

**EXHIBIT NO. \_\_\_(KJB-14)  
2013 PSE PCORC  
WITNESS: KATHERINE J. BARNARD**

**BEFORE THE  
WASHINGTON UTILITIES AND TRANSPORTATION COMMISSION**

In the Matter of the Petition of  
PUGET SOUND ENERGY, Inc.

For an Accounting Order Authorizing  
Accounting Treatment Related to Payments  
for Major Maintenance Activities

**Docket No. UE-130583**

WASHINGTON UTILITIES AND  
TRANSPORTATION COMMISSION,  
Complainant,

v.

PUGET SOUND ENERGY, INC.,  
Respondent.

**Docket No. UE-130617**

In the Matter of the Petition of  
PUGET SOUND ENERGY, Inc.

For an Accounting Order Authorizing the  
Sale of the Water Rights and Associated  
Assets for the Electron Hydroelectric Project  
in Accordance with WAC 480-143 and  
RCW 80.12.

**Docket No. UE-131099**

In the Matter of the Petition of  
PUGET SOUND ENERGY, Inc.

For an Accounting Order Authorizing the  
Sale of Interests in the Development Assets  
Required for the Construction and Operation  
of Phase II of the Lower Snake River Wind  
Facility

**Docket No. UE-131230**

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

**AUGUST 28, 2013**

PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2013  
SUMMARY PAGES (1 of 3)

		<i>REVISED</i> 14.01 Adjustment 1	<i>REVISED</i> 14.02 Adjustment 2	14.03 Adjustment 3	<i>REVISED</i> 14.04 Adjustment 4	<i>REVISED</i> 14.05 Adjustment 5	<i>REVISED</i> 14.06 Adjustment 6	<i>REVISED</i> 14.07 Adjustment 7	<i>REVISED</i> 14.08 Adjustment 8	<i>REVISED</i> 14.09 Adjustment 9
	Test Year Actual 12 months ended September 30, 2012	POWER COST	MONTANA ENERGY TAX	LOWER SNAKE RIVER PROJECT	SNOQUALMIE LICENSE UPGRADE	SNOQUALMIE DEFERRAL	BAKER LICENSE UPGRADE	BAKER DEFERRAL	FERNDALE PLANT	FERNDALE DEFERRAL
<b>Power Cost Rate</b>										
Row										
3	Regulatory Assets (Variable)	\$ 316,142,370				\$ 6,864,513		\$ 1,892,955		\$ 14,784,588
4	Transmission Rate Base (Fixed)	91,760,899								
5	Production Rate Base (Fixed)	1,744,881,761		228,877,317	254,444,119		135,033,938		73,496,843	
		2,152,785,030	-	228,877,317	254,444,119	6,864,513	135,033,938	1,892,955	73,496,843	14,784,588
6										
7	Net of tax rate of return	6.69%	0	0	0	0	0	0	0	0
8										
9										
10	Regulatory Asset Recovery	\$ 32,538,346	\$ -	\$ -	\$ -	\$ 706,517	\$ -	\$ 194,829	\$ -	\$ 1,521,675
11	Fixed Asset Recovery Other	9,444,314	-	-	-	-	-	-	-	-
12	Fixed Asset Recovery-Prod Factored	179,588,600	-	23,556,758	26,188,172	-	13,898,108	-	7,564,521	-
13	501-Steam Fuel	70,102,791	19,737,552							
14	555-Purchased power	619,576,589	(222,307,273)							
15	557-Other Power Exp	13,306,753	(6,960,010)							
15a	Payroll Overheads	6,688,140								
15b	Property Insurance	2,853,260								
15c	Montana Electric Energy Tax	819,440	900,278							
15d	Payroll Taxes	2,035,145								
16	547-Fuel	151,230,975	(2,312,477)							
17	565-Wheeling	84,999,684	17,955,070							
18	Variable Transmission Income	(6,326,170)	(1,129,602)							
19	Production O&M	112,384,447	14,647,074							
20	447-Sales to Others	(102,454,344)	73,154,483							
21	456-Subaccounts 00016,18,80,81,130	24,051,167	(32,930,317)							
22	Transmission Exp - 500KV	973,202	(17,051)							
23	Depreciation/Amortization -Production	92,545,524		11,895,245	10,564,766		3,770,702		3,174,624	
24	Depreciation-Transmission	4,136,830								
25	Amortization - Regulatory Assets	29,249,758				1,920,143		529,498		4,135,549
26	Property Taxes-Production									
27	Property Taxes-Transmission									
28	Hedging Line of Credit	851,558								
29	Subtotal & Baseline Rate	\$ 1,328,596,008	\$ (140,162,552)	\$ 900,278	\$ 35,452,003	\$ 36,752,938	\$ 2,626,660	\$ 17,668,810	\$ 724,327	\$ 10,739,145
										\$ 5,657,224

Note: Amounts in bold and italics are different from July 2nd, 2013 Supplemental filing.

PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2013  
SUMMARY PAGES (2 of 3)

