

PUGET SOUND ENERGY-ELECTRIC
POWER COSTS
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE

LINE NO. DESCRIPTION	ACTUAL	REVISED PROFORMA	REVISED INCREASE (DECREASE)
1 SALES FOR RESALE	\$ 2 201,262,557	\$ 11 10,227,296	\$ (191,035,261)
2			
3 PURCHASES/SALES OF NON-CORE GAS	3 (36,748,461)	-	36,748,461
4 WHEELING FOR OTHERS	4 10,703,023	11 11,378,098	675,075
5	(26,045,439)	11,378,098	37,423,537
6			
7 TOTAL OPERATING REVENUES	175,217,118	21,605,394	(153,611,725)
8			
9 FUEL	\$ 2 269,007,822	\$ 11 236,911,615	\$ (32,096,207)
10			
11 PURCHASED AND INTERCHANGED	1 792,862,060	11 492,764,529	(300,097,532)
12 HEDGING	-	1,420,907	1,420,907
13			
14 SUBTOTAL PURCHASED AND INTERCHANGED	\$ 792,862,060	\$ 494,185,436	\$ (298,676,624)
15 WHEELING	2 76,487,811	11 85,895,611	9,407,800
16			
17 TOTAL PRODUCTION EXPENSES	\$ 1,138,357,693	\$ 816,992,662	\$ (321,365,032)
18 HYDRO AND OTHER POWER	2 101,194,084	11 115,053,360	13,859,275
19 TRANS. EXP. INCL. 500KV O&M	7 1,419,635	1 1,389,837	(29,798)
20			
21 TOTAL OPERATING EXPENSES	\$ 1,240,971,412	\$ 933,435,858	\$ (307,535,554)
22			
23 INCREASE (DECREASE) OPERATING INCOME (LINE 7 - LINE 21)	\$ (1,065,754,294)	\$ 11 (911,830,464)	\$ 153,923,830
24			
25 STATE UTILITY TAX SAVINGS FOR LINE 4	3.873%		(26,146)
26 INCREASE (DECREASE) INCOME			\$ 153,897,684
27 INCREASE (DECREASE) FIT @	35%		53,864,189
28 INCREASE (DECREASE) NOI			<u>\$ 100,033,495</u>

PUGET SOUND ENERGY
INCOME STATEMENT
For The Twelve Months Ended December 31, 2008 and December 31, 2010

	WUTC Docket No. UE-090704 Actual Results of Operation 12/31/08	WUTC Docket No. UE- Actual Results of Operation 12/31/10
	Total Electric	Total Electric
1 - OPERATING REVENUES:		
2 - SALES TO CUSTOMERS AND TRANSMISSION	\$ 1,988,945,644	\$ 2,042,334,319
3 - SALES FOR RESALE-FIRM	369,320	350,182
4 - SALES TO OTHER UTILITIES	173,342,971	201,262,557
5 - OTHER OPERATING REVENUES	55,432,486	30,706,333
6 - TOTAL OPERATING REVENUES	\$ 2,218,090,420	\$ 2,274,653,391
7		
8 - OPERATING REVENUE DEDUCTIONS:		
9		
10 - POWER / GAS COST:		
11 - FUEL	212,332,676	268,147,071
12 - PURCHASED AND INTERCHANGED	920,346,551	832,711,097
13 - WHEELING	70,713,346	78,564,669
14 - RESIDENTIAL EXCHANGE	(40,663,861)	(75,109,150)
15 - TOTAL PRODUCTION EXPENSES	\$ 1,162,728,712	\$ 1,104,313,687
16		
17 - OTHER ENERGY SUPPLY EXPENSES:	102,819,798	102,409,192
18 - TRANSMISSION EXPENSE	9,234,124	11,865,443
19 - DISTRIBUTION EXPENSE	76,776,331	82,924,735
20 - CUSTOMER ACCTS EXPENSES	43,145,324	50,172,086
21 - CUSTOMER SERVICE EXPENSES	10,019,493	13,431,632
22 - CONSERVATION AMORTIZATION	53,980,110	75,336,909
23 - ADMIN & GENERAL EXPENSE	89,418,696	94,643,935
24 - DEPRECIATION	173,307,040	190,245,449
25 - AMORTIZATION	34,012,299	40,184,321
26 - AMORTIZ OF PROPERTY LOSS	6,493,409	17,493,031
27 - OTHER OPERATING EXPENSES	(483,686)	30,169,560
28 - ASC 815	7,537,999	166,953,097
29 - TAXES OTHER THAN INCOME TAXES	188,816,369	193,255,907
30 - INCOME TAXES	4,629,482	16,263,334
31 - DEFERRED INCOME TAXES	30,323,152	(32,436,237)
32 - TOTAL OPERATING REV. DEDUCT.	\$ 1,992,758,652	\$ 2,157,226,080
33		
34 - NET OPERATING INCOME	\$ 225,331,768	\$ 117,427,311
35		
36 - RATE BASE	\$ 3,462,284,719	\$ 4,100,870,913
37		
38 - RATE OF RETURN	6.51%	2.86%

①

a
b
c

d

Fuel
 ② 268,147,071
 ③ 457,531
 403,220
269,007,822 ①

Purchased & Interchanged
 ② 832,711,097
 ③ < 3,526,620 >
 ④ < 37,532,000 >
 ⑤ 1,209,583
792,862,060 ①

