

Schedule A-Electric

PUGET SOUND ENERGY - ELECTRICRevenue Requirement Summary for Washington Retail Electric Operations
Adjusted Operations for Test Year Ending December 31, 2008

Line No.	Description (a)	As Proposed By Company (\$000) (b)	Public Counsel Adjustments (\$000) (c)	As Proposed by Public Counsel (\$000) (d)
1	WA Jurisdictional Rate Base	\$ 3,825,187	(40,703)	3,784,484
2	Overall Rate of Return	8.500%	-0.760%	7.74%
3	Net Operating Income Required	325,141	(32,222)	292,919
4	NOI -- Existing Rates	229,504	77,559	307,062
5	NOI Deficiency (Excess)	95,637	(109,781)	(14,143)
6	Conversion Factor	0.62126	0.62126	0.62126
7	Revenue Deficiency (Excess)			
8	Before Revenue Credits	\$ 153,940	\$ (176,706)	\$ (22,766)
9	Less Sales Revenue Credits:			
10	Large Firm Wholesale	221		221
11	Sales from Resale - Firm	79		79
12	Revenue Deficiency (Excess)			
13	Before Considering the Elimination			
14	of an Equity Return on			
15	Mint Farm Rate Base	\$ 153,640		\$ (23,066)
16	Adjustment to Eliminate Equity			
17	Return on Mint Farm Investment:			
18	Mint Farm Rate Base as			
19	Proposed by PSE - from			
20	Exhibit No. (JHS-10),			
21	Adjustment No. 10.08		\$ 233,570	
22	Public Counsel's Proposed			
23	Before-tax Weighted			
24	Cost of Common Equity		8.338%	
25	Reduction in Revenue Requirement			
26	Resulting from Elimination of an			
27	Equity Return on Mint Farm			
28	Rate Base Investment - as			
29	Proposed by Scott Norwood			(19,475)
30	Public Counsel's Recommended			
31	Revenue Deficiency/(Excess)			\$ (42,540)

Docket Nos. UE-090704 & UG-090705
 Exhibit No. (JRD-2C)
 Page 2 of 41

Witness: J. Dittmer

Schedule B-Electric

PUGET SOUND ENERGY - ELECTRIC
 Rate Base Summary for Washington Retail Electric Operations
 Adjusted Operations for Test Year Ending December 31, 2008

Line No.	Description (a)	WA Jurisdictional As Adjusted by Company (b)	(Sch. B-1) (c)	(Sch. B-2) (d)	(Sch. B-3) (e)	(Sch. B-4) (f)	(Sch. B-5) (g)	(Sch. B-6) (h)	(Sch. B-7) (i)	Subtotal (j)
1	Rate Base:									
2	Gross Utility Plant in Service	\$ 6,779,535,781	\$ (1,489,980)					\$ 15,344,945		\$ 6,793,390,746
3	Accum. Depr and Amortization	(2,661,741,341)	675,388					(6,145,416)	(962,966)	(2,668,174,334)
4	Deferred Debits	236,225,197		(7,142,280)	2,985,943		(50,557,616)	799,923	120,932	182,432,099
5	Deferred Taxes	(569,760,687)	(56,550)			(10,824,057)	17,695,166	(1,146,015)		(564,092,143)
6	Allowance for Working Capital	130,674,248						-		130,674,248
7	Other	(89,746,678)						-		(89,746,678)
8	Total Retail Rate Base	\$ 3,825,186,520	\$ (871,142)	\$ (7,142,280)	\$ 2,985,943	\$ (10,824,057)	\$ (32,862,450)	\$ 8,853,437	\$ (842,034)	\$ 3,784,483,937

Adjustment/Schedule:

9	B-1	
10	B-2	Eliminate Corporate Aircraft Costs from Rate Base
11	B-3	Reverse PSE's Proposed Colstrip Settlement Regulatory Asset
12	B-4	Reverse PSE's Regulatory Liability for Over
13	B-5	White River Sale - Accumulated Deferred Income Taxes
14	B-6	Eliminate Mint Farm Costs Deferred as a Regulatory Asset
15	B-7	Roll Out Effect on Rate Base from Eliminating the Conservation Adjustment
16		Production Adjustment for Public Counsel Rate Base Changes

Schedule B-1-Electric

PUGET SOUND ENERGY - ELECTRIC
 Adjusted Operations for Test Year Ending December 31, 2008
 Eliminate Corporate Aircraft Costs from Rate Base

Line No.	Description (a)	Total Company (b)	Electric Percent (c)	Electric Rate Base Adjustment (d)
1	Aircraft Costs - Rate Base Components			
2	(Source: Response to Public Counsel			
3	Data Request No.121)			
4	Plant in Service	\$ 2,292,277	65.00%	\$ (1,489,980)
5	Accumulated Depreciation	<u>(1,039,059)</u>	65.00%	<u>675,388</u>
6	Net Plant in Service	1,253,218		(814,592)
7	Accumulated Deferred Income Taxes	<u>87,000</u>	65.00%	<u>(56,550)</u>
8	Net Rate Base	<u><u>\$ 1,340,218</u></u>		<u><u>\$ (871,142)</u></u>

Witness: J. Dittmer

Docket Nos. UE-090704 & UG-090705

Exhibit No. _____ (JRD-20)

Page 4 of 41

Schedule B-2-Electric

PUGET SOUND ENERGY - ELECTRIC

Adjusted Operations for Test Year Ending December 31, 2008

Reverse PSE's Proposed Colstrip Settlement Regulatory Asset

<u>Line No.</u>	<u>Description</u> (a)	<u>Electric</u> (b)	<u>Source</u> (c)
1			Exh. No. _____
2			(JHS-10)
3	Reverse PSE's proposed inclusion in rate base of a		Adjustment
4	settlement payment made for Colstrip litigation	(7,142,280)	No. 10.31

Schedule B-3-Electric

PUGET SOUND ENERGY - ELECTRIC

Adjusted Operations for Test Year Ending December 31, 2008

Reverse PSE's Regulatory Liability for Over
Collected Production Maintenance Expense

Line No.	Description (a)	Electric (b)	Source (c)
1	Reverse PSE's proposed inclusion in rate base of a		Exh. No. __
2	Regulatory Liability representing production maintenance		(JHS-10)
3	expense that PSE calculates to have been over collected		Adjustment
4	since 2002.	\$ 2,985,943	No. 10.31

Witness: J. Dittmer

Docket Nos. UE-090704 & UG-090705

Exhibit No. _____(JRD-2)

Page 6 of 41

Schedule B-4-Electric

PUGET SOUND ENERGY - ELECTRIC

Adjusted Operations for Test Year Ending December 31, 2008

White River Sale - Accumulated Deferred Income Taxes

<u>Line No.</u>	<u>Description</u> (a)	<u>Amount</u> (b)	<u>Source</u> (c)
1			PSE Work
2			paper
3	Accumulated Deferred Income Taxes related to		support for
4	the White River asset and water rights sale that		Exh. No__
5	PSE reflected as a proforma addition to electric		(JHS-4),
6	rate base	\$ 8,750,000	Page 4.31
7	Taxes receivable expected from tax loss on		Response
8	the sale of White River asset and water		to PC DR
9	rights sale	<u>2,074,057</u>	No. 439
10	Net reduction to PSE's calculated proforma rate		
11	base to reflect anticipated taxes receivable		
12	from the White River sale rather than taxes		
13	payable as was reflected within PSE's		Line 6 +
14	proforma electric rate base	<u>(10,824,057)</u>	Line 10