	14.10	14.11	<i>REVISED</i> 14.12	14.13	<i>REVISED</i> 14.14	14.15	14.16	14.17	14.18
	<b>Adjustment 10</b>	<b>Adjustment 11</b>	<b>Adjustment 12</b>	<b>Adjustment 13</b>	<b>Adjustment 14</b>	<b>Adjustment 15</b>	<b>Adjustment 16</b>	<b>Adjustment 17</b>	<b>Adjustment 18</b>
	REMOVE WILD HORSE SOLAR	REMOVE TENASKA	SALE OF ELECTRON PROJECT	PROPERTY TAXES	PROPERTY INSURANCE	BONNEVILLE EXCHANGE POWER (BEP)	WHITE RIVER REGULATORY ASSET	GOLDENDALE FC MINT FARM, WHE &LSR DEF	CAPACITY PMTS UE-082013(FB EN) UE-100503(BNP PAR)
<b>Power Cost Rate</b>									
Row									
3 Regulatory Assets (Variable)		\$ (1,213,374)	\$ -			\$ (4,934,805)	\$ (1,968,603)	\$ (4,233,981)	\$ 1,259,169
4 Transmission Rate Base (Fixed)									
5 Production Rate Base (Fixed)	(2,805,550)		0						
	(2,805,550)	(1,213,374)	0	-	-	(4,934,805)	(1,968,603)	(4,233,981)	1,259,169
6									
7 Net of tax rate of return	0	0	0	0	0	0	0	0	0
8									
9									
10 Regulatory Asset Recovery	\$ -	\$ (124,884)	0	\$ -	\$ -	\$ (507,905)	\$ (202,615)	\$ (435,774)	\$ 129,597
11 Fixed Asset Recovery Other	-	-	0	-	-	-	-	-	-
12 Fixed Asset Recovery-Prod Factored	(288,756)	-	0	-	-	-	-	-	-
13 501-Steam Fuel									(0)
14 555-Purchased power									
15 557-Other Power Exp									
15a Payroll Overheads									
15b Property Insurance					<i>101,511</i>				
15c Montana Electric Energy Tax									
15d Payroll Taxes									
16 547-Fuel									
17 565-Wheeling									
18 Variable Transmission Income									
19 Production O&M									
20 447-Sales to Others									
21 456-Subaccounts 00016,18,80,81,130									
22 Transmission Exp - 500KV									
23 Depreciation/Amortization -Production	(203,597)		0						
24 Depreciation-Transmission									
25 Amortization - Regulatory Assets		(10,157,004)	0			-	(0)	1,822,226	(0)
26 Property Taxes-Production				-					
27 Property Taxes-Transmission				-					
28 Hedging Line of Credit									
29 Subtotal & Baseline Rate	\$ (492,352)	\$ (10,281,888)	0	\$ -	\$ <i>101,511</i>	\$ (507,905)	\$ (202,615)	\$ 1,386,452	\$ 129,597

Note: Amounts in bold and italics are different from July 2nd, 2013 Supplemental filing.

PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2013  
SUMMARY PAGES (3 of 3)

	14.19	REVIS 14.20	REVIS 14.21	14.22	REVIS 14.23	14.24	REVIS TOTAL	REVIS Adjusted
	Adjustment 19	Adjustment 20	Adjustment 21	Adjustment 22	Adjustment 23	Adjustment 24	ADJUSTMENT	12 months ended
	CHELAN PUD	COLSTRIP 1&2	LSR PREPAID TRNS	HEDGING	PRODUCTION	TEMPERATURE		September 30, 2012
	CONTR INT PMT	FERC PART 12	CARRYING CHR	LINE OF	ADJUSTMENT	NORMALIZATION		
	& SECURITY DPS	CONTRACT MM	ON LSR PREPD	CREDIT				
<b>Power Cost Rate</b>								
Row								
3	Regulatory Assets (Variable)	\$ (10,487,985)	\$ (2,792,849)	\$ (25,461,198)	\$ (5,078,186)	\$ (31,369,756)	\$	284,772,615
4	Transmission Rate Base (Fixed)							91,760,899
5	Production Rate Base (Fixed)				(42,642,425)	646,404,242		2,391,286,004
		(10,487,985)	(2,792,849)	(25,461,198)	(47,720,611)	615,034,487		2,767,819,517
6								
7	Net of tax rate of return	0	0	0	0	0	0	0.0669
8								
9								
10	Regulatory Asset Recovery	\$ (1,079,456)	\$ (287,449)	\$ (2,620,545)	\$ (522,663)	\$ (3,228,672)	\$	29,309,673
11	Fixed Asset Recovery Other	-	-	-	-	-	-	9,444,314
12	Fixed Asset Recovery-Prod Factored	-	-	-	(4,388,890)	66,529,914		246,118,513
13	501-Steam Fuel					19,737,552		89,840,342
14	555-Purchased power					(222,307,273)		397,269,316
15	557-Other Power Exp					(6,960,010)		6,346,743
15a	Payroll Overheads				(152,832)	(152,832)		6,535,308
15b	Property Insurance				(51,768)	49,743		2,903,003
15c	Montana Electric Energy Tax				(30,129)	870,149		1,689,589
15d	Payroll Taxes					-		2,035,145
16	547-Fuel					(2,312,477)		148,918,498
17	565-Wheeling					17,955,070		102,954,754
18	Variable Transmission Income					(1,129,602)		(7,455,773)
19	Production O&M					14,647,074		127,031,521
20	447-Sales to Others					73,154,483		(29,299,862)
21	456-Subaccounts 00016,18,80,81,130					(32,930,317)		(8,879,149)
22	Transmission Exp - 500KV					(17,051)		956,152
23	Depreciation/Amortization -Production				(2,133,012)	27,068,728		119,614,252
24	Depreciation-Transmission					-		4,136,830
25	Amortization - Regulatory Assets	590,672	(1,910,566)	3,410,553	(518,431)	(177,359)		29,072,399
26	Property Taxes-Production					-		-
27	Property Taxes-Transmission					-		-
28	Hedging Line of Credit				(52,144)	(14,006)	(66,149)	785,409
29	Subtotal & Baseline Rate	\$ (488,784)	\$ (2,198,014)	\$ 790,008	\$ (52,144)	\$ (7,811,730)	\$ -	1,279,326,977

Note: Amounts in bold and italics are different from July 2nd, 2013 Supplemental filing.

