-08				XXXXX		XXXXX	Broker Fees
State of WA - DNR	Feb-08					\$4,504.32	\$4,504.32	Royalty Pmt
XXXXXXXXXXXXXXXXXXXX	Feb-08				XXXXX		XXXXX	Broker Fees
XXXXXXXXXXXXXXXXXXXX	Feb-08				XXXXX		XXXXX	Broker Fees
XXXXXXXXXXXXXXXXXXXX	Feb-08	2007-2	XXXXX	XXXXX			XXXXX	REC sale
State of WA - DNR/DWFL	Mar-08					\$9,294.45	\$9,294.45	Royalty Pmt
State of WA - DNR/DWFL	Mar-08					\$2,464.10	\$2,464.10	Royalty Pmt
State of WA - DNR/DWFL	Mar-08					\$3,061.68	\$3,061.68	Royalty Pmt
State of WA - DNR/DWFL	May-08					\$3,562.78	\$3,562.78	Royalty Pmt
State of WA - DNR/DWFL	May-08					\$937.79	\$937.79	Royalty Pmt
XXXXXXXXXXXXXXXXXXXX	May-08	2008-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	May-08	2008-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Jun-08	2008-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Jun-08	2007	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Jun-08	2008-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Jun-08	2008-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Jun-08				XXXXX		XXXXX	Broker Fees
XXXXXXXXXXXXXXXXXXXX	Jun-08				XXXXX		XXXXX	Broker Fees

PUGET SOUND ENERGY, INC.
Reconciliation of Account 25300781 - Unearned Rev - REC Wind

Vendor/Counterparty	Mo/Yr	Vintage	Qty	REC Sales	Broker Fees	Other Expenses	Total	Comments
XXXXXXXXXXXXXXXXXXXX	Jun-08				XXXXX		XXXXX	Broker Fees
WECC	Jun-08					XXXXX	XXXXX	WREGIS Fees
XXXXXXXXXXXXXXXXXXXX	Jun-08				XXXXX		XXXXX	Broker Fees
WECC	Jun-08					XXXXX	XXXXX	WREGIS Fees
XXXXXXXXXXXXXXXXXXXX	Jul-08	2008-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Jul-08	2008-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Jul-08	2008-1	XXXXX	XXXXX			XXXXX	REC sale
Lautze & Lautze	Jul-08					XXXXX	XXXXX	Third-Party Audit
WECC	Jul-08					XXXXX	XXXXX	WREGIS Fees
State of WA-DNR/DFWL	Aug-08					\$1,139.08	\$1,139.08	Royalty Pmt
State of WA-DNR/DFWL	Aug-08					\$278.17	\$278.17	Royalty Pmt
WECC	Aug-08					XXXXX	XXXXX	WREGIS Fees
XXXXXXXXXXXXXXXXXXXX	Aug-08	2008-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Aug-08	2008-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Aug-08	2008-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Sep-08				XXXXX		XXXXX	Broker Fees
XXXXXXXXXXXXXXXXXXXX	Sep-08				XXXXX		XXXXX	Broker Fees
WECC	Sep-08					XXXXX	XXXXX	WREGIS Fees
XXXXXXXXXXXXXXXXXXXX	Sep-08	2008-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Sep-08	2008-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Oct-08				XXXXX		XXXXX	Broker Fees
State of WA-DNR/DFWL	Oct-08					\$7,744.20	\$7,744.20	Royalty Pmt
XXXXXXXXXXXXXXXXXXXX	Oct-08	2008-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Oct-08	2008-2	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Oct-08	2008-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Oct-08	2008-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Nov-08				XXXXX		XXXXX	Broker Fees
WECC	Nov-08					XXXXX	XXXXX	WREGIS Fees
State of WA-DNR/DFWL	Nov-08					\$1,122.55	\$1,122.55	Royalty Pmt
State of WA-DNR/DFWL	Nov-08					\$287.15	\$287.15	Royalty Pmt
State of WA-DNR/DFWL	Nov-08					\$2,711.69	\$2,711.69	Royalty Pmt
State of WA-DNR/DFWL	Nov-08					\$658.75	\$658.75	Royalty Pmt
WECC	Dec-08					XXXXX	XXXXX	WREGIS Fees
THE CENTER FOR RESOURCE SOLUTIONS	Dec-08					XXXXX	XXXXX	Green E Certification-2009
XXXXXXXXXXXXXXXXXXXX	Dec-08							
XXXXXXXXXXXXXXXXXXXX	Dec-08	2008-1	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Jan-09	2008-2	XXXXX	XXXXX			XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Jan-09	2008-2	XXXXX	XXXXX			XXXXX	REC sale