Witness: S. Norwood

Docket Nos. UE-090704 & UG-090705

Exhibit No. _____ (JRD-2)

Page 7 of 41

Schedule B-5-Electric

PUGET SOUND ENERGY - ELECTRIC

Adjusted Operations for Test Year Ending December 31, 2008

Eliminate Mint Farm Costs Deferred as a Regulatory Asset

Line No.	Description (a)	Amount (b)	Source (c)
1			
2	PSE Proposed Inclusion in Electric Rate Base		
3	of Deferred Costs - Net of Amortization		
4	Deferred Fixed Costs and Interest Calculated		
5	on Deferred Fixed Costs	(60,669,139)	Exh. No. _____
6			(JHS-10)
7			Adj't 10.34
8	Accumulated Amortization - Rate Year	10,111,523	Page 40
9	Related Accumulated Deferred Income Taxes		
10	- Rate Year	<u>17,695,166</u>	"
11	Net Rate Base Adjustment	<u>(32,862,450)</u>	Sum Lines 5 - 10

Witness: J. Dittmer

Docket Nos. UE-090704 & UG-090705

Exhibit No. _____(JRD-2)

Page 8 of 41

Schedule B-6-Electric

PUGET SOUND ENERGY - ELECTRIC

Adjusted Operations for Test Year Ending December 31, 2008

Roll Out Effect on Rate Base from Eliminating the Conservation Adjustment

Line No.	Description	As Proposed by PSE on Exh. No.__(JHS-10) Summary, P. 1	As Proposed by PSE in Response to PC DR 469	Rate Base Adjustment
	(a)	(b)	(c)	(d)
1	Gross Utility Plant in Service	\$ 6,779,535,781	\$6,794,880,726	\$ 15,344,945
2	Accum Depr and Amortization	(2,661,741,341)	(2,667,886,757)	(6,145,416)
3	Deferred Debits	236,225,197	237,025,120	799,923
4	Deferred Taxes	(569,760,687)	(570,906,702)	(1,146,015)
5	Allowance for Working Capital	130,674,248	130,674,248	-
6	Other	<u>(89,746,678)</u>	<u>(89,746,678)</u>	<u>-</u>
7	Total Retail Rate Base	<u>\$ 3,825,186,520</u>	<u>\$3,834,039,957</u>	<u>\$ 8,853,437</u>

Witness: J. Dittmer

Docket Nos. UE-090704 & UG-090705

Exhibit No. _____(JRD-2)

Page 9 of 41

Schedule B-7-Electric

PUGET SOUND ENERGY - ELECTRIC

Adjusted Operations for Test Year Ending December 31, 2008
Production Adjustment for Public Counsel Rate Base Changes

Line No.	Description (a)	Sum of Public Counsel Production Adjustments B-2 thru B-5 Amount (b)	Production Rate Base Adjustment (Column b times 1.76%) (a) (c)
1	Rate Base:		
2	Gross Utility Plant in Service		
3	Accum Depr and Amortization		
4	Deferred Debits	\$ (54,713,953)	\$ (962,966)
5	Deferred Taxes	6,871,109	120,932
6	Allowance for Working Capital		
7	Other		
8	Total Retail Rate Base	<u>\$ (47,842,844)</u>	<u>\$ (842,034)</u>

(a) Production factor as calculated by PSE in response to Public Counsel Data Request No. 469 that considered impact of eliminating PSE proposed conservation adjustment

Docket Nos. UE-090704 & UG-090705
Exhibit No. (JRD-2C)
Page 10 of 41

PUGET SOUND ENERGY - ELECTRIC
Net Operating Income Summary for Washington Electric Retail Operations
Adjusted Operations for Test Year Ending December 31 2008

Witness: J. Dittmer

Schedule C-Electric
(first of five pages)

Line No.	Description (a)	Washington Jurisdictional As Adjusted by Company (b)	(Sch. C-1) (c)	(Sch. C-2) (d)	(Sch. C-3) (e)	(Sch. C-4) (f)	(Sch. C-5) (g)	(Sch. C-6) (h)	Page Subtotal (i)
1	Operating Revenues:								
2	Sales Customers	\$ 2,002,420,403							\$ 2,002,420,403
3	Sales From Resale - Firm	349,279							349,279
4	Sales to Other Utilities	28,655,965							28,655,965
5	Other Operating Revenues	40,339,974	4,281,328						44,621,302
6	Total Operating Revenues	2,071,765,621	4,281,328						2,076,046,949
7	Operating Revenue Deductions								
8	Power Costs								
9	Fuel	308,601,246							308,601,246
10	Purchased and Interchanged	662,671,742		(98,594)					662,573,148
11	Wheeling	81,754,188							81,754,188
12	Residential Exchange								
13	Total Production Expenses	1,053,027,176		(98,594)					1,052,928,582
14	Other Power Supply	109,094,806		(491,714)					108,603,092
15	Transmission Expense	9,339,317		(424,248)					8,915,069
16	Distribution Expense	76,271,375		(438,582)			(23,515)		74,958,254
17	Customer Accounts Expense	42,245,306		(382,799)			(874,539)		41,862,507
18	Customer Service Expenses	2,254,080		(42,073)					2,212,007
19	Conservation Amortization	1,062		(10,406)					(9,344)
20	Admin. & General Expense	95,765,396		(710,116)	(761,244)	(236,400)		(1,004,456)	93,053,181
21	Depreciation	176,362,686							176,362,686
22	Amortization	44,101,452							44,101,452
23	Amortization of Property Gains/Losses	17,889,546							17,889,546
24	Other Operating Expenses	22,024,113							22,024,113
25	Taxes Other Than Income	124,182,998		(111,844)					124,071,154
26	Income Taxes	19,687,523		948,632	266,435	82,740			21,651,208
27	Deferred Income Taxes	50,015,228	1,498,465				314,319		51,513,693
28	Total Operating Revenue Deductions	\$ 1,842,262,064	\$ 1,498,465	\$ (1,761,744)	\$ (494,808)	\$ (153,660)	\$ (583,735)	\$ (652,896)	\$ 1,840,113,685
29	Net Operating Income	\$ 229,503,557	\$ 2,782,863	\$ 1,761,744	\$ 494,808	\$ 153,660	\$ 583,735	\$ 652,896	\$ 235,933,264

Docket Nos. UE-090704 & UG-090705
Exhibit No. (JRD-2C)
Page 11 of 41

PUGET SOUND ENERGY - ELECTRIC

Net Operating Income Summary for Washington Electric Retail Operations
Adjusted Operations for Test Year Ending December 31 2008

Schedule C-Electric
(second of five pages)