Adjustment 1
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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	\$ <b><i>89,840,342</i></b>	<b><i>19,737,552</i></b>
4	547-FUEL	151,230,975	<b><i>148,918,498</i></b>	<b><i>(2,312,477)</i></b>
5	PURCHASED AND INTERCHANGED:			
6	555-PURCHASED POWER	619,576,589	<b><i>397,269,316</i></b>	<b><i>(222,307,273)</i></b>
7	557 - OTHER POWER EXPENSE	13,306,753	6,346,743	(6,960,010)
8	WHEELING	84,999,684	<b><i>102,954,754</i></b>	<b><i>17,955,070</i></b>
9	PRODUCTION O&M	112,384,447	<b><i>127,031,521</i></b>	<b><i>14,647,074</i></b>
10	TRANS. EXP. INCL. 500KV O&M	973,202	956,152	(17,051)
11	SALES FOR RESALE	(102,454,344)	<b><i>(29,299,862)</i></b>	<b><i>73,154,483</i></b>
12	PURCHASES/SALES OF NON-CORE GAS	24,051,167	<b><i>(8,879,149)</i></b>	<b><i>(32,930,317)</i></b>
13	VARIABLE TRANSMISSION INCOME - COLSTRIP, 3RD AC	(6,326,170)	<b><i>(7,455,773)</i></b>	<b><i>(1,129,602)</i></b>
14	INCREASE (DECREASE) EXPENSE	967,845,094	<b><i>827,682,542</i></b>	<b><i>(140,162,552)</i></b>

**Note: Amounts in bold and italics are different from July 2nd, 2013 Supplemental filing.**

PUGET SOUND ENERGY  
DETERMINATION OF NET POWER COSTS  
TEST YEAR ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014

**Adjustment 1**

Line FERC	Description	RATE YEAR				
		REVISED 12ME 10/31/2014 Total	REVISED Amort of Reg Assets (Note 1)	Reclass Ben&Tax (Note 2)	REVISED Net Before Prod Factor	REVISED After Prod Factor of 0.98248 Adjustment-1
1	Fuel:					
2	501 Steam Fuel	\$ 91,942,414	\$ (500,000)	\$ -	\$ 91,442,414	\$ 89,840,342
3	547 Fuel	150,644,280	929,796	-	151,574,076	148,918,498
4		<b>242,586,694</b>	429,796	-	<b>243,016,490</b>	<b>238,758,841</b>
5	Purchased and Interchanged					
6	555 Purchased Power	414,968,276	(10,614,686)	-	404,353,591	397,269,316
7					-	-
8	557 Other Power Expense	7,833,383		(1,373,462)	6,459,921	6,346,743
9		<b>422,801,659</b>	(10,614,686)	(1,373,462)	<b>410,813,511</b>	<b>403,616,059</b>
10						
11	565 Wheeling	107,803,365	(3,012,679)	-	104,790,687	102,954,754
12					-	-
13						
14	447 Sales for Resale	(29,822,349)			(29,822,349)	(29,299,862)
15	456 Purchases/Sales Of Non-Core Gas	(9,037,486)			(9,037,486)	(8,879,149)
16		<b>(38,859,836)</b>	-	-	<b>(38,859,836)</b>	<b>(38,179,011)</b>
17						
18	Net Power Costs from DEM Exhibit	734,331,883	(13,197,568)	(1,373,462)	719,760,852	707,150,642
19	various Production O&M	136,646,623	-	(7,349,822)	129,296,801	127,031,521
20	various Trans. Exp. Incl. 500Kv O&M	973,202			973,202	956,152
21	456-17 Variable Transmission Income	(7,588,727)	-	-	(7,588,727)	(7,455,773)
22						
23	To Power Cost Adjustment	<b>\$ 864,362,981</b>	<b>\$ (13,197,568)</b>	<b>\$ (8,723,284)</b>	<b>\$ 842,442,128</b>	<b>\$ 827,682,542</b>

(Note 1) Amounts are included in Adjustments 15, 18, 19, 20 and 21.

(Note 2) Amounts are included in the test year and are adjusted in the Production Adjustment , Adjustment 23.

**Note: Amounts in bold and italics are different from July 2nd, 2013 Supplemental filing.**

Adjustment 2
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
MONTANA ENERGY TAX**

<b>LINE NO.</b>	<b>DESCRIPTION</b>	<b>ADJUSTED RATE YEAR</b>	<b>ADJUSTMENT</b>
1	PROFORMA KWH (COLSTRIP)	<i><b>4,913,482,198</b></i>	
2	TAX RATE	<u>0.00035</u>	
3			
4	PROFORMA ENERGY TAX		<i><b>1,719,719</b></i>
5	CHARGED TO EXPENSE		819,440
6	INCREASE (DECREASE) EXPENSE		<u><u><b>\$ 900,278</b></u></u>
7			

*Note: Amounts in bold and italics are different from July 2nd, 2013 Supplemental filing.*

<b>Adjustment 3</b>
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
LOWER SNAKE RIVER PROJECT**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED TEST YEAR	ADJUSTMENT
1	<u>PLANT RATE BASE</u>			
2	PLANT BALANCE	\$ 429,594,822	\$ 689,560,142	\$ 259,965,320
3	ACCUM DEPRECIATION	(4,905,223)	(14,380,018)	(9,474,794)
4	DEFERRED INCOME TAX	(27,932,659)	(49,545,868)	(21,613,209)
5	NET LOWER SNAKE RIVER PLANT RATEBASE	<u>396,756,939</u>	<u>625,634,255</u>	<u>228,877,317</u>
6				
7				
8				
9				
10	<u>LOWER SNAKE RIVER OPERATING EXPENSE</u>			
11	TAXABLE DEPRECIATION EXPENSE	14,382,540	24,572,610	10,190,070
12	NON-TAXABLE DEPRECIATION EXPENSE	2,373,346	4,078,521	1,705,175
13		<u>16,755,886</u>	<u>28,651,131</u>	<u>11,895,245</u>

Adjustment 4
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
SNOQUALMIE LICENSE UPGRADE**

