

WASHINGTON UTILITIES AND)
TRANSPORTATION COMMISSION)
Complainant,) Docket No. UE-072300/
UG-072301 (*Consolidated*)
v.)
PUGET SOUND ENERGY, INC.)
Respondent.)
_____)

EXHIBIT NO. ____ (DWS-3)
ELECTRIC COST OF SERVICE SUMMARY
ADJUSTED TEST YEAR TWELVE MONTHS ENDED
SEPTEMBER 2007 @ PROFORMA REV REQUIREMENT

May 30, 2008

Puget Sound Energy
ELECTRIC COST OF SERVICE SUMMARY
Adjusted Test Year Twelve Months ended September 2007 @ Proforma Rev Requirement
ICNU Study for Deriving Cost-Based Transportation Rates

Line No.	Description	Total Company	Residential Sch 7	Sec Volt Sch 24 (kW < 50)	Sec Volt Sch 25 (kW > 50 & < 350)	Sec Volt Sch 26 (kW > 350)	Pri Volt Sch 31 (General Service)	Pri Volt Sch 35 (Irrigation)	Pri Svc 43	Campus 40	High Volt 46/49	Transp PV 449	Transp HV 449	Lighting 50-59	Firm Resale Large	Firm Resale Small
	(a)	(b)	(c)	(d)	(e)	(g)	(h)	(i)	(j)	(k)	(l)	(m)	(n)	(o)	(p)	(q)
Rate Base																
1	Plant in Service	\$ 5,928,418,660	\$ 3,532,903,300	\$ 711,834,460	\$ 682,454,399	\$ 391,519,988	\$ 269,228,424	\$ 1,777,901	\$ 49,078,205	\$ 98,264,545	\$ 79,101,564	\$ 3,364,508	\$ 47,658,269	\$ 55,464,289	\$ 3,738,725	\$ 2,030,085
2	Accumulated Reserve	\$ (2,453,151,916)	\$ (1,458,175,387)	\$ (291,899,183)	\$ (281,997,354)	\$ (164,101,207)	\$ (112,664,858)	\$ (717,354)	\$ (19,344,044)	\$ (41,401,098)	\$ (34,212,546)	\$ (1,250,988)	\$ (18,484,199)	\$ (26,655,414)	\$ (1,407,015)	\$ (841,268)
3	Construction Work in Progress	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4	Working Capital Assets	\$ 95,493,209	\$ 56,906,958	\$ 11,466,018	\$ 10,992,773	\$ 6,306,488	\$ 4,336,652	\$ 28,638	\$ 790,537	\$ 1,582,816	\$ 1,274,145	\$ 54,194	\$ 767,665	\$ 893,402	\$ 60,222	\$ 32,700
5	Other Items	\$ (265,661,306)	\$ (186,285,549)	\$ (30,813,903)	\$ (20,356,570)	\$ (9,947,717)	\$ (7,097,312)	\$ (76,094)	\$ (1,954,287)	\$ (2,108,890)	\$ (1,384,101)	\$ (187,245)	\$ (2,666,467)	\$ (2,509,688)	\$ (209,002)	\$ (64,482)
6	TOTAL RATE BASE	\$ 3,305,098,647	\$ 1,945,349,323	\$ 400,587,392	\$ 391,093,247	\$ 223,777,551	\$ 153,802,906	\$ 1,013,091	\$ 28,570,411	\$ 56,337,373	\$ 44,779,062	\$ 1,980,470	\$ 27,275,269	\$ 27,192,589	\$ 2,182,930	\$ 1,157,034
Revenue																
7	Firm Sales	\$ 1,838,009,306	\$ 984,090,380	\$ 225,492,780	\$ 260,900,473	\$ 159,068,093	\$ 99,227,836	\$ 247,425	\$ 12,849,514	\$ 38,977,060	\$ 31,895,957	\$ 843,678	\$ 7,823,416	\$ 15,450,314	\$ 786,676	\$ 355,704
8	Non-Firm Sales	\$ 6,086,572	\$ 3,260,643	\$ 727,003	\$ 837,401	\$ 557,027	\$ 357,378	\$ 1,000	\$ 34,240	\$ 151,342	\$ 136,487	\$ -	\$ -	\$ 21,883	\$ -	\$ 2,167