Wheeling
 ③ 78,564,669
 ⑤ < 2,076,858 >
76,487,811 ①

Other Energy Supply
 ④ 102,409,192
 ⑤ < 1,215,107 >
101,194,084 ①

Puget Sound Energy
 12 Month Ended Order Report
 Report: Orders: 12 Month Ended By Order Report Group: Z012
 Order Group: 45600012,456
 From: 1/2010 To: 12/2010 Report Executed: 05/03/2011 @ 11:26:11

Cost elements	Act. Costs
45600012 Otr Ele Rev -Sale	23,387,810.01-
45600018 Otr Ele Rev-Cost	22,532,873.16
45600080 Othr Elect Rev -	70,824,344.02-
45600081 Othr Elect Rev -	94,441,354.66
45600130 Gas financials -	13,986,387.63
* Debit	36,748,461.42
** Over/underabsorption	36,748,461.42

①

Calculation of proforma transmission revenue adjustment

Account	Description	12ME ENDED			Comments
		12/2010	Restated	Adjustment	
45610002	4310 - Other Elec Rev - Transm Snohomish	(11,644.13)	(11,644.13)	\$ -	
45610004	4310 - Other Elec Rev - Transm Misc	(29,936.18)	(29,936.18)	-	
45610005	4310-Elec Trans Rev -OASIS-Cols,SI,NI	(4,694,442.73)	(5,613,464.75)	(919,022)	
45610006	4310 - Elec Trans. Rev - Ancillary Svc	(176,318.99)	(176,318.99)	-	
45610010	4310 - Other Elec Rev - Transm Seattle	(332,304.00)	(332,304.00)	-	
45610011	4310 - Other Elec Rev -Transm Tacoma	(4,575.96)	(4,575.96)	-	
45610013	4310- Elec Transm Rev - BPA GTA to OATT	(664,279.79)	(664,279.79)	-	
45610014	4310-Elec Transm Rev -GTA Direct charge	(166,741.88)	(166,741.88)	-	
45610015	4310-Elec Transm Rev - WA ST Tax -OASIS	(90,893.81)	(90,893.81)	-	
45610018	4310-Elec Trans Rev -Generator Imbalance	347,231.09	347,231.09	-	
45610019	4310 - Generator Imbalance Penalty	(18,404.00)	(18,404.00)	-	
45610020	4310-Imbalance penalty-Port SEA,BPA,WPUD	(124.00)	(124.00)	-	
45610021	4310-Elec Trans Revenue-SnoPUD Imbalance	0.00	0.00	-	
45610022	4310-Elec Trans Revenue-SnoPUD Losse	0.00	0.00	-	
45610030	4310 - Small Generator App Fees - Elect	(500.00)	(500.00)	-	
45610060	4310-Elec Trans Rev - Network 449 Transm	(586,174.37)	(586,174.37)	-	
45610061	4310-Elec Trans Rev-Network 449 Anc.svc	(423,717.28)	(423,717.28)	-	
45610062	4310-Elec Trans Rev -Network 449 Imbalan	(1,936,015.05)	(1,936,015.05)	-	
45610065	4310 - Elec Trans. Rev - GTA Imbalance	50,272.18	50,272.18	-	
45610067	4310 - Elec Trans Rev - SeaTac OATT (T)	(4,993.61)	(4,993.61)	-	
45610068	4310 - Elec Trans Rev -SeaTac OATT (WDS)	(8,233.01)	(8,233.01)	-	
45610069	4310-Elec Trans Rev-SeaTac Ancillary Svc	(2,316.16)	(2,316.16)	-	
45610070	4310-Elec Trans Rev-SeaTac Egy Imbalance	(10,933.46)	(10,933.46)	-	
45610071	4310 -Elec Trans Rev-SeaTac Ded Facility	(15,840.00)	(15,840.00)	-	
45610072	4310-Elec Trans Rev -OASIS-WA(Non GTA)	(43,359.96)	(43,359.96)	-	
45610080	4310 - Elec Trans Rev-BPA NT OATT-T-Elec	(87,569.30)	(87,569.30)	-	
45610081	4310 -Elec Trans Rev-BPA NT Ded Fac-Elec	(236,428.00)	(236,428.00)	-	
45610082	4310 -Elec Trans Rev-BPA NT Eng Imb-Elec	(28,167.59)	(28,167.59)	-	
45610083	4310 -Elec Trans Rev-BPA NT Anc Svc-Elec	(43,195.61)	(43,195.61)	-	
45610084	4310-Elec Trans Rev-BPA NT OATT-WDS-Elec	(193,317.19)	(193,317.19)	-	
45610085	4310-Non Refundable transmission	(8,625.00)	(8,625.00)	-	
45610090	5360 - Elec Trans Rev. Losses	(1,281,475)	(1,281,475)	-	
Totals		\$ (10,703,023)	\$ (11,622,045)	\$ (919,022)	