Witness: J. Dittmer

Line No.	Description (a)	Washington Jurisdictional As Adjusted by Company (b)	(Sch. C-7) (c)	(Sch. C-8) (d)	(Sch. C-9) (e)	(Sch. C-10) (f)	(Sch. C-11) (g)	(Sch. C-12) (h)	Subtotal (i)
1	Operating Revenues:								
2	Sales Customers	\$ 2,002,420,403							\$ 2,002,420,403
3	Sales From Resale - Firm	349,279							349,279
4	Sales to Other Utilities	28,655,965							28,655,965
5	Other Operating Revenues	44,621,302							44,621,302
6	Total Operating Revenues	2,076,046,949							2,076,046,949
7	Operating Revenue Deductions								
8	Power Costs								
9	Fuel	308,601,246							308,601,246
10	Purchased and Interchanged	662,573,148							662,573,148
11	Wheeling	81,754,188							81,754,188
12	Residential Exchange								
13	Total Production Expenses	1,052,928,582							1,052,928,582
14	Other Power Supply	108,603,092							108,603,092
15	Transmission Expense	8,891,554							8,891,554
16	Distribution Expense	74,958,254							74,958,254
17	Customer Accounts Expense	41,862,507							41,862,507
18	Customer Service Expenses	2,212,007							2,212,007
19	Conservation Amortization	(9,344)							(9,344)
20	Admin. & General Expense	93,053,181	(1,330,815)	(2,139,086)	(154,466)			(262,363)	89,166,451
21	Depreciation	176,362,686							176,362,686
22	Amortization	44,101,452							44,101,452
23	Amortization of Property Gains/Losses	17,889,546							17,889,546
24	Other Operating Expenses	22,024,113							22,024,113
25	Taxes Other Than Income	124,071,154				(5,819,657)			118,251,497
26	Income Taxes	21,651,208			54,063	2,036,880	(207,973)	91,827	24,840,471
27	Deferred Income Taxes	51,513,693							51,513,693
28	Total Operating Revenue Deductions	\$ 1,840,113,685	\$ (865,030)	\$ (1,390,406)	\$ (100,403)	\$ (3,782,777)	\$ (207,973)	\$ (170,536)	\$ 1,833,596,560
29	Net Operating Income	\$ 235,933,264	\$ 865,030	\$ 1,390,406	\$ 100,403	\$ 3,782,777	\$ 207,973	\$ 170,536	\$ 242,450,389

Docket Nos. UE-090704 & UG-090705
Exhibit No. (JRD-2C)
Page 12 of 41

Witness: J. Dittmer

PUGET SOUND ENERGY - ELECTRIC

Net Operating Income Summary for Washington Electric Retail Operations
Adjusted Operations for Test Year Ending December 31 2008

Schedule C-Electric
(third of five pages)

Line No.	Description (a)	Washington Jurisdictional As Adjusted by Company (b)	(Sch. C-13) (c)	(Sch. C-14) (d)	(Sch. C-15) (e)	(Sch. C-16) (f)	(Sch. C-17) (g)	(Sch. C-18) (h)	Page Subtotal (i)
1	Operating Revenues:								
2	Sales Customers	\$ 2,002,420,403							\$ 2,002,420,403
3	Sales From Resale - Firm	349,279							349,279
4	Sales to Other Utilities	28,655,965							28,655,965
5	Other Operating Revenues	44,621,302							44,621,302
6	Total Operating Revenues	2,076,046,949							2,076,046,949
7	Operating Revenue Deductions								
8	Power Costs								
9	Fuel	308,601,246							308,601,246
10	Purchased and Interchanged	662,573,148							662,573,148
11	Wheeling	81,754,188							81,754,188
12	Residential Exchange								
13	Total Production Expenses	1,052,928,582							1,052,928,582
14	Other Power Supply	108,603,092			(25,152)	(1,239,220)	(4,460,136)	(1,111,039)	101,767,544
15	Transmission Expense	8,891,554							8,891,554
16	Distribution Expense	74,958,254							74,958,254
17	Customer Accounts Expense	41,862,507							41,862,507
18	Customer Service Expenses	2,212,007							2,212,007
19	Conservation Amortization	(9,344)							(9,344)
20	Admin. & General Expense	89,166,451							89,166,451
21	Depreciation	176,362,686							176,362,686
22	Amortization	44,101,452							44,101,452
23	Amortization of Property Gains/Losses	17,889,546							17,889,546
24	Other Operating Expenses	22,024,113							22,024,113
25	Taxes Other Than Income	118,251,497							118,251,497
26	Income Taxes	24,840,471			8,803	433,727	1,561,048	388,864	22,968,091
27	Deferred Income Taxes	51,513,693			(16,349)	(805,493)	(2,899,086)	(722,176)	51,513,693
28	Total Operating Revenue Deductions	\$ 1,833,596,560	\$ (3,795,238)	\$ (469,583)	\$ (16,349)	\$ (805,493)	\$ (2,899,086)	\$ (722,176)	\$ 1,824,888,633
29	Net Operating Income	\$ 242,450,389	\$ 3,795,238	\$ 469,583	\$ 16,349	\$ 805,493	\$ 2,899,088	\$ 722,176	\$ 251,158,316

Docket Nos. UE-090704 & UG-090705
Exhibit No. (JRD-2C)
Page 13 of 41

PUGET SOUND ENERGY - ELECTRIC
Net Operating Income Summary for Washington Electric Retail Operations
Adjusted Operations for Test Year Ending December 31 2008

Witness: J. Dittmer

Schedule C-Electric
(fourth of five pages)

Line No.	Description (a)	Washington Jurisdictional As Adjusted by Company (b)	(Sch. C-19) (c)	(Sch. C-20) (d)	(Sch. C-21) (e)	(Sch. C-22) (f)	(Sch. C-23) (g)	(Sch. C-24) (h)	Page Subtotal (i)
1	Operating Revenues:								
2	Sales Customers	\$ 2,002,420,403							\$ 2,002,420,403
3	Sales From Resale - Firm	349,279							349,279
4	Sales to Other Utilities	28,655,965						5,231,782	33,887,747
5	Other Operating Revenues	44,621,302							44,621,302
6	Total Operating Revenues	2,076,046,949						5,231,782	2,081,278,730
7	Operating Revenue Deductions								
8	Power Costs								
9	Fuel	308,601,246							308,601,246
10	Purchased and Interchanged	662,573,148							662,573,148
11	Wheeling	81,754,188							81,754,188
12	Residential Exchange								
13	Total Production Expenses	1,052,928,582							1,052,928,582
14	Other Power Supply	101,767,544	(2,487,877)	1,194,377			(5,667,864)		94,806,180
15	Transmission Expense	8,891,554							8,891,554
16	Distribution Expense	74,958,254							74,958,254
17	Customer Accounts Expense	41,862,507							41,862,507
18	Customer Service Expenses	2,212,007			(281,866)				1,930,141
19	Conservation Amortization	(9,344)							(9,344)
20	Admin. & General Expense	89,166,451							89,166,451
21	Depreciation	176,362,686							176,362,686
22	Amortization	44,101,452							44,101,452
23	Amortization of Property Gains/Losses	17,889,546				(20,999,984)			17,889,546
24	Other Operating Expenses	22,024,113							22,024,113
25	Taxes Other Than Income	118,251,497							118,251,497
26	Income Taxes	22,968,091	870,757	(418,032)	98,653	7,349,994	1,983,752	1,831,124	34,684,340
27	Deferred Income Taxes	51,513,693							51,513,693
28	Total Operating Revenue Deductions	\$ 1,824,888,633	\$ (1,617,120)	\$ 776,345	\$ (183,213)	\$ (13,649,990)	\$ (3,684,112)	\$ 1,831,124	\$ 1,808,361,667
29	Net Operating Income	\$ 251,158,316	\$ 1,617,120	\$ (776,345)	\$ 183,213	\$ 13,649,990	\$ 3,684,112	\$ 3,400,658	\$ 272,917,064

Docket Nos. UE-090704 & UG-090705
Exhibit No. (JRD-2C)
Page 14 of 41

PUGET SOUND ENERGY - ELECTRIC
Net Operating Income Summary for Washington Electric Retail Operations
Adjusted Operations for Test Year Ending December 31 2008

Witness: J. Dittmer

Schedule C-Electric
(fifth of five pages)