P1 in service date Sept 5, 2013
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LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED TEST YEAR	ADJUSTMENT
1	<u>PLANT RATE BASE</u>			
2	PLANT BALANCE	\$ -	\$ <b><i>305,197,775</i></b>	\$ <b><i>305,197,775</i></b>
3	ACCUM DEPRECIATION	-	\$ <b><i>(8,421,243)</i></b>	<b><i>(8,421,243)</i></b>
4	DEFERRED INCOME TAX	-	\$ <b><i>(42,332,413)</i></b>	<b><i>(42,332,413)</i></b>
5	NET SNOQUALMIE PLANT RATEBASE	-	<b><i>254,444,119</i></b>	<b><i>254,444,119</i></b>
6				
7				
8				
9				
10	<u>SNOQUALMIE OPERATING EXPENSE</u>			
11	TAXABLE DEPRECIATION EXPENSE	-	<b><i>8,262,734</i></b>	<b><i>8,262,734</i></b>
12	NON-TAXABLE DEPRECIATION EXPENSE	-	<b><i>1,496,321</i></b>	<b><i>1,496,321</i></b>
13	REVENUE ADJUSTMENT FOR FLOW-THRU TAXES		<b><i>805,711</i></b>	<b><i>805,711</i></b>
14	INCREASE OPERATING EXPENSES	-	<b><i>10,564,766</i></b>	<b><i>10,564,766</i></b>

**Note: Amounts in bold and italics are different from July 2nd, 2013 Supplemental filing.**

Adjustment 5

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

LINE NO.	DESCRIPTION	P1 in service date Sept 5, 2013		
		TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<b>OPERATING EXPENSES</b>			
2	<b><u>Plant 2 and Diversion Dam</u></b>			
3	AMORT. OF DEFERRAL PLANT 2 AND DIVERSION DAM	\$ -	\$ <i>1,522,245</i>	\$ <i>1,522,245</i>
4	DEFERRAL OF PLANT 2 AND DIVERSION DAM	-	\$ -	-
5	TOTAL AMORT. PLANT 2 AND DIVERSION DAM PROJECT	-	<i>1,522,245</i>	<i>1,522,245</i>
6				
7	<b><u>Plant 1</u></b>			
8	AMORT. OF DEFERRAL PLANT 1 SNOQUALMIE	-	\$ <i>397,898</i>	<i>397,898</i>
9	DEFERRAL OF PLANT 1 SNOQUALMIE	-	\$ -	-
10	TOTAL AMORT. PLANT 1 SNOQUALMIE PROJECT	-	<i>397,898</i>	<i>397,898</i>
11				
12	INCREASE (DECREASE) OPERATING EXPENSES	-	<i>1,920,143</i>	<i>1,920,143</i>
13				
14				
15	<b>RATE BASE</b>			
16	<b><u>Plant 2 and Diversion Dam</u></b>			
17	PLANT 2 AND DIVERSION DAM AMA GROSS - DEF	\$ -	\$ <i>9,133,471</i>	\$ <i>9,133,471</i>
18	PLANT 2 AND DIVERSION DAM AMA ACCUM. AMORT.	-	\$ <i>(761,123)</i>	<i>(761,123)</i>
19	PLANT 2 AND DIVERSION DAM AMA ACCUM. DEFERRED FIT	-	\$ <i>(2,930,322)</i>	<i>(2,930,322)</i>
20	TOTAL PLANT 2 AND DIVERSION DAM PROJECT RATE BASE	-	<i>5,442,026</i>	<i>5,442,026</i>
21				
22	<b><u>Plant 1</u></b>			
23	SNOQUALMIE PLANT 1 AMA GROSS - DEF	-	\$ <i>2,387,390</i>	<i>2,387,390</i>
24	SNOQUALMIE PLANT 1 AMA ACCUM AMORTIZATION	-	\$ <i>(198,949)</i>	<i>(198,949)</i>
25	SNOQUALMIE PLANT 1 AMA ACCUM. DEFERRED FIT	-	\$ <i>(765,954)</i>	<i>(765,954)</i>
26	TOTAL SNOQUALMIE PLANT 1 RATE BASE	\$ -	<i>1,422,486</i>	<i>1,422,486</i>
27				
28	TOTAL SNOQUALMIE PROJECT RATE BASE	-	<i>6,864,513</i>	<i>6,864,513</i>

**Note: Amounts in bold and italics are different from July 2nd, 2013 Supplemental filing.**

Adjustment 6

**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
BAKER UNIT 4 POWERHOUSE AND FLOATING SURFACE COLLECTOR**

LB Powerhouse in service date July 25, 2013

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1 <u>PLANT RATE BASE</u>			
2 PLANT BALANCE	\$ -	\$ <i>162,943,334</i>	\$ <i>162,943,334</i>
3 ACCUM DEPRECIATION	-	<i>(3,311,110)</i>	<i>(3,311,110)</i>
4 DEFERRED INCOME TAX	-	<i>(24,598,286)</i>	<i>(24,598,286)</i>
5 NET BAKER PLANT RATEBASE	-	<i>135,033,938</i>	<i>135,033,938</i>
6			
7			
8			
9			
10 <u>BAKER OPERATING EXPENSE</u>			
11 TAXABLE DEPRECIATION EXPENSE	-	<i>3,201,222</i>	<i>3,201,222</i>
12 NON-TAXABLE DEPRECIATION EXPENSE	-	<i>370,162</i>	<i>370,162</i>
13 REVENUE ADJUSTMENT FOR FLOW-THRU TAXES		<i>199,318</i>	<i>199,318</i>
14 TOTAL DEPRECIATION EXPENSE	-	<i>3,770,702</i>	<i>3,770,702</i>

**Note: Amounts in bold and italics are different from July 2nd, 2013 Supplemental filing.**

Adjustment 7

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

LB Powerhouse in service date July 25, 2013

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<b><u>OPERATING EXPENSES</u></b>			
2	AMORTIZATION OF BAKER COST DEFERRAL		\$ 529,498	\$ 529,498
3	DEFERRAL OF BAKER COSTS			-
4	TOTAL AMORTIZATION BAKER PROJECT	-	<u>529,498</u>	<u>529,498</u>
5				
6				
7	<b><u>RATE BASE</u></b>			
8	BAKER PROJECT AMA GROSS - DEF		\$ 3,176,988	\$ 3,176,988
9	BAKER PROJECT AMA ACCUMULATED DEPRECIATION		<i>(264,749)</i>	<i>(264,749)</i>
10	BAKER PROJECT AMA ACCUMULATED DEFERRED FIT		<i>(1,019,284)</i>	<i>(1,019,284)</i>
11	TOTAL BAKER PROJECT RATE BASE	-	<u>\$ 1,892,955</u>	<u>\$ 1,892,955</u>