PUGET SOUND ENERGY-ELECTRIC
REGULATORY ASSETS AND LIABILITIES
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	TEST YEAR	RATE YEAR	ADJUSTMENT
1	<u>AMA OF REGULATORY ASSET/LIABILITY NET OF ACCUM AMORT AND DFIT</u>			
2	BEP	16,250,380	11,214,773	(5,035,607)
3	WHITE RIVER PLANT COSTS	37,566,968	34,565,277	(3,001,690)
4	WHITE RIVER RELICENSING & CWIP	24,579,164	24,941,807	362,643
5	PROCEEDS FROM THE SALE OF WHITE RIVER ASSETS TO CWA	(25,951,720)	(29,911,730)	(3,960,010)
6	DFIT - WHITE RIVER REG ASSET	(11,889,662)	(10,331,528)	1,558,135
7	HOPKINS RIDGE PREPAID TRANSMISSION	1,394,050	-	(1,394,050)
8	GOLDENDALE FIXED COSTS DEFERRAL	3,605,729	-	(3,605,729)
9	HOPKINS RIDGE MITIGATION CREDIT	(326,871)	-	326,871
10	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY)	(2,135,222)	(1,529,462)	605,761
11	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS)	(2,286,406)	(2,096,742)	189,664
12	MINT FARM DEFERRAL - UE-090704	26,616,505	23,180,901	(3,435,604)
13	WILD HORSE EXPANSION DEFERRAL - UE-090704	2,331,479	-	(2,331,479)
14	COLSTRIP 1&2 (WECO) COAL CONTRACT PREPAYMENT	5,000,000	3,981,481	(1,018,519)
15	FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074	-	1,193,198	1,193,198
16	CONTRACT MAJOR MAINTENANCE:			-
17	SUMAS NOVEMBER 2010 HOT GAS PATH INSPECTION	82,651	82,651	-
18	FREDDY 1 JULY 2009 HOT GAS PATH INSPECTION	212,106	212,106	-
19	GOLENDALE MAY 2009 COMBUSTION INSPECTION	590,967	590,967	-
20	SUMAS NOVEMBER 2008 COMBUSTION INSPECTION	62,508	62,508	-
21	MINT FARM JUNE 2010 COMBUSTION INSPECTION	678,973	678,973	-
22	TOTAL REGULATORY ASSETS AND LIABILITIES RATEBASE	\$ 76,381,598	\$ 56,835,180	\$ (19,546,418)
23				
24				
25	<u>AMORTIZATION OF REGULATORY ASSET/LIABILITY</u>			
26	BEP (555)	3,526,620 (2) (11)	3,526,620	-
27	WHITE RIVER PLANT COSTS (407)	1,494,702	1,494,702	(0)
28	HOPKINS RIDGE PREPAID TRANSMISSION (565)	2,076,858 (2)	-	(2,076,858)
29	GOLDENDALE FIXED COSTS DEFERRAL (407.3)	4,162,154	-	(4,162,154)
30	HOPKINS RIDGE MITIGATION CREDIT (555)	(1,209,583) (2)	-	1,209,583
31	WESTCOAST PIPELINE CAPACITY - UE-082013 (FB ENERGY) (547)	(457,531) (2)	(392,170) (B)	65,362
32	WESTCOAST PIPELINE CAPACITY - UE-100503 (BNP PARIBUS) (547)	(403,220)	(537,626) I	(134,407)
33	MINT FARM DEFERAL - UE-090704 (407.3)	2,159,053	2,872,182	713,129
34	WILD HORSE EXPANSION DEFERRAL - UE-090704 (407.3)	2,102,006	-	(2,102,006)
35	COLSTRIP 1&2 (WECO) COAL CONTRACT PREPAYMENT (501)	-	(11) 555,556	555,556
36	FERC PART 12 STUDY NON-CONSTRUCTION COSTS UE-070074 (407.3)	-	265,155	265,155
37	CONTRACT MAJOR MAINTENANCE (PROD O&M):			
38	SUMAS NOVEMBER 2010 HOT GAS PATH INSPECTION	61,034 (A)	61,034	-
39	FREDDY 1 JULY 2009 HOT GAS PATH INSPECTION	223,889	223,889	-
40	GOLENDALE MAY 2009 COMBUSTION INSPECTION	354,580	354,580	-
41	SUMAS NOVEMBER 2008 COMBUSTION INSPECTION	119,333	119,333	-
42	MINT FARM JUNE 2010 COMBUSTION INSPECTION	456,270	456,270	-
43	TOTAL AMORTIZATION OF REGULATORY ASSETS AND LIABILITIES	14,666,166	8,999,526	(5,666,640)
44				
45				
46				
47	INCREASE (DECREASE) EXPENSE			(5,666,640)
48				
49	INCREASE (DECREASE) FIT	E (A) = 1,215,107 (2)	35%	1,983,324
50				
51	INCREASE (DECREASE) NOI	E (B) = (929,796) (11)		\$ 3,683,316

