

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

LINE NO.	DESCRIPTION	REVISED
1	RATE BASE	\$ ⁽²⁾ 4,904,756,946
2	RATE OF RETURN	⁽³⁾ 8.42%
3		
4	OPERATING INCOME REQUIREMENT	412,980,535
5		
6	PRO FORMA OPERATING INCOME	⁽²⁾ <i>318,050,321</i>
7	OPERATING INCOME DEFICIENCY	<i>94,930,214</i>
8		
9	CONVERSION FACTOR	⁽⁴⁾ 0.6207490
10	REVENUE REQUIREMENT DEFICIENCY	<i>152,928,501</i>
11	LARGE FIRM WHOLESale	⁽⁵⁾ 427,352
12	SALES FROM RESALE-FIRM	<i>164,110</i>
13	REVENUE REQUIREMENT DEFICIENCY	<i>\$ 152,337,039</i>

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

PUGET SOUND ENERGY-ELECTRIC
 RESULTS OF OPERATIONS
 FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
 GENERAL RATE INCREASE

LINE NO.	ACTUAL RESULTS OF OPERATIONS	REVISED TOTAL ADJUSTMENTS	REVISED ADJUSTED RESULTS OF OPERATIONS	REVISED REVENUE REQUIREMENT DEFICIENCY	REVISED AFTER RATE INCREASE	Rate Increase
1	OPERATING REVENUES					7.70%
2	SALES TO CUSTOMERS	\$ 2,042,334,319	\$ (64,997,951)	\$ 1,977,336,368	\$ 152,337,039	\$ 2,129,673,407
3	SALES FROM RESALE-FIRM/SPECIAL CONTRACT	350,182	867,565	1,217,748	591,462	1,809,210
4	SALES TO OTHER UTILITIES	201,262,557	(191,035,261)	10,227,296		10,227,296
5	OTHER OPERATING REVENUES	30,706,333	5,968,010	36,674,343		36,674,343
6	TOTAL OPERATING REVENUES	2,274,653,391	(249,197,637)	2,025,455,754	152,928,501	2,178,384,255
7	OPERATING REVENUE DEDUCTIONS:					
8	POWER COSTS:					
10	FUEL	\$ 268,147,071	\$ (31,601,842)	\$ 236,545,230	\$ -	\$ 236,545,230
11	PURCHASED AND INTERCHANGED	832,711,097	(327,295,830)	505,415,267		505,415,267
12	WHEELING	78,564,669	17,045,598	95,610,267		95,610,267
13	RESIDENTIAL EXCHANGE	(75,109,150)	75,109,150	-		-
14	TOTAL PRODUCTION EXPENSES	1,104,313,687	(266,742,923)	837,570,764		837,570,764
15	OTHER POWER SUPPLY EXPENSES	\$ 102,409,192	\$ 24,983,852	\$ 127,393,044	\$ -	\$ 127,393,044
16	TRANSMISSION EXPENSE	11,865,443	92,122	11,957,565		11,957,565
17	DISTRIBUTION EXPENSE	82,924,735	(998,711)	81,926,024		81,926,024
18	CUSTOMER ACCTS EXPENSES	50,172,086	(2,459,606)	47,712,480	679,614	48,392,094
19	CUSTOMER SERVICE EXPENSES	13,431,632	(11,727,008)	1,704,624		1,704,624
20	CONSERVATION AMORTIZATION	75,336,909	(75,334,320)	2,589		2,589
21	ADMIN & GENERAL EXPENSE	94,643,935	5,403,561	100,047,496	305,837	100,353,333
22	DEPRECIATION	190,245,449	29,592,275	219,837,724		219,837,724
23	AMORTIZATION	40,184,321	(236,433)	39,947,888		39,947,888
24	AMORTIZ OF PROPERTY GAIN/LOSS	17,493,031	(552,298)	16,940,733		16,940,733
25	OTHER OPERATING EXPENSES	30,169,560	(26,608,988)	3,560,572		3,560,572
26	TAXES OTHER THAN INCOME TAXES	166,953,097	(166,953,097)	-		-
27	ASC 815	193,235,907	(67,569,351)	125,666,555	5,896,617	131,563,173
28	INCOME TAXES	16,263,334	(91,611,792)	(75,348,458)	51,116,199	(24,232,260)
29	DEFERRED INCOME TAXES	(32,436,237)	200,902,071	168,465,833		168,465,833
30	TOTAL OPERATING REV. DEDUCT.	2,157,226,080	(449,820,647)	1,707,405,433	57,998,287	1,765,403,720
31	NET OPERATING INCOME	\$ 117,427,311	\$ 200,633,010	\$ 318,050,321	\$ 94,930,214	\$ 412,980,535
32	RATE BASE	\$ 4,100,870,913	\$ 803,886,033	\$ 4,904,756,946	\$ -	\$ 4,904,756,946
33	RATE OF RETURN	2.86%	6.48%	6.48%		8.42%
34	RATE BASE:					
35	GROSS UTILITY PLANT IN SERVICE	\$ 7,157,671,291	\$ 693,485,863	\$ 7,851,157,154		
36	ACCUM DEPR AND AMORT	(2,758,182,029)	7,805,936	(2,750,376,093)		
37	DEFERRED DEBITS AND CREDITS	241,208,023	184,108,059	425,316,082		
38	DEFERRED TAXES	(656,658,557)	(81,513,826)	(738,172,383)		
39	ALLOWANCE FOR WORKING CAPITAL	204,952,589	-	204,952,589		
40	OTHER	(88,120,404)	-	(88,120,404)		
41	TOTAL RATE BASE	\$ 4,100,870,913	\$ 803,886,033	\$ 4,904,756,946		