**Note: Amounts in bold and italics are different from July 2nd, 2013 Supplemental filing.**

Adjustment 8
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
FERNDALE PLANT**

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1 <u>RATE BASE</u>			
2 UTILITY PLANT BALANCE	\$ -	\$ 134,878,099	\$ 134,878,099
3 ASSET RETIREMENT COST ("ARC")	-	<b><i>1,480,485</i></b>	<b><i>1,480,485</i></b>
4 ACCUM DEPRECIATION ON UTILITY PLANT AND ARC	-	(87,373,825)	(87,373,825)
5 ACQUISITION ADJUSTMENT	-	30,992,513	30,992,513
6 ACCUM AMORIZATION ACQUISITION ADJUSTMENT	-	(1,668,267)	(1,668,267)
7 DEFERRED INCOME TAX	-	(3,105,690)	(3,105,690)
8 ASSET RETIREMENT OBLIGATION ("ARO")	-	<b><i>(1,706,471)</i></b>	<b><i>(1,706,471)</i></b>
9 NET FERNDALE PLANT RATEBASE	-	<b><i>73,496,843</i></b>	<b><i>73,496,843</i></b>
10			
11			
12			
13			
14 <u>FERNDALE OPERATING EXPENSE</u>			
15 DEPRECIATION EXPENSE	-	1,855,149	1,855,149
16 ACQUISITION ADJUSTMENT AMORTIZATION EXPENSE	-	1,144,339	1,144,339
17 ARC DEPRECIATION EXPENSE 403.1	-	57,756	57,756
18 ARO ACCRETION EXPENSE 411.1	-	<b><i>117,379</i></b>	<b><i>117,379</i></b>
19 TOTAL OPERATING EXPENSE	-	<b><i>3,174,624</i></b>	<b><i>3,174,624</i></b>

**Note: Amounts in bold and italics are different from July 2nd, 2013 Supplemental filing.**

<b>Adjustment 9</b>
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
FERNDALE DEFERRAL**

LINE NO. DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1 <b><u>OPERATING EXPENSES</u></b>			
2 AMORTIZATION OF FERNDALE COST DEFERRAL	\$ -	\$ <b><i>4,135,549</i></b>	\$ <b><i>4,135,549</i></b>
3	-	-	-
4 TOTAL AMORTIZATION FERNDAL PROJECT	-	<b><i>4,135,549</i></b>	<b><i>4,135,549</i></b>
5			
6			
7 <b><u>RATE BASE</u></b>			
8 FERNDAL PROJECT AMA GROSS - DEF	\$ -	\$ <b><i>24,813,295</i></b>	\$ <b><i>24,813,295</i></b>
9 FERNDAL PROJECT AMA ACCUMULATED DEPRECIATION	-	\$ <b><i>(2,067,775)</i></b>	<b><i>(2,067,775)</i></b>
10 FERNDAL PROJECT AMA ACCUMULATED DEFERRED FIT	-	\$ <b><i>(7,960,932)</i></b>	<b><i>(7,960,932)</i></b>
11 TOTAL FERNDAL PROJECT RATE BASE	\$ -	\$ <b><i>14,784,588</i></b>	\$ <b><i>14,784,588</i></b>

**Note: Amounts in bold and italics are different from July 2nd, 2013 Supplemental filing.**

<b>Adjustment 10</b>
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
REMOVE WILD HORSE SOLAR**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>WILD HORSE RATE BASE</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 4,530,703		\$ (4,530,703)
4	ACCUMULATED DEPRECIATION	(825,947)		825,947
5	DEFERRED TAX	(899,206)		899,206
6	TOTAL UTILITY PLANT RATEBASE	<u>2,805,550</u>	-	<u>(2,805,550)</u>
7				
8				
9				
10				
11	<u>WILD HORSE O&amp;M</u>			
12	DEPRECIATION EXPENSE ON UTILITY PLANT	203,597		(203,597)
13	PROPERTY INSURANCE			-
14	PROPERTY TAXES			-
15	TOTAL O&M	<u>203,597</u>	-	<u>(203,597)</u>
16				
17	GRAND TOTAL OF OPERATING EXPENSES	<u>\$ 203,597</u>	\$ -	<u>\$ (203,597)</u>

<b>Adjustment 11</b>
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
REMOVE TENASKA**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<b>RATEBASE</b>			
2	REGULATORY ASSET	\$ 1,269,605		\$ (1,269,605)
3	DEFERRED FIT	(56,231)		56,231
4				
5	NET RATEBASE	1,213,374	-	(1,213,374)
6				
7				
8	<b>AMORTIZATION EXPENSE</b>			
9	AMORTIZATION EXPENSE	10,157,004		(10,157,004)
10	TOTAL AMORTIZATION	10,157,004	-	(10,157,004)

Adjustment 12

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

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>ELECTRON HYDRO OPERATING EXPENSE</u>			
2	DEPRECIATION EXPENSE	\$ 5,002,008	\$ <b><i>5,002,008</i></b>	\$ -
3	AMORTIZATION EXPENSE	\$ -	\$ -	-
4	TOTAL EXPENSE	<u>5,002,008</u>	<u><b><i>5,002,008</i></b></u>	-
5				
6	<u>ELECTRON UTILITY PLANT RATEBASE</u>			
7	GROSS PLANT	\$ 69,590,833	\$ <b><i>69,590,833</i></b>	\$ -
8	ACCUMULATED DEPRECIATION / AMORTIZATION	\$ (38,298,583)	\$ <b><i>(38,298,583)</i></b>	-
9	DFIT	\$ (5,126,319)	\$ <b><i>(5,126,319)</i></b>	-
10	NET PLANT COSTS	<u>26,165,931</u>	<u><b><i>26,165,931</i></b></u>	-
11				
12	<u>ELECTRON REGULATORY ASSET RATEBASE</u>			
13	UNRECOVERED PLANT	\$ -	\$ -	\$ -
14	ACCUMULATED AMORTIZATION	\$ -	\$ -	-
15	DFIT	\$ -	\$ -	-
16	NET REGULATORY ASSET	<u>-</u>	<u>-</u>	-