**PUGET SOUND ENERGY-ELECTRIC
REMOVE COSTS ASSOCIATED WITH TENASKA REGULATORY ASSET
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED TEST YEAR	ADJUSTMENT
1	RATEBASE			
2	REGULATORY ASSET	\$ 59,395,254	\$ -	\$ (59,395,254)
3	DEFERRED FIT	(2,899,125)	0	2,899,125
4				
5	NET RATEBASE	\$ 56,496,129	\$ -	\$ (56,496,129)
6				
7	AMORTIZATION (NOTE 1) AND DISALLOWANCES			
8	AMORTIZATION OF PURCHASE PRICE:			
9	TAXABLE - SEE LINE 18 FOR TAX (LINE 18 ÷ 35%)	14,334,286 (A)	-	(14,334,286)
10	NON-TAXABLE	16,823,714 I	-	(16,823,714)
11	TOTAL AMORTIZATION OF PURCHASE PRICE	31,158,000	-	(31,158,000)
12				
13	AMORTIZATION OF AFPC PORTION (NOTE 3)	6,374,000 (A)	-	(6,374,000)
14	DISALLOWANCES		-	-
15	SUBTOTAL NORMALIZED	6,374,000	-	(6,374,000)
16				
17	INCREASE (DECREASE) EXPENSE			(37,532,000)
18	INCREASE (DECREASE) FIT (ON LINE 9)			5,017,000
19	INCREASE (DECREASE) FIT (ON LINE 15)		35%	2,230,900
20	INCREASE (DECREASE) NOI			
21	TOTAL NET OPERATING INCOME			\$ 30,284,100
22				
23				
24				
25				
26	(NOTE 1) TOTAL AMORTIZATION = \$37,532,000 = \$14,334,286 TAXABLE PURCHASE PRICE + \$16,823,714 NON-TAXABLE			
27	PURCHASE PRICE + TAXABLE AFPC \$6,374,000.			
28				
29	(NOTE 2) THE IMPACT ON THE TAX BENEFIT OF PROFORMA INTEREST IS HANDLED IN ADJUSTMENT NO. 05			
30				
31	(NOTE 3) AFPC STAND FOR ALLOWANCE FOR FUNDS ON POWER CONTRACTS			

← (A) - 37,532,000 (2)

Fugst Sound --energy
 12 Month Ended Order Report
 Report: Orders: 12 Month Ended By Order Report Group: Z012
 Order Group: 56000007,561
 From: 1/2010 To: 12/2010 Report Executed: 05/03/2011 @ 13:22:58

Cost elements	Act. COSTS
56000007 4310 - Supv & Eng	20,133.18
56110015 4310-Load Dispatc	31,818.73
56120025 4310- Load Dispat	31,818.73
56130001 4310 -Load Dispat	31,818.71
56200005 4310 - Transmiss1	3,744.83
56300006 4310 - Transm OH	27,778.44
56600041 4310 -Misc 500KV	19,673.32
56800004 4310 - Supv & Eng	148,705.66
56900001 4310 - Structure	2,112.74
56920025 4310 - Transm Com	179,290.70
57000003 4310 - Maint Tran	74,103.62
57100001 4310 - Maint Tran	827,422.45
93500314 4310 - Maint Gene	21,213.66
* Debit	1,419,634.77
** Over/underabsorption	1,419,634.77

①

Transmission Orders

No. of Project Object: 21

Project object	Project object
- Colstrip 3 & 4 Elec transmission opns	P.10948
- Colstrip 3&4 Elec transmission operations	P.10948
→ 4310 - Supv & Eng'g NP - Electric Trans	56000007
→ DO NOT USE - CLSD-5300 Load Dispatching	56100003
→ 4310-Load Dispatch - Reliability	56110015
→ 4310 - Load Dispatch - Monitor & Op Equi	56120025
→ 4310 - Load Dispatch- Trans Svc Colstrip	56130001
→ 4310 - Transmission Substation Expenses	56200005
→ 4310 - Transm OH Line Oper Exp - 500kv	56300006
→ 4310 - Misc 500KV Line Trans Exp - Elec	56600041
- Colstrip 3 & 4 Elec transmission maint	P.10949
- Colstrip 3&4Elec transmission maintenance	P.10949
→ 4310 - Colstrip Upgrade Study	56160023
→ 4310 - Supv & Eng'g Prev - NP - Transm	56800004
→ 4310 - Structure Maint - NP - Elec Tran	56900001
→ 4310- Transm Computer Hardware Maint	56910010
→ 4310 - Transm Computer Software Maint	56920025
→ 4310 - Maint Transm Substation Equipmen	57000003
→ 5300 - Maint Transm OH Lines - 500kv	57100001
→ 4310 - Maint Trans Misc - Electric Tran	57300001
→ 4310 - Maint General Plant - Electric	93500314

Support w/p 7

PUGET SOUND ENERGY

AVERAGE OF PRIOR THREE YEARS NORMALIZED - (Per UE-031725)

	12ME 12/2008	12ME 12/2009	12ME 12/2010	Three Year Average/Rate Year
45600017 4310 - Electric Transmission Revenue OASIS	(19) (6,648,601)	(2) (5,497,350)	(2) (4,694,443)	-
45610005 4310 - Electric Transmission Revenue OASIS	(6,648,601)	(5,497,350)	(4,694,443)	(5,613,465)
				(5,613,465)

4

PUGET SOUND ENERGY
GENERAL RATE CASE
DETERMINATION OF NET POWER COSTS FOR GRC ADJUSTMENT JHS 5.01
TEST YEAR ENDED DECEMBER 31, 2010
RATE YEAR ENDED APRIL 30, 2013