PUGET SOUND ENERGY, INC.
Reconciliation of Account 25300781 - Unearned Rev - REC Wind

Vendor/Counterparty	Mo/Yr	Vintage	Qty	REC Sales	Broker Fees	Other Expenses	Total	Comments
XXXXXXXXXXXXXXXXXXXX	Jan-09	2008-2	XXXXXX	XXXXXX			XXXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Jan-09	2008-2	XXXXXX	XXXXXX			XXXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Jan-09	2008-2	XXXXXX	XXXXXX			XXXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Jan-09	2008-2	XXXXXX	XXXXXX			XXXXXX	REC sale
WECC	Jan-09					XXXXXX	XXXXXX	WREGIS Fees
XXXXXXXXXXXXXXXXXXXX	Jan-09				XXXXXX		XXXXXX	Broker Fees
XXXXXXXXXXXXXXXXXXXX	Jan-09				XXXXXX		XXXXXX	Broker Fees
XXXXXXXXXXXXXXXXXXXX	Jan-09				XXXXXX		XXXXXX	Broker Fees
State of WA-DNR/DFWL	Jan-09					\$2,315.84	\$2,315.84	Royalty Pmt
State of WA-DNR/DFWL	Jan-09					\$1,829.01	\$1,829.01	Royalty Pmt
State of WA-DNR/DFWL	Jan-09					\$499.53	\$499.53	Royalty Pmt
WECC	Jan-09					XXXXXX	XXXXXX	WREGIS Fees
WECC	Feb-09					XXXXXX	XXXXXX	WREGIS Fees
State of WA-DNR/DFWL	Feb-09					\$794.56	\$794.56	Royalty Pmt
State of WA-DNR/DFWL	Feb-09					\$3,060.71	\$3,060.71	Royalty Pmt
XXXXXXXXXXXXXXXXXXXX	Feb-09	2008-2	XXXXXX	XXXXXX			XXXXXX	REC sale
State of WA-DNR/DFWL	Mar-09					\$1,082.02	\$1,082.02	Royalty Pmt
State of WA-DNR/DFWL	Mar-09					\$324.10	\$324.10	Royalty Pmt
XXXXXXXXXXXXXXXXXXXX	Mar-09	2008-1	XXXXXX	XXXXXX			XXXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Mar-09	2008-2	XXXXXX	XXXXXX			XXXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Mar-09	2008-2K	XXXXXX	XXXXXX			XXXXXX	REC sale
WECC	Apr-09					XXXXXX	XXXXXX	WREGIS Fees
XXXXXXXXXXXXXXXXXXXX	Apr-09	2008-2	XXXXXX	XXXXXX			XXXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Apr-09	2008-2	XXXXXX	XXXXXX			XXXXXX	REC sale
WECC	Apr-09					XXXXXX	XXXXXX	WREGIS Fees
Singer Lewak, LLP	Apr-09							Third-Party Audit
State of Wa - DNR	May-09					\$3,863.74	\$3,863.74	Royalty Pmt
State of Wa - DNR	May-09					\$905.67	\$905.67	Royalty Pmt
XXXXXXXXXXXXXXXXXXXX	May-09				XXXXXX		XXXXXX	Broker Fees
Singer Lewak, LLP	May-09					XXXXXX	XXXXXX	Third-Party Audit
WECC	May-09					XXXXXX	XXXXXX	WREGIS Fees
Singer Lewak, LLP	Jun-09					XXXXXX	XXXXXX	Third-Party Audit
WECC	Jun-09					XXXXXX	XXXXXX	WREGIS Fees
XXXXXXXXXXXXXXXXXXXX	Jul-09	2009-1	XXXXXX	XXXXXX			XXXXXX	REC sale
State of Wa - DNR	Jul-09					\$2,681.12	\$2,681.12	Royalty Pmt
State of Wa - DNR	Jul-09					\$1,211.84	\$1,211.84	Royalty Pmt

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PUGET SOUND ENERGY, INC.
Reconciliation of Account 25300781 - Unearned Rev - REC Wind