**Note: Amounts in bold and italics are different from July 2nd, 2013 Supplemental filing.**

<b>Adjustment 13</b>
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
PROPERTY TAXES**

<b>LINE NO. DESCRIPTION</b>	<b>TEST YEAR</b>	<b>ADJUSTED RATE YEAR</b>	<b>ADJUSTMENT</b>
1 RESTATED PROPERTY TAXES-PRODUCTION	\$ -	\$ -	-
2 RESTATED PROPERTY TAXES-TRANSMISSION	-	-	-
3 INCREASE (DECREASE) EXPENSES	\$ -	\$ -	-

**Adjustment 14**

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

<b>LINE NO.</b>	<b>DESCRIPTION</b>	<b>TEST YEAR</b>	<b>ADJUSTED RATE YEAR</b>	<b>ADJUSTMENT</b>
1	PROPERTY INSURANCE EXPENSE	\$ 2,853,260	\$ <b><i>2,954,771</i></b>	\$ <b><i>101,511</i></b>
2	INCREASE(DECREASE) EXPENSE	\$ 2,853,260	\$ <b><i>2,954,771</i></b>	\$ <b><i>101,511</i></b>

**Note: Amounts in bold and italics are different from July 2nd, 2013 Supplemental filing.**

<b>Adjustment 15</b>
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
BONNEVILLE EXCHANGE POWER (BEP)**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
2	BEP	\$ 12,551,648	\$ 7,616,843	\$ (4,934,805)
3	TOTAL REGULATORY ASSETS	<u>\$ 12,551,648</u>	<u>\$ 7,616,843</u>	<u>\$ (4,934,805)</u>
4	<u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
5	BEP	3,526,620	3,526,620	-
6	TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>\$ 3,526,620</u>	<u>\$ 3,526,620</u>	<u>\$ -</u>

<b>Adjustment 16</b>
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
WHITE RIVER REGULATORY ASSET**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
2	WHITE RIVER PLANT COSTS	\$ 35,416,439	\$ 32,252,094	\$ (3,164,345)
3	WHITE RIVER RELICENSING & CWIP	25,485,829	25,621,603	135,774
4	PROCEED FROM THE SALE OF WHITE RIVER	(30,211,681)	(30,211,681)	-
5	DFIT - WHITE RIVER REG ASSET	(10,741,661)	(9,681,693)	1,059,968
6	TOTAL REGULATORY ASSETS	<u>\$ 19,948,927</u>	<u>\$ 17,980,324</u>	<u>\$ (1,968,603)</u>
7				
8	<u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
9	WHITE RIVER PLANT COSTS	\$ 1,494,702	\$ 1,494,702	\$ (0)
10	TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>\$ 1,494,702</u>	<u>\$ 1,494,702</u>	<u>\$ (0)</u>

<b>Adjustment 17</b>
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
GOLDENDALE FIXED COSTS, MINT FARM, WILD HORSE EXPANSION & LSR PLANT DEFERRAL**

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
2	GOLDENDALE FIXED COSTS DEFERRAL	\$ 9,335	\$ -	\$ (9,335)
3	MINT FARM DEFFRED - UE-090704	24,270,628	20,363,786	(3,906,842)
4	WILD HORSE EXPANSION DEFFRED - UE-090704	40,660	-	(40,660)
5	LOWER SNAKE RIVER PLANT DEFERRAL	6,126,670	5,849,525	(277,145)
6	TOTAL REGULATORY ASSETS	<u>\$ 30,447,292</u>	<u>\$ 26,213,311</u>	<u>\$ (4,233,981)</u>
7				
8	<u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
9	GOLDENDALE FIXED COSTS DEFERRAL	\$ 346,851	\$ -	\$ (346,851)
10	MINT FARM DEFFRED - UE-090704	2,885,052	2,885,052	-
11	WILD HORSE EXPANSION DEFFRED - UE-090704	582,051	-	(582,051)
12	LOWER SNAKE RIVER PLANT DEFERRAL	1,748,506	4,499,635	2,751,129
13	TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>\$ 5,562,460</u>	<u>\$ 7,384,687</u>	<u>\$ 1,822,226</u>

Adjustment 18
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**PUGET SOUND ENERGY**  
**POWER COST ONLY RATE CASE**  
**TWELVE MONTHS ENDED SEPTEMBER 30, 2012**  
**RATE YEAR ENDED OCTOBER 31, 2014**  
**WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)& UE-20060 (BNP PARIBUS)**

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
2	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)	\$ (1,678,228)	\$ (1,147,096)	\$ 531,132
3	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)	(2,300,593)	(1,572,557)	728,037
4	TOTAL REGULATORY ASSETS	<u>\$ (3,978,821)</u>	<u>\$ (2,719,653)</u>	<u>\$ 1,259,169</u>
5				
6				
7	<u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
8	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)	\$ (392,170)	\$ (392,170)	\$ 0
9	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)	(537,626)	(537,626)	(0)
10	TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>(929,796)</u>	<u>(929,796)</u>	<u>(0)</u>

<b>Adjustment 19</b>
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
CHELAN PUD CONTRACT INITIATION PAYMENT & CHELAN PUD SECURITY DEPOSIT**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
2	CHELAN PUD CONTRACT INITITATION	\$ 120,683,675	\$ 107,883,190	\$ (12,800,485)
3	CHELAN - ROCK ISLAND SECURITY DEPOSIT	16,187,500	18,500,000	2,312,500
4	TOTAL REGULATORY ASSETS	<u>\$ 136,871,175</u>	<u>\$ 126,383,190</u>	<u>(10,487,985)</u>
5				
6				
7	<u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
8	CHELAN PUD CONTRACT INITITATION	\$ 6,497,393	\$ 7,088,066	\$ 590,672
9	TOTAL AMORTIZATION OF REG ASSETS/LIABS	<u>\$ 6,497,393</u>	<u>\$ 7,088,066</u>	<u>\$ 590,672</u>