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

PUGET SOUND ENERGY-ELECTRIC
PRO FORMA COST OF CAPITAL
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE

LINE NO.	DESCRIPTION	PRO FORMA CAPITAL %	COST %	COST OF CAPITAL
1	SHORT TERM DEBT	4.00%	4.62%	0.18%
2	LONG TERM DEBT	48.00%	6.37%	3.06%
3	PREFERRED	0.00%	0.00%	0.00%
4	EQUITY	48.00%	10.80%	5.18%
5	TOTAL	100.00%		8.42%
6				
7	AFTER TAX SHORT TERM DEBT ((LINE 1)* 65%)	4.00%	3.00%	0.12%
8	AFTER TAX LONG TERM DEBT ((LINE 2)* 65%)	48.00%	4.14%	1.99%
9	PREFERRED	0.00%	0.00%	0.00%
10	EQUITY	48.00%	10.80%	5.18%
11	TOTAL AFTER TAX COST OF CAPITAL	100.00%		7.29%

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**PUGET SOUND ENERGY-ELECTRIC
CONVERSION FACTOR
FOR THE TWELVE MONTHS ENDED DECEMBER 31, 2010
GENERAL RATE INCREASE**

LINE NO.	DESCRIPTION		RATE
1	BAD DEBTS		0.004444
2	ANNUAL FILING FEE		0.002000
3	STATE UTILITY TAX (3.873% - (LINE 1 * 3.873%))	3.873%	<u>0.038558</u>
4			
5	SUM OF TAXES OTHER		0.045002
6			
7	CONVERSION FACTOR EXCLUDING FEDERAL INCOME TAX (1 - LINE 5)		0.954998
8	FEDERAL INCOME TAX (LINE 7 * 35%)	35%	0.334249
9	CONVERSION FACTOR INCL FEDERAL INCOME TAX (LINE 7 - LINE 8)		<u>0.620749</u> ①

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Puget Sound Energy
 Proforma and Proposed Revenue
 Test Year Twelve Months ended December 2010
 Firm Resale & Special Contract
 SUPPLEMENTAL FILING

Line No.	Bill Determinants		Proforma Rates Effective 5-1-10		Proposed Rates Effective 2012		Differences			
	Proforma (b)	Weather (c)	Total (d)	Charge (e)	Revenue (f)	Charge (g)	Revenue (h)	\$ (i)	% (j)	
FIRM RESALE										
1	Total kWh Energy	7,244,326	88,248	7,332,574	\$ 0.035140	\$ 257,667				
3	Total kW Demand	15,165		15,165	\$ 5.25	\$ 79,618				
5	Total kWh Reactive Power	2,403,120		2,403,120	\$ 0.00025	\$ 601				
7	Total Revenue					\$ 337,885		\$ 501,995	\$ 164,110	48.6%
SPECIAL CONTRACT										
12	Total Revenue					\$ 879,870		\$ 1,307,222	\$ 427,352	48.6%
15	Total Firm Resale & Special Contract					\$ 1,217,755		\$ 1,809,217	\$ 591,462	48.6%