Vendor/Counterparty	Mo/Yr	Vintage	Qty	REC Sales	Broker Fees	Other Expenses	Total	Comments
WECC	Aug-09							
XXXXXXXXXXXXXXXXXXXX	Aug-09	2009-1	XXXXX	XXXXX		XXXXX	XXXXX	WREGIS Fees
WECC	Sep-09							REC sale
XXXXXXXXXXXXXXXXXXXX	Sep-09					XXXXX	XXXXX	WREGIS Fees
XXXXXXXXXXXXXXXXXXXX	Sep-09	2009-1	XXXXX	XXXXX		XXXXX	XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Sep-09	2008-2	XXXXX	XXXXX		XXXXX	XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Sep-09	2009-1	XXXXX	XXXXX		XXXXX	XXXXX	REC sale
WECC	Oct-09							
XXXXXXXXXXXXXXXXXXXX	Oct-09	2009-1K	XXXXX	XXXXX		XXXXX	XXXXX	WREGIS Fees
XXXXXXXXXXXXXXXXXXXX	Oct-09	2009-1K	XXXXX	XXXXX		XXXXX	XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Oct-09		XXXXX	XXXXX		XXXXX	XXXXX	REC sale
Book Out- Gain/Loss on Bnld Pwr	Oct-09					\$798.68	\$798.68	Book Out- Gain/Loss on Bnld Pwr
State of Wa - DNR	Nov-09						\$173,894.11	Royalty Pmt
XXXXXXXXXXXXXXXXXXXX	Nov-09	2009-2	XXXXX	XXXXX		XXXXX	XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Nov-09	2009-2	XXXXX	XXXXX		XXXXX	XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Nov-09	2009-1K	XXXXX	XXXXX		XXXXX	XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Nov-09	2009-1K	XXXXX	XXXXX		XXXXX	XXXXX	REC sale
Book Out- Gain/Loss on Bnld Pwr	Nov-09							Redclass to A/C 25300861
XXXXXXXXXXXXXXXXXXXX	Dec-09	2009-2	XXXXX	XXXXX		XXXXX	XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Dec-09	2008-2	XXXXX	XXXXX		XXXXX	XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Dec-09	2009-2	XXXXX	XXXXX		XXXXX	XXXXX	REC sale
WECC	Dec-09							
WECC	Dec-09					XXXXX	XXXXX	WREGIS Fees
THE CENTER FOR RESOURCE SOLUTIONS	Dec-09					XXXXX	XXXXX	WREGIS Fees
WECC	Dec-09					XXXXX	XXXXX	Green E Certification-2010
WECC	Dec-09					XXXXX	XXXXX	WREGIS Fees
XXXXXXXXXXXXXXXXXXXX	Dec-09					XXXXX	XXXXX	WREGIS Fees
Accrual -B&O Tax (2009)	Dec-09				XXXXX		XXXXX	Broker Fees
Journal Entry	Dec-09					XXXXX	XXXXX	B&O Taxes
WECC	Jan-10					XXXXX	XXXXX	Redclass Selling Costs to 25300861 & 25300851
XXXXXXXXXXXXXXXXXXXX	Jan-10					XXXXX	XXXXX	WREGIS Fees
XXXXXXXXXXXXXXXXXXXX	Jan-10				XXXXX		XXXXX	Broker Fees
XXXXXXXXXXXXXXXXXXXX	Jan-10	2008-2	XXXXX	XXXXX		XXXXX	XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Jan-10	2009-2	XXXXX	XXXXX		XXXXX	XXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Jan-10	2009-2	XXXXX	XXXXX		XXXXX	XXXXX	REC sale
Accrual -B&O Tax (01/10)	Jan-10					XXXXX	XXXXX	B&O Taxes
WECC	Feb-10					XXXXX	XXXXX	WREGIS Fees
State of Wa - DNR	Feb-10						\$1,773.20	Royalty Pmt
State of Wa - DNR	Feb-10					\$493.54	\$493.54	Royalty Pmt
Accrual -B&O Tax (02/10)	Feb-10					XXXXX	XXXXX	B&O Taxes

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Reconciliation of Account 25300781 - Unearned Rev - REC Wind