9	Other Operating Revenue	\$ 37,392,928	\$ 26,006,488	\$ 3,770,392	\$ 2,236,438	\$ 1,126,266	\$ 1,308,465	\$ 12,255	\$ 186,817	\$ 319,906	\$ 1,258,862	\$ 1,316	\$ 1,027,299	\$ 123,260	\$ 3,646	\$ 11,520
10	TOTAL REVENUE	\$ 1,881,488,806	\$ 1,013,357,512	\$ 229,990,174	\$ 263,974,311	\$ 160,751,386	\$ 100,893,679	\$ 260,680	\$ 13,070,571	\$ 39,448,308	\$ 33,291,306	\$ 844,994	\$ 8,850,715	\$ 15,595,457	\$ 790,322	\$ 369,392
Expense																
11	Operation and Maintenance	\$ 1,304,026,881	\$ 717,530,446	\$ 158,436,969	\$ 169,145,342	\$ 109,631,138	\$ 71,879,783	\$ 261,082	\$ 7,977,623	\$ 29,748,398	\$ 26,321,351	\$ 80,380	\$ 3,100,031	\$ 9,313,489	\$ 137,621	\$ 463,228
12	Depreciation Expense	\$ 233,507,011	\$ 141,726,506	\$ 28,326,097	\$ 26,011,495	\$ 14,568,604	\$ 10,134,608	\$ 72,618	\$ 1,980,741	\$ 3,637,373	\$ 2,856,248	\$ 111,165	\$ 1,474,227	\$ 2,410,079	\$ 118,365	\$ 78,885
13	Taxes Other Than Income	\$ 116,380,829	\$ 67,101,288	\$ 14,122,389	\$ 14,088,960	\$ 8,567,296	\$ 5,755,103	\$ 29,723	\$ 854,184	\$ 2,248,031	\$ 1,897,400	\$ 38,373	\$ 609,380	\$ 984,402	\$ 43,966	\$ 40,333
14	Income Taxes	\$ 51,973,585	\$ 30,591,153	\$ 6,299,347	\$ 6,150,049	\$ 3,518,964	\$ 2,418,593	\$ 15,931	\$ 449,278	\$ 885,921	\$ 704,163	\$ 31,143	\$ 428,911	\$ 427,611	\$ 34,327	\$ 18,195
15	TOTAL EXPENSES	\$ 1,705,888,306	\$ 956,949,393	\$ 207,184,802	\$ 215,395,847	\$ 136,286,001	\$ 90,188,087	\$ 379,354	\$ 11,261,826	\$ 36,519,723	\$ 31,779,163	\$ 261,061	\$ 5,612,550	\$ 13,135,580	\$ 334,279	\$ 600,640
16	Operating Income	\$ 175,600,500	\$ 56,408,119	\$ 22,805,372	\$ 48,578,465	\$ 24,465,385	\$ 10,705,592	\$ (118,674)	\$ 1,808,745	\$ 2,928,584	\$ 1,512,143	\$ 583,933	\$ 3,238,166	\$ 2,459,877	\$ 456,042	\$ (231,248)
17	Present Rate of Return	5.3130%	2.8996%	5.6930%	12.4212%	10.9329%	6.9606%	-11.7141%	6.3308%	5.1983%	3.3769%	29.4846%	11.8722%	9.0461%	20.8913%	-19.9863%
Cost of Service																
18	Required Return	8.6000%	8.6000%	8.6000%	8.6000%	8.6000%	8.6000%	8.6000%	8.6000%	8.6000%	8.6000%	8.6000%	8.6000%	8.6000%	8.6000%	8.6000%
19	Required Operating Income	\$ 284,238,484	\$ 167,300,042	\$ 34,450,516	\$ 33,634,019	\$ 19,244,869	\$ 13,227,050	\$ 87,126	\$ 2,457,055	\$ 4,845,014	\$ 3,850,999	\$ 170,320	\$ 2,345,673	\$ 2,338,563	\$ 187,732	\$ 99,505
20	Operating Income Deficiency	\$ 108,637,984	\$ 110,891,923	\$ 11,645,144	\$ (14,944,445)	\$ (5,220,515)	\$ 2,521,458	\$ 205,800	\$ 648,310	\$ 1,916,430	\$ 2,338,856	\$ (413,612)	\$ (892,493)	\$ (121,314)	\$ (268,310)	\$ 330,753
21	Revenue Conversion Factor	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214