Line FERC	Description	a	Remove amounts shown on other adjustments					Add / Remove amounts not in / in Exh DEM-XX			Subtotal	Per JHS-5.01 After Prod Factor of 0.97901
			b	c	d	e	f	g	h	i		
		Per Exh. DEM-XX Rate Year 12ME 4/30/2013	Reclass Jackson Prairie Move from O&M to Fuel	5.02E Less LSR Plant	5.03E Less LSR Ppd Transm	5.09E Less Chelan Initiation Pmt	5.10E Less Amort of Reg Assets	Remove Ben&Tax	Add Hedging	Net Before Prod Factor		
1	Fuel:											
2	501 Steam Fuel	91,268,161									88,808,547	
3	547 Fuel	149,217,980	1,130,625								148,103,067	
4		240,486,141	1,130,625								236,911,615	
5	Purchased and Interchanged:											
6	555 Purchased Power	508,060,098		(776,099)	(7,088,066)	(555,556)					486,244,225	
7	557 Other Power Expense	8,029,303									6,520,304	
8	Hedging							(1,369,204)			1,420,907	
9											494,185,436	
10		516,089,401		(776,099)	(7,088,066)	(3,526,620)		(1,369,204)			85,895,611	
11												
12	565 Wheeling	97,660,154		(9,922,939)							115,053,360	
13												
14	various Hydro and Other Power	137,606,376	(1,130,625)	(10,891,023)				(6,849,513)			1,389,837	
15											(10,227,296)	
16	various Trans. Exp. Incl. 500Kv O&M	1,419,635										
17	447 Sales for Resale	(10,446,569)										
18	456 Purchases/Sales Of Non-Core Gas											
19		(9,026,934)									(8,837,459)	
20												
21	Net Power Costs (column c per DEM Exhibit)	982,815,137		(21,590,061)	(7,088,066)	(4,367,487)		(8,218,717)	1,451,372	943,002,178	923,208,562	
22	various Variable Transmission Income	(11,622,045)								(11,622,045)	(11,378,098)	
23												
24	Col k = amount of adjustment on JHS 5.01 Line 23	971,193,092								931,380,133	911,830,464	

6(A) = 492,764,529

PUGET SOUND ENERGY
Hedging Facility Interest & Fees
FOR THE 12 MONTHS ENDED

April-2013

Days in Year

365

	Data Source	Total
<u>Interest Expense Calculation</u>		
Wtd. Average Outstandings	\$0	\$0
Wtd. Average Interest Rate	0.0000%	0.0000%
Interest Expense for the Month	\$0	\$0
<u>Commitment Fees Calculation</u>		
Total Facility	Credit Agreement	\$350,000,000
Weighted Average Usage		\$0
Unused Facility	Credit Agreement	\$350,000,000
AR Availability Adjustment		\$0
Total Availability for Commitment Fee		\$350,000,000
Commitment Fee Annual %		0.260%
Commitment Fees		\$922,638.89

<u>Letter of Credit Outstanding</u>		
Wtd Average L/C's Outstanding	LC Outstandings Worksheet	
L/C Issuing and Fronting Fee	Credit Agreement	0.9750%
L/C Issuance & Amendment Fees		\$0.00
L/C Fees		\$0.00
Debt Issuance Expenses ©	SAP GL Detail	\$1,456,659.00

Hedging Facility Costs for the Month

\$2,379,297.89

Allocations:

Interest Expense - Electric 61%	Order: 43100071	\$562,809.72
Interest Expense - Gas 39%	Order: 43100372	\$359,829.17
Debt Issue Amortization - Electric 61%	Order: 42806051	\$888,561.99
Debt Issue Amortization - Gas 39%	Order: 42806052	\$568,097.01

(A) 562,809.72
 (A) 359,829.17
 (A) 888,561.99
 (A) 568,097.01
 1,456,659.00
 Electric portion

(a) Fees and interest are calculated based on actual days elapsed and a 360 day year basis.

Puget Sound Energy
Production Factor
For the Twelve Months Ended 12/31/2010

Line	Description	Production Amount
1	TEST YEAR <u>BILLED</u> LOAD	21,033,671,724
2	CHANGE IN UNBILLED KWHS (<i>postive for the period</i>)	(125,288,128)
3	TEST YEAR CORE DELIVERED LOAD BEFORE PROFORMA/RESTATING	
4	ADJUSTMENTS (<i>agrees to Sales of Electricity Report- Total Retail Sales</i>)	20,908,383,596
5	PROFORMA ADJUSTMENTS (<i>temp norm</i>)	234,916,406
6		
7	TOTAL ADJUSTED TEST YEAR <u>DELIVERED</u> LOAD	21,143,300,002
8	FORECASTED RATE YEAR KWH	21,596,717,808
9		
10	LINE 11 DIVIDED BY LINE 12	0.97901 11
11		
12	PRODUCTION FACTOR= (1-LINE 14)	0.02099