Vendor/Counterparty	Mo/Yr	Vintage	Qty	REC Sales	Broker Fees	Other Expenses	Total	Comments
XXXXXXXXXXXXXXXXXXXX	Feb-10	2009-2	XXXXX	XXXXXX			XXXXXX	REC sale
XXXXXXXXXXXXXXXXXXXX	Mar-10	2009-2	XXXXX	XXXXXX			XXXXXX	REC sale
State of Wa - DNR	Mar-10					\$2,287.49	\$2,287.49	Royalty Pmt
State of Wa - DNR	Mar-10					\$935.93	\$935.93	Royalty Pmt
WECC	Mar-10					XXXXXX	XXXXXX	WREGIS Fees
Accrul -B&O Tax (03/10)	Mar-10					XXXXXX	XXXXXX	B&O Taxes
XXXXXXXXXXXXXXXXXXXX	Apr-10	2009-2	XXXXX	XXXXXX			XXXXXX	REC sale
WECC	Apr-10					XXXXXX	XXXXXX	WREGIS Fees
Accrul -B&O Tax (04/10)	Apr-10					XXXXXX	XXXXXX	B&O Taxes
Cumulative Totals				XXXXXX	XXXXXX	XXXXXX	XXXXXX	
				4/30/2010 Balance per SAP		XXXXXX	XXXXXX	
				Adj Needed		\$0.00	\$0.00	

Summary of 'Reconciliation of Account 25300781 - Unearned Rev - REC Wind

REC Sales	XXXXXX
Broker Fees	XXXXXX
Other Expenses	XXXXXX
Green E Certification	XXXXXX
Royalty Payments	\$235,719.12
B&O Taxes	XXXXXX
WREGIS Fees	XXXXXX
Third-Party Audit	XXXXXX
Book Out- Gain/Loss on Bnld Pwr	XXXXXX
Reclassifications to 25300861 & 25300851	XXXXXX
TOTAL	XXXXXX

Exhibit B

PUGET SOUND ENERGY, INC.
Reconciliation of Account 25300861 - Unearned Rev - Klondike III RECs

Vendor/Counterparty	Mo/Yr	Vintage	Qty	REC Sales	Broker Fees	Other Expenses	Total	Comments
XXXXXXXXXXXXXXXXXXXX	Nov-09	2009-1K	XXXXX	XXXXX			XXXXX	REC Sale - Reclass from A/C 25300781
XXXXXXXXXXXXXXXXXXXX	Nov-09	2009-1K	XXXXX	XXXXX			XXXXX	REC Sale - Reclass from A/C 25300781
Book Out- Gain/Loss on Brld Pwr (10/09)	Nov-09					XXXXX	XXXXX	Book Out- Gain/Loss on Brld Pwr (10/09)
Book Out- Gain/Loss on Brld Pwr (11/09)	Nov-09					XXXXX	XXXXX	Book Out- Gain/Loss on Brld Pwr (11/09)
XXXXXXXXXXXXXXXXXXXX	Dec-09	2009-07K	XXXXX	XXXXX			XXXXX	REC Sale
XXXXXXXXXXXXXXXXXXXX	Dec-09	2009-08K	XXXXX	XXXXX			XXXXX	REC Sale
Accrual of B&O Taxes (2009)	Dec-09					XXXXX	XXXXX	B&O Taxes
Book Out- Gain/Loss on Brld Pwr (12/09)	Dec-09					XXXXX	XXXXX	Book Out- Gain/Loss on Brld Pwr (12/09)
J.E. - Reclass Selling Costs from 25300781	Dec-09					XXXXX	XXXXX	Reclass from A/C 25300781
WECC	Jan-10					XXXXX	XXXXX	WREGIS Fees
XXXXXXXXXXXXXXXXXXXX	Jan-10	2009-9K	XXXXX	XXXXX			XXXXX	REC Sale
Accrual of B&O Taxes (01/10)	Jan-10					XXXXX	XXXXX	B&O Taxes
WECC	Feb-10					XXXXX	XXXXX	WREGIS Fees
Accrual of B&O Taxes (02/10)	Feb-10					XXXXX	XXXXX	B&O Taxes
XXXXXXXXXXXXXXXXXXXX	Feb-10	2009-10K	XXXXX	XXXXX			XXXXX	REC Sale
WECC	Mar-10					XXXXX	XXXXX	WREGIS Fees
XXXXXXXXXXXXXXXXXXXX	Mar-10	2009-01K	XXXXX	XXXXX			XXXXX	REC Sale
XXXXXXXXXXXXXXXXXXXX	Mar-10	2009-11K	XXXXX	XXXXX			XXXXX	REC Sale
Accrual of B&O Taxes (03/10)	Mar-10					XXXXX	XXXXX	B&O Taxes
XXXXXXXXXXXXXXXXXXXX	Apr-10	2009-12K	XXXXX	XXXXX			XXXXX	REC Sale
WECC	Apr-10					XXXXX	XXXXX	WREGIS Fees
Accrual of B&O Taxes (04/10)	Apr-10					XXXXX	XXXXX	B&O Taxes
Book Out- Gain on Brld Pwr	Apr-10					XXXXX	XXXXX	Book Out- Gain on Brld Pwr