Line No.	Description (a)	Washington Jurisdictional As Adjusted by Company (b)	(Sch. C-25) (c)	(Sch. C-26) (d)	(Sch. C-27) (e)	(Sch. C-28) (f)	(Sch. C-29) (g)	(Sch. C-30) (h)	Page Subtotal (i)
1	Operating Revenues:								
2	Sales Customers	\$ 2,002,420,403							\$ 2,002,420,403
3	Sales From Resale - Firm	349,279							349,279
4	Sales to Other Utilities	33,887,747	51,956,124						85,843,871
5	Other Operating Revenues	44,621,302							44,621,302
6	Total Operating Revenues	2,081,278,730	51,956,124						2,133,234,855
7	Operating Revenue Deductions								
8	Power Costs								
9	Fuel	308,601,246							308,601,246
10	Purchased and Interchanged	662,573,148							662,573,148
11	Wheeling	81,754,188							81,754,188
12	Residential Exchange								
13	Total Production Expenses	1,052,928,582							1,052,928,582
14	Other Power Supply	94,806,180		(575,307)					94,230,873
15	Transmission Expense	8,891,554							8,891,554
16	Distribution Expense	74,958,254							74,958,254
17	Customer Accounts Expense	41,862,507							41,862,507
18	Customer Service Expenses	1,930,141							1,930,141
19	Conservation Amortization	(9,344)							(9,344)
20	Admin. & General Expense	89,166,451							89,166,451
21	Depreciation	176,362,686							176,362,686
22	Amortization	23,101,468							23,101,468
23	Amortization of Property Gains/Losses	17,889,546							17,889,546
24	Other Operating Expenses	22,024,113							22,024,113
25	Taxes Other Than Income	118,251,497							118,251,497
26	Income Taxes	34,684,340							34,684,340
27	Deferred Income Taxes	51,513,693							51,513,693
28	Total Operating Revenue Deductions	\$ 1,808,361,667	\$ 18,184,643	\$ 201,358	\$ -	\$ -	\$ -	\$ -	\$ 1,826,172,361
			\$ 18,184,643	\$ (373,950)	\$ -	\$ -	\$ -	\$ -	
29	Net Operating Income	\$ 272,917,064	\$ 33,771,481	\$ 373,950	\$ -	\$ -	\$ -	\$ -	\$ 307,062,494

Schedule C-1-Electric

PUGET SOUND ENERGY - ELECTRIC

Adjusted Operations for Test Year Ended December 31, 2008
Eliminate PSE's Conservation Adjustment

Line No.	Description (a)	Amount (b)
1	PSE's Original Adjustment to Net Operating Income	
2	for "Revenues and Expenses" as reflected on Company	
3	Exhibit No. __ (JHS-10), Adjustment 10.02, Page 8	\$ 80,396,404
4	PSE's Adjustment 10.02 revised in response to	
5	Public Counsel Data Request No. 469 to reflect	
6	the removal of the Company's proforma conservation	
7	adjustment	<u>86,639,195</u>
8	Subtotal: Increase to Net Operating Income	\$ 6,242,791
9	PSE's Original Adjustment to Net Operating Income	
10	for "Power Costs" as reflected on Company	
11	Exhibit No. __ (JHS-10), Adjustment 10.03, Page 9	43,026,979
12	PSE's Adjustment 10.03 revised in response to	
13	Public Counsel Data Request No. 469 to reflect	
14	the removal of the Company's proforma conservation	
15	adjustment	<u>39,464,174</u>
16	Subtotal: Decrease to Net Operating Income	3,562,805
17	(Line 11 - Line 15)	
18	PSE's Original Adjustment to Net Operating Income	
19	for "Revenues and Expenses" as reflected on Company	
20	Exhibit No. __ (JHS-10), Adjustment 10.05, Page 8	(878,117)
21	PSE's Adjustment 10.05 revised in response to	
22	Public Counsel Data Request No. 469 to reflect	
23	the removal of the Company's proforma conservation	
24	adjustment	<u>(775,240)</u>
25	Subtotal: Increase to Net Operating Income	
26	(Line 24 - Line 20)	102,877
27	Net Increase to Net Operating Income stemming from	
28	Eliminating Company's proposed adjustment to	
29	revenues and power costs related to conservation	
30	estimates (Line 8 - Line 16 + Line 26)	<u>\$ 2,782,863</u>

PUGET SOUND ENERGY- ELECTRIC
 Adjusted Operations for Test Year Ended December 31, 2008
 Eliminate Elements of PSE's Proforma Wage Adjustment

Line No.	Description (a)	RATE YEAR PER PSE (a) (b)	ANNUAL WAGE PER PUBLIC COUNSEL (b) (c)	ADJUSTMENT (Col c - Col d) (d)
1	Wages:			
2	Purchased Power	\$ 3,321,026	\$ 3,222,432	\$ (98,594)
3	Other Power Supply	14,574,204	14,082,490	(491,714)
4	Transmission	12,209,357	11,785,109	(424,248)
5	Distribution	12,888,113	12,449,531	(438,582)
6	Customer Accounts	10,955,768	10,572,969	(382,799)
7	Customer Service	1,366,421	1,324,348	(42,073)
8	Sales	351,056	340,650	(10,406)
9	Administrative and General	22,190,924	21,598,171	(592,753)
10	Total Wage Increase	\$ 77,856,869	\$ 75,375,700	\$ (2,481,169)
11	Employee Investment Plan	4,027,174	3,909,811	(117,363)
12	Payroll Taxes	\$ 6,669,922	\$ 6,558,078	\$ (111,844)
13	Total Wages & Taxes	\$ 84,526,791	\$ 81,933,778	\$ (2,710,376)
14				
15	Increase/(Decrease) in Operating Expense			\$ (2,710,376)
16	Increase/(Decrease) in Federal Income Tax @ 35%			948,632
17	Increase/(Decrease) in Net Operating Income			<u>\$ 1,761,744</u>
18	Electric O&M Payroll as Proposed by			
19	Public Counsel (Line 10 above)		75,375,700	
20	Test Year Actual Electric O&M (a)		72,791,283	
21	Factor to consider wage increase being			
22	recommended by the Public Counsel (Line 19 / Line 20)		<u>1.0355</u>	
23	Payroll Taxes - Actual Test Year (a)		\$ 6,333,220	
24	Total proforma payroll tax per Public Counsel (L. 22 X L.23)		<u>\$ 6,558,078</u>	
25	Investment Plan Expense - Actual Test Year			
26	Source: Exh. No.__(JHS-10), Adj't 10.26		\$ 3,775,755	
27	Proforma Investment Plan Expense per Public Counsel (L. 22 X L.26)		<u>\$ 3,909,811</u>	
28	(a) Exhibit No.__(JHS-10), Adjustment 10.25, Page 31			
29	(b) Workpaper "Public Counsel PSE Wage Adjustment.xls"			

PUGET SOUND ENERGY- ELECTRIC

Adjusted Operations for the Test Year Ended December 31, 2008

Eliminated PSE's Projected 2010 Flex Credit Increase

Line No.	Description (a)	Source (b)	Amount (c)
1	Test year average total number of employees	PC DR 319	2,613
2	Average Flex Credit per employee per month	PSE W/P for	
3	effective in 2009	Adj't 4.27E	<u>\$ 910</u>
4	Total Flex Credit Cost per Month	Line 1 X Line 4	\$ 2,377,830
5	Proforma total PSE Flex Credits - times 12 months	Line 5 X 12	28,533,960
6		PSE W/P for	
7	Percent to electric operations	Adj't 4.27E	<u>64.94%</u>
8	Total proforma electric operations Flex Credit costs	Line 5 X Line 7	18,529,954
9		PSE W/P for	
10	Percent to electric expense	Adj't 4.27E	<u>59.40%</u>
11	Public Counsel proposed proforma Flex Credit for		
12	electric operating expense	Line 8 X Line 10	11,006,792
13	PSE proposed proforma electric operations	Exh. No.__(JHS-10)	
14	Flex Credit expense	Adj't 10.27	11,768,036
15	Adjustment to reduce electric operations Flex		
16	Credit expense	Line 12 - Line 14	(761,244)
17	Increase/(Decrease) in federal income tax @ 35%		<u>266,435</u>
18	Increase/(Decrease) in Net Operating Income	Line 16 - Line 17	<u>\$ 494,808</u>