Adjustment 20
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
COLSTRIP 1&2 (WEC<sub>o</sub>) PREPAYMENT, FERC PART 12 STUDY NON-CONST COSTS UE-070074,  
CONTRACT MAJOR MAINTENANCE**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
2	COLSTRIP 1&2 (WEC <sub>o</sub> ) PREPAYMENT	\$ 4,150,656	\$ 2,833,333	\$ (1,317,322)
3	FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074	786,635	\$ 643,382	(143,253)
4	CONTRACT MAJOR MAINTENANCE:	-	-	-
5	SUMAS NOVEMBER 2010 HOT GAS PATH INSPECTION	200,983	-	(200,983)
6	GOLDENDALE HOT GAS PATH	963,013	-	(963,013)
7	FREDDY 1 JULY 2009 HOT GAS PATH INSPECTION	4,419	-	(4,419)
8	GOLENDALE MAY 2009 COMBUSTION INSPECTION	30,780	-	(30,780)
9	MINT FARM JUNE 2010 COMBUSTION INSPECTION	133,079	-	(133,079)
10	MINT FARM APRIL 2013 HOT GAS PATH INSPECTION	-	<b><i>0.00</i></b>	<b><i>0.00</i></b>
11	TOTAL REGULATORY ASSETS	<b><i>\$ 6,269,564</i></b>	<b><i>\$ 3,476,715</i></b>	<b><i>\$ (2,792,849)</i></b>
12				
13	<u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
14	COLSTRIP 1&2 (WEC <sub>o</sub> ) PREPAYMENT	\$ 958,333	\$ 500,000	\$ (458,333)
15	FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074	180,951	241,268	60,317
16	CONTRACT MAJOR MAINTENANCE:	-	-	-
17	SUMAS NOVEMBER 2010 HOT GAS PATH INSPECTION	396,857	-	(396,857)
18	GOLDENDALE HOT GAS PATH	476,329	-	(476,329)
19	FREDDY 1 JULY 2009 HOT GAS PATH INSPECTION	35,351	-	(35,351)
20	GOLENDALE MAY 2009 COMBUSTION INSPECTION	147,742	-	(147,742)
21	MINT FARM JUNE 2010 COMBUSTION INSPECTION	456,270	-	(456,270)
22	MINT FARM APRIL 2013 HOT GAS PATH INSPECTION	-	<b><i>0.00</i></b>	<b><i>0.00</i></b>
23	TOTAL AMORTIZATION OF REG ASSETS/LIABS	<b><i>\$ 2,651,834</i></b>	<b><i>\$ 741,268</i></b>	<b><i>\$ (1,910,566)</i></b>

**Note: Amounts in bold and italics are different from July 2nd, 2013 Supplemental filing.**

Adjustment 21
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**PUGET SOUND ENERGY**  
**POWER COST ONLY RATE CASE**  
**TWELVE MONTHS ENDED SEPTEMBER 30, 2012**  
**RATE YEAR ENDED OCTOBER 31, 2014**  
**LSR PREPAID TRANSM PRINCIPAL AND DEFERRED CARRYING CHARGES**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>AMA OF REG ASSET/LIAB NET OF ACCUM AMORT AND DFIT</u>			
2	LOWER SNAKE RIVER PREPAID TRANSM PRINCIPAL	\$ 99,800,000	\$ <b><i>77,081,163</i></b>	\$ <b><i>(22,718,837)</i></b>
3	CARRYING CHARGES ON LSR PREPAID TRANSM	\$ 13,019,212	\$ 10,276,851	\$ (2,742,361)
4	TOTAL REGULATORY ASSETS	<u>\$ 112,819,212</u>	<u>\$ <b><i>87,358,014</i></b></u>	<u>\$ <b><i>(25,461,198)</i></b></u>
5				
6	<u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
7	LOWER SNAKE RIVER PREPAID TRANSM PRINCIPAL	\$ -	\$ <b><i>3,012,679</i></b>	\$ <b><i>3,012,679</i></b>
8	CARRYING CHARGES ON LSR PREPAID TRANSM	\$ 289,540	\$ 687,415	\$ 397,874
9	TOTAL REGULATORY AMORT	<u>\$ 289,540</u>	<u>\$ <b><i>3,700,093</i></b></u>	<u>\$ <b><i>3,410,553</i></b></u>

*Note: Amounts in bold and italics are different from July 2nd, 2013 Supplemental filing.*

**Adjustment 22**

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

<b>LINE NO.</b>	<b>DESCRIPTION</b>	<b>TEST YEAR</b>	<b>ADJUSTED RATE YEAR</b>	<b>ADJUSTMENT</b>
1	HEDGING LINE OF CREDIT	\$ 851,558	\$ 799,414	\$ (52,144)
2	INCREASE(DECREASE) EXPENSE	\$ 851,558	\$ 799,414	\$ (52,144)