Cumulative Totals	XXXXXX	XXXXXX	XXXXXX	XXXXXX
	4/30/2010 Balance per SAP XXXXXX			
	Adj Needed \$0.00			

PUGET SOUND ENERGY, INC.
 Reconciliation of Account 25300861 - Unearned Rev - Klondike III RECs

Vendor/Counterparty	Mo/Yr	Vintage	Qty	REC Sales	Broker Fees	Other Expenses	Total	Comments
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Summary of Reconciliation of Account 25300861 - Unearned Rev - Klondike III RECs

REC Sales	XXXXX
Other Expenses	
Book Out- Gain/Loss on Brld Pwr	XXXXX
B&O Taxes	XXXXX
WREGIS Fees	XXXXX
Reclassifications Selling Costs from 25300781	XXXXX
TOTAL	XXXXX

Exhibit C

PUGET SOUND ENERGY, INC.
Reconciliation of Account 25300851 - Unearned Rev - S. Cal Edison REC - Wind

Vendor/Counterparty	Mo/Yr	Vintage	Qty	REC Sales	Broker Fees	Other Expenses	Total	Comments
S. Cal Edison	Sep-09	2009-1	XXXXX	XXXXX			XXXXX	REC Sales
S. Cal Edison	Sep-09	2009-2	XXXXX	XXXXX			XXXXX	REC Sales
S. Cal Edison	Sep-09	2009-3	XXXXX	XXXXX			XXXXX	REC Sales
S. Cal Edison	Sep-09	2009-4	XXXXX	XXXXX			XXXXX	REC Sales
S. Cal Edison	Sep-09	2009-5	XXXXX	XXXXX			XXXXX	REC Sales
S. Cal Edison	Sep-09	2009-6	XXXXX	XXXXX			XXXXX	REC Sales
Book Out JE - Loss on Bnld Pwr (09/09)	Oct-09					XXXXX	XXXXX	Book Out JE - Loss on Bnld Pwr (09/09)
Book Out JE - Loss on Bnld Pwr (10/09)	Oct-09					XXXXX	XXXXX	Book Out JE - Loss on Bnld Pwr (10/09)
S. Cal Edison	Nov-09	2009-7	XXXXX	XXXXX			XXXXX	REC Sales
Book Out JE - Loss on Bnld Pwr (11/09)	Nov-09					XXXXX	XXXXX	Book Out JE - Loss on Bnld Pwr (11/09)
S. Cal Edison	Dec-09	2009-8	XXXXX	XXXXX			XXXXX	REC Sales
Accrual for B&O Taxes (2009)	Dec-09					XXXXX	XXXXX	B&O Taxes
Book Out JE - Loss on Bnld Pwr (12/09)	Dec-09					XXXXX	XXXXX	Book Out JE - Loss on Bnld Pwr (12/09)
Journal Entry Reclassification from 25300781	Dec-09					XXXXX	XXXXX	2009 Selling Costs
WECC	Jan-10					XXXXX	XXXXX	WREGIS Fees
WECC	Jan-10					XXXXX	XXXXX	WREGIS Fees
S. Cal Edison	Jan-10	2009-9	XXXXX	XXXXX			XXXXX	REC Sales
Accrual for B&O Taxes (01/10)	Jan-10					XXXXX	XXXXX	B&O Taxes
Book Out JE - Loss on Bnld Pwr (01/10)	Jan-10					XXXXX	XXXXX	Book Out JE - Loss on Bnld Pwr (01/10)
WECC	Feb-10					XXXXX	XXXXX	WREGIS Fees
WECC	Feb-10					XXXXX	XXXXX	WREGIS Fees
State of Wa - DNR	Feb-10					\$14,447.26	\$14,447.26	Royalty Pmt
State of Wa - DNR	Feb-10					\$4,009.69	\$4,009.69	Royalty Pmt
Accrual for B&O Taxes (02/10)	Feb-10					XXXXX	XXXXX	B&O Taxes
S. Cal Edison	Feb-10	2009-10	XXXXX	XXXXX			XXXXX	REC Sales
Book Out JE - Loss on Bnld Pwr (02/10)	Feb-10					XXXXX	XXXXX	Book Out JE - Loss on Bnld Pwr (02/10)
S. Cal Edison	Mar-10	2009-11	XXXXX	XXXXX			XXXXX	REC Sales
State of Wa - DNR	Mar-10					\$7,283.98	\$7,283.98	Royalty Pmt