22	Revenue Deficiency	\$ 174,819,118	\$ 178,446,133	\$ 18,739,245	\$ (24,048,447)	\$ (8,400,799)	\$ 4,057,504	\$ 331,172	\$ 1,043,254	\$ 3,083,899	\$ 3,763,663	\$ (665,581)	\$ (1,436,190)	\$ (195,217)	\$ (431,762)	\$ 532,245
23	Revenue Requirement	\$ 2,056,307,924	\$ 1,191,803,644	\$ 248,729,419	\$ 239,925,865	\$ 152,350,587	\$ 104,951,183	\$ 591,851	\$ 14,113,825	\$ 42,532,207	\$ 37,054,969	\$ 179,413	\$ 7,414,525	\$ 15,400,239	\$ 358,559	\$ 901,637
24	Revenues Other Than Rate Sch. R	\$ 43,479,500	\$ 29,267,131	\$ 4,497,395	\$ 3,073,838	\$ 1,683,293	\$ 1,665,843	\$ 13,255	\$ 221,057	\$ 471,248	\$ 1,395,349	\$ 1,316	\$ 1,027,299	\$ 145,143	\$ 3,646	\$ 13,688
25	Rate Schedule Revenue Requirem	\$ 2,012,828,424	\$ 1,162,536,513	\$ 244,232,024	\$ 236,852,026	\$ 150,667,294	\$ 103,285,340	\$ 578,597	\$ 13,892,768	\$ 42,060,959	\$ 35,659,620	\$ 178,097	\$ 6,387,226	\$ 15,255,097	\$ 354,914	\$ 887,949
26	Percentage Increase	9.5113%	18.1331%	8.3104%	-9.2175%	-5.2813%	4.0891%	133.8473%	8.1190%	7.9121%	11.7998%	-78.8904%	-18.3576%	-1.2635%	-54.8844%	149.6314%
Proposed Revenue Requirement																
27	Proposed Rate of Return	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%	8.60%
28	Proposed Operating Income	\$ 284,238,484	\$ 167,300,042	\$ 34,450,516	\$ 33,634,019	\$ 19,244,869	\$ 13,227,050	\$ 87,126	\$ 2,457,055	\$ 4,845,014	\$ 3,850,999	\$ 170,320	\$ 2,345,673	\$ 2,338,563	\$ 187,732	\$ 99,505
29	Operating Income Deficiency	\$ 108,637,984	\$ 110,891,923	\$ 11,645,144	\$ (14,944,445)	\$ (5,220,515)	\$ 2,521,458	\$ 205,800	\$ 648,310	\$ 1,916,430	\$ 2,338,856	\$ (413,612)	\$ (892,493)	\$ (121,314)	\$ (268,310)	\$ 330,753
30	Revenue Conversion Factor	1.6092	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214	0.6214
31	Revenue Deficiency	\$ 174,819,118	\$ 178,446,133	\$ 18,739,245	\$ (24,048,447)	\$ (8,400,799)	\$ 4,057,504	\$ 331,172	\$ 1,043,254	\$ 3,083,899	\$ 3,763,663	\$ (665,581)	\$ (1,436,190)	\$ (195,217)	\$ (431,762)	\$ 532,245
32	Percentage Increase	9.5113%	18.1331%	8.3104%	-9.2175%	-5.2813%	4.0891%	133.8473%	8.1190%	7.9121%	11.7998%	-78.8904%	-18.3576%	-1.2635%	-54.8844%	149.6314%
33	Rate Schedule Revenue Requirem	\$ 2,012,828,424	\$ 1,162,536,513	\$ 244,232,024	\$ 236,852,026	\$ 150,667,294	\$ 103,285,340	\$ 578,597	\$ 13,892,768	\$ 42,060,959	\$ 35,659,620	\$ 178,097	\$ 6,387,226	\$ 15,255,097	\$ 354,914	\$ 887,949
34	Revenue to Revenue Requirement	0.91	0.85	0.92	1.10	1.06	0.96	0.43	0.92	0.93	0.89	4.74	1.22	1.01	2.22	0.40 1.32
35	Adjusted Revenue to Revenue Req	1.00	0.93	1.01	1.21	1.16	1.05	0.47	1.01	1.01	0.98	5.19	1.34	1.11	2.43	0.44 1.45