See w/p 40 in Production Adjustment
(Adj. B.11) for support

Resource	Steam Ops & Maint	Hydro Ops & Maint	Other Ops & Maint	Sys Control & Dispatch	Test Year 01/10-12/10
Colstrip 1/2	17,078,907				\$ 17,078,907
Colstrip 3/4	13,103,108				13,103,108
Colstrip Settlement	(2,429,480)				(2,429,480)
Encogen	888,278		3,299,876		4,188,153
Lower Baker		5,653,795			5,653,795
Upper Baker		1,053,605			1,053,605
Baker License		6,286,855			6,286,855
Electron		3,735,078			3,735,078
Snoqualmie 1/2		1,849,780			1,849,780
Snoqualmie License		579,805			579,805
White River					-
Freddie 1	2,171,102		1,644,587		3,815,689
Crystal			111,244		111,244
Goldendale	1,727,294		4,836,106		6,563,400
Mint Farm	3,189,957		4,780,159		7,970,116
Whitehorn 1/2/3			1,084,012		1,084,012
Frederickson			6,909,823		6,909,823
Fredonia 1-4			3,579,096		3,579,096
Sumas	1,513,752		3,923,160		5,436,912
Undistrib/Other Including Incentive Cleaning, Compliance	683	1,350,477	3,151,655		4,502,816
Hopkins Ridge & Lease			5,018,911	34,200	5,053,111
Wild Horse & Land Lease			9,900,839	34,200	9,935,039
Whitehorse Expansion			1,499,393		1,499,393
Lower Snake River					-
Sys Control & Dispatch				1,698,448	1,698,448
TY 01/10 - 12/10	\$ 37,243,601	\$ 20,509,395	\$ 49,738,861	\$ 1,766,848	\$ 109,258,705
				check	
Adjustments:					
Colstrip - Remove Test Year	(30,182,015)				\$ (30,182,015)
Colstrip Settlement - Reduce TY by refund already included in	2,083,590				2,083,590
Colstrip - Proform in Rate Year Budget	42,681,435				42,681,435
Baker Licensing		(1,359,065)			(1,359,065)
Snoqualmie Licensing		64,914			64,914
Freddy 1 - Remove Test Year	(2,171,102)		(1,644,587)		(3,815,689)
Mind Plant - Hopkins Ridge Power Operations Budget		4,462,023			4,462,023
Mind Plant - Hopkins Ridge Vestas Contract		1,764,154			1,764,154
Mind Plant - Wild Horse Vestas Contract		1,286,457			1,286,457
Wild Horse Extension Vestas Contract		26,797			26,797
Mind Plant - Hopkins Ridge Proform Wind Royalties		128,597			128,597
Mind Plant - Wild Horse Proform Wind Royalties		264,123			264,123
Wild Horse Extension Proform Wind Royalties		51,326			51,326
Wild Horse Extension - Non Vestas Royalty O&M Adjustment					-
Lower Snake River Royalties and O&M			(14) 10,891,023		10,891,023
Total Adjustments	12,411,908	(1,294,151)	17,229,913	-	28,347,670
Rate Year Prod'n O&M incl. benefits & payroll taxes					
TY 01/10 - 12/10	\$ 37,243,601	\$ 20,509,395	\$ 49,738,861	\$ 1,766,848	\$ 109,258,705
Total Adjustments	12,411,908	(1,294,151)	17,229,913	-	28,347,670
Rate Year Production O&M	\$ 49,655,509	\$ 19,215,244	\$ 66,968,774	\$ 1,766,848	\$ 137,606,376

**PUGET SOUND ENERGY-ELECTRIC
LOWER SNAKE RIVER PROJECT
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION	TEST YEAR	PROFORMA	ADJUSTMENT
1	<u>LOWER SNAKE RIVER RATEBASE (AMA)</u>			
2	<u>UTILITY PLANT RATEBASE</u>			
3	PLANT BALANCE	\$ 42,219	\$ 773,474,856	\$ 773,432,637
4	ACCUM DEPRECIATION	-	(17,848,252)	(17,848,252)
5	DEFERRED INCOME TAX LIABILITY	-	(67,873,620)	(67,873,620)
6				
7	NET LSR EXPANSION PLANT RATEBASE	<u>\$ 42,219</u>	<u>\$ 687,752,984</u>	<u>\$ 687,710,765</u>
8				
9	<u>LOWER SNAKE RIVER OPERATING EXPENSE</u>			
10	TAXABLE DEPRECIATION EXPENSE	\$ -	\$ 28,005,153	\$ 28,005,153
11	NON-TAXABLE DEPRECIATION EXPENSE		4,933,627	4,933,627
12	TOTAL DEPRECIATION EXPENSE	<u>\$ -</u>	<u>\$ 32,938,780</u>	<u>\$ 32,938,780</u>
13				
14				
15	<u>POWER COST AND O&M RELATED TO LOWER SNAKE RIVER</u>			
16	PURCHASED POWER		\$ 776,099	\$ 776,099
17	WHEELING		9,922,939	9,922,939
18	PRODUCTION O&M	-	10,891,023	10,891,023
19	PROPERTY INSURANCE	-	517,501	517,501
20	PROPERTY TAXES		2,967,101	2,967,101
21	TOTAL POWER COST AND PROD O&M	<u>-</u>	<u>25,074,663</u>	<u>25,074,663</u>
22				
23	INCREASE (DECREASE) EXPENSE	-	58,013,442	58,013,442
24				
25	INCREASE (DECREASE) FIT ON ALL EXPENSES EXCEPT LINE 11 @		35%	(18,577,935)
26	INCREASE (DECREASE) NOI			<u>\$ (39,435,507)</u>

Note: Amounts presented in bold italic have changed since the June 13 original filing.