Witness: J. Dittmer

Docket Nos. UE-090704 & UG-090705

Exhibit No. _____ (JRD-2)

Page 18 of 41

Schedule C-4-Electric

PUGET SOUND ENERGY- ELECTRIC

Adjusted Operations for the Test Year Ended December 31, 2008

Eliminate PSE-Estimated Increases in Property Insurance

Line No.	Description (a)	Source (b)	Amount (c)
1	Public Counsel proposed level of electric property	"Public Counsel	
2	insurance expense calculated by considering	Property	
3	policy premiums actually in effect	Insurance	
		Adjustment.xls"	\$ 2,021,620
4	PSE proposed level of electric property	"Public Counsel	
5	insurance expense calculated by considering	Property	
6	estimated property insurance premiums expected	Insurance	
7	to be in effect through the rate year	Adjustment.xls"	<u>2,258,020</u>
8	Public Counsel adjustment to eliminate PSE-estimated		
9	increases in property insurance expense through the		
10	rate year	Line 3 - Line 7	\$ (236,400)
11	Increase/(Decrease) in federal income tax @ 35%		<u>82,740</u>
12	Increase/(Decrease) in Net Operating Income	Line 10 - Line 11	<u>\$ 153,660</u>

Witness: J. Dittmer

Docket Nos. UE-090704 & UG-090705

Exhibit No. _____ (JRD-2)

Page 19 of 41

Schedule C-5-Electric

PUGET SOUND ENERGY- ELECTRIC

Adjusted Operations for the Test Year Ended December 31, 2008

Eliminate PSE-Estimated T&D Contract Price Changes

<u>Line No.</u>	<u>Description</u> (a)	<u>Source</u> (b)	<u>Amount</u> (c)
1	Reverse PSE's proposed reflection of estimated		
2	price changes for service contracts for		
3	Transmission and Distribution Operations		
4	Contractor Services		
5	Transmission	Exhibit No. _____	\$ 23,515
6		(JHS-10),	
7	Distribution	Adj't 10.14	<u>874,539</u>
8	Total adjustment reversing PSE's proforma		
9	T&D Service Contract estimates	Line 5 + Line 7	(898,054)
10	Increase/(Decrease) in federal income tax expense @ 35%		<u>314,319</u>
11	Increase/(Decrease) in Net Operating Income	Line 9 - Line 10	<u>\$ 583,735</u>

Schedule C-6-Electric

PUGET SOUND ENERGY- ELECTRIC

Adjusted Operations for the Test Year Ended December 31, 2008
 Normalize Injuries and Damages Expense

Line No.	Description (a)	Year (b)	Amount (c)
1	Accruals for Injuries and Damages Expense	2006	\$ 1,209,817
2	(Source: Public Counsel Data Request	2007	1,435,000
3	No. 336)	2008	2,832,212
4	Payments Expensed - Not Previously Accrued	2006	1,266,151
5	(Source: Public Counsel Data Request	2007	770,721
6	No. 336)	2008	<u>1,015,316</u>
7	Total Accruals & Payment Charged to	2006	2,475,968
8	Injuries and Damages Expense	2007	2,205,721
9		2008	3,847,528
10	Three Year Average of Injuries and Damages Expense (Average Lines 7 - 9)		\$ 2,843,072
11	Less: Test Year Actual Accruals and Payments (Line 9)		<u>(3,847,528)</u>
12	Adjustment to normalize injuries and damages		
13	expense based upon a three year average (Line 10 - Line 9)		(1,004,456)
14	Increase/(Decrease) in federal income tax expense @ 35%		<u>351,559</u>
15	Increase/(Decrease) in Net Operating Income (Line 13 - Line 14)		<u>\$ 652,896</u>

Schedule C-7-Electric

PUGET SOUND ENERGY- ELECTRIC

Adjusted Operations for the Test Year Ended December 31, 2008

Normalize Qualified Pension Costs

Line No.	Description (a)	Source (b)	Amount (c)
1	Pension Contributions to Qualified Retirement		
2	Plan for years ending December:		
3	2005	(a)	\$ -
4	2006	(a)	\$ -
5	2007	(a)	\$ -
6	2008	(a)	\$ 24,500,000
7	Four year average of contributions to qualified	Average	
8	retirement plans	Lines 3 - 6	\$ 6,125,000
9	Allocate to Operations and Maintenance Expense	(a)	<u>59.40%</u>
10	Subtotal - Pension contributions allocated to O&M	Line 8 X Line 9	\$ 3,638,250
11	Allocation to electric operations	(a)	<u>64.94%</u>
12	Proforma electric operations pension expense		
13	recommended by Public Counsel	Line 10 X Line 11	2,362,680
14	Proforma electric operations pension expense		
15	proposed by PSE	(a)	<u>3,693,495</u>
16	Public Counsel proposed reduction in electric		
17	Qualified Retirement Pension Plan expense	Line 13 - Line 15	(1,330,815)
18	Increase/(Decrease) in federal income tax expense @ 35%		<u>465,785</u>
19	Increase/(Decrease) in Net Operating Income	Line 17 - Line 18	<u>\$ 865,030</u>
20	(a) Company workpaper "4.27E & 4.17G Pension Plan.xls"		

Witness: J. Dittmer

Docket Nos. UE-090704 & UG-090705

Exhibit No. _____(JRD-2●)

Page 22 of 41

Schedule C-8 Electric

PUGET SOUND ENERGY- ELECTRIC

Adjusted Operations for Test Year Ending December 31, 2008

Eliminate Supplemental Executive Retirement Plan Expense

<u>Line No.</u>	<u>Description (a)</u>	<u>Source (b)</u>	<u>Amounts (c)</u>
1	Adjustment to eliminate PSE proposed level of SERP	Exh. No.__(JHS-10)	
2	Expense (electric jurisdictional expense amount)	Adjustment 10.24	(\$2,139,086)
3	Increase/(Decrease) in federal income tax expense @ 35%		<u>748,680</u>
4	Increase/(Decrease) in Net Operating Income	Line 2 - Line 3	<u>\$ 1,390,406</u>

Witness: J. Dittmer

Docket Nos. UE-090704 & UG-090705

Exhibit No. _____ (JRD-20)

Page 23 of 41

Schedule C-9-Electric

PUGET SOUND ENERGY- ELECTRIC

Adjusted Operations for the Test Year Ended December 31, 2008

Eliminate One-Half of Directors and Officer Liability Insurance

Line No.	Description (a)	Source (b)	Amount (c)
1	Proforma Directors and Officers' Liability	Exh. No. _____	
2	Insurance for electric operations as proposed	(JHS-10)	
3	by PSE	Adj't 10.17	\$ 308,932
4	Adjustment to assign one-half of the cost		
5	of Directors and Officers' Liability Insurance to		
6	Shareholders	Line 3 / 2	(154,466)
7	Increase/(Decrease) in federal income tax expense @ 35%		<u>54,063</u>
8	Increase/(Decrease) in Net Operating Income	Line 6 - Line 7	<u>\$ 100,403</u>