PUGET SOUND ENERGY, INC.
Reconciliation of Account 25300851 - Unearned Rev - S. Cal Edison REC - Wind

Vendor/Counterparty	Mo/Yr	Vintage	Qty	REC Sales	Broker Fees	Other Expenses	Total	Comments
State of Wa - DNR	Mar-10					\$3,390.43	\$3,390.43	Royalty Pmt
WECC	Mar-10					XXXXXX	XXXXXX	WREGIS Fees
WECC	Mar-10					XXXXXX	XXXXXX	WREGIS Fees
Accrual for B&O Taxes (03/10)	Mar-10					XXXXXX	XXXXXX	B&O Taxes
Book Out JE - Loss on Bnld Pwr (03/10)	Mar-10					XXXXXX	XXXXXX	Book Out JE - Loss on Bnld Pwr (03/10)
S. Cal Edison	Apr-10	2009-11	XXXXXX	XXXXXX		XXXXXX	XXXXXX	REC Sales
WECC	Apr-10					XXXXXX	XXXXXX	WREGIS Fees
Accrual for B&O Taxes (04/10)	Apr-10					XXXXXX	XXXXXX	B&O Taxes
Book Out JE - Gain on Bnld Pwr (04/10)	Apr-10					XXXXXX	XXXXXX	Book Out JE - Gain on Bnld Pwr (04/10)
WECC	Apr-10					XXXXXX	XXXXXX	WREGIS Fees

Cumulative Totals

XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX
4/30/2010	Balance per SAP	XXXXXX		
	Adj Needed	\$0.00		

Summary of Reconciliation of Account 25300851 - Unearned Rev - S. Cal Edison REC - Wind

REC Sales	XXXXXX
Other Expenses	
Book Out- Gain/Loss on Bnld Pwr	XXXXXX
B&O Taxes	XXXXXX
Royalty Payments	\$29,131.36
Reclassifications Selling Costs from 25300781	XXXXXX
WREGIS Fees	XXXXXX
TOTAL	XXXXXX

Exhibit D

PUGET SOUND ENERGY, INC
Reconciliation of Account 25300841 - Def Credit - CO2 Allowance Proceeds

Vendor/Counterparty	Mo/Yr	Vintage Year (Qty)				Gross Proceeds	Trans Fees	Other Fees	Trans Total	Accum Balance	Comments
		2003	2004	2005	2006						
Beginning Balances	Jan-09	XXXXXX	XXXXXX	XXXXXX	XXXXXX				XXXXXX		
Sales											
Chicago Climate Exchange	Mar-09				XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Mar-09				XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Mar-09	XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Mar-09				XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Mar-09	XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Mar-09				XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Mar-09	XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Apr-09	XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Jun-09	XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Jun-09				XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Jun-09				XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Jun-09	XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Jul-09	XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Sep-09	XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Oct-09	XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Oct-09				XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Oct-09				XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Oct-09	XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Oct-09	XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Oct-09	XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Oct-09	XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Nov-09	XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Nov-09	XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Nov-09	XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Nov-09	XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Nov-09	XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX		XXXXXX	XXXXXX	
Chicago Climate Exchange	Nov-09	XXXXXX	XXXXXX	XXXXXX	XXXXXX		XXXXXX	XXXXXX	XXXXXX	XXXXXX	
Totals		XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	XXXXXX	

Summary of Reconciliation of Account 25300841 - Def Credit - CO2 Allowance Proceeds

CO2 Allowance Sales	XXXXXX
Transaction Fees	XXXXXX
TOTAL	XXXXXX