PUGET SOUND ENERGY-ELECTRIC
CONTRACT PAYMENTS TO CHELAN PUD
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	TEST YEAR	ADJUSTED RATE YEAR	ADJUSTMENT
1	<u>INITIATION PAYMENT AMA (UE-060539)</u>			
2	INITIATION PAYMENT BALANCE	0	141,761,312 \$	141,761,312
3	ACCUMULATED AMORTIZATION	0	(7,088,066) \$	(7,088,066)
4	DEFERRED INCOME TAX	-	(17,542,944) \$	(17,542,944)
5				
6	NET INITIATION PAYMENT RATEBASE AMA	\$ -	\$ 117,130,302	\$ 117,130,302
7				
8	<u>SECURITY DEPOSIT AMA</u>			
9	SECURITY DEPOSIT BALANCE	\$ -	\$ 18,500,000	\$ 18,500,000
10	ACCUMULATED AMORTIZATION	-	-	-
11	NET SECURITY DEPOSIT AMA	\$ -	\$ 18,500,000	\$ 18,500,000
12				
13	<u>INCREASE RATEBASE</u>	\$ -	\$ 135,630,302	\$ 135,630,302
14				
15	<u>OPERATING EXPENSE</u>			
16	AMORTIZATION OF INITIATION PAYMENT (555)	\$ -	7,088,066 \$	7,088,066
17	INCREASE (DECREASE) EXPENSE	-	7,088,066	7,088,066
18				
19	INCREASE (DECREASE) FIT @		35%	(2,480,823)
20	INCREASE (DECREASE) NOI			\$ (4,607,243)

PUGET SOUND ENERGY
DETERMINATION OF ELECTRIC - PRODUCTION RELATED EMPLOYEE BENEFITS AND TAXES
General Rate Case - Test Year 12ME 12/2010; Rate Year 12ME 4/2013

Ref	Order Group	Description	12ME Dec 2010
7	SUMMARY - Production Related Employee Benefits and Payroll Taxes		
8		Production O&M - reclassify to 557	\$ 6,849,513
9	557	Other Power Supply Expense	\$ 1,369,204
10		Total 557 used in Power Cost Rate	\$ 8,218,717
11			

12	DETAIL	Cost Element Group - ASMT_BENEF	
13	500	Steam Oper Supv & Engineering	30,440
14	502	Steam Oper Steam Expenses	1,423
15	505	Steam Oper Electric Expense	128
16	506	Steam Oper Misc Steam Power	1,355
17	507	Steam Oper Rents	0
18	510	Steam Maint Supv & Engineering	0
19	511	Steam Maint Structures	21,088
20	512	Steam Maint Boiler Plant	85,435
21	513	Steam Maint Electric Plant	65,276
22	514	Steam Maint Misc Steam Plant	7,741
23	535	Hydro Oper Supv & Engineering	491,249
24	537	Hydro Oper Hydraulic Expenses	419,853
25	538	Hydro Oper Electric Expenses	76,121
26	539	Hydro Oper Misc Hydraulic Exp	341,150
27	540	Hydro Oper Rents	0
28	541	Hydro Maint Supv & Engineering	459
29	542	Hydro Maint Structures	45,585
30	543	Hydro Maint Res, Dams, Wtrwys	92,285
31	544	Hydro Maint Electric Plant	105,254
32	545	Hydro Maint Misc Hydraulic Plt	312,650
33	546	Other Pwr Gen Oper Supv & Eng	617,112
34	548	Other Pwr Gen Oper Gen Exp	1,408,566
35	549	Other Pwr Gen Oper Misc	302,090
36	550	Other Pwr Gen Oper Rents	0
37	551	Other Pwr Gen Maint Supv & Eng	72,410
38	552	Other Pwr Gen Maint Structures	36,736
39	553	Other Pwr Gen Maint Gen & Elec	333,047
40	554	Other Pwr Gen Maint Misc	56,234
41	556	System Control & Load Dispatch	319,909
42		Production O&M - reclassify to 557	5,243,598.15
43	557	Other Power Supply Expense	1,050,548.28
44		TOTAL PRODUCTION RELATED	\$ 6,294,146.43
45			

46	DETAIL	Cost Element Group - ASMT_TAXES	
47	500	Steam Oper Supv & Engineering	\$ 9,460.39
48	502	Steam Oper Steam Expenses	451.96
49	505	Steam Oper Electric Expense	38.78
50	506	Steam Oper Misc Steam Power	435.10
51	507	Steam Oper Rents	-
52	510	Steam Maint Supv & Engineering	-
53	511	Steam Maint Structures	6,446.57
54	512	Steam Maint Boiler Plant	26,178.11
55	513	Steam Maint Electric Plant	20,108.60
56	514	Steam Maint Misc Steam Plant	2,399.65