Schedule C-10-Electric

PUGET SOUND ENERGY- ELECTRIC

Adjusted Operations for the Test Year Ended December 31, 2008
Property Tax Adjustment

Line No.	Description (a)	Electric Operations - by State			Total Electric (e)	Source (f)
		Washington (b)	Montana (c)	Oregon (d)		
1	Final DOR Value					
2	1/1/2009	\$ 2,191,761,000	\$ 527,151,585	\$ 58,700,000	\$ 2,777,612,585	a)
3	Average System					
4	Ratio - 12/2009	95.22%	6.61%	100.00%		a)
5	Calculated					
6	Assessed Value	2,086,994,824	34,844,720	58,700,000	2,180,539,544	Line 2 X Line 4
7	Estimated Levy					
8	Rate - Per PSE	10.085	291.81			b)
9	Calculated					
10	Property Tax -					WA & MT
11	Oper. Centrally					L.6 x L.8
12	Assessed	21,047,343	10,168,038	682,879	31,898,259	OR from a)
13	Add: Operational					
14	Centrally Assessed					
15	Taxes -2008	226,523			226,523	a)
16	Plus Wild Horse	447,883			447,883	b)
17	Total Public					
18	Counsel					
19	Proposed					
20	Property Taxes	21,721,748	10,168,038	682,879	32,572,665	Lines 12+ 15 + 16
21	Less PSE Proforma Amounts:					
22	Overall Property					
23	Taxes	25,089,976	10,427,003	682,879		PSE Adj't 14
24	Hopkins Exp.	61,385				PSE Adj't 6
25	Mint Farm	1,295,495				PSE Adj't 8
26	Sumas	149,575				PSE Adj't 9
27	Whitehorn	78,379				PSE Adj't 10
28	Fredonia	159,747				PSE Adj't 33
29	Wild Horse	447,883				PSE Adj't 7
31	Total Proforma					
32	Property Tax					Sum Lines
33	Per PSE	27,282,440	10,427,003	682,879	38,392,322	23 - 29
34	Public Counsel					
35	Adjustment to					
36	PSE's Proposed					
37	Proforma Level					
38	of Property					
39	Taxes	(5,560,692)	(258,965)	-	(5,819,657)	Line 20 - Line 33
40	Increase/(Decrease) in federal income tax expense @ 35%				2,036,880	
41	Increase/(Decrease) in Net Operating Income				\$ 3,782,777	L. 39 - L.40

42 a) PSE's Supplemental Response to Public Counsel Data Request No. 27

43 b) PSE workpapers for electric property tax adjustment reflected on Exh. No.____(JHS-10), Adj't 15

Witness: J. Dittmer

Docket Nos. UE-090704 & UG-090705

Exhibit No. _____ (JRD-2●)

Page 25 of 41

Schedule C-11-Electric

PUGET SOUND ENERGY- ELECTRIC

Adjusted Operations for the Test Year Ended December 31, 2008

Eliminate Section 16(m) Permanent Tax Difference

Line No.	Description (a)	Source (b)	Amount (c)
1	Section 162(m) limitation reflected as an "Permanent"	PSE W/P	
2	add to book income for purposes of calculating	"4.04E Federal	
3	proforma current income tax expense	Income Tax.xls"	594,209
4	Federal income tax rate		<u>35%</u>
5	Increase in current Federal income tax expense		
6	associated with non-recurring Section 162(m)		
7	limitation permanent book/tax timing difference	Line 3 X Line 4	207,973
8	Adjustment to eliminate the impact of non-recurring		
9	increase in Federal income tax expense		
10	attributable to non-tax deductible executive		
11	compensation in excess of \$1.0 million dollars		<u>(207,973)</u>

Schedule C-12-Electric

PUGET SOUND ENERGY- ELECTRIC

Adjusted Operations for the Test Year Ended December 31, 2008
Eliminate Corporate Aircraft Expense in Excess of Alternative Travel Costs

Line No.	Description (a)	Source (b)	Amount (c)
1		Response to	
2		Public Counsel	
3		Data Request	
4	Aircraft Depreciation	No. 121	87,000
5	Allocate to electric operations		<u>65.0%</u>
6	Aircraft depreciation - electric operations	Line 4 X Line 5	50,980
7		Response to	
8	Total Aircraft Costs Charged to Electric	Public Counsel	
9	Operations above-the-line O&M	Data Request	
10	expense accounts	No. 236 (E)	<u>\$ 379,800</u>
11	Total aircraft expenses charged to above-the-line		
12	expense accounts		430,780
13	Reasonable Cost of Alternative Forms of	PC W/P "Aircraft	
14	Transportation - Total PSE Operations	Cost Adj't.xls"	259,103
15	Allocate to electric operations		<u>65.0%</u>
16	Reasonable cost of alternative transportation		
17	- electric operations		168,417
18	PSE electric adjustment for excessive corporate		
19	aircraft costs	Line 13 X Line 14	(262,363)
20	Increase/(Decrease) in federal income tax expense @ 35%		<u>91,827</u>
21	Increase/(Decrease) in Net Operating Income	Line 16 - Line 17	<u><u>\$ 170,536</u></u>

Schedule C-13-Electric

PUGET SOUND ENERGY- ELECTRIC
Adjusted Operations for the Test Year Ended December 31, 2008
Interest Synchronization Adjustment

Line No.	Description (a)	Source (b)	Amount (c)
1	Public Counsel Proposed Rate Base	Schedule B	\$ 3,784,483,937
2	Public Counsel Proposed Weighted Cost of Debt	Schedule D	<u>3.65%</u>
3	Proforma Interest Per Public Counsel		\$ 138,133,664
4		Response to	
5		PC Data	
6	Proforma Interest Deduction Per PSE	Request No. 469	<u>127,290,127</u>
7	Increase in Tax Deductible Interest Expense	Line 3 - Line 6	10,843,537
8	Federal Income Tax Rate		<u>35%</u>
9	Decrease in Federal Income Tax Expense	Line 7 X Line 8	<u><u>\$ (3,795,238)</u></u>

PUGET SOUND ENERGY- ELECTRIC

Adjusted Operations for Test Year Ending December 31, 2008

Normalize the Injuries and Damages Flowthrough Book/Tax Difference Amount

Line No.	Description (a)	Amounts (b)	Source (c)
1	Reserve for Injuries and Damages Reserve -Electric Operations		
2	Book/Tax Timing Difference Amounts		
3	Year:		Response to
4	2006	\$ 800,000	Public Counsel
5	2007	(725,000)	Data Request
6	2008	2,050,000	No. 402
7			Average
8	Three Year Average	708,333	Lines 4 - 6
9	Three-year average book/tax difference less test year		
10	actual book/tax difference reflected within the test year		
11	federal income tax calculation	(1,341,667)	Line 8 - Line 6
12	Federal corporate income tax rate	<u>35%</u>	
13	Reduction in test year federal income tax expense as a result		
14	of normalizing the level of Injuries and Damages book/tax		
15	timing difference amount to be reflected in the test year		
16	current income tax expense calculation	<u>\$ (469,583)</u>	Line 11 X Line 12

Redacted

PUGET SOUND ENERGY- ELECTRIC

Adjusted Operations for the Test Year Ended December 31, 2008
 Production O&M Expense Adjustment for Mature Units