Adjustment 23

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

LINE NO. DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION FACTOR 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	<u>11,678,055</u>	<u>(204,600)</u>	<u>11,473,456</u>
6			
7 HEDGING LINE OF CREDIT	799,414	(14,006)	785,409
8			
9 <b><u>DEPRECIATION / AMORTIZATION:</u></b>			
10 DEPRECIATION	109,446,787	(1,917,508)	107,529,279
11 AMORTIZATION (OTHER THAN REGULATORY ASSETS/LIAB)	12,300,477	(215,504)	12,084,973
12	<u>121,747,264</u>	<u>(2,133,012)</u>	<u>119,614,252</u>
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 TOTAL PRODUCTION ADJUSTMENT TO BASELINE RATE	<u>\$ 135,944,453</u>	<u>\$ (2,381,747)</u>	<u>\$ 133,562,706</u>
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	0.00	0.00	0.00
25 <i>ADJs - POWER COST &amp; PROD O&amp;M RELATED</i>			
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	0.00	0.00	0.00
33 <i>ADJs - ALL OTHER</i>			
34 NO. 16 - WHITE RIVER PLANT COSTS	1,494,702	(26,187)	1,468,515
35 NO. 17 - MINT FARM DEFFRED - 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-070074	241,268	(4,227)	237,041
38 NO. 21 - CARRYING CHARGES ON LSR PREPAID TRANSM	687,415	(12,044)	675,371
39			
40 TOTAL REGULATORY ASSET ADJUSTMENT TO BASELINE RATE	<u>\$ 29,590,830</u>	<u>\$ (518,431)</u>	<u>\$ 29,072,399</u>
41			
42 <b>INCREASE (DECREASE) EXPENSE</b>		<u>\$ (2,900,178)</u>	
43			
44 <b><u>PRODUCTION RATE BASE:</u></b>			
45 DEPRECIABLE PRODUCTION PROPERTY	3,871,968,629	(67,836,890)	3,804,131,739
46 PRODUCTION PROPERTY ACCUM DEPR.	(1,354,244,031)	23,726,355	(1,330,517,676)
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	<u>2,804,730,766</u>	<u>(49,138,882)</u>	<u>2,755,591,884</u>
54			
55 <b><u>DEDUCT:</u></b>			
56 LIBR. DEPREC. POST 1980 (AMA)	(410,310,262)	7,188,636	(403,121,626)
57 NOL DEFERRED TAX ASSET ATTRIBUTABLE TO PRODUCTION	39,507,925	(692,179)	38,815,746
58 ADJUSTMENT TO RATE BASE	<u>(370,802,337)</u>	<u>6,496,457</u>	<u>(364,305,880)</u>
59			
60 TOTAL ADJUSTMENT TO PRODUCTION RATE BASE	<u>\$ 2,433,928,429</u>	<u>\$ (42,642,425)</u>	<u>\$ 2,391,286,004</u>

Adjustment 23
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PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
PRODUCTION ADJUSTMENT

LINE NO. DESCRIPTION	PROFORMA AND RESTATED	PRODUCTION FACTOR 1.752%	NET AMOUNT
61			
62 <b>REGULATORY ASSETS RATE BASE:</b>			
63 TENASKA	0	0	0
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	0	0	0
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	0	0	0
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 <sub>o</sub> ) 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	0	0	0
80 GOLDENDALE HOT GAS PATH	0	0	0
81 FREDDY 1 JULY 2009 HOT GAS PATH INSPECTION	0	0	0
82 GOLENDALE MAY 2009 COMBUSTION INSPECTION	0	0	0
83 MINT FARM JUNE 2010 COMBUSTION INSPECTION	0	0	0
84 MINT FARM APRIL 2013 HOT GAS PATH INSPECTION	<i>0</i>	<i>0</i>	<i>0</i>
85 LOWER SNAKE RIVER PREPAID TRANSM PRINCIPAL	<i>77,081,163</i>	<i>(1,350,462)</i>	<i>75,730,701</i>
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	<i>14,784,588</i>	<i>(259,026)</i>	<i>14,525,562</i>
89 SNOQUALMIE DEFERRAL	<i>6,864,513</i>	<i>(120,266)</i>	<i>6,744,247</i>
90 BAKER DEFERRAL	<i>1,892,955</i>	<i>(33,165)</i>	<i>1,859,791</i>
91 ELECTRON UNRECOVERED PLANT COSTS	<i>0</i>	<i>0</i>	<i>0</i>
92 TOTAL ADJUSTMENT TO REGULATORY ASSETS RATE BASE	<b><i>\$ 289,850,800</i></b>	<b><i>\$ (5,078,186)</i></b>	<b><i>\$ 284,772,614</i></b>
93			
94 TOTAL RATE BASE		<b><i>\$ (47,720,611)</i></b>	

Note: Amounts in bold and italics are different from July 2nd, 2013 Supplemental filing.

<b>Adjustment 24</b>
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**PUGET SOUND ENERGY  
POWER COST ONLY RATE CASE  
TWELVE MONTHS ENDED SEPTEMBER 30, 2012  
RATE YEAR ENDED OCTOBER 31, 2014  
TEMPERATURE NORMALIZATION**

LINE NO.	DESCRIPTION	ACTUAL GPI MWH	TEMP ADJ GPI MWH	MWH CHANGE	ADJ FOR LOSSES 6.90%
1	Oct-11	1,787,546	1,779,700	(7,846)	(7,304)
2	Nov-11	2,101,522	2,065,752	(35,770)	(33,302)
3	Dec-11	2,356,931	2,337,381	(19,551)	(18,202)
4	Jan-12	2,292,567	2,250,955	(41,611)	(38,740)
5	Feb-12	2,038,936	2,050,693	11,757	10,946
6	Mar-12	2,120,952	2,069,642	(51,310)	(47,769)
7	Apr-12	1,748,782	1,763,298	14,515	13,514
8	May-12	1,693,850	1,692,346	(1,504)	(1,400)
9	Jun-12	1,583,503	1,594,319	10,816	10,070
10	Jul-12	1,625,813	1,642,567	16,754	15,598
11	Aug-12	1,704,899	1,687,369	(17,531)	(16,321)
12	Sep-12	1,588,781	1,588,077	(703)	(655)
13	Total	22,644,082	22,522,100	(121,982)	(113,565)

**Adjustment 25**

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

<b>LINE NO.</b>	<b>DESCRIPTION</b>		<b>RATE</b>
1	BAD DEBTS		0.004444
2	ANNUAL FILING FEE		0.002000
3	STATE UTILITY TAX ( ( 1 - LINE 1 ) * 3.8734% )	3.8734%	0.038562
4			
5	SUM OF TAXES OTHER		0.045006
6			
7	CONVERSION FACTOR ( 1 - LINE 5 )		0.954994