46 <i>DETAIL</i>		Cost Element Group - ASMT_TAXES	
57	535	Hydro Oper Supv & Engineering	150,479.75
58	537	Hydro Oper Hydraulic Expenses	127,840.53
59	538	Hydro Oper Electric Expenses	23,325.89
60	539	Hydro Oper Misc Hydraulic Exp	103,989.13
61	540	Hydro Oper Rents	0
62	541	Hydro Maint Supv & Engineering	137.22
63	542	Hydro Maint Structures	13,986.58
64	543	Hydro Maint Res, Dams, Wtrwys	28,054.12
65	544	Hydro Maint Electric Plant	32,134.24
66	545	Hydro Maint Misc Hydraulic Plt	95,330.47
67	546	Other Pwr Gen Oper Supv & Eng	187,566.28
68	548	Other Pwr Gen Oper Gen Exp	434,524.29
69	549	Other Pwr Gen Oper Misc	92,997.48
70	550	Other Pwr Gen Oper Rents	-
71	551	Other Pwr Gen Maint Supv & Eng	22,433.67
72	552	Other Pwr Gen Maint Structures	11,223.29
73	553	Other Pwr Gen Maint Gen & Elec	102,443.36
74	554	Other Pwr Gen Maint Misc	17,129.27
75	556	System Control & Load Dispatch	96,800.61
76	Production O&M - reclassify to 557		1,605,915.34
77	557	Other Power Supply Expense	318,655.37
78	TOTAL PRODUCTION RELATED		<u>\$ 1,924,570.71</u>

Puget Sound Energy
 12 Month Ended Order Report
 Report: Ord: 12 Mo End by CE
 Order Group: 45600017,456
 From: 1/2008 To: 12/2008
 Report Group: Z012
 Report Executed: 03/04/2011 @ 09:32:07

Cost elements	Act. Costs
65000030 Transmission of * Energy Procurement ** Corporate Items *** Debit	6,648,601.11- 6,648,601.11- 6,648,601.11- 6,648,601.11-
**** Over/underabsorption	6,648,601.11-

9

Puget Sound Energy
 12 Month Ended Order Report
 Report: Ord: 12 Mo End by CE
 Order Group: 45600017,456
 From: 1/2009 To: 12/2009
 Report Group: Z012
 Report Executed: 03/04/2011 @ 09:31:51

Cost elements	Act. Costs
65000030 Transmission of	5,497,350.42-
* Energy Procurement	5,497,350.42-
** Corporate Items	5,497,350.42-
*** Debit	5,497,350.42-
**** Over/underabsorption	5,497,350.42-

9

Puget Sound Energy
 12 Month Ended Order Report
 Report: Ord: 12 Mo End by CE
 Order Group: 45600017,456
 From: 1/2010 To: 12/2010
 Report Executed: 03/04/2011 @ 09:31:32
 Report Group: Z012

Cost elements	Act. Costs
65000030 Transmission of	4,694,442.73-
* Energy Procurement	4,694,442.73-
** Corporate Items	4,694,442.73-
*** Debit	4,694,442.73-
**** Over/underabsorption	4,694,442.73-

(4)

Layout
Order
Report currency

ANH4
55000001
USD

Material
5360 - PSEE Gas Storage @ JP R
US Dollar

Order	DocumentNo	Year	frm	Document Header Text	DocTyp	Cost Elem.	Cost element name	Val. in RC	Postg Date
55000001	207582410	2010	1	PSEE-JP Storage Fee-01/10	SA	60810000	Lse/Rnt-Land & Bldgs	114,375.00	01/31/2010
55000001	207633097	2010	2	PSEE-JP Storage fee-02/10	SA	60810000	Lse/Rnt-Land & Bldgs	114,375.00	02/28/2010
55000001	207705726	2010	3	PSEE-JP Storage fee-03/10	SA	60810000	Lse/Rnt-Land & Bldgs	114,375.00	03/31/2010
55000001	207775133	2010	4	PSEE-JP Storage fee-04/10	SA	60810000	Lse/Rnt-Land & Bldgs	87,500.00	04/30/2010
55000001	208084752	2010	9	PSEE-JP Storage Fee-09/10	SA	60810000	Lse/Rnt-Land & Bldgs	87,500.00	09/30/2010
55000001	208123924	2010	10	PSEE-JP Storage fee-10/10	SA	60810000	Lse/Rnt-Land & Bldgs	87,500.00	10/31/2010
55000001	208185122	2010	11	PSEE-JP Storage Fee-11/10	SA	60810000	Lse/Rnt-Land & Bldgs	87,500.00	11/30/2010
55000001	208243048	2010	12	PSEE-JP Storage Fee-12/10	SA	60810000	Lse/Rnt-Land & Bldgs	87,500.00	12/31/2010
55000001	207822815	2010	5	PSEE-JP Storage Fee-05/10	SA	60810000	Lse/Rnt-Land & Bldgs	87,500.00	05/31/2010
55000001	207895562	2010	6	PSEE-JP Storage Fee-06/10	SA	60810000	Lse/Rnt-Land & Bldgs	87,500.00	06/30/2010
55000001	207946307	2010	7	PSEE-JP Storage fee-7/10	SA	60810000	Lse/Rnt-Land & Bldgs	87,500.00	07/31/2010
55000001	208013568	2010	8	PSEE-JP Storage Fee-08/10	SA	60810000	Lse/Rnt-Land & Bldgs	87,500.00	08/31/2010
* 55000001								1,130,625.00	
**								1,130,625.00	