Line No.	Description	PSE Proposed Proforma Amounts	Test Year Actual Prod O&M- Mature Units	Adjustment to Reflect Test Year Actual Prod O&M- Mature Units
	(a)	(b)	(c)	(d)
1	Sources:	D. Mills'	Response to	
2		Workpapers	Staff DR 147	Col c - Col d
3	Test Year			
4	Actual Non-Fuel Production			
5	O&M Expense of			
6	Existing Mature			
7	Generating Units			
8	Colstrip 1/2	\$ [REDACTED]	[REDACTED]	\$ [REDACTED]
9	Colstrip 3/4	[REDACTED]	[REDACTED]	[REDACTED]
10	Subtotal - Colstrip Total	[REDACTED]	[REDACTED]	\$ [REDACTED]
11	Freddie 1	[REDACTED]	[REDACTED]	[REDACTED]
12	Encogen	[REDACTED]	[REDACTED]	[REDACTED]
13	Goldendale	[REDACTED]	[REDACTED]	[REDACTED]
14	Whitehorn	[REDACTED]	[REDACTED]	[REDACTED]
15	Frederickson	[REDACTED]	[REDACTED]	[REDACTED]
16	Fredonia 1-4	[REDACTED]	[REDACTED]	[REDACTED]
17	Total - All Units	[REDACTED]	[REDACTED]	\$ (25,152)
18	Increase/(Decrease) in federal income tax expense @ 35%			8,803
19	Increase/(Decrease) in Net Operating Income			\$ 16,349

Witness: J. Dittmer

Docket Nos. UE-090704 & UG-090705

Exhibit No. _____ (JRD-2)

Page 31 of 41

Schedule C-17-Electric

PUGET SOUND ENERGY- ELECTRIC

Adjusted Operations for the Test Year Ended December 31, 2008

Mint Farm Production Operations and Maintenance Expense

Line No.	Description (a)	Source (b)	Amount (c)
1	Mint Farm Actual Non-Fuel Production	Response to	
2	Operations and Maintenance Expense for	Staff	
3	the Eight Months Ending August 2009	DR No. 147	\$ 3,289,600
4	Monthly Average	Line 3 / 8	<u>411,200</u>
5	Annual Mint Farm Production O&M	Line 4 X 12	\$ 4,934,401
6	Proforma Mint Farm Non-Fuel Production	D. Mills'	
7	O&M as Proposed by PSE	Workpapers	<u>9,394,537</u>
8	Public Counsel Adjustment to PSE Proposed		
9	Proforma Level of Mint Farm Non-fuel		
10	Production O&M Expense	Line 5 - Line 7	(4,460,136)
11	Increase/(Decrease) in federal income tax expense @ 35%		<u>1,561,048</u>
12	Increase/(Decrease) in Net Operating Income		<u>\$ 2,899,088</u>

Witness: J. Dittmer

Docket Nos. UE-090704 & UG-090705

Exhibit No. _____ (JRD-2C)

Page 30 of 41

REDACTED

Schedule C-16-Electric

PUGET SOUND ENERGY- ELECTRIC

Adjusted Operations for the Test Year Ended December 31, 2008

Sumas Production Operations and Maintenance Expense

Line No.	Description (a)	Source (b)	Amount (c)
1	Sumas Combined Cycle Unit Non-Fuel		
2	Production Operations and Maintenance	Response to	
3	Expense for the Twelve Months Ending	Staff	
4	August 2009	DR No. 147	\$ [REDACTED]
5	Sumas Non-Fuel Production O&M Expense	D. Mills'	
6	Level Proposed by PSE	Workpapers	[REDACTED]
7	Public Counsel Adjustment to Reflect Actual		
8	Sumas Production O&M Expenses for		
9	the Twelve Months Ending August 2009	Line 4 - Line 6	\$ (1,239,220)
10	Increase/(Decrease) in federal income tax expense @ 35%		<u>433,727</u>
11	Increase/(Decrease) in Net Operating Income		<u>\$ 805,493</u>

Witness: J. Dittmer

Docket Nos. UE-090704 & UG-090705

Exhibit No. _____ (JRD-2C)

Page 32 of 41

REDACTED
Schedule C-18-Electric

PUGET SOUND ENERGY- ELECTRIC

Adjusted Operations for the Test Year Ended December 31, 2008
Proforma Adjustment for Vestas Service Contract Payments

Line No.	Description (a)	Source (b)	Amount (c)
1	Monthly Vestas Contract Payments in 2009		
2		Response to	
3	Hopkins Ridge	Public Counsel	\$ -
4		Data Request	
5	Wild Horse	No. 423	
6	Total Vestas Contracts - Hopkins Ridge/Wild Horse	Line 3 + Line 5	
7	Annualized - times 12	Line 6 X 12	
8	Proforma Per PSE:		
9	Hopkins Ridge	D. Mills'	
10		Workpapers	
11	Wild Horse		
12	Public Counsel Adjustment to Reflect		
13	2009 Hopkins Ridge/Wild Horse Actual	Line 7 - Line 9 -	
14	Vestas Contract Payments	Line 11	(1,111,039)
15	Increase/(Decrease) in federal income tax expense @ 35%		388,864
16	Increase/(Decrease) in Net Operating Income	Line 14 - Line 15	\$ 722,176

Witness: J. Dittmer

Docket Nos. UE-090704 & UG-090705

Exhibit No. _____ (JRD-2)

Page 33 of 41

Schedule C-19-Electric

PUGET SOUND ENERGY - ELECTRIC

Adjusted Operations for the Test Year Ended December 31, 2008

Reverse PSE Proposed Colstrip Settlement Amortization

Line No.	Description (a)	Source (b)	Amount (c)
1		Exh. No. __	
2		(JHS-10)	
3	Eliminate PSE's proposed amortization of Colstrip	Adjustment	
4	settlement payment	No. 10.31	(2,487,877)
5	Increase/(Decrease) in federal income tax expense @ 35%		<u>870,757</u>
6	Increase/(Decrease) in Net Operating Income	Line 4 - Line 5	<u><u>\$ 1,617,120</u></u>

Witness: J. Dittmer

Docket Nos. UE-090704 & UG-090705

Exhibit No. _____ (JRD-2)

Page 34 of 41

Schedule C-20-Electric

PUGET SOUND ENERGY - ELECTRIC

Adjusted Operations for the Test Year Ended December 31, 2008
Reverse Amortization of Over Recovered Production Maintenance Expense

Line No.	Description (a)	Source (b)	Washington Electric (c)
1		Exhibit No. _____	
2		(JHS-10)	
3	Eliminate PSE's proposed amortization of over	Adj't 10.31	
4	recovered production maintenance expense	Page 37	1,194,377
5	Increase/(Decrease) in federal income tax expense @ 35%		(418,032)
6	Increase/(Decrease) in Net Operating Income		<u>\$ (776,345)</u>

Schedule C-21-Electric

PUGET SOUND ENERGY - ELECTRIC

Adjusted Operations for the Test Year Ended December 31, 2008

Advertising Expense Adjustment

Line No.	Description (a)	Source (b)	Washington Electric (c)
1		Response to	
2		PC Data	
3	Green Power Program print advertising targeting	Request	
4	business participants in various publications	No. 59	46,425
5	Green Power Program print, radio, online and		
6	TV advertisement promoting Residential	Response to	
7	participation. Joint advertisement undertaken	PC Data	
8	with Seattle City Light, Tacoma Power and	Request	
9	Snohomish PUD	No. 59	221,110
10	Estimated labor cost associated with Green	Response to	
11	Power and energy efficiency-related advertising	PC Data	
12	- Assume one-half of \$25,000 estimate is Green	Request	
13	Power Program related	No. 59	<u>12,500</u>
14	Eliminate Test Year Green Power Costs	Lines 4+9+13	(280,035)
15		Response to	
16		PC Data	
17	Cost of artwork given to PSE employees for	Request No.	
18	promoting the merger - total PSE	473	(2,834)
19	Electric Operations Allocator		<u>64.620%</u>
20	Electric operations artwork gift adjustment	Line 18 X Line 19	(1,831)
21	Total electric operations advertising adjustment	Line 14 + Line 20	(281,866)
22	Increase/(Decrease) in federal income tax expense @ 35%		98,653
23	Increase/(Decrease) in Net Operating Income	Line 21 - Line 22	<u><u>\$ (183,213)</u></u>

Witness: S. Norwood/J. Dittmer

Docket Nos. UE-090704 & UG-090705

Exhibit No. _____ (JRD-2)

Page 36 of 41

Schedule C-22-Electric

PUGET SOUND ENERGY - ELECTRIC

Adjusted Operations for the Test Year Ended December 31, 2008

Reverse Amortization of Mint Farm Deferred Costs

Line No.	Description (a)	Source (b)	Electric (c)
1		Exh. No. __	
2		(JHS-10)	
3	Reverse PSE's Proposed Amortization of Deferred	Adj't 10.34	
4	Mint Farm Costs	Page 40	\$ (20,999,984)
5	Increase/(Decrease) in federal income tax expense @ 35%		<u>7,349,994</u>
6	Increase/(Decrease) in Net Operating Income	Line 4 + Line 5	<u><u>\$ 13,649,990</u></u>

PUGET SOUND ENERGY - ELECTRIC

Adjusted Operations for the Test Year Ended December 31, 2008

Adjustment for Hydro Availability

Line No.	Description (a)	Source (b)	Washington Electric (c)
1		Scott	
2	Reduce power supply cost to reflect normalized	Norwood	
3	availability of Hydro Facilities - rate year	Testimony	\$ (5,569,835)
4	Production factor	(a)	<u>1.01760</u>
5	Reduce power supply cost to reflect normalized		
6	availability of Hydro Facilities - tet year	Line 3 X Line 4	(5,667,864)
7	Increase/(Decrease) in federal income tax expense @ 35%		<u>1,983,752</u>
8	Increase/(Decrease) in Net Operating Income	Line 3 - Line 4	<u><u>\$ 3,684,112</u></u>

(a) Production factor as calculated by PSE in response to Public Counsel Data Request No. 469 that considered impact of eliminating PSE proposed conservation adjustment

PUGET SOUND ENERGY - ELECTRIC

Adjusted Operations for the Test Year Ended December 31, 2008

Adjustment for Off-System Sales Margins

Line No.	Description (a)	Source (b)	Washington Electric (c)
1		Scott	
2	Increase margins from Off-System Sales to	Norwood	
3	reflect proforma level - rate year	Testimony	\$ 5,141,295
4	Production factor	(a)	<u>1.01760</u>
5	Increase margins from Off-System Sales to		
6	reflect proforma level - test year	Line 3 X Line 4	5,231,782
7	Increase/(Decrease) in federal income tax expense @ 35%		<u>1,831,124</u>
8	Increase/(Decrease) in Net Operating Income	Line 3 - Line 4	<u><u>\$ 3,400,658</u></u>

9 (a) Production factor as calculated by PSE in response to Public Counsel
 10 Data Request No. 469 that considered impact of eliminating PSE
 11 proposed conservation adjustment

PUGET SOUND ENERGY - ELECTRIC

Adjusted Operations for the Test Year Ended December 31, 2008

Revenue Credit for REC Sales

Line No.	Description (a)	Source (b)	Washington Electric (c)
1		Scott	
2	Revenue credit to reflect ongoing sale	Norwood	
3	of Renewable Energy Credits - rate year	Testimony	\$ 51,057,512
4	Production factor	(a)	<u>1.01760</u>
5	Revenue credit to reflect ongoing sale		
6	of Renewable Energy Credits - test year	Line 3 X Line 4	51,956,124
7	Increase/(Decrease) in federal income tax expense @ 35%		<u>18,184,643</u>
8	Increase/(Decrease) in Net Operating Income	Line 3 - Line 4	<u><u>\$ 33,771,481</u></u>
9	(a) Production factor as calculated by PSE in response to Public Counsel		
10	Data Request No. 469 that considered impact of eliminating PSE		
11	proposed conservation adjustment		

Witness: J. Dittmer

Docket Nos. UE-090704 & UG-090705

Exhibit No. _____ (JRD-2)

Page 40 of 41

Schedule C-26-Electric

PUGET SOUND ENERGY - ELECTRIC
Adjusted Operations for the Test Year Ended December 31, 2008
Production Adjustment

Line No.	Description (a)	Source (b)	Amount (c)
1		Calculated	
2		within "Exhibit	
3	Public Counsel recommended net reduction in total PSE	JRD-2.xls"	
4	production expenses - excluding variable power supply	spreadsheet	
5	expenses	file	\$ (32,687,908)
6		Response to	
7		Public Counsel	
8		Data Request	
9	Production Factor	No. 469	<u>1.76%</u>
10	Production Adjustment to consider difference in rate		
11	year versus test year sales	Line 5 X Line 9	(575,307)
12	Increase/(Decrease) in federal income tax expense @ 35%		<u>201,358</u>
13	Increase/(Decrease) in Net Operating Income	Line 3 - Line 4	<u><u>\$ 373,950</u></u>

Schedule D-Electric

**PUGET SOUND ENERGY
OVERALL COST OF CAPITAL**

As Proposed by PSE

Line No.	<u>Type of Capital</u>	<u>PERCENT</u>	<u>COST RATE</u>	WT. AVG. <u>COST RATE</u>
1	Short Term Debt	3.95%	2.47%	0.10%
2	Long Term Debt	48.05%	6.70%	3.22%
3	Preferred	0.00%	0.00%	0.00%
4	Equity	<u>48.00%</u>	10.80%	<u>5.18%</u>
5	TOTAL CAPITAL	<u>100.00%</u>		<u>8.50%</u>
6	After Tax Cost of Capital			
7	After Tax Short Term Debt	3.95%	1.61%	0.06%
8	After Tax Long Term Debt	48.05%	4.36%	2.09%
9	Preferred	0.00%	0.00%	0.00%
10	Equity	<u>48.00%</u>	10.80%	<u>5.18%</u>
11	Total After Tax Cost of Capital	<u>100.00%</u>		<u>7.33%</u>

12 **As Proposed by Public Counsel**

Line No.	<u>Type of Capital</u>	<u>Capital Components</u>	<u>PERCENT</u>	<u>COST RATE</u>	WT. AVG. <u>COST RATE</u>
13					
14					
15	Short Term Debt		4.00%	2.47%	0.10%
16	Long Term Debt		53.00%	6.70%	3.55%
17	Preferred		0.00%	0.00%	0.00%
18	Equity		<u>43.00%</u>	9.50%	<u>4.09%</u>
19	TOTAL CAPITAL		<u>100.00%</u>		<u>7.74%</u>
20	After Tax Cost of Capital				
21	After Tax Short Term Debt		4.00%	1.61%	0.06%
22	After Tax Long Term Debt		53.00%	4.36%	2.31%
23	Preferred		0.00%	0.00%	0.00%
24	Equity		<u>43.00%</u>	9.50%	<u>4.09%</u>
25	Total After Tax Cost of Capital		<u>100.00%</u>		<u>6.46%</u>